THE SPAR GROUP LIMITED ANNUAL RESULTS

for the year ended 30 September 2014 and cash dividend declaration

www.spar.co.za

Turnover	Profit after tax	Headline earnings per share	Annual dividend to 540 cents
+15.0%	+13.3%	+12.5%	+11.3%

SALIENT FEATURES

Rmillion	Year ended 30 September 2014	Restated year ended 30 September 2013	% change
Turnover	54 483.0	47 387.3	15.0
Profit after taxation	1 345.0	1 187.3	13.3
Earnings per share (cents)	778.2	688.8	13.0
Headline earnings per share (cents)	781.8	694.8	12.5
Dividend per ordinary share (cents)	540	485	11.3
Net asset value per share (cents)	1 751.1*	1 842.2	(4.9)
Return on equity (%)	43.4	39.6	9.6

* *The net asset value per share has reduced due to the obligation to acquire the minority interests in BWG*

REVIEW OF TRADING RESULTS

Tough trading conditions, echoing the muted economic climate in South Africa, persisted during the year, with further pressure on consumer spending. This was exacerbated in those regions that were affected by disruptive strike action through reduced disposable income. Despite market cost pressures and a weakening rand, measured internal inflation remained relatively low at 5.7%.

At the same time, the retail environment has continued to be extremely competitive across all segments of SPAR's business.

Notwithstanding the challenging market conditions, SPAR delivered strong trading results for the year ended 30 September 2014.

In August 2014, SPAR acquired a controlling interest in the BWG Group, a leading food retail and wholesale distribution company and SPAR brand owner, with operations in Ireland and South West England, servicing more than 1 100 stores. This is an attractive deal which SPAR believes will deliver significant shareholder value going forward as the Irish economy continues to recover and the BWG Group ("BWG") implements its five-year growth plans. The consolidation of two months results of BWG made a meaningful financial contribution in the year under review.

FINANCIAL OVERVIEW

Summary segmental analysis

Rmillion	SPAR (Southern Africa)	BWG Group (Ireland)	SPAR Group Limited
Turnover	51 734.7	2 748.3	54 483.0
Gross profit	4 216.3	281.6	4 497.9
Operating profit	1 801.9	65.5	1 867.4

The group delivered a 15.0% improvement in turnover to R54.5 billion (2013: R47.4 billion). This included turnover contributed by BWG of R2.7 billion. Excluding BWG, the group reported turnover growth of 9.2% to R51.7 billion. SPAR's profit after tax increased to R1.3 billion (2013: R1.2 billion), an increase of 13.3%. SPAR in South Africa showed profit after tax growth of 9.2%, while the BWG Group accounted for the remainder of the increase.

SPAR's reported gross margin rose to 8.3% (2013: 8.1%), largely attributed to an increased level of perishable product passing through its distribution centres, The BWG business, which trades at higher gross margins, also contributed towards this increase. Operating expenses increased 22.6% to R3.2 billion (2013: R2.6 billion) but this was significantly impacted by the BWG consolidation, which, if excluded, would reflect a more appropriate increase in SPAR expenditure of 12.3%. Higher marketing costs and additional information technology expenditure continued to influence the expense growth and were partly offset by efficiency savings made in the group through ongoing logistics initiatives.

Profit before tax increased 11.2% to R1.8 billion (2013: R1.7 billion), or an increase of 8.2% on a like-for-like basis (excluding BWG).

The group's headline earnings grew 12.8% to R1.4 billion (2013: R1.2 billion) with headline earnings per share showing a 12.5% increase to 781.8 cents (2013: 694.8 cents). The board approved a final dividend declaration of 345 cents per share (2013: 306 cents), amounting to a total dividend for the year of 540 cents per share (2013: 485 cents), 11.3% higher than in the prior year.

