

Annual Report 2008





Timeline

» 1986 – 2008



Contents

Super Group Limited

(Incorporated in the Republic of South Africa)

Registration number 1943/016107/06

ISIN number: ZAE000011334

Share code: SPG

- 1986** » Super Group founded 4 December 1986 by Larry Lipschitz.
- 1987 – 1991** » Purchased truck rental company Super Rent; established Super Fleet (now Fleet Africa), Super Move (now Supply Chain Partners) and Midway Truck Centre (now Herman's Truck Accident Repairs).
- 1990** » Alex Carrier's 105 truck-trailers acquired.
- 1996** » Super Group, the largest privately owned transport group, listed on the JSE.
- 1996** » Reverse takeover of Motorlink, resulted in the acquisition of the group's initial dealerships.
- 1996 – 1997** » Acquisition of largest cross-border transport business in sub-Saharan Africa (now part of Supply Chain – Africa Division).
- 1998** » Acquired the automotive parts businesses (AutoZone) of listed Chariott Holdings.
- 2001 – 2002** » Disposal of non-core business – BBR Security which the group had grown into the number one player in the security industry.
- 2003** » Micor, TAL, Sherwood and Automotive businesses acquired from listed DNA Investments Limited.
- 2004** » Acquired Commonwealth Fleet Leasing (now sgfleet Australia) and Mica, South Africa's leading retail brand in the "do-it-yourself" sector.
- 2004** » Peu Group acquired 25,1% of Super Group, making it the most empowered company in the JSE Transport Sector.
- 2005** » Acquisition of SMB Fleet Management, the leading novated lease player in Australia.
- 2006 – 2007** » Formation of Super Group Industrial Products (SGIP), a commercial vehicle and equipment business.
- 2007** » sgfleet acquired the largest Commercial Fleet leasing business in Australia and expands into the United Kingdom and New Zealand.
- 2008** » Awarded Level 4 BBBEE status and ranked eighth overall of the Top Empowered Companies on the JSE.
- 2008** » Super Group recognises 21 years in business.

IFC Profile, goals and core values

- 1** Planned objectives
- 2** Financial highlights
- 3** Success factors
- 4** Group structure
- 5** Areas of operation
- 6** Group at a glance
- 8** Directorate
- 10** Chairman's statement
- 12** Chief executive officer's statement
- 16** Ten-year review
- 20** Financial ratios
- 22** Chief financial officer's review
- 34** Operational review
- 56** Sustainability report
- 68** Corporate governance report
- 77** Annual financial statements
- 156** Analysis of shareholders
- 158** Administration
- 159** Shareholders' diary



www.supergroup.co.za

» Profile

Super Group is a broad-based supply chain management business. Supply chain management spans all movement and storage of raw materials, work-in-progress inventory, and finished goods from point-of-origin to point-of-consumption. Our businesses encompass the planning and management of all activities involved in sourcing, procurement, and logistics management. This is possible through coordination and collaboration with our valued channel partners, be they suppliers, intermediaries, third-party service providers, or customers. In essence, Super Group integrates supply and demand management within and across companies.

Super Group's primary operating activities comprise four business divisions:

- › **Supply Chain Management**
- › **Retail Supply Chain**
- › **Automotive**
- › **Fleet Solutions**

» Purpose statement

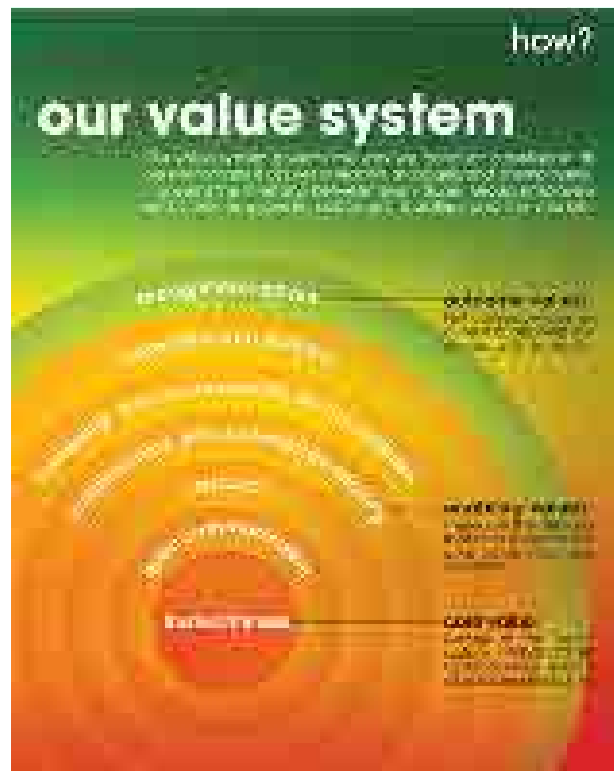
Passionate about our customers' success, we partner them in an unwavering commitment to the quick and reliable fulfilment of their delivery promises. This, while not core to their business, is critical to their offering.

We take custody of our customers' supply chains, providing strategic, competitive and value added solutions to their product and service offerings. With fresh ideas and an innovative suite of offerings, we fulfil our customers' delivery obligations in ways that cement trusting relationships between them and their customers.

» Value statement

We consistently act in a trustworthy manner affirming our integrity and encouraging open communication. This builds mutual professional respect that fosters collaboration and the sharing of knowledge across our teams and businesses.

This environment cultivates high levels of ownership and accountability for the execution of our purpose and ignites a self-perpetuating cycle of new thinking and innovation: recognition and fun are inevitable.





» *Operational excellence*

- › Super Group's goal is to be the market leader in the industries in which we operate.
- › We will continue investing in our long-term improvement programme, equipping our people with skills required to productively achieve more with less.

» *Growing with passionate people*

- › Super Group will attract and retain people in our teams that are passionate and have values that are congruent with our value system.
- › The group is a firm believer in the maxim that an organisation is only as good as its people. In the year ahead, we will further invest in learning and development for our people.
- › We will embed new performance management system.

» *Organisational growth*

- › We will expand our physical and logistical infrastructure into Africa and build upon our objective to be Africa's Logistics Giant.
- › Super Group will strive through an intimate understanding of our customers' tangible and intangible needs to deliver superior growth.
- › We will implement restructuring and cost cutting measures to weather the current economic cycle.
- › We are committed to improving and enhancing our working capital management techniques.

» *Embracing transformation*

- › We are committed to maintaining our Level 4 BBEE status.
- › Improved systems and processes to capture the progress made on BBEE will be implemented.
- › Super Group is committed to responsibly maintaining a mixture of business skills and experience in the composition of our directorate whilst complying with international corporate governance best practices.

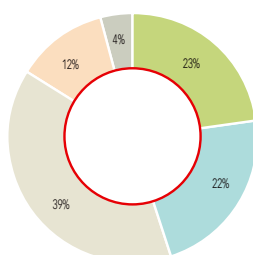


"Africa's Logistics Giant"
contextualises our growth strategy
and describes what it is we are trying
to achieve as a group.

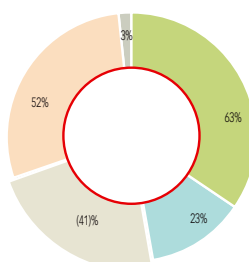
Financial highlights

	Year ended 30 June 2008 R000	Restated Year ended 30 June 2007 R000
Revenue	12 413 979	11 575 046
Trading profit	581 680	864 605
Trading margin (%)	4,7	7,5
Operating profit	523 176	848 804
Operating margin (%)	4,2	7,3
Headline earnings	42 351	395 420
Headline earnings per share (cents)	11,9	111,3
Cash generated from operations	1 138 863	838 620
Total assets	10 729 609	9 277 662
Total equity	2 264 938	2 195 352
Net debt	3 775 442	3 076 087
Net borrowings excluding full maintenance lease borrowings and non-recourse debt	1 562 984	1 433 720
Net asset value per ordinary share (cents)	561,8	589,4

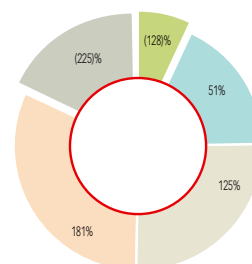
Revenue »



Trading profit »



Net working assets »



	Revenue		Trading profit		Net working assets	
	R millions 30 June 2008	R millions 30 June 2007	R millions 30 June 2008	R millions 30 June 2007	R millions 30 June 2008	R millions 30 June 2007
Supply Chain Management	2 875	2 596	366	340	141	801
South Africa	2 588	2 350	336	331	(124)	636
Africa	287	246	30	9	265	165
Retail Supply Chain	2 726	2 557	135	130	617	567
AutoZone	1 650	1 535	85	80		
Mica	1 076	1 022	50	50		
Automotive	4 846	4 874	(238)	119	502	779
Dealerships	3 700	3 891	73	156		
Industrial Products	1 146	983	(311)	(37)		
Fleet Solutions	1 527	1 201	300	259	(625)	(266)
FleetAfrica	954	739	206	171		
sgfleet	573	462	94	88		
Services	440	347	19	16	(357)	(1 423)
	12 414	11 575	582	864	278	458



» *Track record*

- › Africa's Logistics Giant
- › Consecutive revenue growth for 22 years
- › Compound revenue growth of 20,9% over 12 years
- › Compound trading profit growth of 16,2% over 12 years
- › Superior operating margins

» *Competitive edge*

- › Continued implementation of a unique differentiating business philosophy
- › Leading market positions in most of our business sectors
- › High-growth industry businesses and initiatives
- › Diversified client base
- › Geographically diverse
- › Global demand for supply chain technology solutions
- › New management team in place
- › Diverse business with inter-business collaboration

» *Financial strengths*

- › Improving financial controls
- › High cash-generation capability
- › Renewal of annuity-based business
- › Trading gearing set to reduce to 35%
- › Credit rating re-affirmed during year
- › Balance sheet restructuring underway

» *Good governance*

- › Committed to transformation initiatives – Ranked top empowerment company in the transport sector
- › Subscribe to principles of high standards of corporate governance
- › Implementation of an Asset and Liabilities and Investment Committee
- › Emphasis on risk-based management

» *Revenue of R12,4 billion*

Strong revenue growth of 7%

» *R582 million*

Trading profit

» *Rights issue proceeds
of R510 million*

» *Trading gearing
set to reduce to 35%*

» *11,9 cents
Headline earnings per share*

» *R1,1 billion
Cash generated from operations*

» *R10,7 billion
Total assets*



»»
Supply Chain Management



South Africa



Africa

»»
Retail Supply Chain



AutoZone



Mica

»»
Automotive



Dealerships



Industrial Products

»»
Fleet Solutions

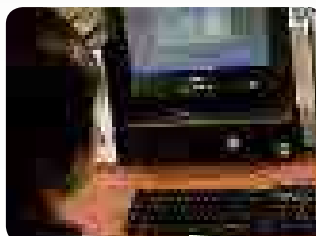


FleetAfrica

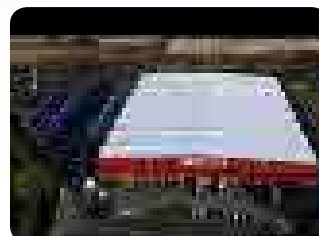


sgfleet (Australia)

»»
Corporate Services



Insurance



Group Treasury and Property

Super Group has its head office in Johannesburg, South Africa, with group companies in numerous African countries, Australia, New Zealand and the United Kingdom.

The group has a global workforce of approximately 8 900 people.

- | | |
|--------------------------------|-------------------------|
| 1 Angola | 15 New Zealand |
| 2 Australia | 16 Niger |
| 3 Bahrain | 17 Nigeria |
| 4 Botswana | 18 Oman |
| 5 China | 19 Saudi Arabia |
| 6 Democratic Republic of Congo | 20 Senegal |
| 7 Ethiopia | 21 South Africa |
| 8 Ghana | 22 Swaziland |
| 9 Lesotho | 23 Tanzania |
| 10 Malawi | 24 Uganda |
| 11 Mali | 25 United Arab Emirates |
| 12 Mauritius | 26 United Kingdom |
| 13 Mozambique | 27 Yemen |
| 14 Namibia | 28 Zambia |
| | 29 Zimbabwe |



Group at a glance

Division »	<i>Supply Chain Management South Africa – page 36</i>	<i>Supply Chain Management Africa – page 40</i>
Incorporating »	Automotive Supply Chain, FMCG, Staple and Freight, Rentrak, Super Rent, VSc Solutions, Sherwood, Micor, TAL and Hala Supply Chain Services	GDC, Whelson and Interorg
Overview »	The South African operations of our Supply Chain Management Division, provides dynamic supply chain solutions by integrating operational excellence (management of assets) with appropriate, proven technology and ongoing innovation to create tangible value for customers. Our aim within these businesses is to build world-class competencies in supply chain management.	The African Supply Chain Management business provides long-distance, cross-border transport and related services in the Democratic Republic of Congo, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe.
Areas of operation »	<i>South Africa, Africa, Middle East and the United Kingdom</i>	<i>Sub-Saharan Africa</i>
Revenue (R millions) Trading profit (R millions) Trading margin (%)	2 588 336 13,0	287 30 10,5
Size and scope »	» 2 550 employees » 2 077 contract staff » 2 800 vehicle fleet » 207 000m ² warehousing	» 1 314 employees » Sub-Saharan fleet of 500 vehicles » Over 20 million km's travelled



Retail Supply Chain

Page 42

Automotive

Page 46

Fleet Solutions

Page 50

AutoZone, Mica, Elpar and AutoPro

Dealerships and Industrial Products

FleetAfrica, FleetAfrica Eastern Cape, sgfleet Australia, sgfleet New Zealand and sgfleet United Kingdom

AutoZone distributes and retails parts to the automotive aftermarket through a national footprint of 167 stores, of which 70 are member-owned (franchise) AutoZone branded stores. AutoZone has the widest range of parts for passenger and commercial vehicles in SA.

Mica is the leading brand in the "do-it-yourself" market in South Africa with a presence in certain African countries. With 181 stores nationwide, Mica has a large footprint of DIY and hardware outlets in South Africa.

The Dealership business comprises 17 passenger, and three commercial dealerships in South Africa, with the majority located in Gauteng. It represents the major vehicle brands in South Africa.

Super Group Industrial Products (SGIP) imports, assembles and distributes quality commercial and industrial vehicles and yellow equipment at competitive prices.

The Fleet Solutions business, with operations in South Africa, Australia, New Zealand and the United Kingdom, focuses on the 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.

South Africa and other African countries

South Africa and other African countries

South Africa, Australia, New Zealand and the United Kingdom

2 727
135
5,0

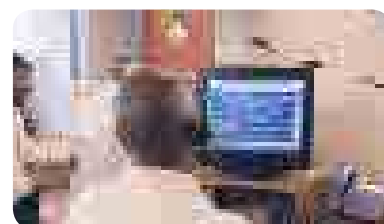
4 846
(238)

1 527
300
19,6

- » 2 374 employees
- » 167 AutoZone stores
- » 181 Mica stores
- » 338 000m² retail space
- » 27 200m² warehousing

- » 1 800 employees
- » 17 200 vehicles sold through Super Group Dealerships
- » 623 vehicles and 450 units of equipment sold through Super Group Industrial Products

- » 752 employees
- » 134 800 vehicles under management
- » Third largest fleet management company in Australia
- » First in Australian commercial fleet market and novated leasing



» Executive directors

» Composition of board sub-committees

» Audit Committee

Sam Abrahams
(Independent Chairman)
Phillip Vallet
Busi Tshili

» Deal Committee

Sam Abrahams
(Independent Chairman)
Peter Malungani
Dheven Dharmalingam
Larry Lipschitz

» Risk Committee

Busi Tshili (Chairperson)
Suleman Badat
(Independent member)
Dheven Dharmalingam
Larry Lipschitz

» Remuneration Committee

Peter Malungani (Chairman)
Sam Abrahams
Phillip Vallet

» Board composition

50% black

17% female

33% executive

17% independent non-executive

67% non-executive



1 **Larry Lipschitz** (47) »

Chief Executive Officer

MB BCh, MBA

Member of Risk and Deal Committee.

Larry founded Super Group in 1986 and under his leadership Super Group grew into the largest privately owned transport company in South Africa prior to its listing in 1996. Larry successfully managed Super Group's transition into an integrated supply chain management business. Larry continues to drive the group's strategy and vision.



2 **Dheven Dharmalingam** (43) »

Chief Financial Officer

CA(SA)

Member of Risk and Deal Committee.

Dheven was a partner at Andersen and KPMG prior to joining Super Group in April 2004. He joined the board in November 2004 and was appointed Chief Financial Officer in January 2005. Dheven is also responsible for the group's insurance businesses, investor relations and the corporate affairs portfolio.

» Non-executive directors



3 **Peter Malungani** (50) »

Non-executive Chairman
BCom, MAP, LDP

Chairman of Remuneration Committee and member of Deal Committee.

Peter is the executive chairman and founder of Peu Group. Peter is also the Chairman of Phumelela Gaming and Leisure Limited. In addition, Peter is a director on the Boards of Investec Limited, Investec Bank Limited and Investec Plc. He holds directorships in a number of Peu subsidiaries. He is an adviser to a number of government and non-governmental organisations. Peter joined the board in 2001 and was appointed Chairman in November 2004.



4 **Phillip Vallet** (62) »

Non-executive Deputy Chairman

BA LLB

Member of Audit and Remuneration Committee.

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. Phillip is currently a non-executive director of Caxton and CTP Publishers and Printers Limited, Spescom Limited, Independent Financial Services Limited, Myriad Medical Holdings Limited, Celcom Group Limited and various other private companies.



5 **Sam Abrahams** (70) »

Independent non-executive Director

FCA, CA(SA)

Chairman of Audit and Deal Committee and member of Remuneration Committee.

Sam retired from Arthur Andersen and Co as the Country Managing Partner in 1996 after 40 years in the accounting profession. Sam is currently a non-executive director of Investec PLC, Investec Limited and Foschini Limited. Sam is the Chairman of the Bluefin Limited board. He also holds directorships in various private companies. Sam joined the board in 1997.



6 **Busi Tshili** (44) »

Non-executive Director
CA(SA)

Acting Chairperson of the Risk Committee and member of Audit Committee.

Busi is the current Financial Director of Peu Group. She joined the board in November 2004. Busi is currently a non-executive director of Investec Bank Limited. She holds directorships in a number of Super Group and Peu subsidiaries.

Chairman's statement

- » *Super Group as a whole is profitable in very difficult times*
- » *Super Group's businesses will play a key role in supporting and capitalising on the growth of commerce into Africa*



» **Peter Malungani**
Chairman

Group results

This has been one of the most difficult years in Super Group's history, not only because of the discovery of accounting irregularities and fraud in one of our businesses, but due to very tough trading conditions locally and internationally. Because of these two factors, I am disappointed to have to report that we have not achieved the results our shareholders have come to expect of Super Group.

We take some comfort from the fact that this is the first time we have had a problem of this nature in 21 years. I also feel confident that we have investigated thoroughly the cause of the accounting irregularities and have responded swiftly to rectify policy, process and system deficiencies and deal with people issues. This applies to the business in question and to the broader group to ensure that there cannot be a repeat of this situation.

Although this is a low point in the history of the group, I believe that we should not be judged by how far we have fallen back, instead we should be judged by the progress we make going forward and the value this business can create for its shareholders.

Economic review and outlook

Subsequent to our year end and prior to the planned release of our financial year results in September 2008, it was necessary to provide a trading update. At the time of our trading update, the environment was characterised by market observers as presenting "tough trading conditions". Other companies have released trading updates following ours. All of this reflects the slowdown in consumer spending and a tightening in our economy and in the global economy at large. Economic cycles are a part of life and although we take strain during a down cycle, we emerge as better individuals and stronger companies.

I believe that South Africa's economic fundamentals are good and that the economy continues to be governed by sound economic principles. Although the global financial crisis has far-reaching impact, our financial institutions and the businesses they support in Africa are relatively unaffected. Although I anticipate that we will continue to see tough trading conditions for some time in the markets in which we operate, we will still benefit from underlying growth and opportunities in these emerging markets.

Demand for natural resources in Africa is a long-term trend that will result in significant growth in commerce in African countries. We continue to see the expansion of telecommunications infrastructure and financial services

Economic cycles are a part of life and, although we take strain during a down cycle, we emerge as better individuals and stronger companies.

into Africa on the back of the drive for resources. As retail businesses expand to take advantage of new consumer groups in Africa, including our own Mica and AutoZone businesses, supply chain expertise becomes a key enabler. I believe that Super Group's businesses will play a key role in supporting and capitalising on the growth of commerce into Africa.

Sustainable development

We view transformation as a business imperative that will enable Super Group to grow its businesses and maintain its leadership in the sectors in which we operate. In 2008, I am delighted to report that Super Group achieved level 4 Broad-based Black Economic Empowerment (BBBEE) status and Super Group was confirmed as the most empowered company in the JSE transport sector. Super Group was also ranked the eighth most empowered company of the top empowered companies on the JSE. These are significant achievements that demonstrate the forward-thinking perspective and commitment of the group to be a leader in BBBEE adoption and implementation. I firmly believe that Super Group has the momentum and commitment to continue to create shareholder value and social and economic upliftment going forward for current and future stakeholders.

Governance

The board is ensuring that all divisions apply the lessons learned from the findings of the accounting investigation. Super Group has always sought to implement high standards of corporate governance, and we are determined to ensure group-wide adherence to these standards.

The board is committed to responsibly maintaining a mixture of business skills and experience relevant to the company, whilst complying with corporate governance requirements in respect of matters such as balance of executive, non-executive and independent directors of the board.

The group will continue to invest in developing existing management potential and recruiting high-calibre management to lead its businesses, divisions and functions.

Outlook

Super Group is a highly entrepreneurial business that has grown substantially from its inception 21 years ago. In the past 12 years, since its JSE listing, Super Group has grown revenue and trading profit at compound rates of 20,9% and 16,2% respectively. Over the same period, Super Group has generated cash at a compounded growth rate of 19,25%.

Super Group has the history, management talent and businesses to generate significant future value. In the short term, the emphasis is on driving performance in a tough market and restoring confidence amongst our stakeholders. I believe that the management and employees of Super Group have the competence and desire to do this.

Subsequent event

Subsequent to year end, a potential exposure in Super Group Industrial Products (SGIP) to trade receivables and inventories of R197,4 million was identified. Despite significant and continuing effort to recover these amounts the board has decided to provide fully for this exposure in the current financial statements.

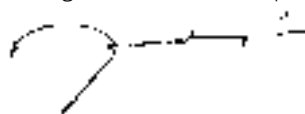
Acknowledgements

On behalf of the board I want to recognise the efforts of the excellent teams of hardworking, enthusiastic and passionate staff. Despite all the hard work, it is, however, disappointing that the results we have achieved have fallen short of expectations. This means that we need to redouble our efforts – not necessarily simply to work harder, but to act smarter in what we do and the individual and collective value we contribute each and every day.

I thank my fellow board members for their constructive contributions and counsel during the year and the dedicated chairmen of the respective board committees who fulfilled their roles admirably. I do also want to thank you in advance for your efforts in supporting the management and employees of the group to ensure that we all put in the extra effort needed to restore the levels of performance we should achieve.

Conclusion

Our group is working through the toughest series of challenges it has ever faced. We were one of the first companies into a recessionary cycle and we have been joined by many other companies that now face similar, and in some cases, worse, situations. The good news is that we responded quickly and decisively and we are already seeing positive outcomes from the early decisions we have taken. There is no doubt we are only at the start of this journey, but I believe we have the capability and resolve to see this through and to restore the performance we all desire.



» **Peter Malungani**
Chairman

Chief Executive Officer's statement

- » *Three out of our four divisions increased profitability*
- » *Fundamental restructure of balance sheet by reducing gearing and improving our financial flexibility*
- » *Management team strengthened*



» **Larry Lipschitz**
Chief Executive Officer

CEO's perspective

The challenges we face, as a company and in the national and global economies, made 2008 a decisive year for Super Group. We have already addressed some of the challenges, including the irregularities in one of our divisions, and have begun implementing a strategy to position the group to weather the downturn and to identify and take advantage of opportunities that may arise.

The impact of these challenges on our 2008 financial performance was such that, for the first time in 21 years of business, and 12 years as a publicly listed business, I am not proud of our results. However, this needs to be viewed in the context that the group reported that three out of our four divisions increased profitability despite difficult economic conditions.

While it is easy to find excuses or to explain away the challenges we face at Super Group by blaming the economy or other factors, some of these challenges have been of our own making. I am certain that we have the ability and the resolve to rise to, and to overcome, the challenges that we face.

One of the most important steps in our recovery plan concerns the impact of measures taken after the financial year end to significantly reduce our borrowings. Our trading gearing (the ratio of debt to equity in our business) was reduced from 77% in December 2007 to 72% at financial year end in June 2008. Since then, based on the June 2008 results, it has been reduced further to 35% with additional improvements in working capital management, the proceeds of some property sales and our rights offer. These steps have resulted in a fundamental restructure of our balance sheet by reducing gearing, lowering the group's financial leverage

We are at a pivotal point in the group's history with a mixed bag of positive and negative events, opportunities and happenings. I believe that focusing on the positive and on our future prospects, coupled with a firm footing in the reality of the challenges we face today and a clear plan of execution, is the only way to move forward.

and providing additional resources to improve our financial flexibility. I believe these are necessary and prudent steps in light of the current credit market and the expectation that trading conditions are likely to remain tough for the foreseeable future and may even worsen.

At the same time as releasing our financial results, we also informed shareholders of the outcome of the accounting investigation into irregularities and potential fraud at Super Group Industrial Products (SGIP). These irregularities reduced earnings for 2008 and necessitated a restatement of the group's 2007 financial results. A summary of the findings and the resultant actions is provided on page 14.

While the irregularities are serious, and have required a significant amount of attention and rectification, they should also be viewed in proportion to the size and performance of the group as a whole. Super Group is a large and established business, with market leadership in five out of eight business units and a problem in only one of eight business units. That problem has been quantified and decisive action has been taken to rectify the situation. Super Group is a R12,4 billion cost-conscious, profitable and cash-generating business with some 8 900 employees.

Trading environment

The turmoil of the sub-prime credit crisis that affected us so badly in 2008 has wreaked havoc on global markets and wiped trillions of dollars of value from companies around the world. We can take cold comfort from that fact that we are not alone in being challenged by current market and financial issues. We reacted immediately, developed a strategy and put in place action plans to deal with the situation. The implementation of this strategy is well advanced and is already delivering results. We, however, still have a long way to go.

In particular, we have significantly reduced our gearing in the light of the global financial crisis. We gave our commitment to reduce our gearing and we are delivering on this pledge.

Our largest division by trading profit, Supply Chain Management (SCM), increased operating profit despite challenging trading conditions in 2008, and expects a further increase in operating profits in the 2009 financial year. SCM provides supply chain solutions nationwide for some of South Africa's leading companies and the business has a number of new client operations currently under consideration.

The African Transport operations have produced solid growth and exceeded budget. The growth in mining activities in the Democratic Republic of Congo and the Zambian copper belt should support good growth in the business, which is well positioned to benefit from the expected growth in the commodities market. This is, however, dependent on commodity prices and cycles.

Both AutoZone and Mica have achieved operating profit growth and are focusing on maintaining margins through further efficiencies and synergies. Both businesses are implementing five-year plans that combine outlet modernisation and marketing efforts with projects to improve operational efficiency and effectiveness. We expect these actions to deliver improvements to performance. However, these gains will likely be offset by the very tough trading conditions we expect in this sector, particularly for Mica.

The Automotive Dealerships division is under extreme pressure due to an unprecedented reduction in consumer spending on new and used vehicles. This industry-wide issue was slightly offset by a strong performance in the parts and service operations. Super Group Industrial Products

produced a strong top-line performance although delays in product launches, initial quality and operational difficulties have resulted in trading losses being incurred. A revised plan has been developed and is being implemented. This will be reviewed in the next six to 12 months.

Fleet Africa increased revenue and trading profit with vehicles under management increasing by 28% to 68 800. sgfleet Australia increased vehicles under management by 24% to 66 000 with revenue growth in line with the fleet expansion, although growth in trading profit was limited due to margin pressure and start-up costs of expansion projects. Fleet Australia has successfully bedded down the acquisition of National Australia Bank's commercial fleet business, which now has over 6 100 commercial vehicles under our management.

Accounting adjustment and restatement of accounts

The board appointed independent auditors, Ernst & Young, to investigate and report on accounting irregularities in SGIP. The final report was received on 10 September 2008 and the board met on 12 September 2008 to discuss the findings.

The report highlighted irregularities in SGIP's balance sheet and expense controls that led to unbudgeted losses. Ernst & Young attributed the issues to rapid growth of a new business, over-emphasis on sales, an under-emphasis on back-office control, overriding of accounting procedures, and fraud.

Subsequent to year end, a potential exposure in SGIP to accounts receivable in Angola of R97,1 million and inventory exposure of R100,3 million was identified. Despite significant and continuing efforts to recover these amounts the board of directors has adopted the prudent view in deciding to fully impair these exposures. The exposure relates to the failure of a partner in Angola to meet contractual obligations to SGIP. Action is being taken in South Africa and internationally to recover these amounts.

We have taken, and continue with, a number of actions to restore profitability and improve operational efficiencies at SGIP including:

- » Suspending five individuals during the investigation (all of whom subsequently resigned)

- » Dismissal of senior management involved with the Angolan exposure
- » Appointing new management to lead the SGIP division and the cranes business
- » Strengthening control policies and systems at SGIP, and continuing to review these throughout the group
- » Taking action to recover losses arising from fraud
- » Pursuing criminal and civil action where appropriate.

A revised strategic plan for SGIP is in place to achieve profitability over the next 24 months. It is anticipated that construction industry demand will continue to drive opportunities in heavy commercial vehicles and cranes over the medium term.

Management and employees

As part of our recovery and future growth plan we are strengthening further our management team with the appointment of several new people and transitioning of existing executives to key positions, specifically:

- » New Group CFO
- » New Group COO
- » New Divisional CEO – Supply Chain Management
- » Division Chairman – Supply Chain Management
- » Executive Director – Commercial
- » New CEO and CFO – SGIP

We are committed to building the best team in Super Group to achieve our vision of becoming Africa's Logistics Giant and I believe that the individuals in these new leadership roles have much to contribute as members of our team.

At times like these, the pressure of driving a business recovery will either make or break the team and its individual members. We expect staff members to seize the opportunity and rise to the challenge. It is in difficult times that true leadership is revealed. These leaders will, in my mind, make their careers by transforming the adversity we face into opportunities for our business, for their fellow team members and for themselves.

It remains for each and every one of our employees to pull together, focus on the business and maintain exceptional customer service and delivery. We need to remain focused on our daily role in our interactions with our customers, suppliers and fellow staff members across our business divisions.

Prospects

I have had the opportunity to reflect after the completion of our presentation of our 2008 annual results and the subsequent face-to-face discussions with our shareholders and the broader investor community. I personally found the presentation of our results both challenging and reassuring. It was challenging because they were not the results I would have wanted to present and were difficult to present.

It was reassuring because our major shareholders are behind us, they support the steps we are taking and share our view that we can restore our performance and reputation in the market.

We are responding to the challenge of the toughest trading conditions we have ever experienced and believe these will continue for at least the next 12 to 18 months. In fact these are times I never believed we would experience. Some businesses are experiencing worsening trading conditions such as Dealerships, SGIP and Mica. SGIP is at least a two-year turnaround journey. It is therefore difficult to predict the next 12 months' results with any confidence.

The management and employees of Super Group are committed to restore our performance and reputation as a leader in the market and these results should be seen in the 2010 financial year end.

Appreciation

I would like to thank my fellow directors for their support, hard work and contribution over the past year. I would like to thank especially the non-executive directors for their wisdom and experience in coaching us through the many challenges of the past year and for the important role they play on the various committees.

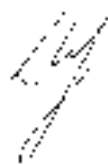
Our management and staff deserve recognition and my thanks for their energy, effort and dedication in servicing our customers and driving our business. This thanks is particularly relevant given the challenges and adversity many of our staff members have faced.

I would also like to thank our shareholders for their continued support and confidence, especially at a time when this is most needed.

Finally, I would like to express my appreciation to our customers and suppliers for their support.

Conclusion

All companies go through their challenges and hardships and we are at a pivotal point in the group's history with a mixed bag of positive and negative events, opportunities and happenings. I believe that focusing on the positive and on our future prospects, coupled with a firm footing in the reality of the challenges we face today and a clear plan of execution is the only way to move forward. I want to assure shareholders that the strengthened Super Group executive team, under my stewardship, has that clear plan and is already taking action to recover and restore our rightful position in the market.



