



SPAR RESULTS PRESENTATION

FOR THE YEAR ENDED
30 SEPTEMBER 2017





INTRODUCTION

GRAHAM O'CONNOR
CEO

Geographically balanced portfolio

Growing foreign currency income streams

- 32.4% of turnover
- 22.4% of operating profit



SOUTH AFRICA

- 2 138 stores served
- 295 500m² warehousing space
- R64.5bn turnover
- R2.0bn operating profit



IRELAND

- 1 330 stores served
- 34 560m² warehousing space
- R20.5bn turnover
- R508.2m operating profit



SWITZERLAND

- 300 stores + 11 cash & carry
- 44 000m² warehousing space
- R10.4bn turnover
- R69m operating profit

Extremely tough trading environment in South Africa

Strong performance in Ireland

Early positive signs of turnaround in Switzerland



SOUTH AFRICA

Economic and political uncertainty
Weak consumer spending



IRELAND

Deflationary pressures
BREXIT uncertainties



SWITZERLAND

Deflationary environment
Stable economic backdrop

Southern Africa

- Organic growth and continued revamps throughout SPAR Group's network 259 store revamps ✓
- Leverage TOPS' successful marketing and promotional campaigns "Good Advice" campaign ✓
- Investments to expand warehousing and distribution in South Africa R516m invested ✓
- Conclude Zambia investment Deal completed ✓

Ireland

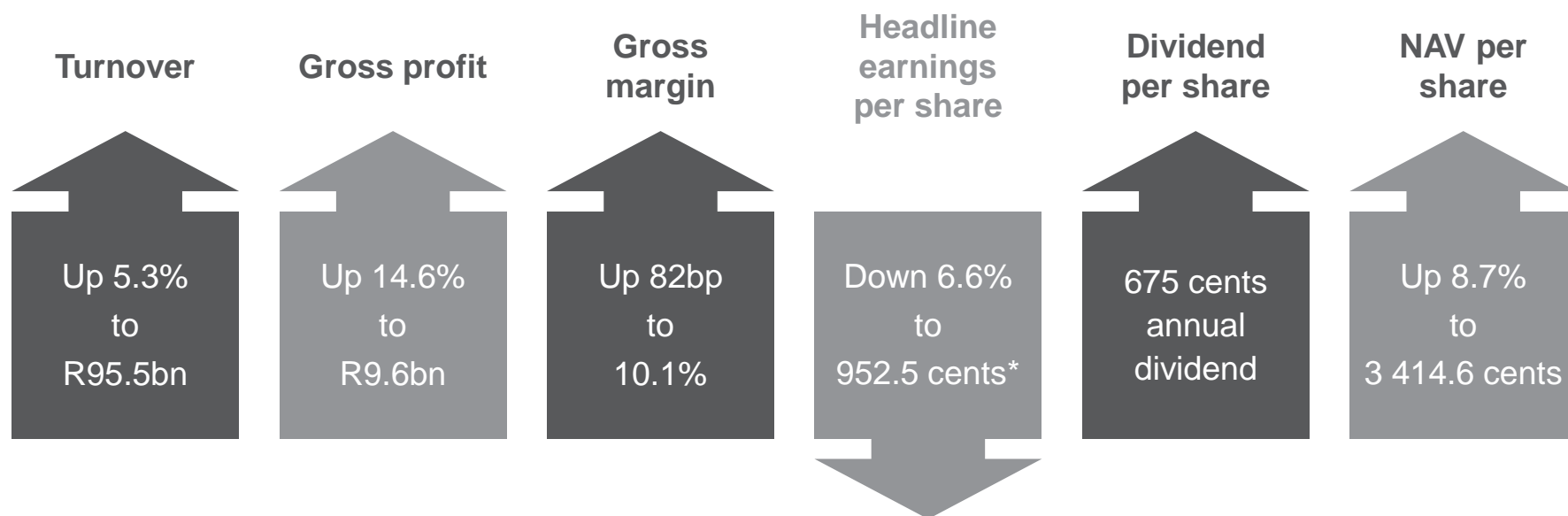
- Bed down Gilletts Group acquisition by Appleby Westward Sales growth ahead of forecast ✓
- Further investments in retail Good progress ✓
- Store revamps EUROSPAR upgrades ✓