The group's cash generated from operations remains strong and was supported by SPAR's internal focus to enhance working capital levels. Cash used by the group for investment activities during the year exceeded R1.0 billion. This included capital expenditure of R226.9 million for operational requirements, R35.2 million for the acquisition of three local retail stores and the R798.6 million purchase consideration for the BWG Group.

The material balance sheet impacts relating to the consolidation of BWG Group's balance sheet after its acquisition by SPAR, are as follows at 30 September 2014:

Rmillion	SPAR (Southern Africa)	BWG Group (Ireland)	SPAR Group Limited
Property, plant and equipment	1 790.6	1 087.6	2 878.2
Goodwill	392.2	2 153.0	2 545.2
Current assets	8 359.5	2 894.2	11 253.7
Current liabilities	7 824.7	3 143.4	10 968.1
Long-term liabilities	782.3	2169.2	2 951.5

OPERATIONAL OVERVIEW

SPAR Southern Africa

While **SPAR** stores reported retail turnover growth of 7.8% to R63.1 billion (2013: R58.5 billion), wholesale turnover increased 8.9% to R42.2 billion (2013: R38.7 billion), providing evidence that independent retailers recognise the value added by SPAR's merchandising, distribution and logistics capabilities. Furthermore, existing stores continue to outperform the market, with turnover growth of 7.8%. Growth was again supported by high acceptance levels of SPAR's house brands, which offer value to cash-strapped customers, with sales for this source increasing 14% to R5.8 billion. Net retail trading space increased 1.7% (2013: 2.2%) as 19 new stores were opened, taking the total store numbers to 875 at year-end. However, the group benefited from its ongoing initiatives to improve the quality of its existing store base with substantial revamps completed by retailers in 185 stores (2013: 155 stores) during the year in line with SPAR's organic growth focus, which had a positive impact on turnover growth.

The offering and conveniently located retail format of **TOPS** at SPAR continues to entrench its position as the number one retail liquor brand and reported retail sales growth of 13.8% to R6.6 billion (2013: R5.8 billion). Same store growth was an impressive 12.6%, while wholesale turnover grew 13.1% to R4.0 billion. A total of 51 new stores were opened (against a target of 35) during the year, taking to 622 the total TOPS stores at year-end.

Combined food and liquor retail sales, which allows for a better industry comparison, increased by 8,3% and 8,2% on a like-for-like store basis.

Build it experienced a difficult year despite implementing restructuring initiatives. Labour unrest, a reduction in unsecured lending, the metal workers strike and imported cement, among other factors, increased pressure on retailers. While rand weakness did partly negate the benefits of low-priced cement imports, increased import volumes have continued to influence the coastal retail markets. Against this backdrop, Build it achieved retail turnover growth of 9.5% (2013: 12%) to R9.1 billion (2013: R8.3 billion) with solid growth of 7.8% from existing stores. The wholesale turnover increased 8.8%, to total R5.5 billion (2013: R5.1 billion). It was encouraging to note that Build it's house brand imports continued to gain support in the market, with total sales of R238 million, a 21.5% increase from the prior year. Although 18 new stores were opened, the tight trading environment led to the closure of 22 stores, with a total of 294 stores at year-end.

The turnover reported by the corporate retail division amounted to R773.7 million. This reflects a decline of 7.5% on the prior year due to the sale of the Philippi SUPERSPAR and the closure of Stoneacres SUPERSPAR. The trading challenges of the locations in which SPAR's retail division operates remain unchanged, however, the group remains steadfast that its decision to defend these sites is appropriate and believes that these stores offer a unique opportunity to remain close to the challenges and experiences our retailers face. The net profitability position of this business continues to be positive for the group.

SPAR's seven distribution centres despatched a total of 210.8 million cases (2013: 203.5 million cases), representing a 3.6% year-on-year growth in volumes handled. In order to sustain growth, SPAR has reviewed its distribution capacity and is planning to embark on two major extensions that were put on hold in 2014. Work has already commenced at the KwaZulu-Natal perishable facility and SPAR expects to start construction of a slow moving storage facility at the South Rand distribution centre early in the new year. Both projects will be completed within the financial year. With regard to the new distribution centre planned in the Lanseria area, work continues towards finalising the acquisition of land. The budgeted capital expenditure in 2015 for South Africa is expected to be R540 million, including R170 million for Lanseria.