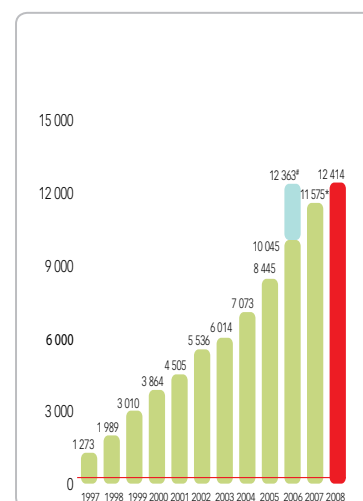
» **Larry Lipschitz**

Chief Executive Officer

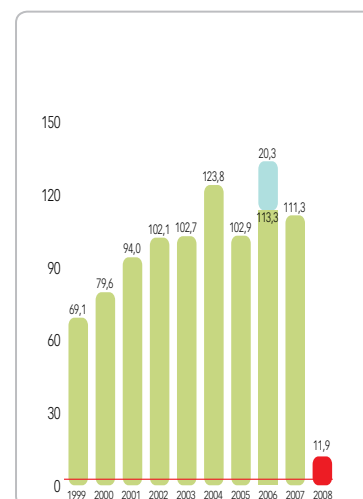
	Year ended 30 June 2008 R000	Restated Year ended 30 June 2007 R000	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2006 ¹ R000	Year ended 31 March 2005 ¹ R000
INCOME STATEMENTS					
Revenue	12 413 979	11 575 046	12 363 153	9 858 532	8 444 942
Trading profit ³	581 680	864 605	888 978	724 035	636 725
Capital items	(58 504)	(15 801)	(77 826)	(57 192)	(55 207)
Impairment of goodwill, property, plant and equipment and intangibles	(48 560)	(3 603)	(26 700)	(20 113)	(27 404)
Impairment of investments	–	–	(34 091)	(30 186)	–
Costs incurred on unsuccessful business combination	(3 438)	(5 321)	(7 793)	–	–
Net (loss)/profit on disposal/closure of businesses	(6 506)	(6 877)	(9 242)	(6 893)	(27 803)
Operating profit	523 176	848 804	811 152	666 843	581 518
Net finance costs	(477 151)	(353 832)	(275 029)	(199 824)	(153 328)
Share of profit of associates (net of taxation)	2 275	4 708	5 544	4 755	6 775
Profit before income tax	48 300	499 680	541 667	471 774	434 965
Income tax expense	(42 009)	(90 681)	(110 511)	(96 316)	(103 220)
Profit for the period	6 291	408 999	431 156	375 458	331 745
Attributable to minority shareholders	22 444	29 380	32 298	28 068	28 901
Attributable to equity holders of Super Group Limited	(16 153)	379 619	398 858	347 390	302 844
CASH FLOW STATEMENTS					
Cash generated from operations	1 138 863	838 620	1 147 054	683 244	536 058
Finance charges, tax and dividends paid	(761 733)	(592 171)	(481 577)	(374 739)	(334 855)
Net cash retained from operating activities	377 130	246 449	665 477	308 505	201 203
Net cash (outflow)/inflow from investing activities	(948 013)	(1 129 655)	(1 208 028)	(1 042 642)	(955 986)
Net cash inflow/(outflow) from financing activities	343 224	452 751	483 017	445 991	1 387 848
Net (decrease)/increase in cash and cash equivalents	(227 659)	(430 455)	(59 534)	(288 146)	633 065
Cash and cash equivalents at beginning of period	442 488	841 882	902 038	902 038	268 322
Effect of foreign exchange	29 968	11 061	(622)	(762)	651
Net cash and cash equivalents at end of period	244 797	422 488	841 882	613 130	902 038
ADDITIONAL INFORMATION					
Earnings before interest, tax, depreciation and amortisation and capital items	1 019 716	1 205 520	1 195 359	944 137	875 506
Headline earnings	42 351	395 420	476 684	404 582	358 051
Dividend per ordinary share (cents)	40,0	40,0	37,0	37,0	32,0
Basic earnings per share (cents)	(4,5)	106,9	111,8	97,3	87,0
Headline earnings per share (cents)	11,9	111,3	133,6	113,3	102,9
Diluted earnings per share (cents)	(4,3)	100,4	106,8	93,0	83,1
Diluted headline earnings per share (cents)	11,3	104,6	127,6	108,3	98,3
Net tangible asset value per share (cents) ⁴	121,0	214,0	195,6	211,2	260,2
Closing share price (cents)	512	1 519	1 200	1 280	1 040
Market capital (million)	2 073	6 150	4 858	5 182	4 210

Year ended 31 March 2004 R000	Year ended 31 March 2003 R000	Year ended 31 March 2002 R000	Year ended 31 March 2001 R000	Year ended 31 March 2000 R000	Year ended 31 March 1999 R000
7 072 796	6 013 946	5 536 447	4 505 319	3 864 337	3 000 968
593 918	449 200	447 580	381 152	336 575	274 016
(31 639)	(53 128)	(127 538)	177 141	(35 422)	75 829
(31 639)	(11 290)	(11 524)	(3 900)	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	(41 838)	(116 014)	181 041	(35 422)	75 829
562 279	396 072	320 042	558 293	301 153	349 845
(102 940)	(47 935)	(62 149)	(50 358)	(89 993)	(54 819)
9 667	13 756	21 223	58 734	83 237	28 173
469 006	361 893	279 116	566 669	294 397	323 199
(87 274)	(73 107)	(71 054)	(62 110)	(51 153)	(28 032)
381 732	288 786	208 062	504 559	243 244	295 167
31 239	24 438	14 049	11 232	13 632	2 241
350 493	264 348	194 013	493 327	229 612	292 926
600 094	421 117	609 177	547 182	388 553	239 261
(259 656)	(144 252)	(156 871)	(110 610)	(114 437)	(69 646)
340 438	276 865	452 306	436 572	274 116	169 615
(705 222)	(618 022)	(115 197)	388 229	(331 694)	(634 618)
357 454	135 383	(333 267)	(279 000)	46 742	242 340
(7 330)	(205 774)	3 842	545 801	(10 836)	(222 663)
282 948	534 005	445 700	(103 624)	(92 788)	129 875
(7 263)	(45 283)	84 463	3 523	–	–
268 355	282 948	534 005	445 700	(103 624)	(92 788)
847 822	630 694	622 224	530 346	482 689	403 480
382 132	317 476	321 551	316 186	265 030	217 097
28,0	25,0	22,0	19,0	15,0	13,0
113,5	85,5	61,6	146,0	69,0	93,3
123,8	102,7	102,1	94,0	79,6	69,1
110,8	84,4	61,3	142,9	68,5	92,1
120,8	99,3	98,8	89,4	77,1	66,9
269,4	311,0	350,6	399,0	307,4	214,2
1 070	560	550	750	820	1 240
3 826	1 944	1 909	2 604	2 847	4 039

» Revenue (R million)



» Headline earnings per share (cents)



*15 month period ended 30 June 2006
*Restated

	Year ended 30 June 2008 R000	Restated Year ended 30 June 2007 R000	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2006 ¹ R000	Year ended 31 March 2005 ² R000
BALANCE SHEETS					
ASSETS					
Non-current assets					
Property, plant and equipment	957 295	1 503 174	1 247 150	1 184 664	819 450
Full maintenance lease assets	2 026 724	1 655 333	1 351 538	1 356 271	1 245 162
Goodwill and intangibles	1 574 797	1 338 335	1 060 902	1 035 357	860 352
Intangible assets ³	251 315	231 916	188 661	167 441	116 404
Investments in subsidiaries	–	–	–	–	–
Investments in associates	70 022	21 191	6 151	51 463	78 369
Investments and other non-current assets	230 373	167 554	131 674	131 663	117 966
Deferred tax assets	177 890	112 191	73 212	62 736	63 671
	5 288 416	5 029 694	4 059 288	3 989 595	3 301 374
Current assets					
Assets held-for-sale	668 381	–	–	–	–
Inventories	1 310 579	1 202 635	1 120 832	1 002 384	778 725
Trade and other receivables ⁴	2 619 172	2 362 896	1 861 946	1 616 132	1 297 933
Investments held-for-sale	–	–	40 312	–	–
Cash and cash equivalents	843 061	682 437	860 571	614 679	909 581
	5 441 193	4 247 968	3 883 661	3 233 195	2 986 239
Total assets	10 729 609	9 277 662	7 942 949	7 222 790	6 287 613
EQUITY AND LIABILITIES					
Capital and reserves	2 007 161	2 101 158	1 754 857	1 784 970	1 809 008
Compulsorily convertible debentures	–	–	–	–	–
Minority interest	257 777	94 194	142 819	131 870	110 987
Total equity	2 264 938	2 195 352	1 897 676	1 916 840	1 919 995
Non-current liabilities					
Full maintenance lease borrowings	1 122 669	1 005 575	804 062	877 315	369 983
Interest-bearing borrowings	1 703 743	1 026 585	1 768 250	1 746 187	1 361 041
Fund reserves	342 201	241 975	200 893	209 141	104 064
Deferred tax liabilities	209 186	223 054	198 234	237 196	193 079
	3 377 799	2 497 189	2 971 439	3 069 839	2 028 167
Current liabilities					
Bank overdrafts	618 264	259 949	18 689	1 549	7 543
Interest-bearing borrowings	499 961	1 150 054	217 081	70 510	58 802
Full maintenance lease borrowings	673 866	316 361	339 723	242 647	627 666
Trade and other payables ⁵	3 017 488	2 561 171	2 124 319	1 583 695	1 378 569
Income tax payable	81 378	101 125	70 032	117 344	84 458
Shareholders for dividends	587	696	2 357	719	841
Provisions	195 328	195 765	301 633	219 647	181 572
	5 086 872	4 585 121	3 073 834	2 236 111	2 339 451
Total equity and liabilities	10 729 609	9 277 662	7 942 949	7 222 790	6 287 613

Note: Financial results prior to the year 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

⁴ Includes insurance related assets

⁵ Includes insurance related liabilities

Year ended 31 March 2004 R000	Year ended 31 March 2003 R000	Year ended 31 March 2002 R000	Year ended 31 March 2001 R000	Year ended 31 March 2000 R000	Year ended 31 March 1999 R000
--	--	--	--	--	--

450 315	508 672	691 339	646 220	862 191	771 020
1 111 137	828 464	586 975	187 928	—	—
385 739	104 874	99 977	35 100	—	—
—	—	—	—	—	—
67 981	—	—	—	—	11 911
84 403	78 096	103 304	218 391	167 238	122 067
127 956	171 179	55 158	74 073	27 197	30 544
85 354	80 196	35 706	35 243	84 987	—
2 312 885	1 771 481	1 572 459	1 196 955	1 141 613	935 542

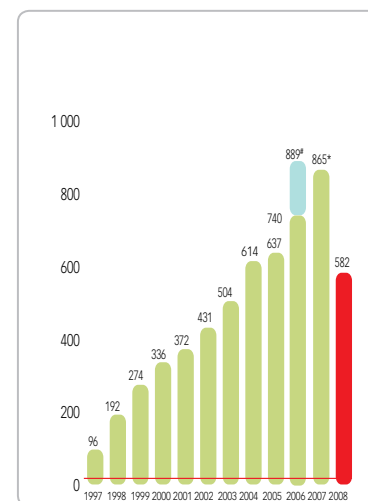
—	—	—	—	—	—
683 900	671 822	527 757	431 011	379 700	339 315
1 058 236	750 375	704 142	683 443	883 913	685 057
—	—	—	—	—	—
412 222	365 608	651 307	446 881	102 194	95 509
2 154 358	1 787 805	1 883 206	1 561 335	1 365 807	1 119 881
4 467 243	3 559 286	3 455 665	2 758 290	2 507 420	2 055 423

1 239 054	1 059 510	1 176 551	1 279 562	926 769	557 006
42 151	140 495	140 495	140 495	140 495	140 495
76 932	61 858	36 612	32 866	34 547	11 673
1 358 137	1 261 863	1 353 658	1 452 923	1 101 811	709 174

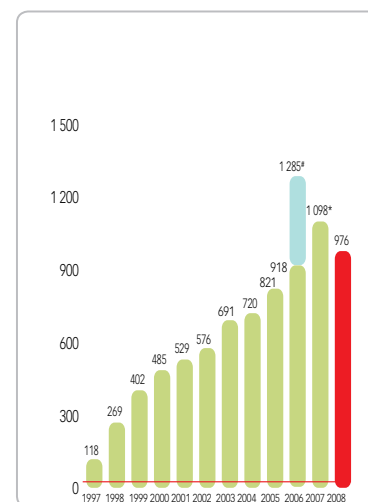
797 066	562 269	227 782	40 364	—	—
185 060	84 670	191 945	206 789	266 574	227 385
111 485	89 267	79 934	33 714	12 778	15 529
140 522	160 273	129 516	70 136	93 386	65 480
1 234 133	896 479	629 177	351 003	372 738	308 394

143 867	82 660	117 302	1 181	—	—
79 694	71 482	225 067	76 677	277 475	247 602
175 687	94 619	35 113	4 360	—	—
1 188 422	914 120	939 690	747 232	599 826	772 011
93 806	98 560	63 213	61 695	27 653	10 914
504	504	491	96	65 727	7 328
192 993	138 999	91 954	63 123	62 190	—
1 874 973	1 400 944	1 472 830	954 364	1 032 871	1 037 855
4 467 243	3 559 286	3 455 665	2 758 290	2 507 420	2 055 423

» Trading profit (R million)



» Operating cash flow (R million)



*15 month period ended 30 June 2006
*Restated

Financial ratios

				30 June 2008
Returns and profitability				
Trading margin	Trading profit		%	4,7
	Revenue			
EBITDA margin	EBITDA		%	7,7
	Revenue			
Return on capital employed	Operating profit + share of profit of associates		%	8,0
	Total equity and liabilities – non-interest-bearing current liabilities – cash			
Return on equity	Headline earnings		%	1,9
	Average total equity (excluding debentures)			
Return on total assets	Operating profit + share of profit of associates		%	5,3
	Average total assets			
Productivity/efficiency				
Asset turn	Revenue		times	1,2
	Average total assets			
Net working capital to revenue	Inventories + trade and other receivables – trade and other payables		%	7,3
	Revenue			
Liquidity				
Current ratio	Current assets		:1	1,1
	Current liabilities			
Quick ratio	Current assets – inventories		:1	0,8
	Current liabilities			
Debt leverage				
Interest cost cover	Operating profit		times	1,1
	Net finance costs			
Gearing – including FML	Interest-bearing borrowings – net cash		%	166,7
	Total equity			
Gearing – excluding FML	Interest-bearing borrowings – FML borrowings – net cash		%	87,4
	Total equity			
Gearing – excluding FML and Australia	Interest-bearing debt – FML borrowings – Australia borrowings – net cash		%	72,0
	Total equity			
EBITDA interest cost cover (excluding capital items)	EBITDA – capital items		times	2,1
	Net finance costs			
Net debt to market capitalisation	Interest-bearing borrowings – net cash		%	182,1
	Market capital			
Shareholder returns				
Dividend cover	Profit attributable to equity holders of Super Group Limited		times	(0,1)
	Final dividend declared			

¹ Income statement items have been annualised where necessary

Restated 30 June 2007	30 June ¹ 2006	31 March 2006	31 March 2005	31 March 2004	31 March 2003	31 March 2002	31 March 2001	31 March 2000	31 March 1999
7,5	7,2	7,3	7,5	8,4	7,5	8,1	8,5	8,7	9,1
10,3	9,0	9,0	9,7	11,5	9,6	8,9	15,7	11,6	16,0
14,9	14,3	14,3	15,8	22,2	20,1	20,0	42,9	23,3	32,3
19,3	20,0	21,1	22,1	31,4	27,2	25,5	27,8	34,6	28,9
9,9	8,6	9,9	10,9	14,3	11,7	11,0	23,4	16,8	21,2
1,3	1,3	1,5	1,6	1,8	1,7	1,8	1,7	1,7	1,7
8,7	8,7	10,5	8,3	7,8	8,4	5,3	8,2	17,2	8,4
0,9	1,3	1,4	1,3	1,1	1,3	1,3	1,6	1,3	1,1
0,7	0,9	1,0	0,9	0,8	0,8	0,9	1,2	1,0	0,8
2,4	2,9	3,3	3,8	5,5	8,3	5,1	11,1	3,3	6,4
140,1	120,5	121,2	78,9	71,4	42,0	10,8	–	40,1	53,5
79,9	60,3	62,8	27,0	–	–	–	–	40,1	53,5
67,6	54,0	62,8	28,3	–	–	–	–	40,1	53,5
3,4	4,3	4,7	5,7	8,2	13,2	10,0	10,5	5,4	7,4
50,0	47,1	44,8	36,0	25,3	27,3	7,6	(4,5)	15,5	9,4
2,7	3,0	2,6	2,7	4,1	3,4	2,8	7,7	4,6	7,2

Chief Financial Officer's review

- » Revenue increased by 7% to over R12,4 billion
- » Strong cash generation with cash generated by operations (before working capital) at 101% of EBITDA
- » Trading gearing set to reduce after rights issue and contracted disposal of properties
- » Headline earnings per share down 89% to 11,9 cents on a restated basis
- » Accounting errors and fraud results in a restatement of 2007 results



» **Dheven Dharmalingam**
Chief Financial Officer

This review provides a high-level commentary on the financial position and performance of Super Group for the year ended 30 June 2008. The review should be read together with the consolidated financial statements.

The year under review has been particularly difficult and challenging. There are very few organisations unaffected by these last months of worldwide turmoil and uncertainty. Super Group is by no means immune and, in retrospect, we have had to endure more than our fair share of adverse events, which include the following:

- » The unsuccessful private equity transaction reported on in the prior year which had adverse knock-on effects in the current year;
- » Our inability to secure the full rollover of our corporate bond mainly due to unfavourable credit/debt markets;
- » The prevention of the disposal of our dealership division due to adverse market conditions and intolerable sovereign risk for the proposed buyers;
- » The disposal of our full property portfolio was obstructed due to the inability of the proposed buyer to close the transaction;
- » Accounting irregularities and inconsistencies in the industrial products division resulting in a restatement of the 2007 financial results and losses in the current year;
- » Power failures which have had major economic and social implications in South Africa; and
- » Higher interest rates which have resulted in lower consumer spending triggering the lowest profits in our dealership division in years.

These events have resulted in the group being the subject of public scrutiny and speculation and have ultimately impacted our financial results. There can be no doubt, of course, that informed criticism is good for people and institutions that are

The year under review has been particularly difficult and challenging. There are very few organisations unaffected by these last months of worldwide turmoil and uncertainty.

part of public life. No institution should expect to be free from the scrutiny of those who give it their loyalty and support, not to mention those who don't. It is important to note that Super Group has 8 900 dedicated employees who commit themselves to doing their jobs as best they can. We take lessons from these occurrences which have brought greater understanding of ourselves and they have become a tool for us to help each other in the future.

Basis of preparation and principal accounting policies

The consolidated financial statements for the year ended 30 June 2008 have been prepared in compliance with International Financial Reporting Standards (IFRS), the Listings Requirements of the JSE Limited and the South African Companies Act, 1973, as amended. The accounting policies applied in the presentation of the consolidated financial statements are consistent with those applied for the year ended 30 June 2007 except for the adoption of the amendments to IFRS 7 and the consequential amendments to IAS 1. The adoption of these revised standards have not had a material impact on the reported results. Consequently, no adjustments have been made to previously reported figures for the adoption of these revised standards. Details of the significant accounting policies are included in the annual financial statements.

IFRS 7 – *Financial Instruments: Disclosures* and the amendment to IAS 1 – *Presentation of Financial Statements: Capital Disclosures* (effective 1 January 2007) require extensive disclosures about the significance of financial instruments to an entity's financial position and performance and qualitative disclosures on the nature and extent of risks. The adoption of these accounting statements had no material financial recognition impact. Additional disclosure has been provided in note 36 of the annual financial statements.

The consolidated financial statements have been prepared in accordance with the historic cost convention except for certain financial assets and liabilities (including derivative instruments), available-for-sale financial assets and land and buildings which are stated at fair value. The consolidated financial statements are presented in rand, which is Super Group's functional and presentation currency.

Key areas where management's judgement has been applied

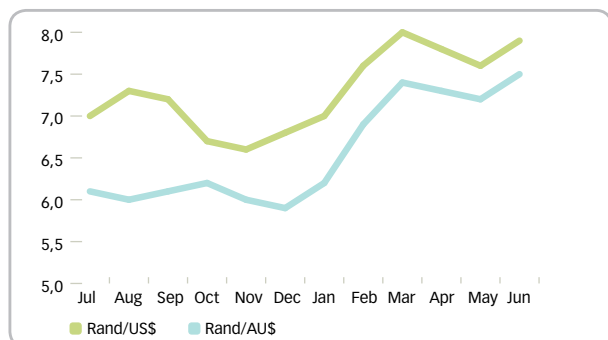
Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments. The nature of these assumptions is inherently long term in nature and future experience may result in actual amounts differing from these estimates.

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.

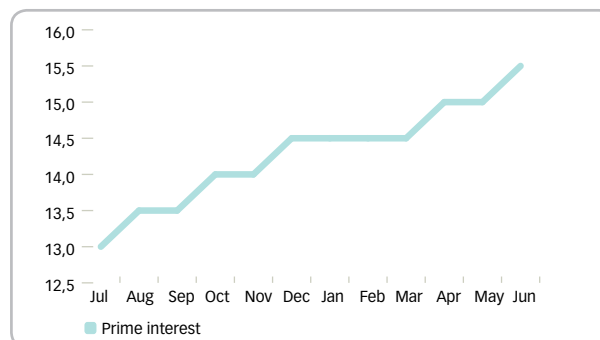
The following accounting policies have been identified as involving particularly complex or subjective decisions or assessments:

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

» Average monthly rates of exchange



» Prime interest rates



Macro economic environment

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

Exchange rate	Year ended 30 June 2008	Year ended 30 June 2007	% change
US Dollar – average	7,31	7,21	1,4
US Dollar – closing	7,96	7,12	11,8
Aus Dollar – average	6,48	5,63	15,1
Aus Dollar – closing	7,55	6,04	25,0

The group is exposed to both economic and transaction risks arising from the volatility in exchange rates, particularly the rand/US dollar and the rand/Australian dollar. The change in the year end exchange rates against the rand has resulted in the rand value of offshore net assets and liabilities increasing by approximately R58 million. The group income statement has benefited from the rand movements against the foreign currencies.

The indirect earnings impact of volatility in currency movement can be quite considerable but is difficult to quantify. The indirect consequences relate to such issues as cost of imported vehicles and components; cost of fuel; used vehicle prices; and export/import volumes. The medium-term prospects for the rand point to a high level of volatility as a result of market uncertainties, rising domestic inflation and expectations that the country's current account deficit may remain fairly large with subdued economic growth.

With the importation of inventory requirements for Mica, the Autoparts business and the industrial products business, the group places strong emphasis on foreign exchange

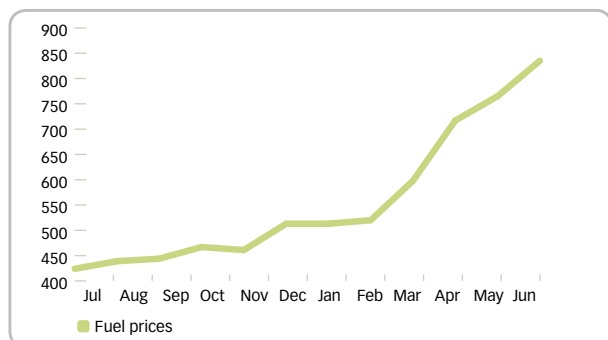
management strategies and procedures as sudden changes in the exchange rate would affect the landed cost of inventory. The group has established a treasury forum which considers the group's foreign exchange requirements and hedging strategies. To protect the group's cash flows from the effect of a volatile currency, it is policy to cover all material foreign currency-denominated cross-border transactions by way of derivative instruments, in particular, forward exchange contracts.

The group is affected by the CD3 regulations in Zimbabwe. The Reserve Bank of Zimbabwe seeks to record approximately 30% to 40% of hard currency earnings generated by transporters. As a result, the group incurs foreign exchange losses on the conversion of US dollar cash flows into Zimbabwean dollars at the official rate instead of being able to settle dollar-denominated liabilities. The estimated impact of the CD3 regulations is approximately USD1,3 million for the year (2007: USD1,9 million).

During the year under review interest rates increased by 250 basis points. A significant portion of the group's debt is linked to variable rates and any increase in interest rate has an adverse affect on the group's earnings. Increased interest rates and the implementation of the National Credit Act have impacted the sales of passenger and commercial vehicles and overall consumer spending in our wholesale and retail businesses.

Diesel fuel can represent up to 45% of total costs in terms of operating a truck fleet. The volatility in South African fuel prices cannot always be fully and timely recovered from customers.

» Fuel prices



Accounting adjustment and restatement of accounts

Super Group Industrial Products (SGIP) incurred a trading loss during the year as a result of operational difficulties and costing errors. Upon notification of the accounting inconsistencies, Super Group issued a trading update on 23 July 2008 and the board appointed Ernst & Young (E&Y) to perform an independent accounting and forensic review and report on inconsistencies in the management accounts of the Equipment, Commercial Vehicles and MMS Cranes businesses of Super Group Industrial Products (SGIP). The results of the review have confirmed that foreign creditors were misstated and that errors were made in the pricing and accounting of inventory. This has required the restatement of the 2007 financial results.

The report highlights irregularities in SGIP's balance sheet and expense control that have led to unbudgeted losses as a result of rapid growth of a new business, over-emphasis on sales, under-emphasis on back-office control, override of accounting procedures and fraud. The effect on the 2007 financial year is a reduction in HEPS to 111,3 cents (a reduction of 16% to the previously reported HEPS of 132,3 cents). The impact on HEPS for the financial year ended 30 June 2008 is a reduction in profit after tax of R54 million. Refer to note 32 of the financial statements for an analysis of the restatement.

Capital management

The primary objective of the group's capital management strategy is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The group proactively manages its capital structure and makes adjustments to it in light of changes in economic conditions. Flowing from this, the group strives for a strong credit rating. The group's philosophy is to invest in growth

opportunities that complement the group's strategy and have potential to exceed the weighted average cost of capital (WACC) hurdle rate. The benefit of this focus has been evidenced by the reduction in capital expenditure during the year under review. The strategy has resulted in the group utilising available capital to invest in its commercial vehicle and equipment importation initiatives and new Mica stores.

Looking ahead the group does not foresee material capital expenditure (other than FML) or acquisitions. Any excess capital would be applied to the further reduction of debt to within the target range approved by the board.

The full benefit of this capital management initiative has not been realised owing to our inability to impose them on minority shareholders and the statutory capital requirements required to support the insurance business activities. In addition, the losses in the automotive segment have resulted in a significant adverse impact on returns in the current year.

Rights offer

Super Group has undertaken a capital raising by way of a rights offer. In terms of the rights offer, 209 058 316 shares in the authorised but unissued share capital of Super Group were offered to shareholders in the ratio of 50 rights offer shares for every 100 ordinary shares, at an issue price of 400 cents per rights offer share. The group resolved to undertake a rights offer to reduce its gearing in the current high interest rate environment and to provide it with additional financial resources to improve its financial flexibility. Shareholders, representing 67% of the effective issued share capital, have followed their rights which resulted in proceeds of R510 million.

The table below sets out the unaudited pro forma financial effects of the rights offer on Super Group's unaudited basic earnings per share (EPS), headline earnings per share (HEPS), the net asset value (NAV) per ordinary share and tangible NAV (TNAV) per ordinary share based on the financial results of Super Group for the year ended 30 June 2008.

The unaudited pro forma financial effects are the responsibility of the directors and have been prepared for illustrative purposes only, to provide information about how the rights offer might have affected the financial position of Super Group on the relevant reporting date.

Cents per share	Before rights offer	Unaudited subsequent to the rights offer	Change (%)
EPS	(4,5)	7,5	(266,4)
HEPS	11,9	19,4	63,0
NAV per share	561,8	511,2	(9,0)
TNAV per share	121,0	191,3	58,1

The financial effects are calculated on the assumptions that:

- » only shareholders who provided irrevocable commitments follow their rights and Super Group raises R510 million;
- » the cash proceeds have been received and the rights offer shares issued at the beginning of the 2008 financial year for income statement purposes;
- » the proceeds from the rights offer are used to repay debt facilities with interest at prime minus 1%;
- » the cash proceeds have been received and the rights offer shares issued on 30 June 2008 for balance sheet purposes;
- » tax has been calculated based on the statutory tax rate (28%); and
- » the number of shares has been adjusted to take into account the conversion of the 'A' ordinary shares into ordinary shares for the purposes of calculating EPS, HEPS, NAV and TNAV.

Financial strategy and targets

Super Group's financial strategies are designed to enhance long-term shareholder value. The optimal mix and structure of debt and equity is determined in order to minimise the overall cost of capital while enabling the group to meet its funding requirements at reasonable cost and maintaining adequate financial flexibility. The group measures performance and our corporate decision-making against the return required by our stakeholders – our WACC. We strive to earn a return of 1,3 times this cost of capital.

Our strategy also incorporates dividend and share buyback policies that serve the best interests of shareholders. Any dividend is determined after due consideration of current earnings, immediate and long-term prospects, capital commitments and cash flow. Whilst synergy benefits and cost efficiencies remain important sources of improvement they are just one element of a broader, long-term strategy aimed at creating value.

In our prior year annual report we disclosed the group's medium-term financial targets that we believed represented optimal performance levels. These targets were goals which were intended to be attained and which were predicated on assumptions about the future. During the current year the group realigned its capital structure and resolved to undertake a rights issue. This, together with the proposed sale of the property portfolio, has required a reassessment of our financial targets. These new targets have not been finalised and will be communicated to shareholders once they are approved by the board. We will strive to create value for shareholders by running the business in a way which is prudent, responsible, customer-focused and commercially aware.

Corporate activity

During the year the group spent R85 million on the following businesses acquisitions/disposals:

- » the Australia fleet management exercised their option to acquire 30% of the business for USD13 million.
- » the Australia Fleet management business acquired the Commercial Fleet (CF) business unit of National Australia Bank Limited (NAB). CF specialises in the leasing and maintenance of light to heavy duty commercial vehicles, buses, forklifts, trailers and other mobile equipment. Its operations are based solely in Australia.
- » various dealerships which were considered under-performing, or where the group did not have significant brand representation, were disposed of.
- » the group acquired a business involved in procurement and distribution to forecourt convenience outlets.

The group utilised available capital resources to establish new businesses and to expand businesses. These included:

- » The opening of various Mica stores where the group has retained significant influence equity participation and the establishment of a central distribution centre.
- » The expansion of sgfleet business into the United Kingdom.

Financial performance

	Year ended 30 June 2008 audited R000	Year ended 30 June 2007 restated audited R000	% Change
Revenue	12 413 979	11 575 046	7,2
Trading profit	581 680	864 605	(32,7)
Operating profit	523 176	848 804	(38,4)
Headline earnings	42 351	395 420	(89,3)
Headline earnings per share (cents)	11,9	111,3	(89,3)
Diluted headline earnings per share (cents)	11,3	104,6	(89,2)

Revenue increased 7,2% from R11,6 billion to R12,4 billion. Revenue growth and trading margins were impacted by the reduction in consumer spending, significant decline in sales volumes in the motor industry and the poor performance of the industrial products business. Excluding the Dealership division only, on a like-for-like basis, group revenue increased by 13% (R7,7 million to R8,7 million). Trading margins declined from 7,5% for the year ended 30 June 2007 to 4,7% for the year ended 30 June 2008 resulting in trading profit decreasing by 32,7% from R865 million to R582 million. The group produced satisfactory trading results in three of its four divisions. The Automotive division, which consists of the motor vehicle dealerships and industrial products businesses, reported a trading loss of R238 million. The dealerships business has been impacted by the tough economic conditions affecting passenger vehicle sales. Super Group Industrial Products (SGIP) incurred a trading loss as a result of operational difficulties and costing errors that has required the restatement of the 2007 financial results.

Operating margins, excluding Automotive, reduced from 11,0% to 10,2% largely due to the increased activity in the Procurement Service Provider (PSP) division (which has a lower margin contribution) and the reduction in higher margin discretionary spend caused by overall lower consumer disposable income in Retail Supply Chain (mainly in Mica). FleetAfrica achieved lower margins due to reduced margins on the City of Johannesburg (COJ) contract. The sgfleet operating margins were impacted by the start-up losses in the United Kingdom and New Zealand of AUD1 million. The insurance business has been adversely affected by abnormally high underwriting losses.

Approximately 94% (2007 – 78%) of the group's operating profit is generated in South African rand with the remainder split mainly between US dollars and Australian dollars.

The 250 basis points increase in South African interest rates, the increase in the FML lease book, higher working capital in the first half of the year and increased acquisition funding in Australia has resulted in net finance costs increasing to R477 million. Headline earnings per share decreased 89% from 111,3 to 11,9 cents for the year ended 30 June 2008 on a restated basis.

The group's effective tax rate excluding the effect of SGIP Angola business working capital impairments has decreased from 18,1% for the year ended 30 June 2007 to 17,1% for the year ended 30 June 2008 mainly as a result of a reduction in the South African tax rate and the foreign tax rate differential. Deferred tax assets have been raised on tax losses only to the extent that it is expected that future taxable profits will be available to offset such tax losses.

The movement in minority interest is largely due to the group increasing its shareholding in AutoZone and the increased acquisition funding costs in the Australia fleet management business, offset by the increase attributable to the 30% disposal of the sgfleet business, to its management.

On 15 August 2008, in accordance with the provisions of the BEE transaction, approved by Super Group shareholders on 4 August 2004, between Super Group and the Peu Group, 68 130 900 'A' ordinary shares held by the Peu Group were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for R1 on 15 August 2008. The ordinary shares have been listed from 20 August 2008. During the year the group entered into a BEE transaction for the disposal of 14% of the South African fleet management business.

The diluted number of shares reduced from 378 094 000 to 374 756 000 as a result of the reduced number of potential shares to be issued to employees in respect of the share option plans, owing to the current Super Group share price.

Effect of capital items on operating profit

Capital items are defined as non-recurring and non-trading 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:

	Property, plant and equipment, intangibles and goodwill impairment R000	Closure costs R000	Unsuccessful business disposal R000	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
Supply Chain Management	1 846	–	–	1 846	4 503
Fleet Solutions	1 451	–	–	1 451	5 321
Retail Supply Chain	–	–	–	–	336
Automotive	–	6 506	3 438	9 944	5 641
Services	45 263	–	–	45 263	–
Group	48 560	6 506	3 438	58 504	15 801

The impairment of 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 core they have been discontinued and the related goodwill impaired. The impairment in Services relates to obsolete software developed by VSc Solutions and the impairment of the used commercial vehicle business units within SGIP which have been significantly curtailed. The impairment/closure costs accounted for in Automotive relates to the disposal of various dealerships including Honda Potchestroom, Autoport, Mahindra Edenvale and Suzuki World. The cost incurred on unsuccessful business combinations relates to direct costs incurred on the potential disposal of the Dealerships division.

Dividends

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

The board has resolved not to declare a dividend for the current year (2007: 40 cents). The dividend policy will be reviewed in the year ahead.

Financial position

The total assets of the group increased 18% to R10,9 billion at 30 June 2008. The increase is largely attributable to:

- » The net additions of full maintenance lease assets of R520 million. Acquisitions of R172 million related to the new United Kingdom fleet management business. The United Kingdom business is an extension of our Australia fleet management business and these assets are funded by non-recourse debt. The additions in FleetAfrica of R348 million relate principally to the continuing replacement programme in the City of Johannesburg fleet management contract.
- » An increase in goodwill attributable to the purchase of Commercial Fleet in Australia.
- » Investment in Enterprise Resource Planning systems in the Fleet Solutions businesses.
- » Strategic investments in offshore supply chain initiatives.
- » Investment in Mica associate stores.
- » Investment in the transport and rental fleets and the development of the second warehouse in the Super Park warehouse facility.
- » Further investment was required for an industrial products retail outlet in Centurion and upgrades to dealerships in line with OEM standards.
- » Working capital investments to support growth and new initiatives partially offset by a reduction in working capital in the supply chain businesses.

Super Group continues to evaluate its options in respect of the remainder of its property portfolio. These properties (including Super Park) have been identified by the board as being available for sale and accordingly have been reflected as such in the balance sheet.

Capital structure

	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000
Interest-bearing borrowings and overdrafts	2 821 968	2 436 588
Full maintenance lease borrowings	1 796 535	1 321 936
Cash and cash equivalents	(843 061)	(682 437)
Net debt	3 775 442	3 076 087
Total equity	2 264 938	2 195 352
Capital employed	6 040 380	5 271 439
Net debt to equity (%)	167	140
Return on capital employed (%)	8,0	14,9

Debt profile

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

The group manages its funding requirements through a central treasury department. Business units are recapitalised annually with interest-bearing funds. Business units are given limited funding facilities from the group treasury within which they need to operate their businesses and manage their working capital. Each business funds its net working capital position through cash generated or interest-bearing debt, depending upon the characteristics of each business model. This process enables business returns to be evaluated and compared on a consistent basis across the group, and from one year to the next.

A large portion of the group's debt is of a trading nature where specific customer contract allocated assets are acquired on credit and the repayment profile is matched to the expected earnings to be derived from the assets.

Capital projects and the acquisition of businesses are financed mainly using long-term debt or available capital. The debt is normally in the measurement currency of the asset or business acquisition being financed and repayment terms are matched to the expected cash flow generation.

The group net debt comprises the following:

	Year ended 30 June 2008 R000	% of total	Year ended 30 June 2007 R000	% of total
Australian acquisition funding borrowings	575 744	29	417 704	24
Corporate bond	413 846	21	899 363	51
Securitisation	255 890	13	–	–
Property liabilities	428 818	22	409 101	23
Other borrowings	529 406	27	450 471	26
Bank overdraft	618 264	31	259 949	15
Gross interest-bearing debt	2 821 968		2 436 588	
Cash and cash equivalents	(843 061)	(43)	(682 437)	(39)
Net debt excluding FML	1 978 907	100	1 754 151	100
Full maintenance lease borrowings – Australia	253 718		–	
Full maintenance lease borrowings – South Africa	1 542 817		1 321 936	
Net debt	3 775 442		3 076 087	

Australian acquisition funding borrowings relate to borrowings raised in Australia to fund the Australian acquisitions. These non-recourse interest-bearing loans are secured solely by the Australian assets and the lenders have no recourse to the South African operations. An additional R44 million was raised during the current year for settlement

of the Commercial Fleet acquisition. The remainder of the increase is largely attributable to translation differences caused by the weakening of the rand to the Australian dollar.

Property liabilities relate to borrowings raised to fund strategic properties (mainly Super Park and Grand Central Motors).

The corporate bonds and other liabilities relate mainly to cash raised from issuing corporate bonds and are primarily utilised to fund property, plant and equipment (mostly rental fleet and leasehold improvements) and working capital requirements of new and growing businesses in the group (e.g. the commercial vehicle importation initiative). During the latter part of the year, the group settled its R900 million corporate bond (SPG01) in compliance with the contractual settlement obligations. Super Group secured new long-term funding facilities (including corporate bonds SGL04 and SGL05) amounting to R650 million at funding rates which approximate the current prime rate less 220 basis points.

During the current year Super Group entered into a long-term debtors' securitisation funding programme. In terms of this programme, Super Group has raised R250 million from various investors in the capital markets at variable rates for a period of five years. Super Group has sold the trade debtors of certain subsidiary entities to an independently owned special purpose entity, DSF Finance. DSF Finance has funded the purchase price paid to Super Group by issuing R250 million of senior, 60-month secured, non-amortising rated debentures to senior investors and by raising a subordinated loan of R63,5 million. The senior debentures have been awarded a zaAA credit rating by Global Credit Rating Company, and have been issued to investors in the Capital Markets by means of a private placement. The subordinated loan has been advanced to DSF Finance by a subsidiary company of Super Group. The senior debentures bear interest at a variable interest rate of 200 basis points above the three-month JIBAR and service interest on a quarterly basis. Capital is only repayable at the end of the five-year term of the programme. The funding raised thereon has been applied to the group's working capital facilities. The subordinated loan bears interest at variable rates and is repayable at the end of the five-year term of the programme, after all interest and capital obligations on the senior debentures have been settled in full.

At 30 June 2008 the group had net debt amounting to R1,56 billion (2007: R1,43 billion) and gearing of 72% (2007: 68%), after excluding full maintenance and non-recourse debt. The R510 million proceeds from the rights issue and proceeds of approximately R125 million from the disposal of certain properties subsequent to year end will be

utilised to reduce short-term debt. This will result in trading gearing reducing from 72% to 35%.

Full maintenance lease liabilities relate to funding raised to finance revenue-generating 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 relate directly to the contract terms. The cash generated by the operations are utilised to repay the obligations. Interest rate risk is typically passed on to customers. The key objective of the leasing businesses is to manage costs and risks on behalf of clients. The financing of these contracts is a consequence and not a cause of the business. The increase is mainly attributable to the re-fleeting of the City of Johannesburg fleet.

Any interest rate risk is generally passed onto customers (included in turnover) as contracts are generally linked to the prime borrowing rate. The capital expenditure on full maintenance lease assets is funded by continual fleet disposals and full maintenance lease borrowings. The South African leasing business is capital intensive and is dependent on effective, matched, low cost funding from third party lenders. The funding is structured to match the run-off maturity of the assets. Group interest cover calculations are affected by including a recovery of interest from customers in turnover.

The group's obligations to settle short-term debt in the year ahead relates mainly to the amounts due on the expiry of the Eastern Cape Provincial Government fleet outsourcing contract of approximately R280 million and the settlement of mezzanine debt on the Australian acquisition funding of approximately R160 million. The Eastern Cape Provincial Government fleet outsourcing contract has been extended to January 2009 and would need to be settled based on the outcome of any further tenders. We expect the Australian acquisition funding to be refinanced.

Cash flow

Cash generated from operations

The group satisfactorily converted its operating results into cash of R976 million before working capital movements, equating to its cash conversion ratio improving from 93% to 101%.

The operating cash flows are used to service the working capital requirements, cover group debt, tax and dividend obligations and finance certain capital investments. The investment in working capital funded the SGIP business.

A strong focus on working capital management has resulted in a significant reduction in working capital to a net investment of R34 million for the year excluding the effect of SGIP Angola working capital impairments. R198 million of working capital was utilised by SGIP. Group inventory levels have been more effectively managed during the current year with reductions in AutoParts and dealerships matched by an equivalent increase in SGIP.

Cash utilised in investing activities

Super Group's expansionary capital expenditure (excluding full maintenance lease assets) was R347 million (2007: R312 million) and replacement capital expenditure R143 million (2007: R118 million). Total capital expenditure was R490 million (2007: R430 million). The net outflow of cash on capital expenditure was R298 million compared to R362 million in the prior year.

