THE SPAR GROUP LIMITED ANNUAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015 AND CASH DIVIDEND DECLARATION

SPAR

TURNOVER	OPERATING PROFIT	NORMALISED HEADLINE EARNINGS PER SHARE	ANNUAL DIVIDEND TO 632 CENTS
▲ 34.5%	▲ 23.0%	▲ 20.5%	▲ 17.0%

KEY FINANCIAL INDICATORS

Rmillion	Year ended 30 September 2015	Year ended 30 September 2014	% change
Turnover	**73 258.8**	54 483.0	34.5
Operating profit	**2 294.2**	1 864.9	23.0
Earnings per share (cents)	**820.8**	778.2	5.5
Headline earnings per share (cents)	**835.5**	781.8	6.9
Normalised headline earnings per share (cents)*	**940.0**	779.8	20.5
Dividend per ordinary share (cents)	**632.0**	540.0	17.0
Net asset value per share (cents)	**1 922.6**	1 751.1	9.8

* *Normalised headline earnings represent headline earnings excluding business defined exceptional items.*

The SPAR Group had a milestone year in 2015, as the first full year of operating in a global context. The board and management recognised at the time of the Ireland acquisition that the inclusion of BWG was a fundamental shift for SPAR. It has increased SPAR's exposure to global thinking in different market environments, allowing us to gain and share knowledge. That being said, the change has not affected our commitment to the values and relationships that are the bedrock of the business.

Overall turnover grew by 34.5% to R73.3 billion (2014: R54.5 billion) and operating profit increased by 23.0% to R2.3 billion (2014: R1.9 billion), to which the Ireland operations contributed 23% and 13% respectively. Excluding the BWG contribution, SPAR grew operating profit by 10.4% on the prior year, thereby delivering real growth.

New store openings in South Africa were in line with the prior year, bringing the domestic footprint to 1 935 stores (2014: 1 864 stores) – growth was primarily driven by organic accretion among existing businesses. BWG grew its store footprint in Ireland and the South West of England from 1 151 to 1 332, of which 145 are attributable to the acquisition of Londis. With the BWG Group, our total retail footprint increased to 3 267 stores.

FINANCIAL OVERVIEW

SUMMARY SEGMENTAL ANALYSIS

Rmillion	SPAR (Southern Africa)	BWG Group (Ireland)	SPAR Group Limited
Income statement			
Turnover	**56 367.6**	**16 891.2**	**73 258.8**
Gross profit	**4 597.4**	**1 769.2**	**6 366.6**
Operating profit	**1 987.8**	**306.4**	**2 294.2**
Profit before taxation	**1 776.1**	**182.1**	**1 958.2**
Financial position			
Property, plant and equipment	**1 944.1**	**1 277.2**	**3 221.3**
Goodwill and intangible assets	**471.8**	**2 809.7**	**3 281.5**
Current assets	**8 675.4**	**3 689.2**	**12 364.6**
Current liabilities	**8 055.9**	**4 076.7**	**12 132.6**
Long-term liabilities	**981.8**	**2 886.4**	**3 868.2**

Reported group turnover increased by 34.5% to R73.3 billion (2014: R54.5 billion). The Southern African operations grew by 9.0% to R56.4 billion and the remaining R16.9 billion was contributed by BWG Group (Ireland), which was included for the full 12 month period.

The group's gross margin maintained a positive trend, increasing to 8.7% (2014: 8.3%), also benefiting from the full year contribution of BWG, whose customer base in the convenience sector typically commands higher wholesale gross margins. SPAR Southern Africa's gross margin was marginally higher at 8.2%, reflecting the increasing ex-warehouse contribution.

Operating profit rose 23.0% to R2.3 billion, with the Southern African operations showing a strong 10.4% increase to R2.0 billion. The Irish business reported operating profit of R306 million for the year.

SPAR's headline earnings grew 7.0% to R1.4 billion with reported headline earnings per share growth of 6.9% to 835.5 cents. The calculation of headline earnings was negatively impacted by the following exceptional items:

- The annual measurement of the financial liability relating to the future buyout of the minority interests in BWG amounted to R108.1 million in the period. This comprised a finance cost adjustment of R45.9 million and an unrealised foreign exchange loss on translation of the financial liability of R62.2 million, arising from the significant rand-euro depreciation over the year.
- The financial liability was also revised to recognise the inclusion of the additional profit contribution arising from the Londis business, resulting in a further exceptional charge of R72.8 million.
- Once-off costs arising from the acquisition and integration of the Londis business amounted to R46.0 million. This comprised transaction related expenses, costs associated with the closure of the warehousing facility and retrenchments costs that were recognised in the year under review.