SPAR Ireland

The results of BWG have consolidated for two months and this has had a notable impact on the group's results. Turnover for the period was R2.7 billion, and contributed operating profit of R65,5 million. While the net profit return in this business is lower than the South African group, this is expected to increase through the implementation of various initiatives. The revenue impact of the BWG business will be even greater in 2015 when including a full year's trading performance.

PROSPECTS

As competition in the retail sector intensifies, SPAR will continue to focus on aggressively driving new business opportunities, organic growth, stringent cost control and securing operating and supply chain efficiencies. Meanwhile, pressure on consumer spending is likely to persist against a backdrop of muted economic growth, currency weakness, inflationary pressures and rising interest rates.

The group expects to see an improvement in the profitability of the Irish operations in the short term, which should have a positive impact on the group's bottom line by 2016.

SPAR remains confident that the resilience of our people, our retailers and our business model will allow us to produce a strong performance in 2015.

Mike Hankinson
Chairman

Graham O'Connor
Chief Executive

DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a final gross cash dividend of 345 cents per share has been declared by the board in respect of the year ended 30 September 2014. The dividend has been declared out of income reserves.

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

Last day to trade cum-dividend	Friday, 28 November 2014
Shares to commence trading ex-dividend	Monday, 1 December 2014
Record date	Friday, 5 December 2014
Payment of dividend	Monday, 8 December 2014

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Monday, 1 December 2014 and Friday, 5 December 2014, both days inclusive.

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

- The South African dividends tax rate is 15%;
- No STC credits will be utilised;
- The net local dividend amount is 293.25 cents per share for shareholders liable to pay tax on dividends, and 345 cents per share for shareholders exempt from such dividend tax;
- The issued share capital of the SPAR Group Limited as at the date of declaration is 173 231 049 ordinary shares; and
- The SPAR Group Limited's tax reference number is 9285/168/20/0.

By order of the board

KJ O'Brien
Company Secretary

ABOUT THIS ANNOUNCEMENT:

This short form announcement is the responsibility of the directors. The information disclosed is only a summary and does not contain full or complete details. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Any investment decisions by investors and/or shareholders should be based on consideration of the full results announcement released on SENS on 12 November 2014 and are available on the company's website, www.spar.co.za.

The results announcement is also available for inspection at the company's registered office. The SPAR Group Limited, 22 Chancery Lane, Pinetown, 3610, at no charge, during normal business hours from 12 November 2014 to 12 December 2014. Investors and/or shareholders may request copies of the full announcement from the Company Secretary at kevin.obrien@spar.co.za.

DIRECTORATE AND ADMINISTRATION Directors: MJ Hankinson* (Chairman), GO O'Connor (Chief Executive), MW Godfrey, WA Hook, PK Hughes*, RJ Hutchison*, MP Madi*, HK Mehta*, P Mnganga*, R Venter, CF Wells* (*Non-executive); Company Secretary: KJ O'Brien; The SPAR Group Limited ("SPAR" or "the company" or "the group"); Registration number: 1967/001572/06; ISIN: ZAE000058517 JSE code: SPP; Registered office: 22 Chancery Lane, PO Box 1589, Pinetown, 3600; Transfer secretaries: Link Market Services South Africa (Pty) Limited, PO Box 4844, Johannesburg, 2000; Auditors: Deloitte & Touche, PO Box 243, Durban, 4000; Sponsor: One Capital, PO Box 784573, Sandton, 2146; Bankers: First National Bank, PO Box 4130, Umhlanga Rocks, 4320; Attorneys: Garlicke & Bousfield, PO Box 1219, Umhlanga Rocks, 4320