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

	Depreciation	Capital expenditure		
	R000	Maintain R000	Expand R000	Total R000
Supply Chain Management	100 140	63 792	111 262	175 054
African Transport	9 712	17 984	59 169	77 153
Retail Supply Chain	29 361	30 045	17 113	47 158
Automotive	37 456	21 911	35 834	57 745
Corporate property	17 655	15 726	81 116	96 842
Group excluding Fleet Solutions	194 324	149 458	304 494	453 952
Fleet Solutions	243 712	398 896	358 678	757 574
Total	438 036	548 354	663 172	1 211 526

Analysis of utilisation of available cash:

	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000
Cash and cash equivalents at beginning of year	422 488	841 882
Cash generated from operations (after working capital requirements)	1 138 863	838 620
Dividend received from associates	3 000	2 440
Interest received and investment income	113 125	95 870
Cash available for use	1 677 476	1 778 812
Finance costs paid	(617 778)	(444 652)
Income tax paid	(110 085)	(98 764)
Cash dividends paid	(149 995)	(147 065)
Cash available for investment	799 618	1 088 331
Maintenance capital expenditure net of disposals		
– property, plant and equipment and intangible assets	49 736	(49 705)
– full maintenance lease assets	(204 475)	(429 541)
Other net investing activities	(44 632)	(16 814)
Share sales in terms of share option obligations	9 017	10 527
Cash available after maintenance capital expenditure, before acquisition of new business	609 264	602 798
Net acquisition of businesses	(85 470)	(283 492)
Expansion capital expenditure		
– property, plant and equipment and intangible assets	(347 302)	(312 021)
– full maintenance lease assets	(315 870)	(38 082)
Cash deficit	(139 378)	(30 797)
Net cash inflow – full maintenance assets directly funded by full maintenance lease liabilities	404 856	161 541
Net cash surplus	265 478	130 744

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 R167 million (2007: R229 million), excluding full maintenance leases.

All major 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 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 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.

Post-balance sheet events

Subsequent to year end, an exposure in SGIP to an accounts receivable in Angola of R97,1 million and inventory exposure of R100,3 million was identified. Despite significant and continuing efforts to recover these amounts the board of directors has adopted the prudent view in deciding to impair fully for these exposures. R197,4 million has been written off in the consolidated income statement to 30 June 2008 in this regard.

Other than the items disclosed elsewhere in this report and in the directors' report, there are no other significant balance sheet events.

Financial risk management

There were no material changes to the treasury policy in the year under review. The group has a detailed and comprehensive treasury policy to regulate its credit, liquidity and market exposures. All relationships and contract negotiations with banks and other lenders are centrally coordinated within the treasury division. A treasury workgroup monitors and evaluates the group's exposure to the aforementioned risks and ultimately reports into the group Audit Committee. All exposures are managed within well-defined limits of authority and are carefully monitored.

Treasury risk management

Our treasury management is exposed to a number of external risks which are not under our control and which 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 advisers. 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 are secured by medium-term contracts, normally of 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 SGL05 corporate bond secured gives Super Group access to R120 million four year fixed-term and fixed-cost funding. During the year, all other funding was secured at variable rates, predominantly linked to JIBAR. The SGL04 corporate bond gives Super Group access to R280 million three-year fixed-term variable rate funding.

Foreign exchange rate risk management

The group follows a policy of hedging immediately all 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.

Share buyback programme

No shares were repurchased during the year under review. The amount and timing of any future repurchases will be determined by the board and are dependent on prevailing market conditions and availability of cash resources. The share trust acquires shares from time to time to partially mitigate the dilution caused by the company issuing new shares when options/rights are exercised.

Facilities

The group has secured adequate funding facilities to finance its operations. The rights issue resulted in additional cash equity of R510 million. Appropriate unutilised facilities will be available in the year ahead. Generally, additional full maintenance lease funding facilities are dependent on the credit risk of the underlying customer contracts. Certain of the facilities and debt arrangements are subject to covenants based on key financial ratios and/or ratings achieved. Super Group Limited has guaranteed the borrowing facilities of certain of its subsidiaries. Banking facilities by their very nature are reviewed and approved on a periodic basis. The impact of the current global credit crisis and its potential to spill over into South Africa and Australia creates some uncertainty over the extent of approved banking lines over the medium term.

Credit rating

Credit ratings are an opinion on the ability of an entity or of a securities issue to meet financial commitments, such as interest, preferred dividends, or repayment of principal, on a timely basis. During the year Fitch Ratings has affirmed Super Group's National rating at long-term 'A- (zaf)' and short-term 'F2 (zaf)' and changed its national rating outlook from stable to negative. The 'A' ratings denote a low expectation of credit risk. The recent trading statement and the general economic outlook has resulted in a revision by Fitch placing the group on rating watch.

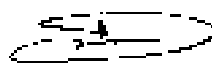
Shareowners' analysis

The Super Group share was actively traded during the year. Over 320 million (2007: 292 million) shares traded, representing a value traded of R3,8 billion, at an average price of R13,23 per share. From an opening price of R12,00 at 1 July 2006, the share price closed the year at R5,12. The percentage of our shares held by non-South African residents is 11%.

Conclusion

The group's performance over the past financial period was disappointing. The macro-economic environment coupled with the errors and irregularities at SGIP resulted in the poor performance. Over the medium term, Super Group expects further restraint in the macro-economic growth in South Africa owing to higher interest rates and tighter credit conditions, inflationary pressures, increasing fuel prices and slowing consumer spending. The level of activity in Super Group's consumer goods businesses is expected to remain under pressure given lower disposable income.

Shareholders are advised that Jonty Jankovich has been appointed as the new CFO designate. Jonty joins Super Group at an exciting time and I wish him well in his adventures. My time as CFO has been satisfying and rewarding. I remain committed to the group and will assist Jonty over a 12-month period. My role with the group will then take a more strategic finance perspective, hoping to extract additional value and efficiencies from our existing businesses. I thank our staff, shareholders, bankers and business partners for their support during my tenure as CFO.



» **Dheven Dharmalingam**
Chief Financial Officer

Introduction

» *Super Group is a diversified supply chain management business offering a comprehensive range of services utilising world-class skills, infrastructure and technology.*

» *The group's primary operating activities comprise four business divisions namely; Supply Chain Management, Retail Supply Chain, Automotive and Fleet Solutions. These operating divisions are supported by the Services division, comprising group treasury, insurance and property. The group operates predominantly in South Africa with operations across Africa and businesses in Australia, New Zealand and the United Kingdom.*

The primary focus of Super Group is on assisting customers in their commitment to the quick and reliable fulfilment of their delivery promises. We take custody of our customers' supply chains, providing strategic, competitive and value-added solutions to their product and service offerings.

Super Group's success is enhanced by the inter-relationships between our various businesses. Specifically, our effective and dynamic **Supply Chain Management** division takes custody of our customers' and our own group's supply chains providing strategic and value-added supply chain solutions by integrating operational excellence with technology and ongoing innovation. The division utilises the group's Fleet Solutions and African Transport skills in its overall service offerings. Motor vehicles and automotive parts are purchased from other group companies.

Our **Supply Chain – Africa** business provides cross-border contract carriage services and extends our supply chain services into sub-Saharan Africa. The business purchases vehicles and automotive parts from the group.

Leading by example, we have implemented our integrated operational supply chain skills together with our proven technologies in our **Retail Supply Chain** division. Through our AutoZone and Mica retail businesses, and our new forecourt procurement business we take ownership of the supply chains, and utilise our supply chain management competencies to increase our competitive advantage in the market. The Retail Supply Chain division also supplies automotive parts to group fleets.



The **Automotive** division, through our dealerships, source new passenger and commercial vehicles for group companies and retails used passenger and commercial vehicles from group companies. Our industrial products business, also part of the Automotive division, utilises our supply chain expertise and dealerships knowledge to fulfil our delivery promises to customers, offering reliable products and competitive prices with the necessary after sales service.

The **Fleet Solutions** division provides flexible full service leasing, contract maintenance, related services and commercial leasing of vehicles including for the group's range of materials handling equipment. This business sources motor vehicles from group dealerships and supplies used vehicles back to the group dealerships and vehicle rental business. Supply chain skills are used to generate efficiencies.

With fresh ideas and an innovative suit of offerings, Super Group is committed to fulfilling our customers' delivery obligations in ways that, in turn, cement trusting relationships between them and their customers.

For more information on each specific division, please refer to the individual operational reviews which follow.



Supply Chain Management – South Africa

- » Focus on cost containment and high levels of service
- » Major contracts renewed
- » Technology and consulting business growing both locally and internationally
- » Contracted to handle the logistics for the Gautrain locomotive and carriages

Incorporating



www.supergroupscp.com
www.superrent.co.za
www.vscsolutions.co.za
www.tracksa.co.za

www.sherwood.co.za
www.micor.co.za
www.transafrica.co.za

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	2 587,7	2 350,5
Trading profit	335,7	331,0
Capital items	(1,8)	(4,5)
Operating profit	333,9	326,5
Trading margin (%)	13,0	14,1
Operating margin (%)	12,9	13,9
Net working assets	(123,5)	636,2

The Supply Chain Management division provides dynamic supply chain solutions by integrating operational excellence and efficiencies with appropriate technology and ongoing innovation to create tangible value-added solutions. The aim of this division is to support our customers through operational excellence in supply chain management.

This division provides a comprehensive suite of integrated supply chain services including transportation, warehousing, distribution, international forwarding, customs brokerage, fleet rental, customised international supply chain technologies and consulting services. Super Group is at the forefront of industry innovation, providing comprehensive end-to-end supply chain solutions to a broad range of blue-chip clients in the automotive, general industrial and fast moving consumer goods (FMCG) sectors. Super Group has extended its supply chain offering throughout southern and central Africa and is supporting customer needs in Bahrain, China, Ethiopia, Kingdom of Saudi Arabia, Mali, Oman, United Arab Emirates, United Kingdom and Yemen.

Supply Chain Partners

Innovative and differentiating supply chain solutions

Super Group Supply Chain Partners work with our clients to create flexible and adaptable supply chain solutions that can respond quickly to the changing demands of the marketplace. Providing customised solutions that are scalable to any industry and any supply chain environment, with the key focus of delivering profits and enhancing competitive advantage. Offering the widest range of services, the most significant investment in innovation and intellectual capital, with the largest regional network, Super Group Supply Chain Partners are market leaders in supply chain outsourcing in southern Africa.

During the financial year under review, the Supply Chain Partners business maintained revenue performance and increased operating profits despite challenging trading conditions. Cash flows from operations also showed a significant improvement over the prior year, reflecting stringent cost controls and working capital management. The business expects to generate an increase in operating profits



in the new financial year with emphasis being on further improving operational efficiencies and costs.

Supply Chain Partner's Automotive business focusing on the automotive industry produced good results in an environment characterised by modest turnover growth both with regard to local parts demand and export contracts. The Mercedes-Benz South Africa relationship was further strengthened by an expansion of this operation's floor space requirement at Super Park. The business also concluded a contract to manage Porsche South Africa's parts distribution. The Response same day courier business and Niche Supply Chain operations also performed well over the past financial year and are well positioned for growth. The Automotive business is projecting growth next year, despite the pressures currently being experienced in this sector.

The FMCG operations continued to experience difficult trading conditions in a segment that is under significant pricing pressure and remains highly competitive. Operationally, the FMCG business was focused on cost containment and the maintenance of high service levels across all retail sectors. Good turnover growth was reported in the bottom-end retail and service station forecourt distribution sectors and this remains an area of significant opportunity for the forthcoming year.

The Staple Foods business performed well, successfully renewing a number of major contracts for a further five-year period. Despite the current high interest rates and moderating consumer demand, the Staple Foods business is expected to perform satisfactorily over the next year. In the FMCG and Staple Food operations, significant emphasis will also be placed on optimising business processes and expenses whilst at the same time improving our competitiveness in a number of niche product sectors.

In the Freight and Super Rent truck rental operations, nominal turnover growth was reported against a background of significantly reduced consumer demand. These businesses maintained profitability ratios despite significant operational cost escalations and large increases in the cost of capital equipment. The Freight operation achieved the Mondi Supplier



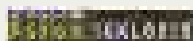
Supply Chain Management – South Africa CONTINUED



» Supply Chain Consulting and Transport Management



» Warehouse Management



» Systems Integration and Visibility



» Electronic Proof of Delivery



of the Year Award in July 2008. The truck rental business has been adversely affected by the slowdown in the economy.

The VSc (Virtual Supply Chain) Solutions technology and consulting business has had a good year securing a number of major contracts both locally and internationally. Recent noteworthy achievements include three of the eleven finalist places in the logistic achiever awards; the roll-out of a global transport technology management solution with AGL, the Coca-Cola bottler in Dubai and the implementation of a complete transport management solution at Transnet Freight Rail. Internationally, the roll-out of transport management solutions across the BOC-Linde Group is progressing well, with new pilot installations in the Middle East. The VSc operations expect to grow both turnover and operating profits over the next financial year with a number of supply chain integration and visibility solutions currently under consideration in the aerospace and FMCG environments.

Super Group continues to work closely with Spoornet and a number of its larger customers, to assist in their logistics service re-design. Supply chain efficiencies and reliability remain key enablers in optimising freight distribution between the rail and road network and VSc is an important contributor to these initiatives. In line with global trends, there is a growing customer awareness of the benefits associated with comprehensive and integrated supply chain solutions. Super Group is able to provide market-leading technologies and systems across all elements of the supply chain and this should continue to be a significant differentiating factor in new business opportunities arising both locally and internationally.

South African customers are looking for innovative and differentiating supply chain solutions to counter margin pressures and this business unit is well positioned to meet these demands across a number of new business opportunities under consideration.

Micor

Ensuring that goods get from point A to point B, anywhere in the world, in the most cost and time effective manner.

*Providing dynamic supply chain solutions by
integrating operational excellence and efficiencies
with appropriate technology and ongoing innovation
to create tangible value-added solutions.*

Micor is in the business of global freight movement; by sea, air, road and rail. Micor offers services for import, export, international forwarding, clearing, warehousing and distribution. There are estimated to be around 600 freight forwarders operating in the country and Micor is one of the top 20.

Operating profits were under pressure due to increased competitor activity this year and a strategic decision by the business to exit high credit risk client relationships. Mining expansion in Africa provided significant opportunities for Micor's cross-trade business. A substantial quantity of mining equipment was moved from various parts of the world into Africa. Micor has proven to have the expertise and network to move outsized cargo across Africa and achieved significant successes across the continent. This was achieved despite the lack of infrastructure in certain African countries, port congestion and the special equipment required to load and transport extra-heavy equipment.

Late in 2007, Micor, in conjunction with Agility, our overseas logistics partner, secured the contract to ship the Gautrain locomotives and component carriage parts from the United Kingdom. Micor will also be responsible for all inland movements, which will be by road. The first shipments began in July 2008.

Micor continues to provide a seamless supply chain offering, ensuring that goods get from point A to point B in the most cost and time effective manner, and in the same condition that they were in when collected from the supplier, resulting in enhanced product lifecycles, reduced inventory costs, and greater return on working capital for the importer.

Sherwood

Aligning structures and skills with the needs of their clients.

Sherwood provides outsource procurement solutions to clients in South Africa and Africa.

This business has experienced a financial turnaround in the year under review, producing a good result in the second

half through the successful extension of relationships with SABMiller and East African Supplies.

Sherwood is benefiting from the increased mining activity in the Zambian copper belt and currently serves three mines in the area with more in the pipeline.

The medium-term outlook is positive and Sherwood is positioned as the group's "gateway" to achieve the goal of being Africa's Logistics Giant, by capturing the client at the first step in the supply chain – sourcing and procurement.

Convenience Supply Chain

Growing off the basis of superior service.

Convenience Supply Chain offers a central warehouse and distribution centre for all trading formats below formal retail. This provides a sourcing and distribution solution for beverages, snacks and treats and other retail products to a variety of customers. Currently, 60% of their business is to retail fuel forecourts, 18% to convenience stores, 12% to the hospitality industry and 10% to other entities such as schools, hospitals, gyms and golf clubs.

The business grew their confectionary speciality by over 400% during the year under review, mainly due to the ability to source in bulk, inventory and offer superior service.

The forecourt and convenience market in South Africa is following a global trend of oil companies divesting in their downstream operations and focusing on upstream production. Our ability to provide a national supply chain solution to the forecourt operations, has led to increased business being generated and a keener awareness of the offering.

During this the first full year of trading, the Extended Supply Chain businesses traded to expectation.

The outlook for this business over the next 12 to 24 months is positive.

Supply Chain Management – Africa

- » *Improvements to African infrastructure*
- » *Route optimisation resulted in less kilometres travelled*
- » *Demand for cross-border transportation continues to increase*
- » *Selected as preferred bidder for Zambian dry-port*

Incorporating



The African cluster of the Supply Chain Management division provides long distance, cross-border transport, clearing and forwarding, third-party distribution and transport brokerage in sub-Saharan Africa. This is accomplished through operations in the Democratic Republic of Congo, East Africa, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe. With more than twenty years' experience in trading and managing the complexities of conducting business in Africa, coupled with controlling the largest sub-Saharan long distance cross-border transport fleet, Super Group has established itself as the preferred service provider for multinationals, governments and projects funded by the World Food Programme, World Bank, the United Nations, the European Union and the African Development Bank.

The commodities boom and mining expansion in Africa has had a positive impact on the Supply Chain Management – Africa division. The demand for minerals from the Zambian copper belt and the Katanga province in the Democratic Republic of Congo continues to drive the demand for transportation. The demand for northbound movement of mining equipment and the southbound copper movements of these regions continues to be very strong. The result is that now more than 70% of this division's business is generated by the mining or allied sectors. The balance is split between agriculture and aid work.

Super Group has been chosen, through a tender process, as the preferred bidder to establish the dry-port in Zambia. This project will give further impetus to the group's intent of becoming Africa's Logistics Giant. It is an exciting opportunity for the African cluster to demonstrate the group's leading global logistics capabilities.

In Zimbabwe, skills migration is now very evident and it is a constant challenge to manage the attrition and replacement of skilled staff, particularly in the workshops. Despite the challenges both the Harare and Seke yards have benefited from settled and capable management. The Harare yard has been refurbished to accommodate the combined administrative workforce for

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	286,9	245,9
Trading profit	29,5	9,1
Capital items	—	—
Operating profit	29,5	9,1
Trading margin (%)	10,3	3,7
Operating margin (%)	10,3	3,7
Net working assets	264,6	165,4



both fleets and the driver/workshop workforce is motivated and productive.

While volume in terms of loads/tonnage transported by the division did not increase dramatically during the year, the routes under management resulted in lower kilometres travelled. The imperative of higher margins, not volumes, was achieved at a time when the escalating cost of fuel remains a concern.

It is no longer possible to obtain credit in Zimbabwe and the ability to source spare parts in this country has also been compromised, resulting in the business having to increase spare part inventory holdings. A short strike in Zambia, and the temporary ban by the government on exporting copper concentrate out of the Democratic Republic of Congo caused further challenges.

Market demand, coupled with improved efficiencies, are yielding positive results for the Supply Chain Management – Africa division and it is evident that in overall terms the business has turned a corner.

The focus in the year ahead will be on addressing operational difficulties as a result of poor physical infrastructure being experienced in both Zambia and the Democratic Republic of Congo. The prospects for this business are improving but will depend on commodity prices being affected by the global slowdown in demand and prices.



Retail Supply Chain

- » Mica and AutoZone continue to expand geographic footprint
- » Succession plan for Mica store owners put in place
- » New brand livery for AutoZone
- » Preferred voluntary trading workshop programme launched

Incorporating



www.mica.co.za

www.autozone.co.za

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	2 726,7	2 556,7
Trading profit	135,0	129,3
Capital items	—	(0,3)
Operating profit	135,0	129,0
Trading margin (%)	5,0	5,1
Operating margin (%)	5,0	5,0
Net working assets	616,9	566,5

Super Group's experience in supply chain management, built up over the last 21 years can be transferred across industry and market sectors. Core supply chain principles apply across industries and sectors such as fast moving consumer goods, hardware, automotive parts, etc. Super Group's strength is in its ability to manage and optimise supply chains.

The Retail Supply Chain division has achieved critical mass and market leadership through two market-leading brands – Mica and AutoZone.

Mica

Let us show you how.

Mica operates in the hardware and home improvement sector, providing products, services and solutions to home owners and trade builders. Mica has refined its footprint by opening 17 new stores and closing 12 this financial year. In line with Mica's strategic roll-out plan, all 17 new stores are under the Mica Paint and Hardware brand, and expand coverage to previously untapped geographic areas. Retail revenue of the Mica group exceeded R2,6 billion.

A new interior look and feel concept was created and tested in several of the group's corporate stores. The advanced concepts and ideas have been well received by both the broader Mica membership base and customers alike. The retail ratios achieved in the concept stores have provided excellent benchmarks to share with the Mica members, and have provided a strong case for the improvement of retail standards throughout the business.

The new format stores also introduce advanced controls and business processes that have resulted in margin improvement.

During 2007 Mica commenced trading operations from its new central distribution centre. Further operational and supply chain efficiencies are expected to be achieved once



the operations and systems are settled. Super Group invested in significant additional working capital for the distribution centre and its new stores during the year.

The Mica training and development team continue to support the business with regards to retail management, leadership and cultural training. The highlight being the New Generation Leadership course, specifically aimed at the sons and daughters of Mica members. This is part of the succession planning process for existing store owners. The training team trained 4 021 delegates this financial year covering topics from product knowledge to customer management training, ensuring that all Mica staff members are equipped to live up to the Mica mantra of “Let us show you how”.

During the year we opened our first corporate store in Africa. We chose Lusaka as the location for the store given Zambia’s stability and economic potential. The store has proven popular with the Zambian public and has enjoyed buoyant sales since opening given the comprehensive offering.

This year Mica was once again awarded The Star Newspaper Number One Home Improvement Brand in SA. Rivonia Mica Home Warehouse was also the recipient of the Special Star South African Council of Shopping Centres Award.

The financial year under review has been a period of total change for the Mica Support Centre. In line with Mica’s five- year strategic plan, the alignment of the organisation to the structure resulted in the appointment of a new senior management team. This has had a ripple effect on the entire business, with changes being made to processes, policies, controls and communication.

In the current economic climate, the focus is on containing overhead costs and improving member loyalty. The Operations team have been trained to ensure that they are equipped to assist members, in particular with the management of stock and cash flow.



Retail Supply Chain CONTINUED



Regional managers have also received refresher training in cash flow and credit management to ensure they are equipped to assist the members in their day-to-day challenges. Regional managers also assist members to focus on correct purchasing, highlighting margin opportunities and benchmarking the members' operating ratios against best practices.

Consumer spending has slowed down considerably over the last two quarters of the financial year. Mica remains in a relatively stable market segment, however, growth has declined particularly in the last quarter. Despite the challenging market conditions Mica has retained a 12% market share in the DIY market.

Mica's import programme, is expected to continue to increase next year. There is a substantial appetite from Mica members and customers for new products, and Mica Support Centre will continue to meet this demand with well presented, quality merchandise, competitive pricing, back-up warranty's, service delivery and support. The impacts of the exchange rate fluctuations are generic to the hardware industry in South Africa, and applicable to all importers and distributors. Mica continues to leverage Super Group's supply chain efficiencies to manage these external factors.

The outlook over the next 12 months is dependent on consumer spending and does not look favourable. Mica will continue to focus on the five-year strategic plan with particular attention to management of debtors, reduction in inventory, increasing members' loyalty, zero defect administration and improved supplier relationships.

AutoZone

Right part, right price.

AutoZone remains Africa's largest aftermarket distributor and retailer of vehicle parts and accessories through a network of AutoZone branded outlets country-wide. The business distributes through a combination of wholesale and retail outlets, the widest range of passenger, light commercial and heavy commercial vehicle parts to the automotive aftermarket.

A new wholly owned store was opened in Bellville and the number of AutoZone member stores grew by 10 in the 2008 financial year to 71. Sales grew 8% on the back of further closures of unprofitable customer accounts. This is a deliberate strategy to conduct business with customers and sectors that are profitable, a journey which started during the last financial year.

For the fourth consecutive time AutoZone has been awarded the contract as the SAPS (South Africa Police Services) parts provider in eight of the nine provinces.

The automotive parts market remains extremely competitive, and in the last quarter of the year under review the slowdown in the economy impacted business with competitors cutting prices even further, in a bid to retain market share. The market is not expected to improve in 2009. AutoZone has retained a 20% market share in the automotive parts aftermarket through the 167 AutoZone branded stores.

Super Group's strength is in its ability to manage and optimise supply chains. The Retail Supply Chain division has achieved critical mass and market leadership through two market-leading brands.

AutoZone has repositioned its exit price point strategy on "nice to have products" on the basis of the slowdown, and is well positioned to continue to grow market share in what will be an extremely tough trading environment. Price increases from local manufacturers have ranged from 6% to 12%, however, this has been mitigated by a more aggressive import programme. The volatile rand has made exchange rate management an imperative and as the rand is expected to weaken in the future there will be price pressure, especially on top-end accessories.

After taking expert advice from brand consultants, we have refreshed the AutoZone brand image. The logo has been refreshed to enhance visibility and to improve consumer recognition and relevance to our specific target market.

AutoZone also launched two additional brands in June 2008 AutoPro and Elpar. AutoPro preferred workshops, which cater specifically for the independent owner-managed workshops, provides members with the opportunity to house their business under a national brand, enjoying preferential pricing, marketing campaigns, technical support, and training programmes. Elpar, a preferred electrical workshop brand has been launched aimed specifically at the owner-managed auto electricians in South Africa.

AutoZone will continue to seek additional supply chain efficiencies from sourcing to distribution using local and offshore suppliers and has re-centralised all distribution in Denver. The store expansion programme will be managed in-line with AutoZone's five-year strategic plan.



Automotive

- » *New and used passenger vehicle sales declined in line with industry*
- » *Good growth in commercial and passenger parts and service sales*
- » *Industrial products performance negatively affected by delays in product launches, initial quality and operation difficulties*
- » *Infrastructural developments in South Africa continue to support healthy growth opportunities in the commercial vehicle, construction equipment and mobile crane sectors*

Incorporating



www.supergroupdealerships.co.za
www.supergroupip.com

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	4 846,1	4 873,5
Trading profit	(238,1)	119,5
Capital items	(9,9)	(5,6)
Operating profit	(248,0)	113,9
Trading margin (%)	(4,9)	2,5
Operating margin (%)	(5,1)	2,3
Net working assets	501,8	779,2

The Automotive division consists of the Super Group Dealerships and Super Group Industrial Products business units. The Dealerships business comprises a network of franchised commercial and passenger vehicle dealerships that retail new and used vehicles and provide after sales support. Super Group Industrial Products is an importer and distributor of commercial vehicles and industrial equipment products.

Super Group Dealerships Committed to earning your trust.

The Super Group Dealerships business comprises 17 passenger and three commercial OEM (Original Equipment Manufacturers) franchise dealerships, representing most of the major vehicle brands in South Africa. The majority of the dealerships are located in Gauteng.

The division endured an extremely difficult sales environment over the past 12 months. The introduction of the National Credit Act in June 2007 affected credit availability and rising interest rates, increasing petrol prices and economic uncertainty resulted in a significant slowdown in consumer spending, particularly in the second half of the financial year. This year was perhaps the most difficult trading year since we acquired dealerships in 1988.

During the year Super Group received an unsolicited expression of interest by a third party, to acquire the entire Dealerships business. After reviewing proposals for a number of months, the group decided to withdraw from this process. Attributing factors included sovereign risk and the fall-off in the market resulting in the possible disposal creating insufficient value for shareholders.

No new dealerships were opened or acquired during the period under review, however, three underperforming outlets were closed (Honda Potchefstroom, Autoport Used, Suzuki World).

Dealerships' new unit sales, on a like-for-like basis against prior year, declined at 12,2%, in line with the market. Used vehicle sales declined 3,1%. Finance and insurance average per unit revenue income, however, grew by 3% in a tough year affected by the changes in the National Credit Act.

Despite the tough trading environment and the uncertainty created at the time of the possible disposal, our Dealerships



once again received numerous accolades in recognition of their outstanding performance in relation to their peers.

Rand Stadium Toyota was awarded the 2007 "Toyota Touch Vice President's Award" for Customer Service Satisfaction. This achievement is even more significant as they held the number one position in the "Super Mega Category" for all 12 months of 2007. Their final overall CSI score at the end of December 2007 was 91,7%.

Our Ford Dealership, Cassey's Auto in Springs, was awarded "Ford Dealer of the Year".

Lyndhurst Toyota received two regional sales awards from Toyota South Africa, namely:

- » Bronze award for reaching a "half century" on new vehicle units i.e. 50 new vehicles sold per month for a year.
- » Toyota Financial Services award for Finance and Insurance sales achievement.

Eagle Canyon Auto was recognised by Isuzu for Best Market Share in the large category, for 2007.

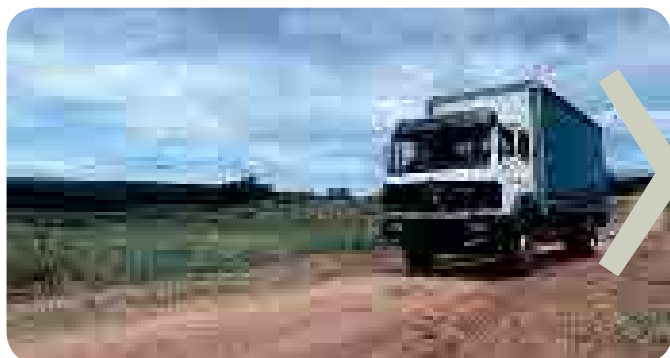
In addition, numerous individual sales people received awards from the respective OEM's in acknowledgement of their outstanding sales achievements.

The sustainable success of Super Group's Dealerships is based on building long-term relationships with clients, staff and suppliers. This is supported by the number of industry awards that were received.

The coming year will remain exceptionally challenging, and the control and further reduction of overheads, as well as the retention of key people are critical success factors. The overall slowdown in vehicle sales, the interest rate hikes, and declining business confidence is increasing the emphasis on these critical issues, while highlighting the need for strong financial control. Parts and service activity is expected to remain strong, while used vehicle sales, although currently flat, are expected to become a more significant element of the Dealerships profit model.



Automotive CONTINUED



» Dealerships brands represented



» Industrial Products brands represented



Super Group Industrial Products

Streamlining the product range and focusing on restoring profitability.

During the year under review, Super Group Industrial Products consolidated various independently managed businesses within the group into one business. This has aligned strategic capital funding and operational synergies, and maximised trading opportunities under one team.

As a start-up, the new consolidated business experienced various problems, hampering growth in some of its areas of operation.

We identified Angola as a high growth market owing to major infrastructural development and expansion of its oil and diamond industries. During the prior year we secured an arrangement with a local Angolan agent whereby Super Group Industrial Products would source and provide commercial vehicles and equipment and provide after sales parts and servicing and our agent would undertake importation, sales and marketing activities.

SGIP management were authorised to engage with the Angolan agent under the group's normal practices safeguarding credit exposure and trade undertaken in unfamiliar countries. Previous SGIP management, who are no longer with the group, negotiated the Angolan contract.

During the current year, the business secured orders of over 400 units in Angola. To date the business has sold 207 units. USD1,1 million of the USD14,4 million has been received by Super Group subsequent to year end.

The potential exposure in SGIP resulted from trading receivables in Angola of USD13,3 million and an inventory exposure of USD13,7 million. The cash flows giving rise to these exposures occurred in the year ended 30 June 2008. This exposure is a consequence of the failure of the Angolan partner to meet contractual obligations to SGIP. We continue to pursue aggressively every possible measure to recover the money owed to SGIP by the Angolan partner.

The group has appointed a new party in Angola to assist in resolving the issue. During November 2008 we formalised a joint venture agreement with our new partner who will facilitate the sale of the remaining 241 units included in

Sustainable success is based on building long-term relationships with clients, staff and suppliers.

inventory (USD13,7 million) and assist with the collection of the remaining outstanding debtors.

The board, however, has taken the prudent view to impair both the Angolan receivable (USD13,3 million) and inventory (USD13,7 million) resulting in a total impairment of USD27 million in the amended consolidated income statement for the year ended 30 June 2008.

The Industrial Products business experienced turbulent times during this financial year. The following needs to be noted in this respect:

- » A new executive team was appointed at the end of February 2008.
- » The business was right-sized and actions were taken to improve revenue and cut cost. The challenge was to absorb all of the impact of right-sizing and restructuring while securing new business.
- » To improve efficiencies and reduce costs, the core business functions were relocated to Pietermaritzburg where the main assembly plant and truck body plants are based. The rationalisation and concentration of activities has resulted in greater synergy between the various businesses and functions and will result in a more streamlined approach going forward.
- » Vast improvements in product quality were achieved during the latter part of the year under review, resulting in immediate results in customer confidence and satisfaction in the Powerstar brand.

Herman's Truck Accident Repairs is well established in all of the main trucking regions of the country, through wholly owned outlets in Centurion, Pinetown and Johannesburg and joint venture outlets with Tyco in Wadeville, Pinetown and Cape Town. All of the joint venture outlets suffered due to the closure of Tyco trucks and a decision was taken to dissolve the joint venture agreement. This negatively impacted trading and revenue in the first six months.

The assembly line (Africa Truck Assemblers) in Pietermaritzburg effected further quality improvements in the production process. Through more accurate forecasting, the plant production flow and consistency has improved which has resulted in a higher quality end product.

The Extra Heavy Commercial Vehicle segment was the sole focus of Super Group Industrial Products participation in the year under review. The prolonged growth in the construction sector certainly added to the strong demand for Powerstar products. The Powerstar offering has now been broadened and aside from tippers, truck tractors and the introduction of mixers and tankers, freight carrier options have recently been introduced. The latest addition being the 420 horse power truck-tractor, which has proven to be in demand from inception with substantial orders being secured.

Super Group Industrial Products remains a market leader in South Africa in mobile cranes through the MMS distribution of Tadano, Tadano Faun and Link Belt mobile cranes. The introduction of XCMG cranes from China, a suitable alternative to used cranes, proved successful in its first year of sales in the southern African market. While the Tadano offering covers the top end of the market, XCMG will target separate and distinct customer profiles at different levels, thereby supplementing and enhancing the future trading position and opportunities in this segment of the capital infrastructure equipment market.

Infrastructural developments in South Africa, on the back of government and parastatal spending are expected to support healthy growth opportunities in the commercial vehicle, construction equipment and mobile crane sectors. The pursuit of after-sales service and spare part sales opportunities will start to make bigger contributions to the businesses as the vehicle parc grows. Africa continues to provide tremendous opportunities for industrial products growth in line with the group's vision.

Super Group Industrial Products is anticipating an extremely difficult new financial year as well as a slowdown in volume sales resulting from the economic slowdown. Non-core operations and non-profitable lines will be discontinued. A more streamlined product range will be available in 2009 with the continued focus on restoring profitability in the 2010 financial year.

Fleet Solutions

- » 134 800 vehicles under management
- » Australian businesses consolidated under one brand, sgfleet
- » Expansion into the United Kingdom and New Zealand
- » Acquisition of Commercial Fleet Australia

Incorporating



www.fleetafrica.com
www.sgfleet.com

The Fleet Solutions division, with operations in South Africa, Australia, New Zealand and the United Kingdom, provides vehicle leasing and long-term rental solutions. The businesses focus on adding value to the various products and services offered, and customers include the government, quasi-government and private sector markets.

Through specialist skills and the deployment of the latest technology, Super Group's Fleet Solutions division is able to provide optimal fleet management solutions specifically designed to meet each client's unique transport management needs, whether they be operators of light, medium or commercial vehicles. The resulting benefits include the containment of costs, the absorption of financial and operating risks, higher utilisation and improved efficiencies.

FleetAfrica

Making tactical alliances and entering into meaningful strategic partnerships.

Since it was established in 1990, FleetAfrica has developed into a leading provider of fleet management solutions in South Africa. FleetAfrica currently has a total of 68 800 vehicles under management.

Despite the volatile interest rate, the increase in motor vehicle costs and the high inflation environment, the year under review saw a sharp increase in turnover compared to previous years for FleetAfrica. The main contributor towards this increase was fuel recoveries as a result of the sharp increases in fuel prices. Growth in leased assets due to higher vehicle replacement costs also contributed to the increase in turnover, by way of rental income.

The increase in interest rates, the New Credit Act and prevailing economic conditions created a slump in used car sales. This has culminated in a flooded and depressed used vehicle market which impacted FleetAfrica's ability to sell vehicles at the end of contract.

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	1 526,6	1 201,2
Trading profit	299,6	259,5
Capital items	(1,5)	(5,3)
Operating profit	298,1	254,2
Trading margin (%)	19,6	21,6
Operating margin (%)	19,5	21,2
Net working assets	(624,7)	(266,2)



The time that it takes for provincial and government contracts to be awarded has proven to be longer than expected and for a third year now no major government contracts were awarded during this financial year. The growth in the lease market was nominal and came from within the private sector and from local municipalities. FleetAfrica mirrored this market trend, securing numerous smaller contracts while focusing on service levels to existing customers.

The leasing and fleet management industry is a specialised and capital intensive business and therefore does not easily attract new entrants. Competition, however, remains strong in the provincial preferential procurement landscape as a result of the requirements to bid through a special purpose entity involving significant BEE partnerships. FleetAfrica continues to work hard on building new, and strengthening existing successful partnerships in order to retain and secure additional government business.

In addition to our BEE standing at group level, FleetAfrica continues to embrace local strategic alliances which have had a meaningful impact on business growth. During the year the group entered into a BEE transaction for the disposal of 14% of FleetAfrica. Altogether 25% of FleetAfrica's Eastern Cape operation is owned by Kei Fleet Solutions – a private empowerment company, comprising a consortium of prominent local businesses. Taking into account the indirect BEE ownership in FleetAfrica, FleetAfrica Eastern Cape has an effective black empowerment shareholding of 47,5%. In addition to the expected operational efficiencies, FleetAfrica Eastern Cape has also supported both general economic development and black economic empowerment in the province. Both have been fostered by procuring goods and services from black-owned businesses located in the Eastern Cape and the establishment of a fully fledged Eastern Cape based fleet management company. The Eastern Cape Provincial Government fleet outsourcing contract expired during August 2008 but has been extended to the end of January 2009, when the contract may be up for tender.



Fleet Solutions CONTINUED



There have been no new significant public sector contracts for some time; although a number of new contract opportunities are expected over the next two years. The conversion turnaround on these opportunities is, however, affected by protracted adjudication and award processes.