Adjusting for these exceptional items, but excluding the finance cost component, results in a normalised headline earnings of R1.6 billion, representing a growth of 20.7%. This translates into normalised headline earnings per share of 940 cents, up 20.5%.

The board declared a final dividend of 393 cents per share (2014: 345 cents per share), resulting in a total annual dividend of 632 cents (2014: 540 cents), up 17.0%.

The stronger operating performance and a continued focus on working capital management saw a substantial improvement in cash generated from operations, which increased to R3.0 billion (2014: R1.8 billion). Capital expenditure rose to R525.5 million (2014: R221.4 million), as the group completed a number of property related projects including the expansion of the KwaZulu-Natal perishable facility, the introduction of a chilled facility in the Kilcarbery distribution centre in Dublin and the commencement of the slow-moving goods warehouse at the South Rand distribution centre. The group also concluded the acquisition of ADM Londis plc, a large retail chain in Ireland supporting some 145 branded retailers.

OPERATIONAL HIGHLIGHTS

SOUTHERN AFRICA

- The group continued to attract independent retailers and opened an additional 26 SPAR stores, 39 TOPS stores and 34 Build it stores during the year.
- Focus on store revamps and modernisations saw a total of 242 stores being refurbished during the year.
- Build it staged a strong operational recovery and entered the DIY market with the opening of the first branded TrenDIY store.
- TOPS maintained its double-digit growth trajectory underpinned by strong and vibrant marketing campaigns.

IRELAND

- Conclusion of the acquisition of ADM Londis plc was a significant transaction strengthening BWG's dominant position in convenience retailing.
- The integration of the Londis retailers into the BWG Group is progressing well and efficiency gains are anticipated to materialise in future.
- The Kilcarbery chilled facility was completed and commissioned in May 2015 and has added a new dimension to retail service levels.
- The refinancing of the BWG banking facilities was concluded in June 2015 with substantial improvements in the financing costs, which will be recognised in the years ahead.

PROSPECTS

Although the trading environment in Southern Africa is expected to remain challenging, SPAR's brands are well positioned to continue serving our diverse customers. Furthermore, the prospects in Ireland are improving as economic recovery and growth are set to continue. Therefore, the group is well positioned to extend its position in both geographic segments.

The focus areas in South Africa for the year ahead include the opening of new stores across all brands, as well as supporting organic growth through further store refurbishments. The group will continue investing in its warehousing and distribution capacity to support growth, with the slow-moving goods warehouse to be completed at South Rand, as well as commencing significant expansions to its Western Cape and Eastern Cape distribution facilities.

BWG's priorities for the year ahead include, among others, completing the full integration of Londis retailers to unlock the inherent distribution efficiencies and synergies. Its brands remain well positioned to continue benefiting from an improving Irish economy.

SPAR's business model, which is grounded in our voluntary trading relationship with our network of independent retailers, remains robust. The board supports management's renewed strategic focus on extracting optimal value from the model to the mutual benefit of the group and our stakeholders.

Mike Hankinson
Chairman

Graham O'Connor
Chief Executive Officer

DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a final gross cash dividend of 393 cents per share has been declared by the board in respect of the year ended 30 September 2015. The dividend was declared out of income reserves. This brings the total gross dividend for the year to 632 cents (2014: 540 cents) per ordinary share.

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

Last day to trade cum-dividend	Friday, 27 November 2015
Shares to commence trading ex-dividend	Monday, 30 November 2015
Record date	Friday, 4 December 2015
Payment of dividend	Monday, 7 December 2015

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Monday, 30 November 2015 and Friday, 4 December 2015, both days inclusive.

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

- The local dividends tax rate is 15%.
- The net local dividend amount is 334.05 cents per share for shareholders liable to pay tax on dividends, and 393 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 173 264 944 ordinary shares.
- The SPAR Group Limited's tax reference number is 9285/168/20/0.

By order of the board

KJ O'Brien
Company Secretary

Pinetown
10 November 2015

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 investment decisions by investors and/or shareholders should be based on consideration of the full results announcement released on SENS on 11 November 2015 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 Ltd, 22 Chancery Lane, Pinetown, 3610, at no charge, during normal business hours from 11 November 2015 to 11 December 2015. 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 Officer), 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

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