The current economic slowdown will undoubtedly present opportunities as potential customers seek ways to control costs, while improving efficiencies in their fleet operations. The interest rate environment has created a credit squeeze in the market, resulting in difficulty in funding assets for contracts. Business and public sector clients are therefore looking for solutions that reduce capital requirements.

FleetAfrica will continue to focus on the public sector, engaging tactical alliances and strategic partnerships, to optimise existing contracts and to secure new contracts.

sgfleet

Rebranded Australian business expands into New Zealand and the United Kingdom.

Prior to this financial year, the Australian business comprised FleetAustralia and SMB Fleet Management. FleetAustralia provides a comprehensive range of fleet solutions to both public and private sector clients while SMB was the acknowledged leader in the Australian novated lease segment. A novated lease is a finance lease where the employer agrees to meet the financial obligations on behalf of an employee as part of their salary package. During the year, the FleetAustralia and SMB businesses were merged and rebranded as sgfleet, a fleet management, leasing and salary packaging business. To capitalise on the resulting business opportunities and to deliver growth, sgfleet has established business development and relationship management teams in every Australian state. During the year the Australian management team exercised their option to acquire 30% of the business.

The fleet under management in Australia was predominantly passenger vehicles, but this year saw a significant expansion into the commercial sector. Despite the current credit environment, sgfleet managed to successfully raise the necessary capital to fund the acquisition of Commercial Fleet from National Australia Bank Limited (NAB) in September 2007. Commercial Fleet specialises in the leasing and maintenance of light to heavy duty commercial vehicles, buses, forklifts, trailers and other mobile equipment. This acquisition has resulted in sgfleet becoming the leading commercial fleet management business in Australia. The merging of SMB, FleetAustralia and Commercial Fleet under the sgfleet banner has created significant cross-selling opportunities.

During the year, the business' organic fleet increased by 13% to 59 791 units. Including the commercial fleet which was acquired, sgfleet now have 66 000 vehicles under management.

Despite growth of over 40% in the past five years, the number of vehicles currently under a leasing or fleet management programme in Australia is only a very small percentage of the total car parc (number of cars on the road). As at December 2007, approximately 437 000 vehicles were controlled by AFLA (the Australian Fleet Lessors Association) member organisations. With 66 000 vehicles, sgfleet represents 15% of the market, the third largest in the Australian market.

Client demand encouraged sgfleet Australia to expand their service offering, and this year saw the successful launch of sgfleet operations in New Zealand and the United Kingdom.

After stripping out the commercial fleet acquisition as well as the United Kingdom and New Zealand start-up losses, the operating profit of sgfleet Australia increased by 5%. Higher staff costs due to the skills shortage in Australia as well as

Through specialist skills and the deployment of the latest technology, Super Group's Fleet Solutions division is able to provide optimal solutions specifically designed to meet each client's unique transport management needs.

the manual nature of the business, which causes growth in the fleet to translate into growth in headcount, affected the results. This will be corrected when the business rationalises from three fleet management systems to one. Significant focus will then be placed on achieving synergies in the operational areas. These benefits will start to flow in the 2010 financial year.

Outsourcing of fleet management by both very large and mid-size corporates continues to be the trend internationally. Accordingly the fleet management industry is still growing ahead of the car parc in all of the regions in which sgfleet operates.

Given that a significant component of the offering in the fleet management industry is finance focused, there is obvious pressure on margins in the industry globally. The industry has not escaped the global credit crunch, and is being affected by both liquidity and rate increases.

There is potential to develop additional value-added fleet management products, rather than simply concentrating on commoditised financial services products. This reinforces sgfleet's view that a significant opportunity exists to build a global fleet management enterprise focusing on professional fleet management services rather than funding products as the core.

Fringe benefit taxation reporting and pool vehicle management have been identified as areas of potential growth, and new products have been introduced to cater for the expected demand in these areas. The development of enhanced commercial maintenance and compliance products will secure existing contracts and further encourage new clients. Strategically the business will continue to plan for future growth both in current markets and in new territories.



Corporate Services

- » Growth in premium income of 25%
- » Retention of investment grade credit rating
- » Strategic capital and risk function implemented
- » Assets and Liabilities Management Committee to be established
- » Disposal of non-core properties

Incorporating



www.emeraldsa.co.za
www.supergroup.co.za

The group's Corporate Services division, based in Johannesburg, 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, financing and treasury function, property portfolio management, shared services (including payroll and information technology) and risk management functions are included in the Services division. In addition, group risk and internal audit, human resources and investor relations initiatives are driven by the Services division.

Insurance

The group's insurance activities focus primarily on writing third-party insurance business focusing on commercial property and engineering. 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 sound risk management strategies and seeks to reinsure any 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. The growth in premium income by 25% is satisfactory but the underwriting result was negatively impacted by a significant increase in the frequency and severity of claims. The business' loss ratio (net claims incurred as a percentage of net earned premium) increased from 59% in 2007 to 67% in the current year.

General consensus indicates that the underwriting cycle has bottomed out for the industry and a period of profitable growth can be expected provided the loss ratio can be maintained within acceptable levels.

Financing and Treasury

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

Business contribution

	Year ended 30 June 2008 Rm	Year ended 30 June 2007 Rm
Revenue	439,9	347,2
Trading profit	19,9	16,2
Capital items	(45,3)	—
Operating profit	(25,4)	16,2
Trading margin (%)	4,5	4,7
Operating margin (%)	(5,8)	4,7
Net working assets	(357,0)	(1 422,6)



This division strives 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 economic hedging policies and in coordinating and facilitating financial risk management strategies especially in the areas of interest rate, currency and insurance risk.

During the year, a Strategic Capital and Risk function was implemented to encompass capital management and operational risks into a cohesive reporting structure. Part of its mandate is to evaluate and make improvement recommendations on the group's current risk management structures and provide oversight on effectiveness of divisional strategies. In addition, an Assets and Liabilities Management Committee (ALCO) is in the process of being established to monitor the group's performance in key business areas, and to approve or recommend changes to the allocation and management of capital and identify key balance sheet risks including liquidity, foreign exchange and interest rate risks.

Super Group continues to retain an investment grade credit rating. During the period our credit rating has been set at A- with a negative outlook.

Property portfolio management

The Property division is tasked with the management and administration of the group's property portfolio and the negotiation of all material rental contracts with external landlords.

During the year the board resolved to dispose of certain properties which were considered non-core to the group's operations. The disposals are in process and any proceeds would be utilised to reduce interest-bearing borrowings.



Sustainability report

- » Level 4 BBBEE rating
- » Transport sector's most empowered company
- » StopWash SA's largest, most convenient car wash
- » Owner-drivers building sustainable small businesses
- » R1,2 million to Tapologo Aids Hospice



The last few months have been most interesting and challenging for many South African businesses. The economic outlook is uncertain given the turmoil in global financial markets, increasing interest rates and inflation, slowing consumer spend and unpredictable exchange rates. We have a tendency to worry (even in the best of times) and we're always asking ourselves what we could do better, particularly in the more challenging business climates. According to an African proverb, "smooth seas do not make skilful sailors". As a group we acknowledge that challenges are the price of progress. We accept these challenges knowing that we will feel the exhilaration in overcoming them. Our biggest challenge is to become all that we have the possibility of becoming.

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. We at Super Group are wholeheartedly committed to sustainable development.

Larry Lipschitz

(Chief Executive Officer)

Super Group is committed to creating a better, more prosperous South Africa through the sustainable development of the communities in which we operate.

The group does not see sustainable development as an obligation, but rather a sound business imperative that will enhance our long-term success, to the benefit of all our stakeholders. Our experience over the past 21 years has consistently demonstrated that a proactive transformation strategy results in valuable business benefits. The group's transformation strategy is driven by the board of directors under the leadership of the chief executive officer.

In this section of the annual report, we provide information on our activities relating to social, economic and



environmental issues. This report broadly follows the guidelines of the Global Reporting Initiative (GRI), and provides a view on the group's performance to date and the challenges that lie ahead. It should be read in conjunction with, and in the context of, the full annual report.

We hope that this report offers you a picture of what we are doing to help create a better South Africa.

ECONOMIC

Super Group strives to build profitable and sustainable businesses to the benefit of all its stakeholders and the communities in which it operates.

Wealth creation

Super Group's capacity to act as a responsible corporate citizen is directly impacted by its financial performance. The group is striving to build sustainable businesses to the benefit of all its stakeholders and the communities in which it operates. The group has consistently grown its revenue every year since it was listed 12 years ago. Our detailed financial performance (including details of retained earnings) is set out in the 10-year review and the annual financial statements.

Super Group strives to contribute to the development of society and the economies in which we operate, through the creation of wealth. We aim to improve our financial performance over time thereby increasing wealth for our stakeholders and the communities in which we operate.

The value added statement measures the wealth we have created and provides an indication of how the value we have added has been allocated amongst our various stakeholders. In terms of our supplier policy, we make payments in accordance with agreed terms and try never to financially prejudice suppliers. Details of revenue by business unit, and by geographical region, are included in the segmental analysis in the annual financial statements on page 144.



Value added statement

	Year ended 30 June 2008 R000	%	Restated Year ended 30 June 2007 R000	%
Revenue	12 413 979		11 575 046	
Goods and services provided	(9 186 824)		(8 376 658)	
Value added	3 227 155		3 198 388	
Dividends received	3 000		9 858	
Total wealth created	3 230 155		3 208 246	
Allocated as follows:				
Employees	1 424 774	44,1	1 205 756	37,6
Providers of equity capital	165 343	5,1	171 324	5,3
Providers of debt	634 195	19,6	454 465	14,2
Government – direct taxes	87 516	2,7	130 261	4,1
Reinvested in the group	918 327	28,5	1 246 440	38,8
Total wealth distributed	3 230 155	100	3 208 246	100
Number of employees	8 900		8 800	
Wealth created per employee	363		365	
Allocated to employees	160		137	
Revenue per employee	1 395		1 315	

BBBF

As a group, we recognise the importance of implementing a well-balanced black economic empowerment (BEE) programme that addresses the inequalities of the past through a dedicated and ongoing process. To this end, we will continue to make the appropriate investments to support this important transformation agenda.

Level 4 BBBEE rating

After a long and rigorous BEE assessment process, Super Group received its official broad-based black economic empowerment (BBBEE) scorecard rating in May 2008.

An independent rating agency has awarded us level four (4) BEE status. This effectively means that Super Group has been given 100% BEE recognition, and consequently this entitles companies to claim R1 for every R1 spent with Super Group as BEE procurement spend.

There are seven elements through which we scored points. Briefly, these are:

1. Ownership (effective ownership);
2. Management control (effective control, e.g. CEO, CFO and departmental heads);
3. Employment equity (initiatives that contribute to equity in the workplace);
4. Skills development (recognition of the development of employee competence, with specific emphasis on the development of black staff);
5. Preferential procurement (buying goods and services from BBBEE compliant companies);
6. Enterprise development (initiatives to develop sustainable enterprises);
7. Socio-economic development (contributions to corporate social investment).

Whilst we performed well across all these elements, we still see room for improvement in the areas of employment equity, skills development and preferential procurement.

		
Registration no.: 202007020212 A South African registered Audit Firm		
Affilia Carriers Office Pty, C/o Garfield Road and Mettenberg Road, Affilia Carriers, Pretoria Tel: 081 117 6761 Fax: 081 123 3685 www.affiliacarriers.co.za		
Broad Based Black Economic Empowerment Scorecard Company registered and trade names: SUPER GROUP LTD		
Registration no.: 1943 / 016307 / 06 Vat no: 44401 53644 Head Office Location: Sandown, Gauteng		
Super Group Ltd - Incorporates (amongst others) - the following Subsidiaries and Divisions:		
Subsidiary	Registration #	Business
Super Group Logistics (Pty) Ltd	1943/016307/06	Warehousing
Super Group Property (Pty) Ltd	1943/016307/06	Real Estate
Super Group Finance (Pty) Ltd	1943/016307/06	Finance
Super Group Transport (Pty) Ltd	1943/016307/06	Transport and Service Industry
Super Group Recruitment (Pty) Ltd	1943/016307/06	Human Affairs / Logistics
Super Group Insurance Agency (Pty) Ltd	1943/016307/06	Insurance
Auto Parts (Pty) Ltd	1943/016307/06	Auto Parts
Auto Parts (Pty) Ltd - 181 St Antonine	1943/016307/06	Auto Parts - Industrial Products
Super Group Insurance Agency (Pty) Ltd	1943/016307/06	Insurance
Super Group Finance (Pty) Ltd	1943/016307/06	Finance
Super Group Property (Pty) Ltd	1943/016307/06	Real Estate
Super Group Logistics (Pty) Ltd	1943/016307/06	Warehousing
Super Group Transport (Pty) Ltd	1943/016307/06	Transport and Service Industry
Super Group Recruitment (Pty) Ltd	1943/016307/06	Human Affairs / Logistics
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Super Group Property (Pty) Ltd	1943/016307/06	Real Estate
Super Group Logistics (Pty) Ltd	1943/016307/06	Warehousing
Super Group Transport (Pty) Ltd	1943/016307/06	Transport and Service Industry
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Super Group Insurance Agency (Pty) Ltd	1943/016307/06	Insurance
Auto Parts (Pty) Ltd	1943/016307/06	Auto Parts
Auto Parts (Pty) Ltd - 181 St Antonine	19	

Transport sector's most empowered company

Every year the Financial Mail, in partnership with Empowerdex (an economic empowerment rating agency), conducts a "Top Empowerment Companies" (TEC) survey, measuring the BEE credentials of companies listed on the JSE.

Last year Super Group was ranked 45th overall. This year we improved significantly to eighth overall. With a level four BEE contributor status we are one of only 24 companies in the TEC survey to be ranked as such or better.

More importantly, in terms of companies listed in the transport sector of the JSE, Super Group has reclaimed the title of this sector's most empowered JSE-listed group.

In terms of the year-on-year (2007 – 2008) assessment, we improved on every scorecard element, excluding enterprise development, where we had already achieved maximum points.

Ownership

From the very beginning, when Super Group was still a private company, the company already had an 11% black shareholding held by SA Amalgamated Union Investments (Pty) Limited (SA Unions) a company indirectly controlled by The Mineworkers Investment Company (Pty) Limited and SACTWU Investment Group (Pty) Limited. The involvement of SA Unions significantly established Super Group as a leader in achieving meaningful empowerment objectives in transport and related activities. SA Unions subsequently sold their equity interest in Super Group realising a significant return on investment.

Over the years, Super Group has actively engaged and partnered with many black-owned businesses and entrepreneurs. Through many interactions, a number of solid relationships were forged, one such being the relationship between Super Group and Peu Group (Pty) Limited (Peu). This association was established some 10 years ago and the synergies between the two groups were evident from the outset.

Since 1997, Super Group has developed a relationship with Peu that developed into a partnership based on trust, mutual respect and value add. Peu is a black-owned and managed

investment holding company led by its founder Peter Malungani. The company was incorporated in 1996 and has to date pursued strategic investments in financial services, information technology, fleet lease and auto sectors. Peu has always chosen to pursue a strategy of being operationally involved in all its major investments.

During 2004, Super Group entered into an empowerment transaction with Peu, whereby Peu acquired an equity holding of 25,1% in Super Group. At the time this was the most significant empowerment initiative within the industries in which Super Group operates. There were two facets to this transaction, firstly Peu's already held 30% stake in FleetAfrica, Super Group's fleet management business, was exchanged for Super Group ordinary and 'A' ordinary shares. Secondly, Peu independently secured R300 million financing from a third-party financier to purchase Super Group ordinary and 'A' ordinary shares. During the prior year Peu was required to sell its ordinary shares in Super Group to settle funding obligations and subsequent to the current year end the 'A' ordinary shares converted into 13 million ordinary shares.

The Peu transaction was at holding company level. The effect is to give Peu a stake in both the South African and offshore operations. If Peu had bought only into the SA business, at the same transaction value, the total percentage BEE direct and indirect ownership would have exceeded 40%.

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.

Putting the shine into job creation

The StopWash car valet service, which was launched in 2001 as part of the group's job creation initiatives, has grown into South Africa's largest, most convenient car wash business. StopWash has created more than 1 000 new jobs; 800 children now attend school as a result of their parents' steady income and numerous StopWash valet technicians have been promoted to the role of supervisor or other managerial positions.

When StopWash was first launched 4 000 vehicles per month were cleaned. Currently we're washing over 30 000 vehicles per month and the numbers are continuing to increase. Our vision is to create 3 000 jobs by 2010.

Men on the Side of the Road

The vision of the "Men on the Side of the Road" project is to formalise job opportunities for casual labourers that sit at various pickup sites across Johannesburg. The mission of Men on the Side of the Road project is to organise, train and place reliable, skilled and affordable labour in sustainable jobs. Super Group is proud to be associated with this unique programme that has created over 80 new jobs.

Owner-driver scheme

Our owner-driver scheme continues to grow through the efforts of our Supply Chain Management division. During this financial year, our Freight business employed the services of 106 previously disadvantaged owner-drivers. In total, R154 million was spent on transport services provided by these owner-drivers. We continue to assist owner-drivers in their businesses and at 30 June 2008 we had advanced R34 million in the form of working capital. Assistance is also provided by advancing capital for the deposit on their motor vehicles. At 30 June 2008, capital advances amounted to R5,3 million. In addition, support is provided in the form of a tax consultant and dedicated administration staff. Life insurance cover for all our owner-drivers is paid for by the group. The cost of this cover in F2008 amounted to R1,1 million.

Our Automotive business unit also operates an owner-driver scheme, with 82 drivers nationally. Super Group accounts for over 90 percent of their business, which together with our guidance, support and management has resulted in these drivers building sustainable small businesses.

FleetAfrica Eastern Cape (Pty) Limited

The group has also entered into various partnerships with black entities. An example of this is FleetAfrica Eastern Cape (Pty) Limited where there is a 25% black shareholding. Super Group provides full strategic, financial backing and information technology infrastructure to ensure the entity's continued growth. Under this arrangement, at least 50% of the employees are black and at least 25% of all work contracted out, by value, is allocated in the aggregate to black entities and preference is given to subcontractors and specialists within black entities that have the necessary skills and expertise.

Procurement

Super Group has adopted the spirit of BEE into our procurement activities, wherever possible turning such opportunities into BEE procurement initiatives.

These relations are, however, commercially orientated, and therefore must fall in line with Super Group's procurement strategy of finding reliable, cost effective suppliers for the business. The expectations from BEE suppliers in terms of expected service levels, technical requirements, quality and other commercial standards, is not compromised.

Super Group believes that SMMEs play a critical role in the success of South Africa's economic growth and the reduction of unemployment. To this end, each business unit is required to actively pursue BEE procurement initiatives wherever possible.

The measurement of the extent of preferential procurement across the group remains a challenge. Super Group has set an interim preferential procurement target of 60%. The group has an official indirect cost supplier listing which includes various BEE suppliers.

ENVIRONMENTAL

Environmental performance at Super Group is driven by a pragmatic risk-based approach combined with a group-wide drive for efficient use of resources.

We strive to comply with all applicable national, provincial and local safety, environmental and health laws and regulations. Responsibility for tracking environmental compliance lies primarily with risk managers in the various operating businesses. The board takes overall responsibility for the group's environmental performance and policies and where appropriate environmental issues receive attention at the Risk Committee.

Super Group's operations have an overall low environmental impact because we are mainly involved in the support services sector. The main environmental impacts are limited to universal business environmental issues such as resource use.

Lean

Super Group has embarked on a strategic programme of continual improvement through the adoption of lean management principles. In the focus areas the initiative has already begun to deliver increased process throughput, as well as improvements in quality of services and output delivered.

The overall objective of the programme is to deliver a culture of empowered problem solvers at all levels in the

organisation. This will result in improved customer service levels and shareholder value. As often quoted, the real needs for change are: customer intimacy; capital avoidance; enhanced valuation and sustaining the culture – ultimately enabling our vision to become Africa's Logistics Giant.

Energy

Energy usage within the group includes electricity, oil, petrol and diesel. We are cognisant of the fact that nearly all of this energy is derived from non-renewable resources and consciously partner with suppliers that bring cleaner and more efficient fuels to the market.

During South Africa's recent electricity crisis, Mica ran a comprehensive campaign educating the market in terms of how to save energy and drawing attention to products that are energy efficient and/or use alternative fuels.

Water

Water usage in the group is minimal and limited primarily to individual consumption and minor application in car wash operations. Every effort is made to use water efficiently. No water sources and/or related ecosystems and habitats are affected by discharges of water and runoffs.

Emissions

Super Group does not operate any significant manufacturing businesses and consequently does not affect the environment through the operation of plant and machinery and through the consumption of raw materials and resultant emissions.

Emissions are generally mainly from vehicle usage. The very nature of our service to customers is to improve efficiencies in their supply chains. Improving fuel efficiency and reducing environmental carbon dioxide emissions are bi-products of these efficiencies. We operate modern vehicles that comply with world standards in terms of CO₂ emissions and safety. In addition, our vehicles are maintained strictly to manufacturers' specifications.

The group has implemented various initiatives to reduce carbon dioxide emissions including:

- » Regular service intervals for our fleet;
- » Our fleet is managed in terms of a continuous conservative replacement cycle;
- » We endeavour to improve vehicle loading to avoid the empty running of vehicles;

- » Scheduling of long distance carriage over off-peak times where possible;
- » Make use of fuel that meet the clean fuels specifications;
- » We conduct regular vehicle inspections;
- » Drivers are trained in fuel-efficient driving techniques; and
- » Transloading initiatives.

Waste disposal

The primary waste products arising from the group's operations are tyres and used oil. We make use of environmentally friendly processes through independent service providers to dispose and recycle both.

We are successfully recycling packaging where possible and reducing the use of paper by moving towards electronic systems. A continuous improvement programme is applied to all environmental initiatives.

As a further indication of Super Group's concern for the environment, this annual report has been printed on Avalon Triple Green Paper – 60% sugar cane fibre. Chlorine-free.

SOCIAL

Super Group is a firm believer in the maxim that a company is only as good as its people, so much so that 'People and Culture' is one of the group's four strategic priorities.

Our people

In line with our value system and strategy of retaining good people within the group, there has been minimal movement at management level. In fact, there seems to be an abundance of extremely talented and highly qualified individuals wanting to join the group at a senior level.

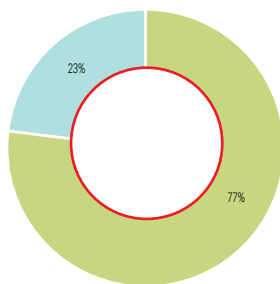
Profile of our people

Super Group employs approximately 8 900 people worldwide. The following pie charts provide information on the profile of the group's 8 250 South African employees as at 30 June 2008.

Please note that the definitions as per the Employment Equity Act have been used, namely:

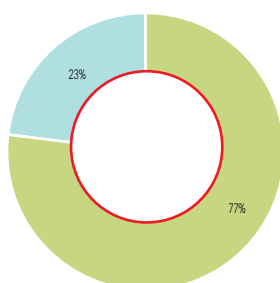
- » designated (black, coloured, Indian and white female)
- » non-designated (white male)

Group profile »



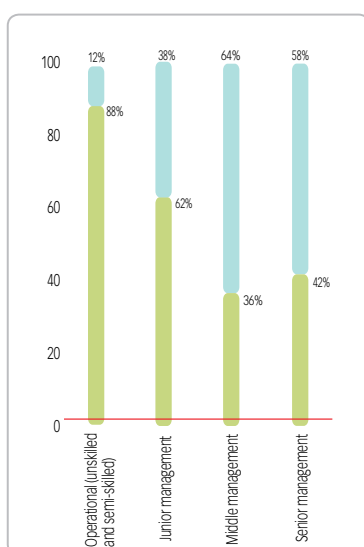
- Designated
- Non-designated

Gender profile »



- Male
- Female

» Group profile per occupational level



- Designated
- Non-designated

Business philosophy

The group's business philosophy supports our strategic priorities and provides a decision-making framework. Our purpose, vision and value system is included on the inside front cover of this annual report. Taken together, these elements reinforce and drive our commitment to becoming Africa's Logistics Giant.

Remuneration policy

The group's reward and remuneration policy, together with the group's performance management policy aims to build a culture of high performance, by ensuring that 'reward' includes personal performance components and fixed and variable salary structuring components.

The group recognises the role of its reward and remuneration policy in recruiting, motivating, developing and retaining employees. It is further recognised that remuneration not only refers to monetary benefits, but comprises a blend of monetary and non-monetary benefits and perks.

The group's reward and remuneration strategy supports all other group policies, in an attempt to ensure a healthy balance between different approaches to remuneration and employee management.

Please refer to the remuneration report for further details of the remuneration policies of the group.

Training and education

The aim of the group's people development policy is to affirm our commitment to the development of the intellectual property (knowledge, skills and experience) of our employees. Intellectual (human) capital is the cornerstone of a company's success, and in the Super Group context we recognise that our people are not only our competitive advantage, but one of our core competencies.

It is through the collective capability of our people that Super Group will contribute to the economic growth and development of South Africa and to the group's performance, profitability and sustainable growth.

The Development Hub

As a result of our constant desire to meet the needs of our valuable clients, The Development Hub, initially a Supply

Chain Partner's initiative, has extended their service offering of effective and customised training and development solutions to the rest of the group.

The Development Hub has an ISETT Seta accreditation and a skills base consisting of an assessor, moderator, evaluator, skills development facilitator and master MOS instructor.

To date the training centre has successfully trained over 450 individuals in both information technology and soft skills related courses. Furthermore, they have included in their service offering that of skills development facilitation and are committed to recovering a minimum of 50% of the skills development levy paid to the relevant Seta's each year.

Online intranet learning academy

The academy is an online learning facility dedicated to helping employees further their careers. It serves as a one-stop central learning shop, incorporating skills and competence development, personal and career development and career opportunities.

The learning academy incorporates a career development centre and skills assessments tool libraries.

Super Star Driver Training Programme

Our businesses hire competent people in order to reduce expenditure and risks. The road freight industry is currently experiencing a tremendous shortage of qualified, skilled and competent drivers. Being in possession of a valid driver's licence and public driver's permit does not necessarily equate to being skilled and competent. As a result, Sizeka has identified the need for a driving academy, specialising in the evaluation and finishing training of drivers, providing a practical solution which bridges the gap between a licensed driver and a fully equipped and highly skilled one. The five-day "Super Star Driver Training Programme" culminates with a theoretical assessment. Drivers who pass are issued with a certificate.

Mica new generation leadership academy

Mica's new generation leadership programme was launched in April 2008 with their first intake of prospective managers. Much of Mica's success can be attributed to the fact that the majority of Mica stores are owner-run. However, many of the current store owners are opening additional Mica stores, and a need has therefore arisen to develop competent store managers who have the necessary business skills and passion to run a Mica store as if it were their own.

The new generation leadership programme (NGL), developed and run by Mica Support Centre, is a management development programme that imparts candidates with a range of competencies, particularly relevant to the management of a Mica store.

The programme is run on a modular basis, comprising four, five-day sessions, over a period of four months. Assignments are completed between sessions. These form part of the participants' portfolio of evidence, which is used in conjunction with a panel interview and presentation, to assess competence.

Industrial relations

It is the group's policy to protect the interests of its employees by implementing non-discriminatory labour practices in all human resource spheres. The intention is to create and maintain a relationship between management and staff conducive to the mutual achievement of group objectives, long-term stability and individual growth.

Given the diverse nature of the group's business, it remains the prerogative of each division or strategic business unit, to establish its own disciplinary code, catering for the unique requirements of managing discipline in each respective business. This is facilitated in collaboration with representative groups and/or stakeholders, to the benefit of all concerned, and within the provisions and confines of the Labour Relations Act of 1995.

The responsibility for maintaining sound working relationships rests with each employee. Management, however, observe an employee relations policy that will encourage positive employee relations. The following procedures and practices are applicable to all staff:

- » A disciplinary procedure, which is corrective, involves a fair enquiry and gives the employee the right to representation and appeal.
- » A grievance procedure, which is designed to address employees' work-related dissatisfactions quickly and effectively.
- » Formal engagement procedures, which ensure that employees have a clear understanding of their position and basic contract of employment.

Equity ownership

Further to the direct black shareholding in Super Group, the group has established businesses in conjunction with

empowerment partners – most notably Kei Fleet Solution (Pty) Limited is a 25% shareholder in FleetAfrica Eastern Cape (Pty) Limited which manages the Eastern Cape provincial government fleet. During the year the Fleet Africa Empowerment Trust became a 14% shareholder in FleetAfrica (Pty) Limited which manages the City of Johannesburg fleet outsourcing contract.

Employment equity

As a minimum standard, the group and all its divisions, comply with all applicable employment and labour legislation. In recruiting candidates for placement, the group will consider on merit those candidates who are suitably qualified in terms of required qualifications, experience, prior learning and who demonstrate the potential to acquire the necessary competencies, within a reasonable period, to perform the job.

The group's recruitment and selection policy aims to:

- » encourage the promotion and development of internal employees before recruiting external to the Group;
- » engage the services of selected search and recruitment agencies in assisting to recruit senior and professional level employees, including candidates from historically disadvantaged groups; and
- » recruit and select without unfairly discriminating on any arbitrary grounds including on the basis of race, gender, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, disability, religion, conscience, age, belief, political opinion, culture, language and birth.

In line with regulatory requirements, all our South African business units have formalised their employment equity plans and have submitted them to the Department of Labour. Divisional CEOs have been made 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.

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.

HIV/Aids

The HIV/Aids pandemic remains a threat to the health and lives of those infected and affected. The demographic, social and economic consequences are vast. Truck drivers are a high-risk group for HIV infection. The mobility of our drivers makes it difficult to implement comprehensive HIV/Aids programmes. The group has a comprehensive, non-discriminatory HIV/Aids policy. Key elements of the policy include:

- » The group recognises and respects that every employee has a common law right to privacy. Information about an employee's medical condition is regarded as private and is treated in a confidential manner.
- » If an employee elects to disclose his/her test results to the group, and where counselling has not taken place, this should be arranged. Counselling for the employee's family is a further consideration.
- » Aids is treated like any other life threatening disease and employees may continue to work for as long as their condition allows, provided that they meet required performance standards and are not a threat to their own safety or that of others.
- » As far as it is reasonably practicable, Super Group strives to create a safe working environment. In an HIV/Aids context, this means that universal precautions are used when responding to an occupational accident. The proper equipment needed to protect against possible infection, is located in all first-aid kits and first-aid representatives are appropriately trained in the use of universal precautions.

The group's HIV/Aids policy is reviewed periodically to ensure its relevance and to ascertain whether all associated risks are appropriately managed.

HIV/Aids continues to have a significant negative impact on our Supply Chain Management division. They are heavily involved in various education programmes, including providing material, counselling, posters, forums and courses. In addition, they have introduced a wellness programme that will educate, train, assist and support staff who have the illness and need assistance in the workplace.

The African Transport division estimates that they lose four to five employees per month to the pandemic.

Trucking against Aids was launched in 1999 by the National Bargaining Council for the Road Freight Industry to create awareness of HIV/Aids and other sexually transmitted

infections among trucking industry employees and sex workers. The organisation is made up of the bargaining council, which comprises of five unions, including the South African Transport Allied Workers Union (Satawu) and the Transport and Allied Workers Union (Tawu), as well as employers in the trucking industry. Trucking against Aids has developed an HIV/Aids policy for South African trucking companies. The policy sets out guidelines for employees and employers on HIV. Included in the project's services are 12 roadside wellness centres along major truck routes in South Africa. Beitbridge, on the border between South Africa and Zimbabwe, Harrismith, en route to Durban, Ventersburg in the Free State and the Port Elizabeth N2 route in the Eastern Cape are some areas where these centres are based.

Health and safety

Super Group is committed to ensuring that effective health and safety practices are deployed throughout all divisions, and continually improving them, in order to obtain five star ratings where applicable.

In accordance with the OSH Act, each Super Group CEO is ultimately responsible for their respective business unit's OSH. To this end many have appointed dedicated officers, to roll out the requirements of the OSH Act and to monitor the ongoing compliance thereof.

During the current year, the group has implemented an occupational health and safety oversight function to provide independent verification and advice to business units on their performance relative to health and safety. We hope this will elevate the health and safety agenda across the group.

In many instance we are contractually bound by our Supply Chain customers to be fully compliant with the OHS Act. Accordingly, the necessary structures and committees have been well established and compliance with the Act is audited on a regular basis.

Health and safety was officially introduced as a separate discipline into this business unit in April 2004 with the appointment of a risk manager. Since the inception of the programme, the compliance to standards at warehouses has improved significantly which has proportionately reduced exposure to risk. All the FMCG sites currently have a 4-star rating from audits conducted by Alexander Forbes. All the distribution centres are striving to achieve a 5-star rating by the end of 2008.

During the year many of our other operations undertook site audits to establish the safety shortfalls and what additional requirements were needed to comply. All areas of non-conformity have been or are in the process of being rectified. Most businesses are fully compliant, with all the necessary safety appointments having been made.

The group has implemented various initiatives to reduce vehicle accidents including the continued focus on driver training programmes. Proactive education of our drivers is at the forefront of our business. We have adopted hours of service policies designed to keep fatigued drivers off of the road. In addition our vehicles are regularly subjected to roadworthy testing and we service vehicles at regular intervals. The implementation of an owner-driver scheme has ensured that the owner-driver owns and is fully accountable for his own vehicle. This has indirectly resulted in a reduction in the number of accidents reported. We perform regular vehicle inspections. The tyres are checked to ensure they are within depth guidelines and meet all regulations. The brakes are also inspected to ensure they are in proper working order. Furthermore, the truck and trailer are visually checked for any structural defects and hazards. By performing these checks we help minimise unwanted road-side accidents and breakdowns. Finally, we insist on a commitment to safety from all employees.

ISO

In early 2007 the Automotive Supply Chain business formed an ISO department. The team was tasked with fast tracking the implementation of the Quality Management System in order to meet a deadline of certification in June/July of 2008. This would effectively have meant that, from start to finish, the process of putting ISO into two organisations within the business took approximately 17 months; which is phenomenal as the average time taken to install ISO into one organisation is usually between two and three years.

Micor is ISO 9001:2000 compliant. Micor implemented the Quality Management System in respect of sea and airfreight, clearing and forwarding, imports and exports.

CSI

Super Group believes that it has 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.

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, wellbeing 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.

The Super Group Community Challenge encourages the various businesses within the group to actively explore and participate in social investment and community-based initiatives of their choice. The winning business receives R500 000 which they can either donate to charities of their choice or towards funding their next community challenge initiative.

Giving back to the communities in which we operate has become an inherent part of the Super Group culture. During the year, the group raised money to support different selected initiatives, including:

- » HIV/Aids initiatives
- » Child welfare
- » Community projects
- » Education
- » Social upliftment/unemployment

Services – super buckets of love

Staff of Corporate Services started a "super buckets of love" initiative in December 2007, which was later embraced by many of the divisions. To incentivise everyone, Super Group committed to match each bucket of essential groceries contributed with another. Two well deserving organisations were identified as beneficiaries of the campaign; The Joseph Gerard Home of Peace for the Aged and the Leratong Joy for 1 Foundation, both based in Alexandria.

During the May 2008 xenophobic violence, 250 super buckets of love were donated to some of the affected in Alexandra.

Supply Chain Management – Golfing for good

Tapologo Aids Hospice was the beneficiary of this year's Supply Chain Partners/Sun International Golf Day, receiving a cheque for R1,2 million. Situated near Rustenburg Tapologo is a pioneering model for combating HIV/Aids in Africa.

The Supply Chain Management division focused on helping those in need and believe that charity is not only about monetary donations, but actually getting involved. This year, in line with the group's strategy, the division adopted a theme of education and children. In total, around R0,5 million was donated to approximately 50 charities. One of our most memorable activities was the donation of four electric wheelchairs to Alma School for the physically disabled, which gave the children the ability to move around their school freely. Supply Chain also hosted their Christmas party. Another case close to this division's heart, was providing assistance to the future Dr Masana Ndleve with books and medical equipment to set her up for her career. Masana, who is progressing tremendously well in her final year at medical school. They were also privileged to be a major sponsor of the CHOC/Round Table national scooter tour, raising money for children with cancer.

Fleet Solutions – Greening Soweto

As part of the Greening of Soweto project, aimed at beautifying Soweto ahead of the 2010 Fifa World Cup™, employees from Johannesburg City Parks and FleetAfrica planted 100 indigenous trees in Meadowlands.

FleetAfrica also supported Twice-As-Nice, a non-profit organisation which serves groups of vulnerable children aged 6 to 12 years, in their Children's Day celebrations.

Staff of FleetAfrica generously donated food which filled some 99 Blue Dorcas Aid Buckets. The filled buckets were donated to Africa Food for Thought. In addition, FleetAfrica staff voluntarily donated Christmas gifts to the children of the Children of Fire's Home.

Retail Supply Chain – Answering the call for help!

Mica Support Centre combined resources with their suppliers and members during the last year. Together they were able to help several disadvantaged listeners as part of the "Jacaranda Angels" and "Highveld Stereo Christmas Wish List" initiatives.

Mica also participated in the East Coast Radio Toy Story charity drive, donating R20 000 towards food parcels for

those less fortunate. In conjunction with Southdale Mica Paint & Hardware, Mica Support Centre assisted St Mary's Children's Home in renovating their school hall to the value of R30 000.

AutoZone adopted two black SMMEs, Applegreen Trading 122 and Nokwenzeka Development Projects, supplying them with equipment and vehicles.

Through the donation of equipment and materials they supported various schools in areas where AutoZone retail operations exist. A variety of other institutions including shelters, feeding trusts and out-reach centres also benefited from AutoZone's CSI initiatives to the value of R316 800.

Automotive

Several of the Dealerships supported their local schools in the form of sports equipment, uniforms and tour sponsorships. Certain non-profit organisations benefit from loan vehicles or lift schemes provided by Super Group Dealerships. The Grand Central Motors golf day raised R100 000 which was donated to Hospice.

Other beneficiaries included Childline, orphanages and safe-havens, old age homes and the Disabled Association of South Africa.

Prevention of crime

Super Group makes use of "Tip-offs Anonymous"; a unique and innovative solution to dishonesty, fraud and other inappropriate behaviour in the workplace. Operated by Deloitte's, Tip-offs Anonymous offers a completely independent, confidential whistle blowing hotline service operating 24-hours a day, 365 days a year. Staff can report fraud and inappropriate activities in a safe, confidential and secure way.

Rentrak, part of our Supply Chain Management division, is in the business of monitoring and recovering stolen/hijacked vehicles throughout southern Africa. These recoveries are done by both our own employees and subcontracted agents in remote areas. Rentrak provide both air and ground support and are currently responsible for approximately 200 000 vehicles.

Rentrak also investigates theft and fraud within the group and offers support for most electronic security measures i.e. CCTV and polygraphs.

Stakeholders

Our stakeholders include employees, investors, potential investors, customers, suppliers, government and regulatory authorities, business partners and the communities in which we operate. We try to make use of the most effective and strategic methods of communicating with stakeholders on key issues. Over the past two years the group has strongly focused on improving internal and external communications to ensure a better and broader understanding of the group by our stakeholders. Various forums exist whereby interested stakeholders have the opportunity to put questions to our directors and management of the group.

Other relevant information

- » The group's purpose, vision and value system is included on the front cover of the annual report.
- » Details of the organisational structure of Super Group are included in the "group at a glance" section of this annual report on page 6 with details of services, countries of operation included in the divisional overview section.
- » Details on the governance structures of Super Group (including stakeholder communication matters) is included in the corporate governance report and details of directors are included on pages 8 and 9.
- » A directors' remuneration report is presented in the annual financial statements section of this annual report detailing the group's remuneration philosophy.

Challenges

Despite the strides made to date, we acknowledge that we can still improve. The following imperatives will provide the context for setting sustainability targets going forward:

- » Firmly embedding sustainability management in all businesses;
- » Reinstating our black ownership to previous levels;
- » Retention of key talent and succession planning;
- » Continuing to develop local supplier support, trying to achieve our desired preferential procurement targets.

Corporate governance report

The directors of Super Group subscribe to the principles of high standards of corporate governance. We are committed to and accept responsibility for applying these principles to ensure that the group is being managed ethically within prudent risk parameters.

An effective corporate governance framework is regarded by the board as a necessary prerequisite for ensuring Super Group's financial and operational success. The group recognises its responsibility to safeguard the interests of its stakeholders, and believes that appropriate governance is essential to its ongoing sustainability and functioning. Comprehensive implementation and monitoring plans have been, and continue to be, developed and approved by the board.

The group is subject to the ongoing disclosure, corporate governance and other requirements imposed by the JSE Limited (JSE). The group also endorses the principles of the South African code of corporate practices and conduct as recommended in the second King report (King II).

During the year under review the group continued to improve its compliance with King II and further improved reporting processes to the main board and its committees.

- » In line with international market trends the composition of the board was reviewed. The board has decided to reduce the number of executive directors, confining membership to the Chief Executive Officer and Chief Financial Officer. Accordingly, Les Johnston and Philip Smith who, by rotation, retired from the board at the annual general meeting did not stand for re-election.
- » The group established the position of chief operating officer (COO). The COO will play a critical leadership role in executing the strategies developed by the management team. The COO is expected to keep the organisation energised, on a day-to-day, tactical basis. This, in turn should enable the CEO to focus on major projects and strategic efforts.
- » A strategic capital and risk function was implemented to encompass capital management and operational risks into a cohesive reporting structure. Part of its mandate is to evaluate and make improvement recommendations on the group's current risk management structures and provide oversight on effectiveness of divisional strategies.
- » An Assets and Liabilities Management Committee (ALCO) is in the process of being established to monitor the group's performance in key business areas, and to approve or recommend changes to the allocation and management of

capital and identify key balance sheet risks including liquidity, foreign exchange and interest rate risks.

- » Divisional board mandates were formalised to ensure the establishment, review and monitoring of strategic divisional objectives and the oversight of the divisional internal controls and risk management processes.
- » The group has undertaken an independent review of its internal audit and risk management functions and will address any improvement recommendations in the year ahead.

The group complies with the material provisions of King II. The main area of non-compliance with the code is the independence of the members of the Audit and Remuneration Committee. The board is satisfied that the members of these committees act independently and beyond reproach. Where potential conflicts of interest exist measures have been implemented to ensure decisions taken are objective and do not allow for undue influence. The board has embarked on a process to identify additional independent board members who will provide a critical mix of skills and experience and provide sufficient capacity to fulfil the requisite committee functions.

Subsequent to the conversion of the 'A' ordinary shares to ordinary shares, Peu Group (Pty) Limited no longer holds a significant equity interest in Super Group. Consequently, Peter Malungani and Busi Tshili, whilst still being representatives of a shareholder, have limited ability to control or significantly influence decisions and by definition are now deemed to be independent members of the board.

The board has considered the provisions of the Corporate Laws Amendment Act, which was passed into law on 14 December 2007. The board has implemented the necessary changes required by the Act. The board is also preparing in anticipation of further changes which the Act will require.

The group was required to restate its 2007 financial results as a result of errors and irregularities within the Super Group Industrial Products division. The board has assessed whether controls and procedures in place were adequate to have identified the errors and misstatements earlier. The board is of the opinion that, based on the information presented to it and the representations by management, it made reasonably sufficient and adequate enquiries of management and that the failure to detect the errors and irregularities was as a result of the consistently incorrect information being reported with no available historic or industry benchmarks to compare it to.



Issues of corporate governance will continue to receive the board's consideration, refinement and attention during the year ahead to reflect current practices in corporate governance and specifically taking into account the changes arising from the South African Corporate Law reform process. Sound governance remains one of the top priorities of executive management.

The group has further reinforced its purpose and value system during the period under review. We are committed to achieving the highest standards of ethical behaviour in the way that we conduct our business. The value system is intended to guide the standard of behaviour that we apply in our interactions with all our associates and stakeholders, placing a special emphasis on our interactions with each other, our customers, our shareholders, our suppliers and the communities in which we operate.

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 Super Group and its subsidiary companies. The board is of the opinion that the group continues to comply with the spirit and form of the continuing obligations of the JSE requirements as well as the code of corporate practices and conduct as set out in 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 and approving the annual business plan and budget and monitoring performance against budget;
- » identifying and continually reviewing key risks, as well as the mitigation thereof by management, against a background of economic, environmental and social issues;
- » monitoring of financial and internal control development;
- » 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;
- » developing and implementing employment equity plans;
- » developing and implementing employee remuneration plans including share scheme management;
- » appointing the Chief Executive Officer and monitoring the succession plan; and
- » evaluating 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 four non-executive directors (one whom is independent), and two executive directors. The board is chaired by a non-executive Chairman. The non-executive directors are not involved in the day-to-day management of the group and do not 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. Board members are encouraged not to hold any more directorships than would be prudent in order for them to provide the dedicated care that is required from a board member. The significant directorships of the board members are disclosed on page 8.

All the directors bring to the board a wide range of expertise, commercial, industry 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.

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 group. 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 formally interface with senior executives bi-monthly. The objective of these meetings is to assist the executive directors in guiding and controlling the overall direction of the business and to act as a medium of communication and coordination between operating divisions and the board.

Board meetings are held at least quarterly and additional meetings are convened when necessary should a particular issue demand its attention. 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.

Members of the board have unlimited access to the group Company Secretary, who acts as an adviser to the board and its sub-committees on issues relating to statutory regulations and corporate governance. 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 83 to 87 in the annual financial statements.

The directors have no fixed terms of appointment. One-third of the board members are required to retire by rotation every year and, if eligible, are individually considered for re-appointment at the annual general meeting. The names and credentials of the directors are detailed on pages 8 and 9. 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 various sub-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.

Certain authorities of the board have been delegated to the Chief Executive Officer to manage the day-to-day business affairs. The group Executive Committee and Management Committee assist the Chief Executive Officer in discharging his duties and the duties of the board. However, by law and in terms of a framework adopted, certain matters are reserved for board and/or shareholder approval. The Management Committee is responsible for strategic, financial and operational matters including the day-to-day management of the business. The committee facilitates the effective control of the group's operational activities acting as a medium of communication and coordination between the various business units and the board.

The board as a whole is responsible for nominations and to make recommendations on all new board appointments. The board reviews the balance, diversity and effectiveness of the board and identifies skills that may be needed as well as individuals who could provide such skills.

Details of attendance by directors of board and committee meetings for the year under review are set out below:

	Board	Audit Committee	Risk Committee	Remuneration Committee	Deal Committee
Number of meetings during year	10	4	3	2	1
Meetings attended					
P Vallet*	10	4	NM	2	NM
L Lipschitz	10	4	3	2	1
S Abrahams*	9	4	NM	2	1
D Dharmalingam	9	3	2	2	1
P Malungani*	7	NM	NM	2	1
B Tshili*	10	4	3	NM	NM
S Badat#	NM	NM	3	NM	NM
P Smith†	3/3	NM	NM	NM	NM
L Bergman†	2/2	NM	1/1	NM	NM
L Johnston†	0/3	NM	NM	NM	NM

*Non-executive director

Independent member

† Up to date of resignation/retirement

NM Non-member

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
- » Deal Committee
- » Remuneration Committee
- » Group Risk Committee

Each board sub-committee acts within formalised terms of reference which have 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

Members: **Sam Abrahams (Independent Chairman), Phillip Vallet and Busi Tshili**

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 and integrity of financial reporting, reviews and approves external audit plans, findings, reports and fees, evaluates the appropriateness of using external auditors for non-attest services and provides effective

communication between directors, management and internal and external auditors.

The committee is also responsible for reviewing and recommending to the board the interim and year-end financial statements and dividend announcements. In addition, the Group Audit Committee deliberates on the independence of the 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 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, Chief Financial Officer, senior employees of the finance department, group Risk Manager, external auditors and internal auditors. The group Company Secretary acts as the committee secretary.

All operating divisions have established independent Audit Committees, chaired by the Chief Financial Officer, which report directly to the group Audit Committee. The group Audit Committee is notified of all divisional Audit Committee meetings and committee members are entitled to attend. Minutes of the meetings of the divisional Audit Committees are made available to members of the group Audit Committee.

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

Members: **Sam Abrahams (Independent Chairman), Larry Lipschitz, Peter Malungani and Dheven Dharmalingam**

This committee meets when required to review and approve all acquisitions and disposals within their preset levels of authority. Acquisitions and disposals 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 the group Risk Manager. The group Company Secretary acts as the committee secretary. The minutes of the meetings of the Deal Committee are distributed to board members for consideration.

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

Members: **Peter Malungani (Chairman), Sam Abrahams and Phillip Vallet**

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, motivate and reward directors and executives of the quality needed to run the group successfully.

The remuneration philosophy is set with the intention to ensure achievement of 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. In discharging its duties, the Remuneration Committee makes use of external consultants to determine market-related remuneration levels. The committee meets at least twice a year.

Emphasis is placed on succession planning at executive and senior management levels. The Chief Executive Officer, in consultation with the Remuneration Committee, is responsible for ensuring that an adequate succession plan is in place. The company has 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.

Further details of the work of the committee appear in the remuneration report included in the directors' report on page 83.

Group Risk Committee

Members: **Busi Tshili (Chairperson), Suleman Badat (Independent member), Larry Lipschitz and Dheven Dharmalingam**

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 and assessed in order to meet group risk criteria. This is achieved by implementing a risk management philosophy 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 considered and attended to through the determination 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.

Super Group's business, financial position, results of operation, growth, and strategies could be materially impacted by risks. Headline risk areas identified by the board include:

Risk	Description
Treasury	Cash and credit lines, extension of credit, interest paid and received
Counterparty	Treasury, customers, matching revenue generation with funding requirements
Country	Political and regulatory environment in the countries in which we operate
Operational performance	Working capital, operating expenditure, procurement, efficiencies, sustainability
Economic	Consumer spending, fuel prices, interest rates
Capital projects	Capital expenditure, operating performance
Foreign exchange	Operating costs, revenue, capital costs
Employees	Succession planning, talent management, culture and values, health and safety, employment equity, HIV
Legal and regulatory	Non-compliance, contract enforceability
Business combinations	Integration, performance, suitability of partners
Technology	Failures, obsolescence, security, disaster recovery
Infrastructure	Increased costs, availability, ownership
Governance	Governance structures, decision-making and reputation

Accountability

The directors are responsible for the group's system of internal control. Whilst no system can provide absolute guarantees and protection against material loss, the systems are designed to give the directors reasonable assurance that problems can be identified promptly and remedial action taken as appropriate. The board has reviewed the effectiveness of internal controls on an ongoing basis. The key features of the internal control system include:

» Organisational structure

The structure of the group is so designed to minimise as far as possible the complexity of the reporting arrangements commensurate with the commercial demands made on the group. The structure focuses on the core businesses of the group, with an executive director and management committee member having direct line management responsibility for one

or more of these activities. Stringent reporting procedures are applied to ensure that performance is monitored so that effective and prompt action can be taken as the need arises. Certain of the group's key functions, including taxation, secretarial, internal audit, treasury and insurance, are undertaken centrally.

The general structure of delegations and sub-delegations of authority reflects the group's organisational structure. Based on a clear definition of each individual's role and responsibilities, they stipulate the areas in which the delegated authority may be exercised, the related tasks and regulations to be taken into account and any specific practices to be followed.

» *Financial reporting*

The group operates a comprehensive financial control system with each operating business unit's performance being closely monitored against both budget, prior period performance, and industry benchmarks through regular meetings.

» *Internal audit*

The internal audit function at group level is a recently established independent appraisal function, whose primary mandate is to examine and evaluate the effectiveness of the applicable operational controls and the attendant business risks as identified and managed by the core divisions of the group.

The purpose, authority and responsibility of the internal audit function is formally defined in an internal audit charter, that has been approved by the board and that is consistent with the requirements of King II and the Institute of Internal Auditors. During the period, the mandate of the group 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 central internal audit team is in the process of being formally constituted and the group is making appointments to strengthen the team to meet the requirements of its new mandate. The Audit Committee reviews the scope and coverage of the internal audit department, and has approved its coverage and work plan for the forthcoming year.

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

The Risk Manager and Operational Risk Manager have unrestricted access to the chairpersons of both the group Risk Committee and group Audit Committee.

Divisional Audit Committees rely on divisional internal audit functions together with the group oversight 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, Risk Committee and operational management for resolution. The internal audit function communicates with 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 internal audit reports.

The internal audit plan, approved by the Group Audit Committee, is based on risk assessments, which is of a continual 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 endeavours 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 objectives achieved.

» *External audit*

The external auditors express an independent opinion on the annual financial statements. The auditors are appointed by the board on the recommendation of the Group Audit Committee and ratified by shareholders. The external auditors' performance and independence is regularly monitored by the Group Audit Committee. During the year the external auditors provided certain non-audit services including legal reviews. The extent of the non-audit work performed is not significant and is not deemed to impact the auditors' independence.

» *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 fraud hotline is managed as an independent mechanism in partnership with an external service provider. Whistle-blowers may call in with anonymous tip-offs, which are received by the service provider and relayed to the Risk Manager for investigation.

King II 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.

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 forums, training programmes, regular communication through the group's and divisions' in-house magazines and the establishment of 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.

Guiding our day-to-day business dealings are our shared values of trustworthiness, open communication, respect, collaboration and knowledge sharing, ownership and accountability and innovation and thinking which highlight Super Group's commitment to a work environment that fosters respect and helps us deliver on our promise to customers. When ethical situations arise in the normal course of doing business, the group encourages our people to make decisions that are consistent with our values.

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 closed 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. The board is responsible for assuring the adequacy and effectiveness in the application of the overall health, safety and environmental strategies of the group. In compliance with the terms of the 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 remedial action plans are being implemented. A group occupational health and safety officer has been appointed during the current year under review. He will assess and report on health and safety related issues to the group Risk Committee.

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.

Super Group recognises the need for full, equal and timely disclosure to all stakeholders as prescribed by the JSE listings requirements and guidelines. The board has considered the continuation of a dialogue with major institutional investors to be a very important activity in the company's development. The board considers these communications as positive and mutually beneficial. It is the board's intention to ensure that these arrangements, wherever practical, and subject to regulatory limitations, continue and are developed in a way designed to be helpful and constructive both to the company and the major shareholders.

During the year under review, comprehensive financial results were announced for December 2007 and June 2008, 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 under-insured 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 positive cash flows, the availability of unutilised borrowing facilities and the revenue and cash budgets for the period to June 2009. The directors, after due deliberation, have every reason to believe that the group has adequate resources to continue in operation for the foreseeable future.

Annual general meeting

All necessary information and facilities are made available to shareholders to enable them to attend the annual general meeting, submit proxy forms and receive announcements and circulars in accordance with the JSE listings requirements. The directors are encouraged to attend the annual general meeting. The chairmen of the board and its committees and the external auditors will be available to answer questions at the annual general meeting.

Annual financial statements



Contents

78	Directors' responsibility for financial reporting
79	Independent auditors' report
80	Audit Committee report
81	Directors' report
83	Directors' remuneration report
88	Consolidated balance sheets
89	Consolidated income statements
89	Additional income statement information
90	Consolidated cash flow statements
91	Consolidated statement of changes in equity
92	Notes to the financial statements
144	Segmental analysis
146	Company annual financial statements
154	Investments in operating subsidiary and joint venture companies
156	Analysis of shareholders
158	Administration
159	Shareholders' diary



Directors' responsibility for financial reporting

The directors of Super Group are responsible for the preparation and fair presentation of the group annual financial statements and the annual financial statements of Super Group Limited 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 and company. The financial statements comprise the balance sheets at 30 June 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The financial statements are based on appropriate policies and are supported by reasonable and prudent judgements and estimates. The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management. No event, other than as disclosed in the directors' report, Chief Executive Officer's and Chief Financial Officer's review, material to the understanding of this report, has occurred between the financial year-end and the date of this report.

The directors have made an assessment of the group and company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

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.

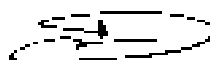
The auditors are responsible for reporting on whether the group annual financial statements and company annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group annual financial statements and annual financial statements

The group annual financial statements and annual financial statements of Super Group Limited, as identified in the first paragraph, were approved by the board of directors on 12 December 2008 and signed on its behalf by



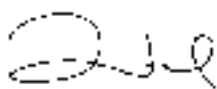
» **Dr L Lipschitz**
Chief Executive Officer



» **Dheven Dharmalingam**
Chief Financial Officer

Certification by the Company Secretary

In my capacity as Company Secretary, I hereby confirm that for the year ended 30 June 2008, 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.



» **D de Quintal**
12 December 2008

To the Members of Super Group Limited

Report on the financial statements

We have audited the group annual financial statements and the annual financial statements of Super Group Limited, which comprise the balance sheets at 30 June 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 81 to 155.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

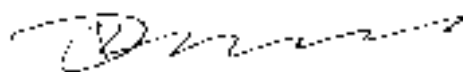
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Super Group Limited at 30 June 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



» Per D Thompson

Chartered Accountant (SA)
Registered Auditor
Director
12 December 2008

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

Audit committee report

Background

The committee commenced with the implementation of the requirements of the Corporate Laws Amendment Act, No 24 of 2006 (the Act) that became effective on 14 December 2007.

The committee's operation is guided by a detailed charter that is in line with the Act and is approved by the board as and when it is amended.

Objective

The committee is established to assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal controls, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards.

The committee's purpose is to oversee the accounting and financial reporting processes of the group, the audits of the annual financial statements, the qualifications of the public accounting firm engaged as the independent auditor to prepare or issue an audit report on the annual financial statements, and the performance of the internal audit function and independent auditors. The committee reviews and assesses the qualitative aspects of financial reporting to shareholders, the processes to manage business and financial risk, and compliance with significant applicable legal, ethical and regulatory requirements. The committee is directly responsible for the appointment (subject to shareholder ratification), compensation, retention, and oversight of the independent auditors.

Membership

During the course of the year, the membership of the committee comprised solely of non-executive directors. They were:

S Abrahams (chairman)

P Vallet

B Tshili

External audit

The committee has satisfied itself through enquiry that the auditors of Super Group are independent as defined by the Act.

The committee, in consultation with executive management, agreed to an audit fee for the 2008 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 22.3 to the financial statements.

There is a formal procedure that governs the process whereby the external auditor is considered for the provision of non-audit services, and each engagement for such work is reviewed by the committee.

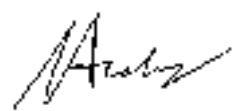
Meetings were held with the auditor where management was not present, and also with management where the auditor was not present.

The committee has nominated, for approval at the annual general meeting, KPMG as the external auditor for the 2009 financial year, and Mr Dwight Thompson as the designated auditor.

Annual financial statements

The committee has recommended the annual financial statements as set out on pages 81 to 155 for approval to the board.

The board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.



» **S Abrahams**

Chairman of the audit committee

12 December 2008

The directors present their report which forms part of the audited annual financial statements of the company and of the group for the year ended 30 June 2008.

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, incorporated and domiciled in the Republic of South Africa.

Super Group is a broad-based supply chain management business, operating predominantly in South Africa, with operations across Africa and businesses in Australia, New Zealand, China and the United Kingdom. Its principal operating activities include supply chain management, retail supply chain activities, automotive and fleet management.

Financial results

The results for the year are set out in the financial statements presented on pages 88 to 155 of this report and are more comprehensively dealt with in the Chief Executive Officer's and Chief Financial Officer's reports.

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 year.

An independent valuation of the group's land and buildings was performed in the prior year by Balme van Wyk Tugman (Pty) Limited to determine the fair value of land and buildings. The valuation resulted in an increase in the carrying value of land and buildings by R93 million. No independent valuations have been performed during the current year.

During the year the board resolved to dispose of all non-core properties. At year end the group had secured disposals amounting to R157 million. The proceeds will be utilised to reduce interest-bearing borrowings.

Share capital

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

The company or any of its subsidiaries has not repurchased any additional shares during the year. In terms of the general authority previously granted to the directors, cumulatively 38 746 554 shares have been repurchased by a subsidiary company and 8 820 098 by the consolidated Incentive Scheme Trust representing 11,7% of the issued ordinary share capital at an average price of R11,30. 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 8 and 9.

In terms of the articles of association Messrs D Dharmalingam and CB Tshili retire at the next annual general meeting. Being eligible, they offer themselves for re-election.

The Company Secretary is D de Quintal.

Dividends

A dividend of 40 cents per share in respect of the 2007 financial year, was declared on 3 September 2007 and paid on 1 October 2007.

The board has resolved not to declare a dividend for the current year. The dividend policy will be reviewed in the year ahead.

Resolutions

Special resolutions authorising the company or a subsidiary to acquire up to 10% of its issued share capital were passed at the annual general meeting of Super Group Limited held on 19 November 2007.

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 year covered by this report.

Operating subsidiaries

Refer to page 154 for further details.

Share option schemes

Refer to note 37 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 upcoming annual general meeting, shareholders will be requested to appoint KPMG Inc. as auditors of Super Group Limited for the 2009 financial year.

Post-balance sheet events

Rights issue

Super Group rights offer to shareholders closed on Friday, 17 October 2008. In terms of the rights offer, shareholders were offered 50 new shares for every 100 Super Group ordinary shares held, at an offer price of 400 cents per rights offer share. Subscriptions and applications were received for 127 399 532 rights offer shares, representing 67,2% of the rights offer shares (excluding treasury shares). The subscription of the 127 399 532 rights offer shares has resulted in proceeds of R510 million.

SGIP Angola

Subsequent to year end, an exposure in SGIP to an accounts receivable in Angola of USD13,3 million and inventory exposure of USD13,7 million was identified. Despite significant and continuing efforts to recover these amounts the board of directors has adopted the prudent view to impair fully the related balances. The total effect of R197,4 million has been impaired in the consolidated income statement for the year ended 30 June 2008.

Peu Group (Pty) Limited shareholding

On 15 August 2008, in accordance with the rights attaching to the 'A' ordinary shares in issue on that date, 68 130 900 'A' ordinary shares held by the Peu Group were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for an aggregate consideration of R1 on 15 August 2008. The ordinary shares have been listed from 20 August 2008.

The conversion and redemption of shares was effected in accordance with the provisions of the BEE transaction entered into between Super Group and the Peu Group and which was approved by Super Group shareholders on 4 August 2004.

Property disposals

Subsequent to year end the group has disposed of certain properties which were considered non-core for disposal proceeds of R125 million. Together with the capital raised in the rights issue, the proceeds from the property sales will significantly reduce group borrowings and increase financial flexibility. Taking into account the proceeds of the rights issue and committed property sale proceeds, trade gearing (excluding full maintenance leasing and Australian non-recourse liabilities) as reported at 30 June 2008, would be 33%, a reduction from the 65% reported at the financial year end on 30 June 2008.

Acquisition of minority in SG Australia

During October 2008, the group acquired an additional 5% equity interest from the minority shareholder in the Australia fleet management business. The acquisition was concluded in terms of a contractual put option in the initial shareholders' agreement.

Appointment of new Chief Financial Officer

Subsequent to year end the group has appointed Jonty Jankovich as the new Chief Financial Officer designate.

Fitch Rating

Subsequent to the approval of the annual financial statements, Fitch Ratings has re-rated Super Group's National Long-term (LT) rating to BB(zaf) from A- (zaf), and its National Short-term (ST) rating from F2(zaf) to B(zaf). The LT and ST ratings remain on Rating Watch Negative. As a result of the rating, certain short-term banking facilities have been amended from term to call facilities. The group's major bankers have confirmed their continued support of the group.

Directors' remuneration report

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 corporate governance report on page 72 for details on the composition, meetings and mandate of the Remuneration Committee. During the year 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 group where necessary.

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 reflect 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 group 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 year ended 30 June 2008 and 30 June 2007.

Year ended	Gross remuneration ¹	Retirement contributions	Other material benefits ²	Total excluding performance bonus	2007 Performance bonus ³	Total
30 June 2008	R	R	R	R	R	R
L Lipschitz	4 871 311	783 000	179 022	5 833 333	5 062 500	10 895 833
L Johnston ⁴	1 056 667	149 333	63 444	1 269 444	2 718 750	3 988 194
PA Smith ⁴	535 534	74 113	109 937	719 584	1 532 376	2 251 960
D Dharmalingam	2 453 638	337 500	250 528	3 041 666	2 337 765	5 379 431
Total	8 917 150	1 343 946	602 931	10 864 027	11 651 391	22 515 418

Directors' remuneration report *continued*

Year ended 30 June 2007	Gross remuneration ¹ R	Retirement contributions R	Other material benefits ² R	Total excluding performance bonus R	2006 Performance bonus ³ R	Total R
L Lipschitz	4 005 036	685 101	145 293	4 835 430	3 565 528	8 400 958
L Johnston	2 324 826	332 131	316 398	2 973 355	2 016 353	4 989 708
PA Smith	1 212 603	171 510	291 307	1 675 420	1 280 800	2 956 220
D Dharmalingam	2 041 358	270 523	276 128	2 588 009	1 555 000	4 143 009
Total	9 583 823	1 459 265	1 029 126	12 072 214	8 417 681	20 489 895

¹ Gross remuneration comprises basic salary.

² Other material benefits include entitlement to fuel, cover on the group's medical healthcare and disability scheme, funeral benefits and travel allowances. 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 year.

⁴ Directors resigned during the year ended 30 June 2008. Remuneration is until resignation from the board on 19 November 2007.

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 shareholders, the Remuneration Committee and the Super Group board of directors.

	Fixed directors' fees including allowances R	Meeting attendance fees R	Chairman's/ deputy chairman's fees R	Year ended 30 June 2008 R	Year ended 30 June 2007 R
SE Abrahams	400 000	182 500	–	582 500	602 500
P Vallet ¹	48 000	181 500	250 000	479 500	460 000
LF Bergman ²	–	55 000	–	55 000	159 168
B Greenstone ²	4 000	–	–	4 000	523 000
MP Malungani	–	60 000	250 000	310 000	340 000
CB Tshili	–	90 000	–	90 000	75 000
Total	452 000	569 000	500 000	1 521 000	2 159 668

¹ Billed by Fluxmans Inc. P Vallet's full-time employer.

² Director resigned during the financial year ended 30 June 2008.

Directors' service contracts

There are no fixed-term service contracts for executive or non-executive directors.

The Chief Executive Officer (L Lipschitz) has no written service agreement with the company. The Chief Financial Officer (D Dharmalingam) has a written letter of appointment which endures indefinitely and is subject to termination on one month's notice. The contractual relationship between the company and its executive directors is controlled through the Remuneration Committee which comprises non-executive directors only. These contracts are formulated in a manner which is consistent with the provisions of the Basic Conditions of Employment Act.

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 Remuneration Committee, 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 2005 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 headline earnings performance, 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 Rights Scheme (SARS) and the Long-Term Incentive Plan (LTIP) both incorporate performance target requirements which must be met before the exercise of the share grants 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 2008

Entitlements under share option schemes

	Opening balance	Granted under SARS	Granted under LTIP	Forfeited	Closing balance	Fund 9 closing balance	SARS closing balance	LTIP closing balance
Executive directors								
L Lipschitz	4 478 317	649 600	278 400	(1 183 984)	4 222 333	1 950 000	1 638 478	633 855
D Dharmalingam	1 305 525	259 200	120 000	(58 973)	1 625 752	750 000	616 323	259 429
	5 783 842	908 800	398 400	(1 242 957)	5 848 085	2 700 000	2 254 801	893 284

Note: No director exercised any share option during the year. There were no entitlements under share option schemes granted to non-executive directors.

Director	Scheme	Date granted	Strike price R	Options granted	Options forfeited	Closing balance
L Lipschitz	Fund 8	Various	4,16	1 045 000	1 045 000	–
	Fund 9	Various	7,20	1 950 000		1 950 000
	SARS	30 Mar 2006	10,95	397 097		397 097
	LTIP	30 Mar 2006		198 549	138 984	59 565
	SARS	5 Mar 2007	11,57	591 781		591 781
	LTIP	5 Mar 2007		295 890		295 890
	SARS	19 Sep 2007	12,50	649 600		649 600
	LTIP	19 Sep 2007		278 400		278 400
				5 406 317	1 183 984	4 222 333
D Dharmalingam	Fund 9	Various	7,20	750 000		750 000
	SARS	30 Mar 2006	10,95	151 644		151 644
	LTIP	30 Mar 2006		84 247	58 973	25 274
	SARS	5 Mar 2007	11,57	205 479		205 479
	LTIP	5 Mar 2007		114 155		114 155
	SARS	19 Sep 2007	12,50	259 200		259 200
	LTIP	19 Sep 2007		120 000		120 000
				1 684 725	58 973	1 625 752

Directors' remuneration report *continued*

Analysis of directors' share options as at 30 June 2007

	Opening balance	Granted under SARS	Granted under LTIP	Closing balance	Fund 8 and 9 closing balance	SARS closing balance	LTIP closing balance
Executive directors							
L Lipschitz	3 590 646	591 781	295 890	4 478 317	2 995 000	988 878	494 439
L Johnston	1 753 748	238 356	132 420	2 124 524	1 460 000	427 194	237 330
PA Smith	962 740	120 548	60 274	1 143 562	800 000	229 041	114 521
D Dharmalingam	985 891	205 479	114 155	1 305 525	750 000	357 123	198 402
	7 293 025	1 156 164	602 739	9 051 928	6 005 000	2 002 236	1 044 692

During September 2007, executive directors were, in terms of the Share Appreciation Right Scheme 2005, granted rights to receive shares and pursuant to the Long Term Incentive Plan 2005, been granted conditional awards of shares at R12,50. These rights and awards vest upon confirmation that the performance conditions are fulfilled. To date, no awards have been made relating to the 2008 financial year.

Beneficial and non-beneficial shareholding

The aggregate beneficial holdings at 30 June 2008, 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' shareholdings

	Number of fully paid shares held		Future entitlements under share option schemes		Future entitlements under share incentive arrangements	
	Direct	Indirect ordinary and 'A' ordinary	Number of shares ¹	Number of shares ²	Share appreciation rights scheme	Long-term incentive plan
As at 30 June 2008						
Executive						
L Lipschitz	15 988 748	4 840 978	–	1 950 000	1 638 478	633 855
D Dharmalingam	–	–	–	750 000	616 323	259 429
Non-executive						
MP Malungani ³	–	40 333 493	–	–	–	–
CB Tshili ³	–	2 909 189	–	–	–	–
	15 988 748	48 083 660	–	2 700 000	2 254 801	893 284
As at 30 June 2007						
Executive						
L Lipschitz	15 518 748	5 310 978	1 045 000	1 950 000	988 878	494 439
L Johnston ⁴	–	434 934	420 000	1 040 000	427 194	237 330
PA Smith ⁴	39 775	–	300 000	500 000	229 041	114 521
D Dharmalingam	–	–	–	750 000	357 123	198 402
Non-executive						
B Greenstone ⁴	–	142 408	–	–	–	–
MP Malungani ⁵	–	64 172 419	–	–	–	–
CB Tshili ⁵	–	4 519 927	–	–	–	–
	15 558 523	74 580 666	1 765 000	4 240 000	2 002 236	1 044 692

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 On 15 August 2008, in accordance with the rights attaching to the 'A' ordinary shares in issue on that date, 68 130 900 'A' ordinary shares held by the Pea Group were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for an aggregate consideration of R1 on 15 August 2008. The ordinary shares have been listed from 20 August 2008.

The aforesaid conversion and redemption of shares was effected in accordance with the provisions of the BEE transaction entered into between Super Group and the Pea Group and which was approved by Super Group shareholders on 4 August 2004. The transaction represents an indirect and non-beneficial interest in securities by Peter Malungani and Busi Tshili who are directors and shareholders of both Super Group and the Pea Group.

⁴ Directors who resigned during the financial year ended 30 June 2008.

⁵ Pea Group (Pty) Limited held 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 Pea Group (Pty) Limited.

Except for the reduction in the PEU shareholding disclosed in the directors' report, there have been no material changes in these shareholdings since 30 June 2008. Except for the share option and incentive scheme grants, no arrangements to which the company was a party existed at the end of, or at any time during the year, 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, no conflict of interest with regard to directors' interests in contracts exists. There have been no material changes in the foregoing since 30 June 2008 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 R7,20 option scheme was extended to 31 December 2009.

Consolidated balance sheets

as at 30 June 2008

	Note	30 June 2008 R000	Restated 30 June 2007 R000
ASSETS			
Non-current assets			
Property, plant and equipment	2	957 295	1 503 174
Full maintenance lease assets	3	2 026 724	1 655 333
Intangible assets	4	251 315	231 916
Goodwill	5	1 574 797	1 338 335
Investments in associates	6	70 022	21 191
Investments and other non-current assets	7	230 373	167 554
Deferred tax assets	8	177 890	112 191
		5 288 416	5 029 694
Current assets			
Assets held-for-sale	9	668 381	–
Inventories	10	1 310 579	1 202 635
Insurance related assets		345 590	145 697
Trade and other receivables	11	2 273 582	2 217 199
Cash and cash equivalents	12	843 061	682 437
		5 441 193	4 247 968
Total assets		10 729 609	9 277 662
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of Super Group Limited	13	2 007 161	2 101 158
Minority interest		257 777	94 194
Total equity		2 264 938	2 195 352
Non-current liabilities			
Fund reserves	16	342 201	241 975
Full maintenance lease borrowings	3	1 122 669	1 005 575
Interest-bearing borrowings	17	1 703 743	1 026 585
Deferred tax liabilities	8	209 186	223 054
		3 377 799	2 497 189
Current liabilities			
Bank overdrafts	12	618 264	259 949
Short-term full maintenance lease borrowings	3	673 866	316 361
Short-term interest-bearing borrowings	17	499 961	1 150 054
Trade and other payables	18	2 515 754	2 306 659
Insurance related liabilities		501 734	254 512
Income tax payable		81 378	101 125
Shareholders for dividends		587	696
Provisions	19	195 328	195 765
		5 086 872	4 585 121
Total equity and liabilities		10 729 609	9 277 662

Consolidated income statements

for the year ended 30 June 2008

	Note	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000
Revenue	20	12 413 979	11 575 046
Depreciation and amortisation	22	(438 036)	(340 915)
Operating expenditure – excluding capital items	22	(11 394 263)	(10 369 526)
Trading profit		581 680	864 605
Operating expenditure – capital items	21	(58 504)	(15 801)
Operating profit		523 176	848 804
Investment income and interest received	23	138 764	88 452
Finance cost	23	(615 915)	(442 284)
Share of profit of associates (net of taxation)	6	2 275	4 708
Profit before income tax		48 300	499 680
Income tax expense	24	(42 009)	(90 681)
Profit for the year		6 291	408 999
Attributable to minority shareholders		22 444	29 380
Attributable to equity holders of Super Group Limited		(16 153)	379 619
Dividend per ordinary share (cents)	25	40,0	40,0
Basic earnings per share (cents)	26	(4,5)	106,9
Diluted earnings per share (cents)	26	(4,3)	100,4

Additional income statement information

	Note	Year ended 30 June 2008 cents	Restated year ended 30 June 2007 cents
Final dividend per ordinary share declared subsequent to 30 June	28	–	40,0
Headline earnings per share	26	11,9	111,3
Diluted headline earnings per share	26	11,3	104,6

Consolidated cash flow statements

for the year ended 30 June 2008

	Note	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000
Cash flows from operating activities			
Cash generated from operations	27	1 138 863	838 620
Finance costs paid		(617 778)	(444 652)
Investment income and interest received		113 125	95 870
Dividends received from associates		3 000	2 440
Cash dividends paid	28	(149 995)	(147 065)
Income tax paid	29	(110 085)	(98 764)
Net cash retained from operating activities		377 130	246 449
Cash flows from investing activities			
Additions to property, plant and equipment	2	(425 490)	(352 593)
Additions to full maintenance lease assets	3	(721 249)	(558 310)
Additions to intangible assets	4	(64 787)	(77 811)
Proceeds on disposal of property, plant and equipment	2	191 304	68 678
Proceeds on disposal of full maintenance lease assets	3	200 904	90 687
Proceeds on disposal of intangible assets	4	1 407	–
(Acquisition)/disposal of associate net of acquisition		(49 556)	30 418
Investments purchased		(36 935)	(16 368)
Proceeds on sale of investments		82 586	–
Loans granted		(140 795)	(22 819)
Loans repaid		50 512	22 373
Acquisition of businesses	30.1, 30.2	(157 388)	(313 394)
Disposal of businesses	30.3, 30.4	121 474	(516)
Net cash outflow from investing activities		(948 013)	(1 129 655)
Cash flows from financing activities			
Share sales		9 017	10 527
(Decrease)/increase in interest-bearing borrowings		(70 649)	280 683
Increase in full maintenance lease borrowings		404 856	161 541
Net cash inflow from financing activities		343 224	452 751
Net decrease in cash and cash equivalents		(227 659)	(430 455)
Net cash and cash equivalents at beginning of the year		422 488	841 882
Effect of foreign exchange on cash and cash equivalents		29 968	11 061
Net cash and cash equivalents at end of the year	12	224 797	422 488

Consolidated statements of changes in equity

for the year ended 30 June 2008

	Share capital R000	Share premium R000	Other reserves (Note 15) R000	Retained earnings R000	Share buyback reserves R000	Total R000	Minority interest R000	Total equity R000
Balance at 30 June 2006	47 297	511 229	358 808	1 387 678	(550 155)	1 754 857	142 819	1 897 676
Changes in equity for 2007 year								
Net income recognised directly in equity	–	–	95 113	–	–	95 113	7 425	102 538
Translation adjustment	–	–	29 098	–	–	29 098	7 425	36 523
Revaluation of land and buildings	–	–	66 015	–	–	66 015	–	66 015
Profit for the period – restated	–	–	–	379 619	–	379 619	29 380	408 999
Profit for the period previously reported	–	–	–	454 330	–	454 330	29 380	483 710
Prior year adjustment (note 32)	–	–	–	(74 711)	–	(74 711)	–	(74 711)
Total recognised income and expense for the year	–	–	95 113	379 619	–	474 732	36 805	511 537
Transfer to contingency reserve	–	–	4 060	(4 060)	–	–	–	–
Share-based payment expense (note 37)	–	–	–	3 539	–	3 539	–	3 539
Share buybacks and related losses	–	–	–	–	9 974	9 974	–	9 974
Business combinations	–	–	–	–	–	–	(81 970)	(81 970)
Ordinary dividend	–	–	–	(141 944)	–	(141 944)	(3 460)	(145 404)
Balance at 30 June 2007 – restated	47 297	511 229	457 981	1 624 832	(540 181)	2 101 158	94 194	2 195 352
Changes in equity for 2008 year	–	–						
Net income recognised directly in equity	–	–	64 774	3 281	–	68 055	22 548	90 603
Translation adjustment	–	–	58 420	–	–	58 420	22 548	80 968
Realisation through sale of land and buildings net of taxation	–	–	(3 281)	3 281	–	–	–	–
Rate adjustment for deferred taxation on reclassification of land and buildings as held-for-sale (note 15)	–	–	16 864	–	–	16 864	–	16 864
Revaluation of land and buildings net of taxation	–	–	(7 229)	–	–	(7 229)	–	(7 229)
Profit for the year	–	–	–	(16 153)	–	(16 153)	22 444	6 291
Total recognised income and expense for the year	–	–	64 774	(12 872)	–	51 902	44 992	96 894
Transfer to contingency reserve	–	–	6 134	(6 134)	–	–	–	–
Profit on exercise of share options	–	–	–	–	2 564	2 564	–	2 564
Business combinations (note 30.2)	–	–	–	(5 564)	–	(5 564)	125 578	120 014
Ordinary dividend	–	–	–	(142 899)	–	(142 899)	(6 987)	(149 886)
Balance at 30 June 2008	47 297	511 229	528 889	1 457 363	(537 617)	2 007 161	257 777	2 264 938

Notes to the financial statements

for the year ended 30 June 2008

1 ACCOUNTING POLICIES

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 preparation

The financial statements of the group and company have been prepared under the historical cost basis, except for land and buildings measured using the revaluation model, 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 rand and all values are rounded to the nearest thousand (R000) except when otherwise indicated.

Statement of compliance

Basis of measurement

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.

Use of estimates and judgements

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 38. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

During the current financial year, the following accounting standards, interpretations and amendments to published accounting standards were adopted:

- » IFRIC 10 – *Interim Financial Reporting and Impairment*.
- » IFRIC 11, IFRS 2 – *Group and Treasury Share Transactions*.
- » IFRS 7 – *Financial instruments: Disclosures*, and a complementary amendment to IAS 1, *Presentation of Financial Statements* – Capital Disclosures and consequential amendments to IFRS 4 implementation guidance.
- » IAS 23 – *Borrowing costs* – amended.

At the date of group and subsidiaries' annual financial statements, the following standards and interpretations were in issue but not yet effective:

- » IFRIC 12 – *Service Concession Arrangements* (effective 1 January 2008). IFRIC 12 gives guidance on the accounting by operators for public-to-private concession arrangements. This interpretation is not relevant to Super Group.
- » IFRIC 13 – *Customer Loyalty Programmes* addresses how companies that grant their customers loyalty award credits (often called 'points') when buying goods or services, should account for their obligation to provide free or discounted goods or services if and when customers redeem the points.

IFRIC 13 is based on a view that customers are implicitly paying for the points they receive when they buy other goods or services, and hence that some revenue should be allocated to the points. IFRIC 13 requires companies to estimate the value of the points to the customer and defer this amount of revenue as a liability until they have fulfilled their obligations to supply awards.

IFRIC 13 is mandatory for annual periods beginning on or after 1 July 2008. The group will adopt IFRIC 13 from 1 July 2008 and it is likely to have an impact on certain businesses within the group's retail supply chain businesses. The impact is not expected to be material.

- » IFRIC 14, IAS 19 – *The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction* addresses how entities should determine the limit placed by IAS 19 *Employee Benefits* on the amount of a surplus in a pension plan they can recognise as an asset and how a minimum funding requirement affects that limit.

IFRIC 14 is mandatory for annual periods beginning on or after 1 January 2008. The group pension plans are defined contribution plans and the interpretation is not expected to have an impact.

- » IFRIC 15 – *Agreements for the Construction of Real Estate* IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and, accordingly, when revenue from the construction should be recognised. IFRIC 15 is mandatory for annual periods beginning on or after 1 January 2009. The group will adopt IFRIC 15 from 1 July 2009 and it will have no impact on the group.

- » IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation* IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and

wishes to qualify for hedge accounting in accordance with IAS 39.

IFRIC 16 is mandatory for annual periods beginning on or after 1 October 2008. The group will adopt IFRIC 16 from 1 July 2009 and it will have no impact on the group.

» ***Amendments to IFRS 2 Share-based Payment to clarify 'vesting conditions' and 'cancellations'***

Vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. Under IFRS 2, features of a share-based payment that are not vesting conditions should be included in the grant date fair value of the share-based payment. The fair value also includes market-related vesting conditions.

All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. A cancellation of equity instruments is accounted for as an acceleration of the vesting period. Any payments made with the cancellation (up to the fair value of the equity instruments) is accounted for as the repurchase of an equity interest. Any payment in excess of the fair value of the equity instruments granted is recognised as an expense.

The amendment is effective for annual periods beginning on or after 1 January 2009, with earlier application permitted.

» ***IFRS 3 Business combinations and IAS 27R – Consolidation and Separate Financial Statements***

The objective of this standard is to reduce the alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial statement of the parent, venture or investor. The amendments relate, primarily, to accounting for non-controlling interests and loss of control of a subsidiary.

IFRS 3 and IAS 27R are mandatory for annual periods beginning on or after 1 July 2009. The group will adopt IAS 27R from 1 July 2009 and it will have no material impact.

» ***IFRS 8 – Operating segments.*** In terms of IFRS 8, the reporting of segments would be based on the information the 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. IFRS 8 will be adopted from July 2009.

Amendments to IAS 39 Financial instruments: recognition and measurement and IFRS 7 financial instruments: disclosure and IFRIC 17 distribution on non-cash assets to owners which have really been issued are not considered relevant to the group.

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

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.

Changes in holdings while control is retained are accounted for as equity transactions. Any premium or discount on purchase or sale is recognised directly in equity. No adjustment is made to goodwill. 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, 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

Notes to the financial statements *continued*

for the year ended 30 June 2008

obtained until the effective dates that significant influence ceased, 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.

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 profit or loss.

Goodwill

Goodwill on acquisition is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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 fair value 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 profit or loss.

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 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.

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.

Insurance contracts

Classification of insurance contracts

Contracts under which the group 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 under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

Recognition and measurement of insurance contracts

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year, 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 years.

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 reserve

The provision for unearned premiums comprises the proportion of gross premiums written which is estimated to be earned in the following financial year, computed separately

for each insurance contract using the daily pro rata method. Monthly business written is excluded from the unearned premium reserve calculation.

Claims incurred

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

Claims outstanding comprise provisions for the group'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 years are reflected in the financial statements for the year in which the adjustments are made, and disclosed separately if material. The methods used, and the estimates made, are reviewed regularly.

Unexpired risk reserve

A reserve is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired years of policies in force at the balance sheet date exceeds the unearned premium reserve in relation to such policies after the deduction of any deferred acquisition costs. The reserve 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 group 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 group 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

Notes to the financial statements *continued*

for the year ended 30 June 2008

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 group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the group 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 reserve 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 group recognises the deficiency in income for the year.

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.

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 profit or loss during the financial year in which they are incurred.

The depreciable amount of the asset is recognised in the profit or loss on a straight-line basis. The current estimated useful lives are as follows:

- » Buildings – 50 years;
- » Rental and transport vehicles – 4 to 10 years;

- » Furniture and fittings – 6 years;
- » Computer equipment – 3 to 5 years; and
- » Land is not depreciated.

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

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 year 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.

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

Surpluses or losses on the disposal of property, plant and equipment are credited or charged to profit or loss and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

Full maintenance lease asset portfolio

Items of moveable assets which are leased to customers, but where the group 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 includes 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 recognised in profit or loss on a straight-line basis.

The current estimated useful lives are as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. Work in progress is not depreciated until the asset is available for use.

Surpluses and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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.

Lease classification – group 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 three main decision criteria used. These are:

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

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The transaction is accounted for as a sale of an asset. The selling price is recorded at the present value of the minimum lease receivable with a corresponding finance lease receivable recorded on the balance sheet.

Lease payments received are allocated between capital repayments and interest income using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the lease receivable.

Operating leases

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. Substantially all the risk on the result of the contract, both positive and negative is borne by the group.

Lease classification – group as lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases

Leases where the group assumes substantially all the benefits and risks of ownership incidental to ownership of the item are classified as finance leases. 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 profit or loss over the lease term on a straight-

Notes to the financial statements *continued*

for the year ended 30 June 2008

line basis and the leased assets are not recognised on the group's balance sheet.

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 profit or loss in the year 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. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Intangible assets are amortised unless they have an indefinite useful life.

Finite life intangible assets are amortised. Amortisation is recognised in profit or loss 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.

The amortisation method and amortisation period for intangible assets with a finite useful life is reviewed annually at each financial year-end. The current estimated useful lives are as follows:

- » Software – 3 – 7 years; and
- » Trademarks and licences – 15 – 20 years.

Software

Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. 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.

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

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 profit or loss.

Non-current assets held-for-sale

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held-for-sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Immediately before classification as held-for-sale, the assets (or components of a disposal group) are measured in accordance with the group's accounting policies. 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 profit or loss. Reversals of impairments are not recognised in excess of any cumulative impairment losses.

No depreciation is provided on non-current assets from the date they are classified as held-for-sale.

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 profit or loss.

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. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected cost of continuing with the contract.

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.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation

The current tax charge is the expected tax payable on the taxable income for the year using tax rates enacted or subsequently enacted at the balance sheet date and any adjustments to tax payable in respect of prior years. Income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

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 that 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. Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. 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 and associates where those earnings are not expected to be distributed.

Deferred tax is charged to profit or loss 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 profit or loss, 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 profit or loss 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

Notes to the financial statements *continued*

for the year ended 30 June 2008

economic environment in which the entity operates (the functional currency). The financial statements are presented in rand, 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 profit or loss. 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 profit or loss in the year 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 are 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 functional 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. Gains or 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 profit or loss.

Impairment of assets

Non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recovered. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible

assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of assets is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial

assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss on derecognition.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Derecognition of assets, liabilities and provisions

A financial asset is derecognised when control over the contractual rights that comprise the asset is lost and the substantive risk and benefits associated with the asset are consequently transferred. This occurs when the rights are realised, expired or are surrendered. A financial liability is derecognised when it is legally extinguished.

Derivative financial instruments

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 profit or loss in the year 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 cash equivalents comprise cash on hand, deposits held at call with banks, short-term money market instruments and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value, based on the relevant exchange rate at the balance sheet date.

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.

Financial assets

Non-derivative financial instruments comprise investment in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value.

Recognition of financial assets

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. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

The group classifies its financial assets into the following categories:

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

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets on initial recognition.

The fair value of financial assets not measured at fair value through profit or loss includes transaction costs associated with the financial asset (such as advisers' and agents' fees and commissions, duties and levies by regulatory agencies).

Financial assets measured at fair value through profit or loss

Financial assets are classified as 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 financial assets

Available-for-sale financial assets 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 financial asset within 12 months of the balance sheet date.

Notes to the financial statements *continued*

for the year ended 30 June 2008

Held-to-maturity financial assets

Financial assets 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 financial assets that are intended to be held-to-maturity are subsequently measured at amortised cost less impairment losses using the effective interest rate 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 financial asset.

Loans and receivables

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. Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at amortised cost less impairment losses (generally being original invoice amount less an allowance for any uncollectable amounts), using the effective interest method. 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, using the effective interest method.

Subsequent measurement

After initial recognition, financial assets, which are classified as measured at fair value through profit or loss and available-for-sale, are measured at fair value. Gains or losses on financial assets measured at fair value through profit or loss are recognised in the income statement. Gains or losses on available-for-sale financial assets are recognised as a separate component of equity until the financial asset is sold, collected or otherwise disposed of, or until the financial asset is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

Foreign exchange gains and losses, interest calculated in respect of interest-bearing financial assets on the effective interest rate method and dividends are recognised directly in profit or loss. For financial assets carried at amortised cost, gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

For financial assets 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 financial assets 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 financial asset. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

Employee benefits

Short-term employee benefits

Remuneration to employees for services rendered is recognised in profit or loss as the services are provided. An accrual is made for accumulated leave. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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 years. 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 profit or loss in the year 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.

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 profit or loss, 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.

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 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 earnings 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

Notes to the financial statements *continued*

for the year ended 30 June 2008

sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

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 their 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, Automotive 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 and financial 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.

Revenue

Revenue is recognised net of indirect taxes, rebates and trade discounts and consists primarily of the sale of products and services rendered. 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 are 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 year that relate to unexpired terms of policies in force at the balance sheet date, generally calculated on a time-proportionate basis.

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 profit or loss 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 actual valuation are recognised in profit or loss immediately. Contract maintenance costs are recognised in profit or loss when incurred.

Trading profit

Trading profit comprises operating profit before capital items.

Operating profit

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

Notes to the financial statements *continued*

for the year ended 30 June 2008

	Land and buildings R000	Rental and transport fleet R000	Computer equipment R000	Furniture and workshop equipment R000	Motor vehicles and other assets R000	Total R000
2 PROPERTY, PLANT AND EQUIPMENT						
30 June 2008						
Cost or valuation	208 136	738 156	325 937	265 558	123 466	1 661 253
Accumulated depreciation and impairment losses	(39 749)	(235 274)	(210 424)	(159 429)	(59 082)	(703 958)
Balance at end of year	168 387	502 882	115 513	106 129	64 384	957 295
Movement summary						
Balance at beginning of year	757 604	450 526	112 141	127 305	55 598	1 503 174
Additions	119 266	144 890	43 510	33 747	84 077	425 490
Expand	83 701	92 676	26 109	23 779	63 679	289 944
Maintain	35 565	52 214	17 401	9 968	20 398	135 546
Borrowing costs capitalised	18 280	–	–	–	–	18 280
Acquisition of businesses	568	–	579	2 955	1 265	5 367
Land and buildings classified as held-for-sale (note 9)	(668 381)	–	–	–	–	(668 381)
Transfers	–	48 789	(1 113)	–	(48 789)	(1 113)
Disposals	(47 822)	(105 071)	(953)	(21 978)	(15 480)	(191 304)
Revaluation of land and buildings	(8 407)	–	–	–	–	(8 407)
Impairment	–	(1 846)	–	(979)	–	(2 825)
Translation adjustment	7 555	25 727	2 914	2 201	484	38 881
Current year depreciation	(10 276)	(60 133)	(41 565)	(37 122)	(12 771)	(161 867)
Balance at end of year	168 387	502 882	115 513	106 129	64 384	957 295
Leased assets included in above comprise:						
Carrying value at end of year	–	376 070	3 142	16 327	–	395 539
Depreciation for year	–	(46 114)	(1 847)	(6 024)	–	(53 985)

During the prior year an independent valuation was performed on the group's land and buildings. It is the group's policy to perform independent valuations 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 valuations which conform to international valuation standards were arrived at by reference to market evidence of transaction prices for similar properties.

Certain assets are pledged as security for borrowings of the group (refer note 3 and 17). As the group has more than five items of land and buildings, a register is maintained in terms of paragraph 24(c) of schedule 4 of the South African Companies Act. This register is available for inspection at Super Group's registered office.

Borrowing costs amounting to R18 280 000 (2007: R12 181 000) (refer note 23) were capitalised to qualifying land and buildings during the year.

Capital commitments

Capital commitments of R167 123 000 (2007: R228 758 000) (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 excluded from this disclosure.

	Land and buildings R000	Rental and transport fleet R000	Computer equipment R000	Furniture and workshop equipment R000	Motor vehicles and other assets R000	Total R000
2 PROPERTY, PLANT AND EQUIPMENT (continued)						
30 June 2007						
Cost or valuation	827 123	634 517	294 126	264 565	112 960	2 133 291
Accumulated depreciation and impairment losses	(69 519)	(183 991)	(181 985)	(137 260)	(57 362)	(630 117)
Balance at end of year	757 604	450 526	112 141	127 305	55 598	1 503 174
Movement summary						
Balance at beginning of year	532 708	452 918	118 997	123 488	19 039	1 247 150
Additions	144 135	55 345	47 079	36 446	69 588	352 593
Expand	130 563	49 475	8 944	21 763	54 689	265 434
Maintain	13 572	5 870	38 135	14 683	14 899	87 159
Borrowing costs capitalised	12 181	–	–	–	–	12 181
Acquisition of businesses	432	–	553	1 375	2 285	4 645
Transfers	–	17 930	–	–	(17 930)	–
Disposals	(6 519)	(29 432)	(16 826)	(3 542)	(12 359)	(68 678)
Disposal of businesses	(632)	–	(335)	(536)	–	(1 503)
Revaluation of land and buildings	92 979	–	–	–	–	92 979
Translation adjustment	1 511	(1 200)	1 313	499	(296)	1 827
Current year depreciation	(19 191)	(45 035)	(38 640)	(30 425)	(4 729)	(138 020)
Balance at end of year	757 604	450 526	112 141	127 305	55 598	1 503 174
Analysis of balance at end of year:						
Property, plant and equipment in use	755 415	450 526	112 141	127 305	55 598	1 500 985
Work in progress relating to Super Park warehouse facility	2 189	–	–	–	–	2 189
	757 604	450 526	112 141	127 305	55 598	1 503 174
Leased assets included in above comprise:						
Carrying value at end of year	106 429	308 045	10 746	33 958	–	459 178
Depreciation for year	(7 257)	(23 971)	(3 408)	(3 552)	–	(38 188)

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
3 FULL MAINTENANCE LEASE ASSETS AND RELATED BORROWINGS		
3.1 Full maintenance lease assets		
Cost	2 603 601	2 114 859
Accumulated depreciation	(576 877)	(459 526)
Balance at end of year	2 026 724	1 655 333
Movement summary		
Balance at beginning of year	1 655 333	1 351 538
Additions	721 249	558 310
Expand	315 870	38 082
Maintain	405 379	520 228
Acquisitions of businesses	63 671	–
Disposals	(200 904)	(90 687)
Current year depreciation	(235 928)	(163 828)
Translation adjustment	23 303	–
Balance at end of year	2 026 724	1 655 333
Analysis of balance at end of year:		
Completed vehicles	1 852 980	1 454 262
Work in progress	173 744	201 071
	2 026 724	1 655 333
Leased assets included in above comprise:		
Carrying value at end of year	101 779	113 975
Depreciation for year	(14 090)	(14 685)
3.2 Full maintenance lease borrowings		
<i>Loan facility for the funding of vehicles exclusively utilised for full maintenance leases.</i>		
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 R1 184 072 000 (2007: R997 683 000), cession of investment accounts of R39 533 000 (2007: R37 707 000), and cession of insurance policies covering the assets. The borrowings are secured by assets with a carrying value of R1 224 914 000 (2007: R1 080 831 000)	1 184 072	997 683
<i>Loan facility for the funding of vehicles to be exclusively utilised for full maintenance lease purposes.</i>		
The facility bears interest at prime less 2,15% and prime less 2,5%. 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 to 60 months. The facility is secured by a Super Group Limited guarantee of R282 809 000 (2007: R229 733 000) and a cession of insurance policies covering the assets.		
The borrowings are secured by assets with a carrying value of R447 574 000 (2007: R266 739 000)	282 809	229 733

	30 June 2008 R000	30 June 2007 R000
3 FULL MAINTENANCE LEASE ASSETS AND RELATED BORROWINGS (continued)		
3.2 Full maintenance lease borrowings (continued)		
<i>Finance lease borrowings</i>		
Finance lease borrowings bear interest at prime less 2,1% and are repayable over five years.		
Finance lease borrowings are secured by assets with a carrying value of R101 779 000 (2007: R113 975 000)	75 936	94 520
<i>Loan facilities for the funding of vehicles in the Australia fleet management business.</i>		
The facilities bear interest at LIBOR plus 95 to 170 basis points. Monthly repayments are over the period of the individual full maintenance contracts of the related vehicles. The period of the contracts is 36 months. The facility is secured over FML assets with carrying value of R235 643 000.	253 718	–
Total full maintenance lease borrowings	1 796 535	1 321 936
Short-term portion reflected under current liabilities	(673 866)	(316 361)
Long-term portion reflected under non-current liabilities	1 122 669	1 005 575
Year 1	673 866	316 361
Year 2	309 235	442 741
Year 3 – 5	813 434	562 834
	1 796 535	1 321 936
Currency analysis – full maintenance lease assets		
Rand	1 789 152	1 655 333
Australian dollar	237 572	–
	2 026 724	1 655 333
Currency analysis – full maintenance lease borrowings		
Rand	1 542 817	1 321 936
Australian dollar	253 718	–
	1 796 535	1 321 936
Full maintenance lease liabilities relate to funding raised to finance revenue generating assets in the leasing businesses. These assets are directly on-leased to customers by way of full maintenance operating leases in terms of medium term contractual arrangements. The full maintenance liabilities are matched to customer contract terms. The cash generated by the operations is utilised to repay the obligations. Interest rate risk is passed on to customers as contracts are generally linked to prime overdraft rates.		
The FleetAfrica Eastern Cape contract terminates on 31 January 2009. The final repayment date on the liability is 30 June 2009. The settlement date of the liability will be extended to the extent that the contract is renewed to the financier's satisfaction.		
The City of Johannesburg and its nominated service provider, in terms of the COJ2 contract, have a contractual obligation to take transfer of and settle all funded vehicles in service as at the termination date by payment, against tender of transfer of the outstanding bank settlement values at the time of the contract termination (30 June 2011). The City is obliged to service all periodic payment obligations until such transfer has been effected and paid for.		

Notes to the financial statements *continued*

for the year ended 30 June 2008

	Patents and trademarks R000	Software R000	Other intangibles R000	Total R000
4 INTANGIBLE ASSETS				
30 June 2008				
Cost	87 807	206 135	67 298	361 240
Accumulated amortisation and impairment losses	(9 382)	(79 426)	(21 117)	(109 925)
Balance at end of year	78 425	126 709	46 181	251 315
Movement summary				
Balance at beginning of year	78 371	110 422	43 123	231 916
Additions	–	53 735	11 052	64 787
Expand	–	46 306	11 052	57 358
Maintain	–	7 429	–	7 429
Transfer from property, plant and equipment	–	1 113	–	1 113
Disposal	–	(1 407)	–	(1 407)
Current year amortisation	–	(30 074)	(10 167)	(40 241)
Impairment	–	(17 263)	(1 451)	(18 714)
Translation adjustment	54	10 183	3 624	13 861
Balance at end of year	78 425	126 709	46 181	251 315
Analysis of balance at end of year:				
Purchased	75 225	124 819	46 181	246 225
Internally generated	3 200	1 890	–	5 090
	78 425	126 709	46 181	251 315
Trade names with indefinite useful life	78 425	–	–	78 425
Other intangible assets with definite useful life	–	126 709	46 181	172 890
	78 425	126 709	46 181	251 315
30 June 2007				
Cost	87 734	156 976	51 888	296 598
Accumulated amortisation and impairment losses	(9 363)	(46 554)	(8 765)	(64 682)
Balance at end of year	78 371	110 422	43 123	231 916
Movement summary				
Balance at beginning of year	78 398	70 755	39 508	188 661
Additions	465	69 850	7 496	77 811
Expand	–	39 091	7 496	46 587
Maintain	465	30 759	–	31 224
Current year amortisation	(488)	(32 765)	(5 814)	(39 067)
Translation adjustment	(4)	2 582	1 933	4 511
Balance at end of year	78 371	110 422	43 123	231 916
Analysis of balance at end of year:				
Trade names with indefinite useful life	75 225	–	–	75 225
Other intangible assets with definite useful life	3 146	110 422	43 123	156 691
	78 371	110 422	43 123	231 916

The intangible asset with an indefinite useful life relates to the Mica trade name. The carrying amount was subject to an annual impairment test in each year using the value-in-use 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. Other intangibles comprise mainly licences and customer-related intangibles arising from business acquisitions.

The impairment of software relates to the Services segment. Software identified as redundant and outdated was impaired.

Key assumptions used in indefinite useful life intangible asset impairment testing

The impairment test performed for the Mica trade name used a 10 year forecast, and budgeted growth in operating profit generated by the trade name. These were discounted at a rate including divisional specific risk of 16,9%.

	30 June 2008 R000	30 June 2007 R000
5 GOODWILL		
Amortised cost	1 703 651	1 440 168
Accumulated impairment losses	(128 854)	(101 833)
Balance at end of year	1 574 797	1 338 335
Movement summary		
Balance at beginning of year	1 338 335	1 060 902
Acquisition of businesses	89 543	188 100
Disposal of businesses	–	(815)
Translation adjustment	173 940	93 751
Impairment of goodwill	(27 021)	(3 603)
Balance at end of year	1 574 797	1 338 335
Segmental goodwill per cash-generating unit:		
Supply Chain Management	307 982	296 315
Supply Chain Partners	287 705	287 705
Extended Supply Chain	20 277	8 610
African Transport	90 393	84 507
Fleet Solutions	957 552	733 426
Fleet Africa	87 822	87 822
SG Fleet Australia	869 730	645 604
Retail Supply Chain	109 710	88 963
Autozone	67 071	59 913
Mica hardware	42 639	29 050
Automotive	109 160	122 830
Super Hermans	3 014	3 014
Super Group Dealerships	50 327	50 327
Super Group Industrial Products	46 858	60 528
Cranes Division	8 961	8 961
Services	–	12 294
	1 574 797	1 338 335

Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill is subject to annual impairment tests using the value in use method. An amount of R27 021 000 (2007: R3 603 000) was identified as being impaired for the current year. Write down of other assets' carrying value in the relevant cash generating unit was not required.

The most significant portion of the group's goodwill, R869 730 000 (2007: R645 604 000), relates to operations in SG Fleet Australia. The recoverable amount of each cash-generating unit was determined using the value in use method and exceeds the carrying value. These calculations use projected earnings based on historic operating results. Adverse changes in assumptions are not expected to materially reduce the recoverable amount below the carrying value.

Significant impairments

Goodwill relating to the Super Group Industrial Products cash-generating unit, amounting to R13 670 000, was identified as being impaired using the value in use method.

The investment in Nucleus Corporate Advisers (Pty) Limited as part of the Services segment, was also identified as impaired, using forecasts of future cash flows and the value in use method. This impairment amounted to R12 294 000.

Key assumptions used in cash-generating unit goodwill impairment testing

The forecast period used was limited to 3 to 5 years and discount rates dependent on the risk of the specific cash-generating unit was set between 16,9% and 23,0%.

Notes to the financial statements *continued*

for the year ended 30 June 2008

6 INVESTMENTS IN ASSOCIATES

The group has the following significant unlisted investments in associates:

Insurance associate

Emerald Underwriting Managers (Pty) Limited South Africa (EUM)

Mica associates

Black Ginger 305 (Pty) Limited

Marberry Investments (Pty) Limited

Ochre Shimmer Trade and Invest 56 (Pty) Limited

Red Pen Investments 21 (Pty) Limited

During the current year, Super Group acquired the majority shareholding in Black Ginger 305 (Pty) Limited.

Unlisted investments in associates

Shares at cost

Loans to associates

Share of retained earnings since acquisition

Dividends received

Total investments in associates

Movement summary

Balance at beginning of year

Share of profit of associates (net of taxation)

Investments in associates acquired

Dividends received from associates

Transfer to subsidiaries

Loans granted to associates

Balance at end of year

Fair values

None of the group's investments in associates is publicly traded and therefore no quoted market prices are available.

Key financial information of principal associates (100%)

Financial information for principal associates

30 June 2008 % ownership	30 June 2007 % ownership
-----------------------------	-----------------------------

30 June 2008 R000	30 June 2007 R000
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28 602	2 701
36 126	12 471
16 614	14 339
(11 320)	(8 320)
70 022	21 191

21 191	6 151
2 275	4 708
30 405	12 772
(3 000)	(2 440)
(4 504)	–
23 655	–
70 022	21 191

30 June 2008	30 June 2007
Mica associates R000	Total R000
EUM R000	

Current assets	58 037	167 720	168 283
Non-current assets	25 197	3 885	22 485
Current liabilities	28 478	121 756	137 154
Non-current liabilities	2 423	–	29 122
Revenue	212 986	47 614	139 867
(Loss)/profit before income tax	(15 813)	32 042	17 990

The group has accounted for losses incurred by associates to the extent of investments made.

The group has no obligation in respect of losses incurred by associates.

Associate companies have no material contingent liabilities.

All associate companies have a 30 June year end.

	30 June 2008 R000	30 June 2007 R000
7 INVESTMENTS AND OTHER NON-CURRENT ASSETS		
Investments	135 885	130 925
Non-current portion of finance lease receivable (SG Fleet Australia)	30 401	–
Other non-current assets	64 087	36 629
	230 373	167 554
7.1 Investments		
Investments measured at fair value through profit and loss		
Listed investments	16 851	16 973
Unlisted investments	119 034	113 952
	135 885	130 925
Currency analysis		
Rand	16 851	63 344
US dollar and other	119 034	67 581
	135 885	130 925
Listed investments mainly represent the trading portfolio relating to the group's insurance activities. The unlisted investments represent strategic investments by 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 Non-current portion of finance lease receivable		
Gross finance lease investment	45 160	–
Unearned finance income	(6 677)	–
Net finance lease investment	38 483	–
Current portion included in receivables	(8 082)	–
	30 401	–
Receivable terms analysis		
Year 1	8 082	–
Year 2 – 5	30 401	–
	38 483	–
Currency analysis		
Australian dollar	30 401	–
The receivable relates to future amounts to be received in respect of vehicles sold on finance lease in the Australian fleet management business. The amounts bear interest at a fixed rate. The average interest rate and lease term is 8,8% and 41 months respectively.		
7.3 Other non-current assets		
Long-term receivables	59 312	36 629
Financial instruments – interest rate swap	4 775	–
	64 087	36 629
Currency analysis		
Rand	59 312	36 629
Australian dollar	4 775	–
	64 087	36 629

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. Vendor receivables, other than the FleetAfrica Empowerment Trust, bear interest at prime linked rates and are repayable by March 2009. The FleetAfrica Empowerment Trust receivable bears interest at a prime linked rate and has no fixed repayment date. The owner-driver receivables bear interest at market-related rates and are repayable over a period up to 60 months. The balance is due for repayment by June 2011.

Refer to note 36 for disclosure relating to the group's liquidity, interest rate, foreign exchange and credit risks.

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
8 DEFERRED TAX		
Movement summary		
Balance at beginning of year	110 863	125 022
– Deferred tax liabilities	223 054	198 234
– Deferred tax assets	(112 191)	(73 212)
Current year income statement charge	(45 507)	(39 580)
Revaluation of land and buildings	(1 178)	26 964
Reclassification of land and buildings to assets held-for-sale (rate change)	(16 864)	–
Acquisition of businesses	(6 658)	–
Disposal of businesses	–	212
Translation adjustment	(9 360)	(1 755)
Balance at end of year	31 296	110 863
– Deferred tax liabilities	209 186	223 054
– Deferred tax assets	(177 890)	(112 191)*
Analysis of balance at end of year by type of temporary difference		
Accelerated depreciation	249 270	235 180
Tax losses	(202 878)	(149 643)
Revaluation of land and buildings	14 609	33 941
Secondary taxation on companies	–	–
Provisions and fund reserves	(150 508)	(103 921)
Working capital items	133 813	112 855*
Other	(13 010)	(17 549)
	31 296	110 863
The group has not recognised a deferred tax liability for taxes that would be payable on the unremitted earnings of the group's foreign subsidiaries and associates as the group has determined that undistributed profits of foreign subsidiaries and associates will not be distributed in the foreseeable future.		
Deferred tax assets not recognised	140 303	145 314
The unrecorded deferred tax assets relate primarily to tax losses not recognised.		
<i>*Restated, refer note 32</i>		
9 ASSETS HELD-FOR-SALE		
Carrying value of land and buildings	668 381	–
Revaluation reserve relating to assets held-for-sale	85 373	–
Property and secured asset-based borrowings relating to assets held-for-sale	485 169	–
During the year the board resolved to sell most of its land and buildings portfolio, part of the Services reporting segment. The planned sales of these assets is expected to occur within 12 months after balance sheet date.		
No profit or loss has been realised at the balance sheet date relating to the planned sales.		

	30 June 2008 R000	30 June 2007 R000
10 INVENTORIES		
Automotive components	5 354	13 415
New vehicles	297 231	481 798*
Used and demo vehicles	302 262	232 720
Parts and accessories	490 761	367 774
Goods in transit	19 110	2 064
Work in progress	18 910	12 199
Consumables	20 161	26 980
Retail inventory	129 477	50 664
Other inventory	27 313	15 021
	1 310 579	1 202 635
Inventory carried at fair value less costs to sell		
Inventory carried at net realisable value included above	125 253	
Write down of inventory to net realisable value recognised as an expense	23 982	
Reserved inventories		
Ownership of certain inventory is reserved by the suppliers until such time as the related payables have been settled.		
Carrying value of reserved inventory	94 320	171 089
Carrying value of other secured inventory	269 055	200 096
An impairment has been raised against new vehicle inventory in Angola to the value of USD13,7 million because of the uncertainty relating to the proceeds on the sale thereof.		
<i>*Restated, refer note 32</i>		
11 TRADE AND OTHER RECEIVABLES		
Trade receivables	1 898 099	1 920 233*
Prepayments	154 420	92 961
Value added tax	30 474	60 950
Short-term portion of owner driver debtors	41 220	4 411
Deposits	20 990	8 048
Financial instruments – interest rate swap	17 077	–
Short-term portion of finance lease receivable	8 082	–
Short-term portion of vendor receivables	15 073	36 589
Lease straight-line debtor	1 716	16 671
Sundry receivables	86 431	77 336
	2 273 582	2 217 199
Currency analysis		
Rand	1 861 557	1 951 074
Australian dollar	123 362	116 367
US dollar	288 663	149 758
	2 273 582	2 217 199
Trade receivables pledged as security over interest-bearing borrowings (refer note 17)	296 550	–
Refer to note 36 for disclosure relating to the group's liquidity, interest rate, foreign exchange and credit risk.		
An impairment has been raised against trade receivables of USD13,3 million in Angola, as the recovery of this debtor is uncertain.		
<i>*Restated, refer note 32</i>		

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
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	843 061	682 437
Bank overdrafts, incurring interest at rates fluctuating between 11,00% (2007: 9,00%) and 13,50% (2007: 12,50%) per annum	(618 264)	(259 949)
Cash and cash equivalents in the consolidated cash flow statement	224 797	422 488
Analysis of closing balance		
Insurance company cash held for solvency	74 354	40 374
Cash deposits held as collateral	39 533	37 707
Cash in Escrow	123 780	–
Other unrestricted cash	(12 870)	344 407
Offshore	134 675	233 901
Local	(147 545)	110 506
	224 797	422 488
Currency analysis		
Rand	90 122	188 587
Australian dollar	159 821	97 273
US dollar and other	(25 146)	136 628
	224 797	422 488
Cash in escrow		
Subsequent to year end R40 million has been released from escrow.		
Bank funding 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 used in determining the group's credit rating. Banking facilities by their very nature are reviewed and approved on a periodic basis. The impact of the current global credit crisis creates uncertainty over the extent of available and additional approved banking lines over the medium term.		
The group has secured 364 day committed liquidity facilities. These facilities are available for general corporate use and are available as back-up facilities to commercial paper programmes under the R3 billion DMTN programme.		
Total banking facilities excluding Australian facilities	6 379 292	5 682 879
Utilised	(3 593 625)	(2 856 598)
Unutilised	2 785 667	2 826 281
Refer to note 36 for disclosure relating to the group's liquidity, interest rate, foreign exchange and credit risk.		
13 CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF SUPER GROUP LIMITED		
Share capital	47 297	47 297
Share premium	511 229	511 229
Retained earnings	1 457 363	1 624 832*
Share buyback reserve	(537 617)	(540 181)
Other reserves (note 15)	528 889	457 981
	2 007 161	2 101 158

*Restated, refer note 32

14 ORDINARY SHARE CAPITAL

Authorised

750 000 000 (2007: 750 000 000) ordinary shares of 10 cents each

68 130 900 (2007: 68 130 900) 'A' ordinary shares of 10 cents each

Issued

404 843 109 (2007: 404 843 109) ordinary shares of 10 cents each

68 130 900 (2007: 68 130 900) 'A' ordinary shares of 10 cents each

Changes in authorised and issued share capital

There were no changes in the issued and authorised share capital during the year. Refer to post-balance sheet events included in the directors' report on page 82 for changes in issued share capital subsequent to year end.

30 June 2008 R000	30 June 2007 R000
75 000	75 000
6 813	6 813
81 813	81 813
40 484	40 484
6 813	6 813
47 297	47 297

	Number of ordinary shares	Number of 'A' ordinary shares	Number of treasury shares
--	---------------------------------	-------------------------------------	---------------------------------

30 June 2008

Movement summary of issued shares

Balance at beginning of year

Ordinary and 'A' ordinary share balance at beginning of year

Shares held by subsidiaries at beginning of year

Shares held by share option trust at beginning of year

Share sales

Balance at end of year

Ordinary and 'A' ordinary share balance at end of year

Shares held by subsidiaries at end of year

Shares held by share option trust at end of year

404 843 109	68 130 900	48 345 628
404 843 109	68 130 900	–
–	–	38 746 554
–	–	9 599 074
–	–	(778 976)
404 843 109	68 130 900	47 566 652
404 843 109	68 130 900	–
–	–	38 746 554
–	–	8 820 098

30 June 2007

Movement summary of issued shares

Balance at beginning of year

Ordinary and 'A' ordinary share balance at beginning of year

Shares held by subsidiaries at beginning of year

Shares held by share option trust at beginning of year

Share sales

Balance at end of year

Ordinary and 'A' ordinary share balance at end of year

Shares held by subsidiaries at end of year

Shares held by share option trust at end of year

404 843 109	68 130 900	49 982 075
404 843 109	68 130 900	–
–	–	38 746 554
–	–	11 235 521
–	–	(1 636 447)
404 843 109	68 130 900	48 345 628
404 843 109	68 130 900	–
–	–	38 746 554
–	–	9 599 074

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
15 OTHER RESERVES		
Translation reserve	(140 639)	(199 059)
Contingency reserve	24 041	17 907
General reserve	556 036	556 036
Revaluation reserve	89 451	83 097
	528 889	457 981
Movement summary		
15.1 Translation reserve		
Balance at beginning of year	(199 059)	(228 157)
Translation adjustment	58 420	29 098
Balance at end of year	(140 639)	(199 059)
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.		
15.2 Contingency reserve		
Balance at beginning of year	17 907	13 847
Transfer from retained earnings	6 134	4 060
Balance at end of year	24 041	17 907
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 years	556 036	556 036
15.4 Revaluation reserve		
Balance at beginning of year	83 097	17 082
Reclassification of land and buildings to assets held for sale (tax rate change)	16 864	–
Realisation of revaluation reserve through sale of revalued properties	(3 281)	–
Revaluation of land and buildings (net of taxation)	(7 229)	66 015
Balance at end of year	89 451	83 097
The revaluation reserve relates primarily to revaluation surpluses on the revaluation of land and buildings to their fair values and includes revaluation surpluses attributable to assets held-for-sale of R85 373 000.		
16 FUND RESERVES		
Balance at beginning of year	241 975	200 893
Increase in fund reserves	71 146	38 615
Acquisition of business	13 850	–
Translation adjustment	15 230	2 467
Balance at end of year	342 201	241 975

Fund reserves principally relate to amounts received in advance in respect of maintenance for full maintenance lease assets, to be recognised in profit or loss over the period of the maintenance service of the underlying vehicles. Amounts received in advance from customers under the arrangement are also included in fund reserves.

The funds are independently actuarially valued on an annual basis. The valuation model projects each active vehicle on a monthly basis based on an average monthly mileage assumption for each vehicle. At each future point in the projection, the expected costs and revenues are calculated. The expected costs are derived from a statistical model called the Generalised Linear Model (GLM). The GLM derives statistical cost curves from the past experience for each homogeneous vehicle category.

	30 June 2008 R000	30 June 2007 R000
17 INTEREST-BEARING BORROWINGS		
17.1 Secured asset-based borrowings	785 296	332 624
Suspensive sale creditors and capitalised finance lease obligations bearing interest at rates fluctuating between prime and 3,5% below prime (2007: 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 R399 027 000 (2007: R312 431 000), other items of property, plant and equipment with a net carrying value of R92 644 000 (2007: R36 553 000).		
Debtors securitisation bearing interest at JIBAR-plus 200 basis points, secured by trade receivables with a carrying value of R296 550 000 (2007: Rnil) repayable on 1 May 2013	529 406	332 624
	255 890	–
17.2 Secured property borrowings		
Property borrowings bear interest at floating and fixed interest rates of between 10,77% and 14,18%. The borrowings are secured by land and buildings with a carrying value of R519 546 000 (2007: R492 000 000)	428 818	409 101
17.3 Corporate bonds	413 846	899 363
SGP1		
The corporate bond was unsecured and bore interest at a coupon rate of 12,5%. The capital was repaid on 25 June 2008	–	899 363
SGL04		
The corporate bond is unsecured and bears interest at a coupon rate of JIBAR plus 250 basis points.		
Interest is repayable quarterly. The capital is repayable on 7 April 2011	290 085	–
SGL05		
The corporate bond is unsecured and bears interest at a coupon rate of 13,62% Interest is repayable semi annually. The capital is repayable on 7 April 2012	123 761	
17.4 Australian interest-bearing non-recourse borrowings	575 744	417 704
The Australian borrowings relate to business acquisition funding and bear interest at floating and fixed rates between 5,96% and 12,02%.		
The liability is repayable by 29 June 2012. The borrowings are secured by a pledge of shares of an Australian subsidiary company	558 750	404 125
The Australian mortgage bond bears interest at 6,04% (2007: 6,04%) and is repayable when the property is sold. It is secured by land and buildings with a carrying value of R17 914 000 (2007: R14 314 000)	16 994	13 579
17.5 Unsecured loans		
Three-month promissory notes which bear interest at JIBAR plus 90 basis points	–	117 847
Total interest-bearing borrowings	2 203 704	2 176 639
Short-term portion reflected under current liabilities	(499 961)	(1 150 054)
Long-term portion reflected under non-current liabilities	1 703 743	1 026 585
Australian interest-bearing non-recourse borrowings	398 476	387 529
Corporate bonds	400 000	–
Secured property borrowings	424 810	393 580
Other borrowings	480 457	245 476
Repayment terms		
Year 1 (short-term portion)	499 961	1 150 054
Year 2	126 712	188 472
Year 3 – 5	1 237 200	529 174
Longer than 5 years	339 831	308 939
	2 203 704	2 176 639
Currency analysis		
Rand	1 627 960	1 758 936
Australian dollar	575 744	417 703
	2 203 704	2 176 639

Refer to note 36 for disclosure relating to the group's liquidity, interest rate, foreign exchange and credit risk.

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
18 TRADE AND OTHER PAYABLES		
Trade payables	1 824 043	1 850 875*
Accruals	382 583	232 349
Outstanding cheques	135 466	118 412
Insurance creditor	24 439	16 101
Lease straight-line payable	27 006	36 429
Value added tax	14 879	22 016
Sundry payables	107 338	30 477
	2 515 754	2 306 659
Currency analysis		
Rand	2 030 910	2 099 391
Australian dollar	169 335	121 830
US dollar and other	315 509	85 438
	2 515 754	2 306 659

Refer to note 36 for disclosure relating to the group's liquidity, interest rate, foreign exchange and credit risk

*Restated, refer note 32

	Employee- related provisions R000	Warranty and residual value provisions R000	Other provisions R000	Total 30 June 2008 R000	Total 30 June 2007 R000
19 PROVISIONS					
Movement summary					
Balance at beginning of year	89 522	10 584	95 659	195 765	301 633
Increase in and additional provisions	73 698	79 780	70 653	224 131	247 372
Provisions utilised	(17 278)	(48 586)	(73 222)	(139 086)	(132 413)
Payments against provision	(55 023)	(27 675)	(39 756)	(122 454)	(174 369)
Reclassification to payables	–	–	–	–	(52 948)
Acquisitions of businesses	297	22 176	2 061	24 534	622
Disposal of businesses	–	–	–	–	(725)
Translation adjustment	2 443	7 920	2 075	12 438	6 593
Balance at end of year	93 659	44 199	57 470	195 328	195 765

Employee-related provisions relate to bonus provisions, leave pay provisions and long service leave provisions in terms of legislation in some foreign jurisdictions.

Warranty provision relates to after sales costs in respect of warranties given on sale of certain commercial vehicles. The residual value provision is the shortfall between the carrying and the settlement value of the vehicle at the termination date of the lease.

	30 June 2008 R000	30 June 2007 R000
20 REVENUE		
Sale of products	8 160 058	7 429 513
Services rendered	4 253 921	4 145 533
	12 413 979	11 575 046
Turnover	14 202 953	13 335 046
Costs incurred on behalf of customers or as agent	(1 788 974)	(1 760 000)
	12 413 979	11 575 046
21 OPERATING EXPENDITURE – CAPITAL ITEMS		
Closure costs	6 506	6 877
Costs incurred on unsuccessful disposal/acquisition	3 438	5 321
Impairment of goodwill	27 021	3 603
Impairment of property, plant and equipment	2 825	–
Impairment of intangible assets	18 714	–
	58 504	15 801
22 OPERATING PROFIT		
Operating profit is arrived at after taking into account the following:		
22.1 Depreciation and amortisation		
Depreciation of property, plant and equipment	161 867	138 020
– Buildings	10 276	19 191
– Rental and transport fleet	60 133	45 035
– Computer equipment	41 565	38 640
– Furniture and workshop equipment	37 122	30 425
– Motor vehicles and other assets	12 771	4 729
Amortisation of intangible assets	40 241	39 067
– Patents and trademarks	–	488
– Software	30 074	32 765
– Other intangibles	10 167	5 814
Depreciation of full maintenance lease assets	235 928	163 828
Depreciation and amortisation	438 036	340 915

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	Restated 30 June 2007 R000
22 OPERATING PROFIT (continued)		
22.2 Cost of sales²	9 281 999	8 429 262
22.3 Operating expenditure – excluding capital items and cost of sales		
Auditors' remuneration	14 112	13 750
– Audit fees	12 942	13 315
– Expenses	398	265
– Other services	772	170
Operating leases	155 559	108 381
– Buildings	135 293	95 341
– Plant and equipment	10 949	4 860
– Motor vehicles and other assets	9 317	8 180
Lease straightlining expense	5 532	2 988
Net translation gains	(10 653)	(2 426)
Inventory written down to net realisable value	23 982	–
Bad debts written off	10 731	15 859
Employee benefit costs excluding directors' emoluments and employer contributions	1 302 816	1 098 495
Employer contributions to	99 443	83 232
– Defined contribution funds	66 264	52 262
– Medical aid funds	33 179	30 970
Directors' emoluments		
Executive directors' emoluments	22 515	20 490
– Basic remuneration	8 917	9 584
– Performance bonus ¹	11 651	8 418
– Other benefits	603	1 029
– Employer contributions to defined contribution funds	1 344	1 459
Non-executive directors' emoluments	1 521	2 160
– Chairman's and deputy chairman's fees	500	500
– Directors' fees	1 021	1 134
– Other	–	526
Share-based payment expense (note 37)	–	3 539
Net increase in provisions (excluding employee-related provisions)	28 625	71 111
Impairment raised against doubtful debtors	99 694	63 464
Impairment raised as a result of abnormal inventory losses in Angola	100 314	–
Other operating expenses	258 073	459 221
Operating expenditure – excluding capital items	11 394 263	10 369 526

¹ Performance bonus is awarded and paid to directors based on the prior year's performance of the group.

² R58 596 000 of exchange differences arising from the purchases of inventory is included in cost of sales

	30 June 2008 R000	30 June 2007 R000
23 NET FINANCE COSTS		
23.1 Finance costs	(615 915)	(442 284)
– Bank accounts	(137 576)	(65 986)
– Corporate bond	(129 264)	(112 500)
– Forward exchange contracts	–	(5 201)
– Floorplan creditors	(30 291)	(22 230)
– Full maintenance liabilities	(160 878)	(104 411)
– Instalment sale agreements	(53 047)	(36 906)
– Property borrowings	(52 769)	(44 494)
– Promissory notes	(2 252)	(10 731)
– Australian interest-bearing non-recourse borrowings	(61 132)	(30 390)
– Long-term borrowings	(6 986)	(21 616)*
– Finance cost capitalised	18 280	12 181
23.2 Interest received	111 778	78 893
– Bank accounts	48 131	47 382
– Australia	14 634	5 914
– Long-term receivables	3 412	5 251
– Other	45 601	20 346
23.3 Investment income	26 986	9 559
– Realised fair value gain	20 120	8 053
– Unrealised fair value gain	6 866	1 506
	(477 151)	(353 832)
<i>*Restated, refer note 32</i>		
24 INCOME TAX EXPENSE		
Income tax comprises:		
South African normal taxation		
– Current tax	18 320	95 971
– Prior year current tax	10 397	824
– Deferred tax	(52 985)	(1 670)*
– Deferred tax change in rate	(3 931)	–
– Prior year deferred tax	7 326	(22 029)
Secondary taxation on companies	13 214	4 561
Foreign tax charge		
– Current tax	45 585	26 554
– Prior year current tax	–	2 351
– Deferred tax	4 083	(12 057)
– Prior year deferred tax	–	(3 824)
	42 009	90 681

**Restated, refer note 32*

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 %	30 June 2007 %
24 INCOME TAX EXPENSE (continued)		
Reconciliation of rate of income tax:		
The reconciliation of the rate of income tax is based on profit before income tax.		
Standard rate of income tax	28,0	29,0
Adjusted for:		
Prior year adjustments	36,7	(4,5)
Exempt income	(47,6)	(3,3)
Non-deductible SGIP Angola working capital impairment	114,4	–
Foreign income tax rate differential and tax credits	(53,1)	(6,4)
Secondary tax on companies	27,4	0,9
Capital gains tax	(9,4)	2,7
Income from associates	(1,3)	(0,3)
Change in tax rate	(8,1)	–
Effective income tax rate	87,0	18,1
	30 June 2008 R000	30 June 2007 R000
Tax losses available for set off against future taxable income utilised in the deferred tax computation	724 564	516 011
Tax losses not utilised in deferred tax computation	501 082	501 082
Total tax losses	1 225 646	1 017 093
25 DIVIDEND PER ORDINARY SHARE		
It is group policy to declare only one dividend per year.		
A cash dividend of 40 cents per share has been paid in 2008 in respect of the year ended 30 June 2007	142 899	141 944
The board of directors have not declared a dividend for the year ended 30 June 2008.		

	30 June 2008 R000	30 June 2007 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 buybacks into account during the year. 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 to ordinary shares.		
No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.		
Headline earnings is determined as follows:		
Profit attributable to equity holders of Super Group Limited	(16 153)	379 619
Adjusted for capital items (refer note 21)		
– Closure costs	6 506	6 877
– Costs incurred on unsuccessful business combination	3 438	5 321
– Impairment of property, plant and equipment	2 825	–
– Impairment of goodwill and intangible assets	45 735	3 603
Headline earnings	42 351	395 420
There is no income tax or minority shareholder impact.		
	Number of shares 000	Number of shares 000
Weighted average number of shares in issue	357 085	355 275
Weighted average number of ordinary shares in issue	4 398	9 545
Potential dilutive effect of share options	13 273	13 274
Potential dilutive effect of 'A' shares conversion for BEE transaction	374 756	378 094
Diluted weighted average number of ordinary shares		
	30 June 2008 cents	30 June 2007 cents
Earnings per share		
Basic	(4,5)	106,9
Diluted	(4,3)	100,4
Headline earnings per share		
Basic	11,9	111,3
Diluted	11,3	104,6

Notes to the financial statements *continued*

for the year ended 30 June 2008

	30 June 2008 R000	Restated 30 June 2007 R000
27 CASH GENERATED FROM OPERATIONS		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	48 300	499 680*
Investment income and interest received	(138 764)	(88 452)
Share of profit of associate	(2 275)	(4 708)
Finance costs	615 915	442 284
Adjustments for:		
Depreciation, amortisation and recoupments	438 036	340 915
Fund reserves	–	(18 377)
Impairment of goodwill, intangible assets and property, plant and equipment	48 560	3 603
Provisions	(37 409)	(59 410)
Other	3 215	(4 993)
Operating cash flow	975 578	1 110 542*
Working capital changes	163 285	(271 922)*
Increase in trade and other receivables	(6 989)	(204 516)
Increase in insurance-related assets	(199 893)	(145 697)
Increase in inventories	(87 425)	(84 332)
Increase in trade and other payables	139 224	(63 644)
Increase in insurance-related liabilities	247 222	169 275
Increase in fund reserves	71 146	56 992
	1 138 863	838 620
<i>*Restated, refer to note 32</i>		
28 DIVIDENDS PAID		
Balance at beginning of year	(696)	(2 357)
Dividends declared to minority shareholders	(6 987)	(3 460)
Dividends declared to ordinary shareholders	(142 899)	(141 944)
Balance at end of year	587	696
	(149 995)	(147 065)
No dividend (2007: 40 cents) was proposed by the directors for the 2008 financial year.		
Forecast cash flow on final dividend declared	–	(142 599)
Forecast STC charge on final dividend declared	–	(18 806)
The forecast dividend cash flow is determined by using the number of ordinary shares in issue on 30 June after taking into account treasury shares.		
29 INCOME TAX PAID		
Balance at beginning of year	(101 125)	(70 032)
Charge for the current year	(87 516)	(130 261)
Translation adjustment	(2 822)	404
Balance at end of year	81 378	101 125
	(110 085)	(98 764)

30 NET COST ON ACQUISITION/DISPOSAL OF BUSINESSES

30.1 Net cost on acquisition of businesses

During the year, the group acquired various subsidiaries and business units.

The fair value of the net assets acquired and liabilities assumed was:

	SG Fleet Australia Pty Limited R000	Black Ginger (Pty) Limited R000	Cape School Foods R000	Total 30 June 2008 R000	Total 30 June 2007 R000
Trade and other receivables		(1 143)		(1 143)	(17 728)
Deferred tax assets	(6 658)			(6 658)	–
Inventories	(12 351)	(13 850)		(26 201)	(57 051)
Interest-bearing borrowings				–	572
Trade and other payables	3 963	4 252		8 215	34 906
Property, plant and equipment		(3 995)	(1 372)	(5 367)	(4 645)
Full maintenance lease assets	(63 671)			(63 671)	–
Fund reserves	13 850			13 850	–
Provisions	22 176	2 358		24 534	622
Minority interest		(562)		(562)	(81 970)
Fair value of assets acquired	(42 691)	(12 940)	(1 372)	(57 003)	(125 294)
Goodwill	(56 924)	(13 589)	(11 667)	(82 180)	(188 100)
Cash paid on acquisition	(99 615)	(26 529)	(13 039)	(139 183)	(313 394)

Super Group acquired the net assets and liabilities relating to the Commercial Fleet business of the National Australian Bank Limited for R99 615 000 (effective date 5 March 2008). Super Group also acquired the net assets and liabilities of the warehousing and distribution company Cape School Foods cc (Apex) for R13 039 000 (effective date 1 July 2007).

The Super Group effective shareholding in Black Ginger (Pty) Limited increased from 49% to 90% changing the accounting treatment from associate to subsidiary (effective date 1 July 2007).

The pre-acquisition carrying amounts were determined based on applicable IFRS immediately preceding the relevant acquisition.

The contribution to the group's results, made by the businesses acquired, is provided in the summarised income statement below:

	30 June 2008 R000	30 June 2007 R000
Revenue	137 414	–
Operating profit	846	–
Profit before tax	816	–

30.2 Net cost on increase in existing shareholding in subsidiaries

Minority interest	(10 842)	–
Goodwill	(7 363)	–
Cash paid on acquisition	(18 205)	–

An additional 2,5% shareholding was purchased from the minority shareholder of Partcorp (Pty) Limited (effective date 1 March 2008). The group's effective shareholding subsequent to the acquisition is 95%.

Notes to the financial statements *continued*

for the year ended 30 June 2008

30 NET COST ON ACQUISITION/DISPOSAL OF BUSINESSES (continued)

30.3 Net cost on disposal/closure of businesses

The fair value of the net assets and liabilities disposed of was:

	30 June 2008 R000	30 June 2007 R000
Trade and other receivables	–	495
Deferred tax liability	–	(212)
Inventories	–	23 570
Trade and other payables	–	(19 085)
Property, plant and equipment	–	1 503
Provisions	–	(725)
Goodwill	–	815
Fair value of assets disposed	–	6 361
Loss recognised in income statement	(9 944)	(6 877)
Cash inflow/(outflow) on disposal	(9 944)	(516)
Super Group Dealerships division, incurred losses or costs in the closure and unsuccessful sale of certain dealerships.		
The contribution to the group's results, made by the businesses disposed of and/or closed during the year, is provided in the summarised income statement below.		
Revenue	133 865	167 131
Operating loss	16 495	1 400
Loss before income tax	23 435	6 777

30.4 Net proceeds on decrease in shareholding of subsidiaries

	SG Fleet Australia Pty Limited R000	Fleet Africa (Pty) Limited R000	Total 30 June 2008 R000	Total 30 June 2007 R000
Minority interest	99 100	37 882	136 982	–
Loss recognised directly in equity	(4 070)	(1 494)	(5 564)	–
Cash inflow on shareholding change	95 030	36 388	131 418	–
During the year, Super Group disposed of a portion of the following significant subsidiaries:				
SG Fleet Pty Limited (effective date 1 August 2007)			30%	n/a
FleetAfrica (Pty) Limited (effective date 1 October 2007)			14%	n/a
These transactions do not result in a loss in control.				

	30 June 2008 R000	30 June 2007 R000
31 CAPITAL EXPENDITURE COMMITMENTS AND RENTAL COMMITMENTS		
31.1 Capital expenditure commitments		
Full maintenance lease assets		
Contracted	299 945	266 391
Property, plant and equipment		
<i>Land and buildings</i>		
Authorised by directors but not yet contracted	16 000	51 881
<i>Other assets</i>		
Authorised by directors but not yet contracted	151 123	176 877
Total authorised by directors but not yet contracted	167 123	228 758
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.		
31.2 Operating rental commitments		
<i>Property</i>	449 259	408 536
– less than one year	101 025	87 551
– between one and five years	238 649	225 732
– thereafter	109 585	95 253
<i>Rental and transport fleet</i>	2 779	2 990
– less than one year	1 820	1 536
– between one and five years	959	1 454
<i>Other</i>	3 456	8 342
– less than one year	2 193	4 581
– between one and five years	1 263	3 761
<i>Total rental commitments</i>	455 494	419 868
– less than one year	105 038	93 668
– between one and five years	240 871	230 947
– thereafter	109 585	95 253
Operating rental agreements have been negotiated at market-related terms and rates with numerous suppliers and include no abnormal terms and conditions.		

32 PRIOR YEAR ADJUSTMENT

The financial position and results of the group for the year ended 30 June 2007 were restated. Refer to the Chief Financial Officer's review for details and circumstances giving rise to the restatement. The financial impact of the restatement is shown below:

	Before restatement R000	After restatement R000
Balance sheet		
Deferred tax assets	81 551	112 191
Inventories	1 186 551	1 202 635
Trade and other receivables	2 241 983	2 217 199
Capital and reserves attributable to equity holders of Super Group Limited	2 175 869	2 101 158
Trade and other payables	2 210 008	2 306 659
Income statement		
Operating profit	941 255	848 804
Finance costs	(429 384)	(442 284)
Income tax expense	121 321	90 681
Profit for the year	483 710	408 999
Cents per share		
Earnings per share (cents)	127,9	106,9
Headline earnings per share (cents)	132,3	111,3

Notes to the financial statements *continued*

for the year ended 30 June 2008

33 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

		Liabilities included on		
		Guarantees	balance sheet	Guarantees
		30 June 2008	30 June 2008	30 June 2007
	Note	R000	R000	R000
Letters of credit	1	284 824	74 000	168 445
Guaranteed buybacks	2	6 767	–	35 239

1 Various guarantees issued to financial institutions in respect of letters of credit issued in favour of various suppliers.

2 The automotive division has the potential obligation 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, 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 year-end.

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.

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.

34 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 exercises 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.

34 RELATED PARTIES (continued)

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.

Transactions with key management personnel

Interest in share capital of Super Group Limited

Directors of the company and their immediate relatives control 13,5% (2007: 19,1%) of the voting shares of the company. Peu Group (Pty) Limited, a shareholder controlled by certain directors, controls 14,4% of the voting shares of the company. Peu Group (Pty) Limited owns 68 130 900 'A' ordinary shares at year-end. On 15 August 2008, these shares were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for R1. The ordinary shares have been listed from 20 August 2008. Further details of the directors' interests in the shares of the company are disclosed in the Directors' report on pages 81 to 82 and in the Analysis of shareholders report on page 156.

L Lipschitz holds 15 988 740 voting shares of the company in his personal capacity.

P Malungani has a 60% 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.

Directors' remuneration

Disclosure of directors' emoluments is included in the Directors' remuneration report on pages 83 and 87.

Share options and incentive grants

Directors participate in the group's share option and incentive programmes. Detailed disclosure is provided in the Directors' remuneration report on pages 83 to 87.

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;
- payment of R1 million fee to director-related entity (Peu) for the provision of services in regard to employment equity requirements and internal transformation processes; and
- certain directors of the company are directors of the group's banking partners but exercise no influence over the banking facilities or 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 year nor have they resulted in any non-performing debts at year-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 156 and 157.

Notes to the financial statements *continued*

for the year ended 30 June 2008

35 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; and
- DNA Provident 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 managers 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.

	30 June 2008 R000	30 June 2007 R000
Contributions to defined contribution funds	67 608	53 721

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

36.1 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 treasury provides 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 credit, liquidity, foreign currency and interest rate risks are continually 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.

36.2 Risk profile

In the course of the group's business operations it is exposed to credit, liquidity, and market risk which includes foreign currency and interest rate risk. The risk management policy of the group relating to each of these risks is discussed under the respective headings. 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 finances its operations through a mixture of retained profits, bank overdrafts, corporate bond debt, bank revolving credit borrowings interest-bearing and full maintenance lease borrowings. Long-term financing is arranged centrally by the group treasury division.

36.3 Capital management

The board's policy is to maintain healthy capital ratios so as to maintain investor, creditor and market confidence and to sustain future development of the business on a capital efficient basis. The board monitors its capital structure determining the appropriate debt to equity ratio in light of changing economic conditions. The group invests in growth opportunities, both organic and acquisitive, that complement its strategy applying a hurdle rate methodology utilising the weighted average cost of capital (WACC). The board also monitors the level of dividends to ordinary shareholders.

The board recognises debt as an important component of its capital structure in support of its leveraged business models. The optimal mix of debt and equity is determined in order to minimise the overall cost of capital and maximise shareholder value.

From time to time the group purchases its own shares on the market; the timing of these purchases depends on market prices and conditions. The group does not have a defined share buyback plan and any transaction is determined as being in the interest of ordinary shareholders. The transaction is approved by the Deal Committee.

The board establishes a trading gearing and net debt to EBITDA ratios as benchmarks for capital management in the group. Trading gearing is defined as the average net interest-bearing borrowing excluding full maintenance lease liabilities and non-recourse liabilities to average ordinary shareholders' equity.

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.4 Capital structure and ratios

	30 June 2008 R000	30 June 2007 R000
Targets		
Trading gearing	< 70%	< 70%
Net debt to EBITDA before capital items cover (times)	< 2	< 2
Salient features – 30 June		
Total equity	2 264 938	2 195 352
Australian interest-bearing non-recourse borrowings	575 744	417 704
Full maintenance lease liabilities	1 796 535	1 321 936
Bond and other	1 199 142	1 349 834
Property liabilities	428 818	409 101
Bank overdrafts	618 264	259 949
Cash and cash equivalents	(843 061)	(682 437)
Net debt	3 775 442	3 076 087
EBITDA before capital items	1 019 716	1 205 520
Trading gearing ratio (%)	72,0	67,6
Net debt to EBITDA before capital items cover (times)	3,7	2,6

36.5 Credit risks

Credit risk relates to potential exposure in respect of 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 failing 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 which are 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 years ended or total trade receivables at 30 June 2008 and 30 June 2007.

	30 June 2008 R000	30 June 2007 R000
The carrying amount of financial assets represents the maximum credit exposure. This maximum exposure to credit risk at the reporting date was:		
Investments	135 885	130 925
Non-current portion of finance lease receivable	30 401	–
Other non-current assets	64 087	36 629
Trade receivables – net of provision	1 898 099	1 920 233
Other receivables (excluding prepayments, lease straight-line debtor and VAT)	188 873	126 384
Insurance related assets	345 590	145 697
Cash and cash equivalents	843 061	682 437
	3 505 996	3 042 305

Notes to the financial statements *continued*

for the year ended 30 June 2008

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.5 Credit risks (continued)

	30 June 2008 R000	30 June 2007 R000
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
South Africa	1 740 775	1 790 108
Other Africa	191 392	48 387
Australia	76 782	81 412
Mauritius	39 183	47 920
Zimbabwe	6 298	3 311
United Kingdom and other	29 805	35 636
	2 084 235	2 006 774
Gross debtors		
Not past due	1 538 665	1 622 923
Not past due – due to renegotiation	74 392	6 903
Past due – not impaired	285 042	290 407
Past due – impairment provision raised	186 136	86 541
	2 084 235	2 006 774
Collateral held		
Fair value of all collateral	73 096	31 719
Gross debtors by trade debtor type		
Wholesale debtors	336 432	532 815
Retail debtors	656 611	570 016
End user trade debtors	421 835	377 846
Contract debtors	669 357	526 097
	2 084 235	2 006 774
Impairment of trade receivables		
Balance at beginning of year	86 541	33 367
Net provision raised	99 694	63 464
Bad debt written off	(8 899)	(10 190)
Translation adjustment	8 800	(100)
Balance at end of year	186 136	86 541

During the current year Super Group entered into a long-term debtors securitisation funding programme. In terms of this programme, Super Group raised R250 million in debt at variable interest rates for a period of five years. Super Group has sold the trade receivables of certain subsidiary entities to an independently owned special purpose entity, DSF Finance. These trade receivables form part of the disclosed balance, as DSF Finance is consolidated based on Super Group's control of the entity's defined objectives.

During the current year the SGIP Angolan business secured orders for over 400 commercial vehicle units for delivery in Angola. At year end the business had sold 173 units resulting in a receivable of USD14,4 million. The group has experienced significant logistical, operational and transactional close-out challenges in this region.

At year end this receivable has been disclosed in the past due – impairment provision raised category. Infrastructural spending in Angola is highly dependent on funding grants from China, making debtor collection procedural and protracted.

Subsequent to year end USD1,1 million has been received. Impairment provision raised against related trade receivables amounts to USD13,3 million.

36.6 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. To manage this risk, group companies manage their working capital, capital expenditure and cash flow and annually assess the financial viability of customers. In order to mitigate any liquidity risk that may arise adequate unutilised banking facilities and reserve borrowing capacity is maintained per group policy. The group continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.6 Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments¹ and excluding the impact of netting agreements:

	Carrying amount	Within 6 months	6 – 12 months	1 – 2 years	2 – 5 years	after 5 years	Total payments
30 June 2008							
Non-derivative financial liabilities							
Secured asset-based borrowings	785 296	302 816	87 502	150 539	502 551	–	1 043 408
Secured property borrowings	428 818	28 831	36 939	68 849	251 584	569 679	955 882
Corporate bond	413 846	28 270	28 997	57 267	474 338	–	588 872
Australia non-recourse borrowings	575 744	79 033	117 326	76 541	422 613	3 686	699 199
Full maintenance lease borrowings – South Africa	1 542 817	273 452	553 783	289 870	716 013	–	1 833 118
Full maintenance lease borrowings – Australia	253 718	70 771	49 433	101 790	61 722	–	283 716
Trade and other payables ²	2 473 869	2 473 869	–	–	–	–	2 473 869
Insurance related payables	501 734	–	–	–	–	–	–
Bank overdrafts	618 264	618 264	–	–	–	–	618 264
	7 594 106	3 875 306	873 980	744 856	2 428 821	573 365	8 496 328
Derivative financial liabilities							
Foreign exchange contracts	56 202	56 202	–	–	–	–	56 202
	56 202	56 202	–	–	–	–	56 202
30 June 2007							
Non-derivative financial liabilities							
Secured asset-based borrowings and unsecured loans	450 471	190 165	42 310	105 566	153 831	–	491 872
Secured property borrowings	409 101	30 232	37 063	72 247	212 208	498 240	849 990
Corporate bond	899 363	56 500	956 500	–	–	–	1 013 000
Australia non-recourse borrowings	417 703	29 807	30 466	122 056	361 772	1 232	545 333
Full maintenance lease borrowings – South Africa	1 321 936	222 781	184 795	823 519	781 303	–	2 012 398
Trade and other payables ²	2 248 214	2 248 214	–	–	–	–	2 248 214
Insurance related payables	254 512	–	–	–	–	–	–
Bank overdrafts	259 949	259 949	–	–	–	–	259 949
	6 261 249	3 037 648	1 251 134	1 123 388	1 509 114	499 472	7 420 756

Trade and other payables form an integral part of the day-to-day working capital structure. The maturity profile depicts the expected cash out-flows excluding any increase in trade and other payables as a result of normal activity.

The capital structure of the group includes the non-derivative financial liabilities excluding trade and other payables listed above. The maturity profile reflected excludes the normal renewal or raising of borrowings. These cash outflows also exclude the effects of cash inflows on disposal of the underlying non-financial assets.

¹ Estimated interest payments are based on the assumption that current interest rates remain unchanged

² Trade and other payables excluding VAT payable and straight-line lease creditor

Notes to the financial statements *continued*

for the year ended 30 June 2008

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.7 Market risk

Market risk comprises foreign currency and interest rate risk only.

36.7.1 Foreign currency risk

<i>Exchange rates to South African rand</i>	30 June 2008		30 June 2007	
	Average rate	Closing rate	Average rate	Closing rate
Australian dollar	6,48	7,55	5,63	6,04
Euro	10,76	12,52	9,41	9,53
British pounds	14,64	15,90	13,93	14,18
Malawian kwacha	0,052	0,057	0,052	0,051
Mozambican metical	0,0003	0,0003	0,0003	0,0003
American dollar	7,31	7,96	7,21	7,12
Zambian kwacha	0,00020	0,00025	0,00018	0,00018
New Zealand dollar	5,62	6,06	5,05	5,46
Nigerian naira	0,06	0,07	n/a	n/a
Chinese yuan renminbi	1,14	1,14	n/a	n/a
Saudi riyal	1,93	2,09	1,91	1,90

Foreign currency risk exposure:

Financial instruments analysed in rand equivalent of foreign currency:

	Rand R000	Australian dollar R000	US dollar and other R000	Total R000
30 June 2008				
Financial assets				
Investments	16 851	–	119 034	135 885
Non-current portion of finance lease receivables	–	30 401	–	30 401
Other non-current assets	59 312	4 775	–	64 087
Insurance related assets	345 590	–	–	345 590
Trade and other receivables ¹	1 797 875	64 299	224 798	2 086 972
Net cash and cash equivalents/(bank overdrafts)	90 122	159 821	(25 146)	224 797
Financial liabilities				
Interest-bearing borrowings	1 627 960	575 744	–	2 203 704
Full maintenance lease borrowings	1 542 817	253 718	–	1 796 535
Trade and other payables ²	1 997 441	169 335	307 093	2 473 869
Insurance related payables	501 734	–	–	501 734
30 June 2007				
Financial assets				
Investments	63 344	–	67 581	130 925
Other non-current assets	36 629	–	–	36 629
Insurance related assets	145 697	–	–	145 697
Trade and other receivables	1 830 929	82 435	133 253	2 046 617
Net cash and cash equivalents	188 587	97 273	136 628	422 488
Financial liabilities				
Interest-bearing borrowings	1 758 936	417 703	–	2 176 639
Full maintenance lease borrowings	1 321 936	–	–	1 321 936
Trade and other payables ²	2 043 720	119 056	85 438	2 248 214
Insurance related payables	254 512	–	–	254 512

¹Trade and other receivables exclude pre-payments, straight-line lease receivables and VAT receivables

²Trade and other payables exclude straight-line lease payables and VAT payables

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.7 Market risk (continued)

36.7.1 Foreign currency risk (continued)

Sensitivity analysis:

A 10% strengthening in the South African rand against the following currencies at year-end would have decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity	Profit or Loss
30 June 2008		
Australian dollar	(38 465)	(6 946)
US dollar and other	(52 977)	(11 950)
30 June 2007		
Australian dollar	(15 058)	(4 528)
US dollar and other	(40 908)	(11 982)

A 10% weakening in the South African rand will have an equal and opposite effect on equity and profit or loss.

Foreign currency risk management

The group operates mainly in South Africa, with offshore operations carried out in Africa (including 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 profit or loss.

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

	Foreign currency amount F000	Average FEC rate	Contract amount in R000	Fair value R000
30 June 2008				
<i>Imports and payables</i>				
US dollar	5 613	8,00	44 912	45 818
Euro	2 112	12,82	27 079	26 335
Japanese yen	552 008	0,0765	42 214	41 952
<i>Exports and receivables</i>				
US dollar	20 692	7,98	165 132	163 601
Pound sterling	1 000	15,69	15 687	15 911
Japanese yen	483 000	0,0734	35 463	35 831
30 June 2007				
<i>Imports and payables</i>				
US dollar	46 600	7,18	334 358	333 245
Pound sterling	3 473	14,21	49 366	48 988
Euro	5 950	9,67	57 526	58 181
Japanese yen	555 412	0,06	32 105	31 948
Hong Kong dollar	362	0,93	336	342
<i>Exports and receivables</i>				
US dollar	5 000	7,23	36 148	35 600
Pound sterling	2 318	13,88	32 165	33 330
Japanese yen	700	0,06	40	41

Notes to the financial statements *continued*

for the year ended 30 June 2008

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.7.2 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 fixing or capping of 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 creditworthy customers. Consequently, the interest rate risk on these liabilities is largely mitigated.

At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Fixed rate instruments

Financial assets

Financial liabilities

Variable rate instruments

Financial assets

Financial liabilities

Sensitivity analysis:

A 100 basis point increase in the interest rate will have the following (decrease)/increase effect on profit or loss and/or equity.

The analysis assumes that all other variables, in particular currency, remain the constant. The analysis is performed as follows:

Fixed rate instruments

Profit effect 100 basis point increase

Variable rate instruments

Loss effect 100 basis point increase

30 June 2008 R000	30 June 2007 R000
59 996	–
(2 304 164)	(2 543 156)
(2 244 168)	(2 543 156)
905 162	718 996
(2 583 394)	(1 415 465)
(1 678 232)	(696 469)
4 800	–
(16 397)	(8 469)

36.8 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 AM Best of A- and above. All reinsurance has been placed on a non-proportional basis since 1 April 2006.

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.

36.9 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.

36 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

36.10 Fair value of financial instruments

The group's financial instruments consist mainly of cash and cash equivalents, trade receivables, other receivables, 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, 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.

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 yield 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 market-to-market valuations.

Foreign currency contracts

The fair value gains and 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 year-end is calculated by comparing the forward exchange contracted rates to the equivalent year-end market foreign exchange rates. The present value of these net market values is calculated using the rand discount curve.

The carrying and fair value of financial instruments as at 30 June 2008 are indicated below:

	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			
Financial assets at fair value through profit or loss			
Investments	7	135 885	135 885
Loans and receivables			
Non-current portion of finance lease receivables	7	30 401	30 401
Other non-current assets	7	64 087	64 087
Insurance related assets		345 590	345 590
Trade receivables	11	1 898 099	1 898 099
Other receivables	11	188 873	188 873
Other			
Cash and cash equivalents	12	843 061	843 061
Financial liabilities			
Financial liabilities at amortised cost			
Long-term borrowings	3 & 17	2 826 412	2 826 412
Short-term borrowings	3 & 17	1 173 827	1 173 827
Insurance related payables		501 734	501 734
Trade payables	18	1 824 043	1 824 043
Other payables	18	649 826	649 826
Other			
Bank overdrafts	12	618 264	618 264

Notes to the financial statements *continued*

for the year ended 30 June 2008

37 SHARE-BASED PAYMENTS

Equity-settled share option schemes

Super Group 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 over four years is 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.

Share incentive schemes

The underlying principle of the schemes is to provide direct linkage between the interests of the shareholders and the efforts of the 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 2005 and the Long-Term Incentive Plan 2005 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.

Share Appreciation Right Scheme (SARS)

Eligible employees receive annual grants of SARS, which are rights to receive shares equal to the value of the difference between the exercise price and grant price less income tax payable on such difference. The performance condition imposed for the awards is that headline earnings per share must increase by 5% per annum above inflation over a three-year performance period. Retesting of the performance condition is permitted on the first and second anniversary of the end of the performance period.

Long-Term Incentive Plan (LTIP)

Eligible employees receive annual grants of conditional awards. The performance conditions imposed for the award are related to the total shareholders return over a three-year period, relative to that of constituents in a peer group at the date of grant, the return on capital employed in the third year following the grant and the cash generated from operating activities. No retesting of the performance condition will be allowed. In terms of the schemes, 15% of the issued share capital of the company may be offered by the trustees to eligible participants. 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 used:

	Share option scheme	LTIP and SARS
Expected option life (calculated by reference to specific allocation)	2 – 4 years	3 – 5 years
Risk-free interest rate (determined by reference to vesting date)	8,09 – 8,59%	7,19 – 8,41%
Share volatility (determined by reference to vesting date)	35,94 – 43,71%	27,2 – 31,0%
Dividend yield	3,69%	3,36 – 4,48%
Exercise behaviour	33,3% at 20% in the money 33,3% at 50% in the money 33,3% at optimal time	– – –

37 SHARE-BASED PAYMENTS (continued)

30 June 2008

Movement in number of options

Balance at beginning of year
Options granted
Options exercised
Options lapsed (forfeited and expired)
Balance at end of year

Vesting year of option granted

Already vested
Conditional on confirmation of performance
Within 1 year
Within 2 years

Exercise price of options

R4,16 and R7,20
R10,95
R11,57
R12,50

30 June 2007

Movement in number of options

Balance at beginning of year
Options granted
Options exercised
Options lapsed (forfeited and expired)
Balance at end of year

Vesting year of option granted

Already vested
Within 1 year
Within 2 years

Exercise price of options

R4,16 and R7,20
R10,95
R11,57

Share option scheme	LTIP	SARS	Total
11 519 710	2 128 984	4 164 189	17 812 883
–	584 480	1 324 672	1 909 152
(1 258 156)	–	–	(1 258 156)
(4 061 210)	(616 497)	(615 340)	(5 293 047)
6 200 344	2 096 967	4 873 521	13 170 832
6 200 344	–	–	6 200 344
–	–	846 072	846 072
–	1 512 487	2 702 777	4 215 264
–	584 480	1 324 672	1 909 152
6 200 344	2 096 967	4 873 521	13 170 832
6 200 344	–	–	6 200 344
–	–	846 072	846 072
–	1 512 487	2 702 777	4 215 264
–	584 480	1 324 672	1 909 152
6 200 344	2 096 967	4 873 521	13 170 832
13 884 460	441 953	846 072	15 172 485
–	1 687 031	3 318 117	5 005 148
(1 737 750)	–	–	(1 737 750)
(627 000)	–	–	(627 000)
11 519 710	2 128 984	4 164 189	17 812 883
8 177 710	–	–	8 177 710
3 342 000	1 397 015	1 426 106	6 165 121
–	731 969	2 738 083	3 470 052
11 519 710	2 128 984	4 164 189	17 812 883
11 519 710	–	–	11 519 710
–	441 953	846 072	1 288 025
–	1 687 031	3 318 117	5 005 148
11 519 710	2 128 984	4 164 189	17 812 883
	30 June 2008	30 June 2007	
	R000	R000	
Share-based payment expense	–	3,539	
Average market price of options traded during the year (rand)	13,15	12,36	

38 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.

38 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND KEY ASSUMPTIONS (continued)

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 lifecycle 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.

Income tax

The group operates in numerous tax jurisdictions and is subject to tax legislation that is open to interpretation. This requires a degree of judgement to be applied by management in determining income tax

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.

Segmental analysis

for the year ended 30 June 2008

	Super Group		Supply Chain Management		African Transport	
	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
Revenue	12 413 979	11 575 046	2 587 716	2 350 469	286 894	245 912
– South African rand	11 220 475	10 418 292				
– Australian dollar	573 406	461 961				
– US dollar and other	620 098	694 793				
Revenue growth	7,2%		10,1%		16,7%	
Half year 1	6 252 881	5 787 262	1 212 383	1 221 325	135 232	120 391
Half year 2	6 161 098	5 787 784	1 375 333	1 129 144	151 662	125 521
Depreciation and amortisation	(438 036)	(340 915)	(100 140)	(85 253)	(9 712)	(9 377)
Net operating expenditure – excluding capital items	(11 394 263)	(10 369 526)	(2 151 832)	(1 934 252)	(247 649)	(227 390)
Trading profit	581 680	864 605	335 744	330 964	29 533	9 145
Half year 1	505 119	458 282	168 573	175 261	12 270	(4 126)
Half year 2	76 561	406 323	167 171	155 703	17 263	13 271
Trading profit growth	(32,7%)		1,4%		222,9%	–
Capital items	(58 504)	(15 801)	(1 846)	(4 503)	–	–
Operating profit	523 176	848 804	333 898	326 461	29 533	9 145
– South African rand	490 493	659 128				
– Australian dollar	91 487	78 165				
– US dollar and other	(58 804)	111 511				
Operating profit growth	(38,4%)		2,3%		222,9%	
Half year 1	503 917	448 410	168 573	172 182	12 270	(4 126)
Half year 2	19 259	400 394	165 325	154 279	17 263	13 271
Income from associates	2 275	4 708	–	–	–	–
Finance costs less investment income	(477 151)	(353 832)	(95 425)	(36 906)	704	–
Profit before tax	48 300	499 680	238 473	289 555	30 237	9 145
EBITDA	961 212	1 189 719	434 038	411 714	39 245	18 522
EBITDA margin	7,7%	10,3%	16,8%	17,5%	13,7%	7,5%
EBITDA growth	(19,2%)		5,4%		111,9%	
Trading margin	4,7%	7,5%	13,0%	14,1%	10,3%	3,7%
Operating margin	4,2%	7,3%	12,9%	13,9%	10,3%	3,7%
ASSETS						
Non-current assets						
Property, plant and equipment	957 295	1 503 174	425 873	463 676	191 448	96 780
FML assets	2 026 724	1 655 333	–	–	–	–
Intangible assets (excluding goodwill)	251 315	231 916	45 697	60 751	940	841
	3 235 334	3 390 423	471 570	524 427	192 388	97 621
Current assets						
Assets held-for-sale	668 381	–	–	–	–	–
Inventories	1 310 579	1 202 635	37 487	19 454	22 035	21 928
Trade and other receivables ¹	2 619 172	2 362 896	658 309	684 057	89 108	65 151
	4 598 132	3 565 531	695 796	703 511	111 143	87 079
Segmental assets	7 833 466	6 955 954	1 167 366	1 227 938	303 531	184 700
– South African rand	6 771 457	6 453 650				
– Australian dollar	498 192	172 838				
– US dollar and other	563 817	329 466				
LIABILITIES						
Non-current liabilities						
Fund reserves	342 201	241 975	–	–	–	–
Interest-bearing and FML borrowings	2 826 412	2 032 160	392 516	4 533	9 628	–
	3 168 613	2 274 135	392 516	4 533	9 628	–
Current liabilities						
Interest-bearing and FML borrowings	1 173 827	1 466 415	134 712	1 194	–	–
Trade and other payables ²	3 017 488	2 561 171	720 231	542 495	24 652	16 340
Provisions	195 328	195 765	43 395	43 539	4 620	2 998
	4 386 643	4 223 351	898 338	587 228	29 272	19 338
Segmental liabilities	7 555 256	6 497 486	1 290 854	591 761	38 900	19 338
– South African rand	6 041 740	5 730 108				
– Australian dollar	1 170 315	601 520				
– US dollar and other	343 201	165 858				
NET WORKING ASSETS	278 210	458 468	(123 488)	636 177	264 631	165 362
– South African rand	729 717	723 542				
– Australian dollar	(672 123)	(428 682)				
– US dollar and other	220 616	163 608				
Goodwill	1 574 797	1 338 335	307 982	296 315	90 393	84 507
Investments and other non-current assets	300 395	188 745	125 578	92 959	599	536
Capital expenditure	1 211 526	988 714	175 054	122 248	77 153	35 692
– Expand	663 172	350 103	111 262		59 169	
– Maintain	548 354	638 611	63 792		17 984	
Capital commitments (excluding FML)	167 123	228 758	87 882	94 664	40 866	11 251
– South African rand	103 882	204 929				
– Australian dollar	22 375	10 532				
– US dollar and other	40 866	13 297				

¹ Includes insurance related assets

² Includes insurance related liabilities

Fleet Solutions		Retail Supply Chain		Automotive		Services	
Year ended 30 June 2008 R000	Year ended 30 June 2007 R000	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000	Year ended 30 June 2008 R000	Restated year ended 30 June 2007 R000
1 526 644	1 201 211	2 726 699	2 556 711	4 846 102	4 873 523	439 924	347 220
27,1%		6,6%		(0,6%)		26,7%	
697 528	579 650	1 347 759	1 279 577	2 653 143	2 382 014	206 836	204 305
829 116	621 561	1 378 940	1 277 134	2 192 959	2 491 509	233 088	142 915
(243 712)	(181 669)	(29 361)	(18 384)	(37 456)	(27 730)	(17 655)	(18 502)
(983 379)	(760 078)	(2 562 341)	(2 409 019)	(5 046 722)	(4 726 308)	(402 340)	(312 479)
299 553	259 464	134 997	129 308	(238 076)	119 485	19 929	16 239
142 612	128 852	72 689	65 851	93 031	79 317	15 944	13 127
156 941	130 612	62 308	63 457	(331 107)	40 168	3 985	3 112
15,5%		4,4%		(299,3%)		22,7%	
(1 451)	(5 321)	–	(336)	(9 944)	(5 641)	(45 263)	–
298 102	254 143	134 997	128 972	(248 020)	113 844	(25 334)	16 239
17,3%		4,7%		(317,9%)		(256,0%)	
142 612	123 664	72 689	65 851	91 829	77 712	15 944	13 127
155 490	130 479	62 308	63 121	(339 849)	36 132	(41 278)	3 112
–	–	(6 763)	(6 125)	–	–	9 038	10 833
(168 511)	(128 887)	10 953	–	(47 869)	(52 298)	(177 003)	(135 741)
129 591	125 256	139 187	122 847	(295 889)	61 546	(193 299)	(108 669)
541 814	435 812	164 358	147 356	(210 564)	141 574	(7 679)	34 741
35,5%	36,3%	6,0%	5,8%	(4,3%)	2,9%	(1,7%)	10,0%
24,3%		11,5%		(248,7%)		(122,1%)	
19,6%	21,6%	5,0%	5,1%	(4,9%)	2,5%	4,5%	4,7%
19,5%	21,2%	5,0%	5,0%	(5,1%)	2,3%	(5,8%)	4,7%
43 644	33 742	138 247	119 344	100 382	225 728	57 701	563 904
1 977 723	1 622 120	–	–	49 001	33 213	–	–
97 790	65 045	84 407	81 196	11 288	15 568	11 193	8 515
2 119 157	1 720 907	222 654	200 540	160 671	274 509	68 894	572 419
–	–	–	–	–	–	668 381	–
43 738	4 737	504 521	387 147	702 798	769 369	–	–
417 116	372 957	500 412	419 692	377 365	544 051	576 862	276 988
460 854	377 694	1 004 933	806 839	1 080 163	1 313 420	1 245 243	276 988
2 580 011	2 098 601	1 227 587	1 007 379	1 240 834	1 587 929	1 314 137	849 407
342 201	241 975	–	–	–	–	–	–
1 492 864	1 358 639	131 505	2 803	28 281	35 103	771 618	631 082
1 835 065	1 600 614	131 505	2 803	28 281	35 103	771 618	631 082
845 013	341 077	7 560	4 877	79 947	5 858	106 595	1 113 409
432 175	376 023	459 560	414 804	606 984	740 455	773 886	471 054
92 420	47 091	12 016	18 370	23 806	27 294	19 071	56 473
1 369 608	764 191	479 136	438 051	710 737	773 607	899 552	1 640 936
3 204 673	2 364 805	610 641	440 854	739 018	808 710	1 671 170	2 272 018
(624 662)	(266 204)	616 946	566 525	501 816	779 219	(357 033)	(1 422 611)
957 552	733 426	109 710	88 963	109 160	122 830	–	12 294
35 174	–	51 604	3 679	–	–	87 440	91 571
757 574	580 829	47 158	24 635	57 745	113 152	96 842	112 158
358 678		17 113		35 834		81 116	
398 896		30 045		21 911		15 726	
22 375	36 835	–	38 779	–	28 130	16 000	19 099

Balance sheets – Super Group Limited

as at 30 June 2008

	Note	30 June 2008 R000	30 June 2007 R000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	722 038	741 308
Amounts owing by subsidiaries	1	807 751	1 110 529
Investment	2	–	178 490
Non-current receivable	3	47 038	–
Deferred tax asset	4	131	3 971
		1 576 958	2 034 298
Current assets			
Prepayments and VAT receivable		3 159	39
Income tax prepaid		1 017	852
Cash and cash equivalents		121	394
		4 297	1 285
Total assets		1 581 255	2 035 583
EQUITY AND LIABILITIES			
Capital and reserves attributable to Super Group Limited	5	1 103 529	1 131 258
Non-current liabilities			
Interest-bearing borrowings	6	400 000	–
Amounts owing to subsidiaries	1	51 159	–
		451 159	–
Current liabilities			
Shareholders for dividends		587	697
Short-term interest-bearing borrowings	6	13 846	899 363
Trade and other payables		12 073	4 204
Provisions	7	61	61
		26 567	904 325
Total equity and liabilities		1 581 255	2 035 583

Income statements – Super Group Limited

for the year ended 30 June 2008

	Note	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
Non-trading income		41 544	32 322
Other operating expenditure		(23 037)	(30 235)
Operating profit	8	18 507	2 087
Dividends received	9	134 670	153 203
Interest received	9	129 736	105 596
Finance costs	9	(129 264)	(112 984)
Profit before income tax		153 649	147 902
Income tax expense	10	(19 442)	(2 440)
Profit for the year		134 207	145 462

Statement of changes in equity – Super Group Limited

for the year ended 30 June 2008

	Ordinary share capital R000	'A' ordinary share capital R000	Share premium R000	Retained earnings R000	General reserve R000	Total equity R000
Balance at 30 June 2006	40 484	6 813	511 229	297 891	287 776	1 144 193
Total recognised income and expense for the year						
Profit for the year	–	–	–	145 462	–	145 462
Share-based payment expense	–	–	–	3 539	–	3 539
Ordinary dividend (note 11)	–	–	–	(161 936)	–	(161 936)
Balance at 30 June 2007	40 484	6 813	511 229	284 956	287 776	1 131 258
Total recognised income and expense for the year						
Profit for the year	–	–	–	134 207	–	134 207
Ordinary dividend (note 11)	–	–	–	(161 936)	–	(161 936)
Balance at 30 June 2008	40 484	6 813	511 229	257 227	287 776	1 103 529

Cash flow statements – Super Group Limited

for the year ended 30 June 2008

	Note	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
Cash flows from operating activities			
Cash generated from operations	12	6 138	10 473
Interest received		129 736	105 596
Finance costs paid		(115 417)	(112 984)
Dividends received		138 160	152 720
Dividends paid	13	(162 046)	(161 824)
Income tax paid	14	(15 767)	(4 197)
Net cash outflow from operating activities		(19 196)	(10 216)
Cash flows from investing activities			
Disposal of associate		–	36 600
Disposal of investment		175 000	–
Disposal of investment in subsidiary		36 387	–
Loan granted		(47 038)	–
Decrease/(increase) in amounts owing by subsidiaries		302 778	(29 684)
Increase in amounts owing to subsidiaries		51 159	–
Net cash flow from investing activities		518 286	6 916
Cash flows from financing activities			
Interest-bearing borrowings raised		400 000	3 483
Interest-bearing borrowings repaid		(899 363)	–
Net cash flow from financing activities		(499 363)	3 483
Net (decrease)/increase in cash and cash equivalents		(273)	183
Cash and cash equivalents at beginning of year		394	211
Cash and cash equivalents at end of year		121	394

Notes to the financial statements – Super Group Limited

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
1 INVESTMENT IN SUBSIDIARIES		
Shares at cost less accumulated impairment	722 038	741 308
Amounts owing by subsidiaries	807 751	1 110 529
Amounts owing to subsidiaries	(51 159)	–
	1 478 630	1 851 837
On 1 October 2007, 14% of the investment in FleetAfrica (Pty) Limited was disposed of for R36 387 000. The amounts owing between the company and subsidiaries are interest free and have no fixed repayment terms. The loans are not expected to be settled in the 2009 financial year.		
2 INVESTMENT		
Balance at beginning of year	178 490	178 007
Dividends accrued during year included in the income statement		
Dividends received during year	(7 881)	(13 298)
Redemption of preference share	(175 000)	–
Balance at end of year	–	178 490
The investment relates to 175 000 000 redeemable cumulative preference shares in Sechold Finance Services (Pty) Limited. Dividends accrued at a prime linked rate and were received on a six-monthly basis on 31 March and 30 September.		
3 NON-CURRENT RECEIVABLE		
Loan granted	47 038	–
The loan has been granted to the FleetAfrica Empowerment Trust bearing interest at prime. There is no fixed date for repayment.		
4 DEFERRED TAX ASSET		
Balance at beginning of period	3 971	3 157
Current year income statement charge	(3 840)	814
Balance at end of year	131	3 971
Analysis of closing balances at end of year		
Secondary taxation on companies	–	3 834
Capital gains tax	114	119
Working capital	17	18
	131	3 971
5 SHARE CAPITAL AND RESERVES		
<i>Share capital</i>	47 297	47 297
Share premium	511 229	511 229
Distributable reserves	257 227	284 956
Other reserves	287 776	287 776
	1 103 529	1 131 258
Ordinary share capital		
<i>Authorised</i>		
750 000 000 (2007: 750 000 000) ordinary shares of 10 cents each	75 000	75 000
68 130 900 (2007: 68 130 900) 'A' ordinary shares of 10 cents each	6 813	6 813
	81 813	81 813
<i>Issued</i>		
404 843 109 (2007: 404 843 109) ordinary shares of 10 cents each	40 484	40 484
68 130 900 (2007: 68 130 900) 'A' ordinary shares of 10 cents each	6 813	6 813
	47 297	47 297
There was no change in the authorised and issued share capital during the year. Refer to post-balance sheet events included in the directors' report on page 82 for changes in issued share capital after year end.		

	30 June 2008 R000	30 June 2007 R000
6 INTEREST-BEARING BORROWINGS		
<i>Corporate bond</i>		
SGP1		
The corporate bond was unsecured, bore interest at a coupon rate of 12,5% and was repaid on 25 June 2008.	–	899 363
Interest repayments occurred semi-annually on 30 June and 31 December.		
SGL04		
The corporate bond is unsecured and bears interest at a coupon rate of JIBAR plus 250 basis points.	290 085	–
Interest is repayable quarterly. The capital is repayable on 7 April 2011.		
SGL05		
The corporate bond is unsecured and bears interest at a coupon rate of 13,62%	123 761	–
Interest is repayable semi-annually. The capital is repayable on 7 April 2012.		
	413 846	899 363
Short-term portion reflected under current liabilities	(13 846)	(899 363)
	400 000	–
Repayment terms		
Within 1 year	13 846	899 363
Year 2 – 5	400 000	–
	413 846	899 363
7 PROVISIONS		
Balance at beginning of year	61	94
Decrease in provisions	–	(33)
Balance at end of year	61	61
Analysis of balance at end of year		
Employee-related provision	61	61
8 OPERATING PROFIT		
Operating profit is derived after taking the following into account:		
<i>Income</i>		
Management fees	24 426	32 322
Profit on sale of subsidiary	17 118	–
	41 544	32 322
<i>Expenses</i>		
Auditors' remuneration		
– Audit fees	(400)	(360)
Directors' emoluments		
Executive directors' emoluments	(22 515)	(20 490)
– Basic remuneration	(8 917)	(9 584)
– Performance bonus	(11 651)	(8 418)
– Other benefits	(603)	(1 029)
– Employee contributions to defined contribution funds	(1 344)	(1 459)
Non-executive directors' emoluments	(1 521)	(2 160)
– Chairman and deputy chairman fees	(500)	(500)
– Directors' fees and other	(1 021)	(1 660)
Directors' emoluments paid by subsidiary	2 252	2 956
Other operating expenditure	(853)	(10 181)
Operating profit	18 507	2 087

Notes to the financial statements – Super Group Limited *continued*

for the year ended 30 June 2008

	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
9 FINANCE COSTS, INTEREST AND DIVIDENDS RECEIVED		
<i>Finance costs</i>		
Corporate bond	(129 264)	(112 984)
<i>Interest received</i>	129 736	105 596
Interest received from subsidiaries	129 312	105 583
Other interest received	424	13
<i>Dividends received</i>	134 670	153 203
– Subsidiaries	130 279	139 422
– Preference share investments	4 391	13 781
	135 142	145 815
10 INCOME TAX EXPENSE		
Income tax comprises:		
South African normal taxation		
– Current	959	693
– Deferred	138	(814)
– Prior year current tax	3 816	1 344
– Prior year deferred tax	3 702	–
Secondary taxation on companies	10 827	1 217
	19 442	2 440
Reconciliation of income tax expense:		
The reconciliation of the rate of income tax is based on profit before tax	%	%
Normal tax rate	28,0	29,0
Non-deductible expenses/exempt income	(2,8)	0,9
Prior year	4,9	0,9
Dividends	(24,5)	(30,0)
Secondary tax on companies	7,0	0,8
Change in tax rate	0,1	–
Effective tax rate	12,7	1,6
11 DIVIDENDS		
It is company policy to declare one dividend per year.		
A cash dividend of 40 cents per share has been paid in 2008 in respect of the year ended 30 June 2007 (2007: 40 cents per share)	161 936	161 936

	Year ended 30 June 2008 R000	Year ended 30 June 2007 R000
12 CASH GENERATED FROM OPERATIONS		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	153 649	147 902
Finance costs	129 264	112 984
Interest received	(129 736)	(105 596)
Dividends received	(134 670)	(153 203)
Operating profit	18 507	2 087
Adjustments for:		
Share-based payment expense	–	3 539
Profit on disposal of investment	(17 118)	–
Provisions	–	(33)
Operating cash flow	1 389	5 593
Working capital changes	4 749	4 880
– (Increase)/decrease in receivables	(3 120)	2 621
– Increase in trade and other payables	7 869	2 259
	6 138	10 473
13 DIVIDENDS PAID		
Balance at beginning of year	(697)	(585)
Dividend declared	(161 936)	(161 936)
Balance at end of year	587	697
	(162 046)	(161 824)
14 INCOME TAX PAID		
Balance at beginning of year	852	(91)
Current year income statement charge	(15 602)	(3 254)
Balance at end of year	(1 017)	(852)
	(15 767)	(4 197)

15 RELATED PARTIES

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 R24 million (2007: R32 million) from subsidiaries during the year under review.

The company has issued guarantees on behalf of subsidiary companies. Refer to page 154 for detailed disclosure of investments in and loans to/from subsidiaries.

Notes to the financial statements – Super Group Limited *continued*

for the year ended 30 June 2008

	30 June 2008 R000	30 June 2007 R000
16 CONTINGENT LIABILITIES AND OTHER COMMITMENTS		
The company, 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 year-end.		
The company issued guarantees of R1 466 881 000 (2007: R1 227 416 000) to financial institutions in respect of the obligations of its South African full maintenance lease borrowings.		
17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS		
Risk profile		
In the course of the company's business operations it is exposed to liquidity, credit and market risk, which includes foreign currency and interest rate risk. The risk management policy of the company relating to each of these risks is discussed under the headings below.		
Credit risks		
Credit risk relates to potential exposure on cash and cash equivalents, investments, 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.		
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
Amounts owing by subsidiaries	807 751	1 110 529
Investments	–	178 490
Non-current receivables	47 038	–
Cash and cash equivalents	121	394
	854 910	1 289 413

17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Within 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Total payments
30 June 2008						
Non-derivative financial liabilities						
Corporate bond	413 846	28 270	28 997	57 267	474 338	588 872
Trade and other payables	12 073	12 073	–	–	–	12 073
	425 919	40 343	28 997	57 267	474 338	600 945
30 June 2007						
Non-derivative financial liabilities						
Corporate bond	899 363	56 500	956 500	–	–	1 013 000
Trade and other payables	4 204	4 204	–	–	–	4 204
	903 567	60 704	956 500	–	–	1 017 204

Foreign currency risk

The company has no material exposure to currency risk.

Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The company borrows principally in rand at both fixed and floating rates of interest.

	30 June 2008 R000	30 June 2007 R000
At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:		
Fixed rate instruments:		
Corporate bond (SPG1)	–	(899 363)
Corporate bond (SGL05)	(123 761)	–
	(123 761)	(899 363)
Variable rate instruments:		
Non-current receivable	47 038	–
Corporate bond (SGL04)	(290 085)	–
Cash and cash equivalents	121	394
	(242 926)	394

A 100 basis points increase in interest rates would have (increased)/decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

30 June 2008

	Equity	Profit or loss
Variable rate instruments:		
Non-current receivable	732	732
Corporate bond (SGL04)	(933)	(933)

Investments in operating subsidiary and joint venture companies

at 30 June 2008

Company	Super Group holding %	Issued share capital R	Shares		Loans to/(from) subsidiaries	
			2008 R000	2007 R000	2008 R000	2007 R000
Africa Truck Accident Repairs (Pty) Ltd	75	100				
Auto Parts Distributors (Pty) Ltd	100	1 000				
Autozone (Pty) Ltd	95	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 (Mauritius)*	100	\$66 999 000				
Emerald Insurance Company Ltd	100	5 897 251	114 031	114 031	–	–
Extreme Lifestyle Centre (Pty) Ltd	100	10				
Firefly Investments 56 (Pty) Ltd	100	1 000				
FleetAfrica (Pty) Ltd	86	1 000	118 372	137 642	–	–
FleetAfrica (Eastern Cape) (Pty) Ltd	75	1 000				
Fleet Distributions (Pty) Ltd	100	900	3 750	3 750	–	–
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	100	100	62 723	62 723	223 468	223 468
Rentrak (Pty) Ltd	80	500				

** Investment relates to a joint venture

Company	Super Group holding %	Issued share capital R	Shares		Loans to/(from) subsidiaries	
			2008 R000	2007 R000	2008 R000	2007 R000
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	498 921	420 296
Super Group Trading (Pty) Ltd	100	923 110 000			(51 159)	381 408
Super Truck and Cab (Pty) Ltd	100	133				
The Logistics Bureau (Pty) Ltd	100	10				
Transport Brokers (Pty) Ltd	100	600	4 746	4 746	–	–
Truck Busters KZN (Pty) Ltd	100	201				
Whelson Properties (Pty) Ltd	100	1 000				
Whelson Transport (Pty) Ltd	100	1 000				
Super Group Share Incentive Trusts	–	–	–	–	81 240	81 235
Total			722 038	741 308	756 592	1 110 529

***Significant operating subsidiaries of Bluefin Investments Limited**

Emerald Insurance Ltd (Mauritius)	100
GDC Logistics Ltd (Mauritius)	100
GDC Logistics Ltd (Malawi)	100
GDC Logistics Ltd (Zambia)	100
Interorg Ltd (Mauritius)	100
SGL Finance BV (Netherlands)	100
Super Group Trading Ltd (Mauritius)	100
SG Fleet Pty Ltd (Australia)	70
Super Group Australia Pty Ltd (Australia)	100
Super Group Fleet Services Australia Pty Ltd (Australia)	95
SMB Fleet Management Pty Ltd	100

The group's share of attributable profits in subsidiaries is R924 173 000 (2007: R721 165 000) and attributable share of losses is R917 882 000 (2007: R221 485 000).

Country of incorporation: Republic of South Africa unless stated otherwise. R = Rand unless otherwise stated.

The dormant subsidiaries are not included on the list above, the group maintains a register of all subsidiaries, available for inspection at the registered office of Super Group Ltd.

Analysis of shareholders

for the year ended 30 June 2008

Registered shareholder spread

The following table confirms the spread of registered shareholders at 30 June 2008:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	4 236	81,11	493 254	0,12
1 001 – 10 000 shares	559	10,70	1 754 649	0,43
10 001 – 100 000 shares	183	3,50	6 920 954	1,71
100 001 – 1 000 000 shares	176	3,37	61 547 949	15,20
1 000 001 shares and above	69	1,32	334 126 303	82,54
	5 223	100,00	404 843 109	100,00

Public and non-public shareholdings

The split between public shareholdings and directors/company related schemes at 30 June is as follows:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	4	0,08	68 396 378	16,90
– Directors and associates	1	0,02	20 829 726	5,15
– Own holdings	2	0,04	38 746 554	9,57
– Super Group Share incentive scheme	1	0,02	8 820 098	2,18
Public shareholders	5 219	99,92	336 446 731	83,10
	5 223	100	404 843 109	100,00

On 15 August 2008, in accordance with the rights attaching to the 'A' ordinary shares in issue on that date, 68 130 900 'A' ordinary shares held by the Peu Group were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for an aggregate consideration of R1 on 15 August 2008. The ordinary shares have been listed from 20 August 2008.

The aforesaid conversion and redemption of shares was effected in accordance with the provisions of the BEE transaction entered into between Super Group and the Peu Group and which was approved by Super Group shareholders on 4 August 2005. The transaction represents an increase in the indirect and non-beneficial interest in securities by Peter Malungani and Busi Tshili who are directors and shareholders of both Super Group and the Peu Group.

Substantial investment management beneficial interests – above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 140A of the Companies Act, the following shareholders held directly and indirectly equal to, or in excess of, 3% of the issued share capital as at 30 June 2008:

	Total shareholding	%
Allan Gray Limited	93 642 728	23,13
Public Investment Corporation Limited	48 777 546	12,05
Sanlam Investment Management (Pty) Limited	43 706 906	10,80
Super Group Trading (Pty) Limited	37 007 041	9,14
Investec Asset Management (Pty) Limited	35 576 180	8,79
Old Mutual Investment Group (South Africa) (Pty) Limited	21 889 284	5,41
Relicove Investments (Pty) Limited	16 635 865	4,11
L Lipschitz	15 988 748	3,94
	313 224 298	77,37

Major beneficial shareholdings

	Total shareholding	% of issued capital
Public Investment Corporation Limited	55 200 417	13,64
Super Group Trading (Pty) Limited	37 007 041	9,14
Relicove Investments (Pty) Limited	16 635 865	4,11
L Lipschitz	15 988 748	3,95
Allan Gray Limited	15 795 318	3,90
Investment Solutions Limited	14 637 911	3,61
	155 265 300	38,35

Geographic split of investment managers and company related holdings

Region	Total shareholding	% of issued capital
South Africa	359 050 548	88,69
United States of America and Canada	7 972 825	1,97
United Kingdom	28 505 262	7,04
Rest of Europe	2 100 998	0,52
Rest of World ¹	7 213 476	1,78
Total	404 843 109	100,00

¹ Represents all shareholdings except those in the above regions

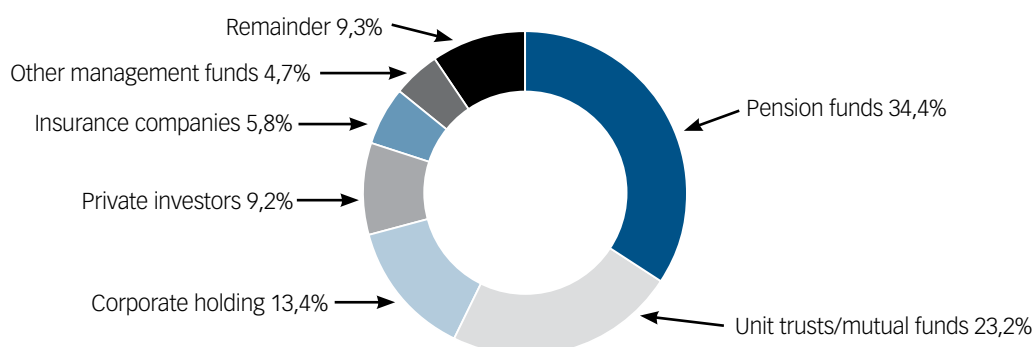
Shareholder categories

An analysis of beneficial shareholdings, supported by the section 140a enquiry process, confirmed the following beneficial shareholder types:

Beneficial shareholder categories

Category	Total shareholding	% of issued capital
Pension funds	139 121 440	34,36
Unit trusts/mutual funds	93 755 190	23,16
Corporate holding	54 349 906	13,42
Private investors	37 152 933	9,18
Insurance companies	23 660 057	5,84
Other managed funds	18 911 715	4,67
Investment trust	2 890 646	0,71
Foreign government	2 674 506	0,66
Charity	1 391 834	0,34
Hedge fund	1 358 548	0,34
Custodians	728 856	0,18
University	308 100	0,08
Remainder	28 539 378	7,06
Total	404 843 109	100,00

Beneficial shareholders split by category¹



¹ Includes categories above 2% only

Administration

Company registration number

1943/016107/06

Group Company Secretary

D de Quintal

Directors

Non-executive

MP Malungani (Chairman)

S Abrahams

P Vallet

CB Tshili

Executive

D Dharmalingam

L Lipschitz

Registered office

27 Impala Road

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Sandton 2196

Tel +27 (0)11 523 4000

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Attorneys

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Sponsor

Deutsche Securities (SA) (Pty) Limited

Auditors

KPMG Inc.

Corporate advisers

Nucleus Corporate Advisers (Pty) Limited

Assets and liabilities committee

Jonty Jankovich

Dheven Dharmalingam

Talana Walters (group treasurer)

Gerald Kennealy

Craig Beney (group risk manager)

Investment committee

Jonty Jankovich

Dheven Dharmalingam

Philip Smith

Craig Beney

Adam Craker

Bankers

Absa Bank Limited

Barclays Bank PLC

China Construction Bank Corporation

Bank of China Limited

Commonwealth Bank of Australia Limited

First National Bank a division of FirstRand Bank Limited

HSBC Holdings PLC

Investec Limited

Nedbank Limited

Rand Merchant Bank a division of FirstRand Bank Limited

St George Bank Limited

The Royal Bank of Scotland Group

Transfer secretaries

Computershare Investor Services (Pty) Limited

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Website

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JSE information

Ordinary share code: SPG

ISIN: ZAE 000011334

Fraud hotline

Tel 0800 203 582

supergroup@tip-offs.com

Annual general meeting	28 January 2009
Interim results for the 6 months ended 31 December 2008	February 2009
Announcement of annual results for the year ended 30 June 2009	September 2009

Disclaimer

This annual report may contain certain forward-looking statements concerning Super Group's operations, business strategy, financial condition, growth and plans and expectations. These statements include without limitation, those concerning the economic outlook, business climate and changes in market share. Such views involve both known and unknown risks, assumptions, uncertainties and other important factors that could materially influence the actual performance of the group. No assurance can be given that these will prove to be correct and no representation or warranty express or implied is given as to the accuracy or completeness of such views or as to any of the other information in the annual report. Super Group's future results may differ materially from past or current results and those projected in the forward-looking statements.





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