Switzerland

- Enhance retail offering and in-store standards Category management implemented ✓
- Drive fresh and HMR product lines New generation store roll out ✓
- Unlock operational efficiencies H1 loss turned around in H2 ✓
- Upgrades at TopCC New generation store roll out initiated ✓
- Leverage opportunities in express and forecourts Slower than anticipated ✗
- Explore domestic expansion opportunities: Italian speaking Switzerland On hold ✗

Pursue Sri Lanka JV opportunity

First store to open 2018 ✓



** Impact of additional share issues for Swiss acquisition and BBBEE scheme
Restated for constant shares in issue would be +0.1%*



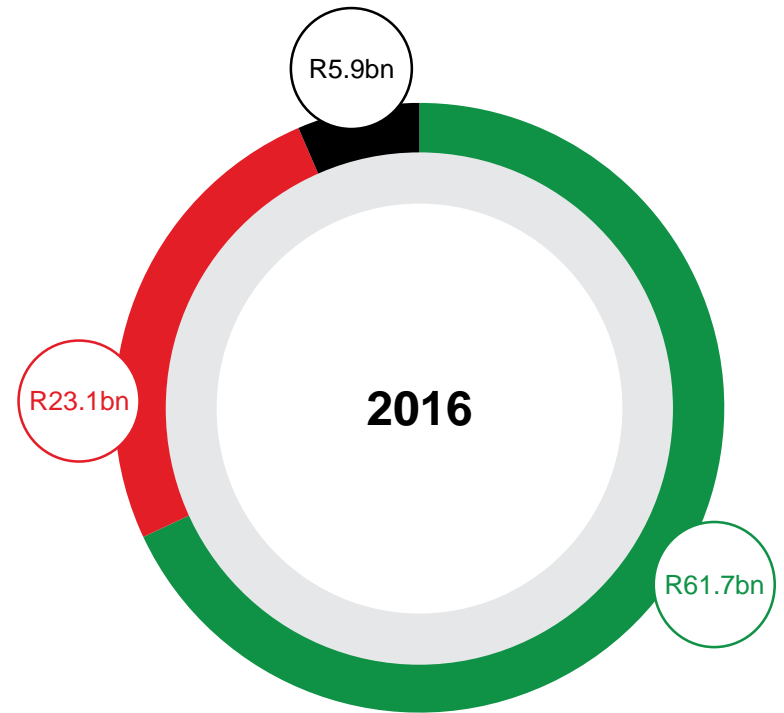
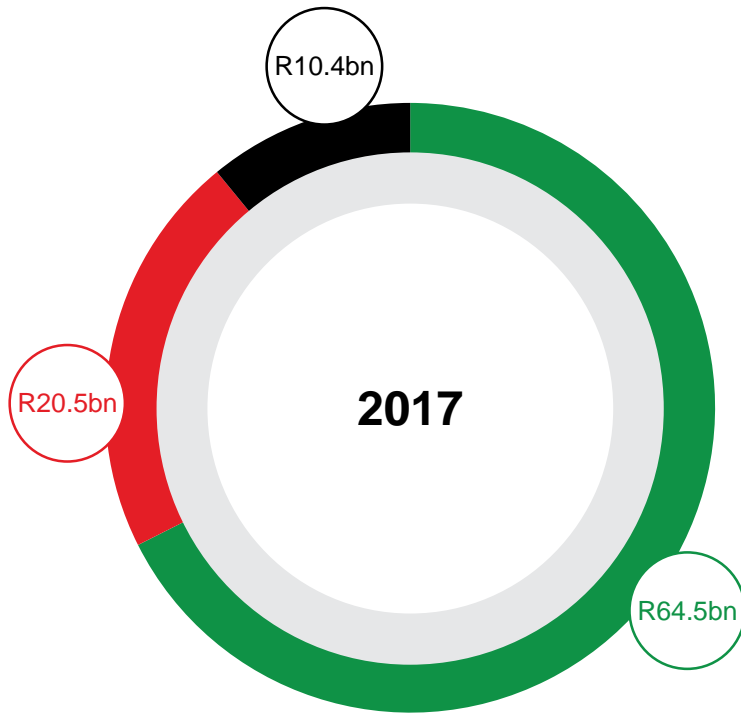
FINANCIAL OVERVIEW

MARK GODFREY
CHIEF FINANCIAL OFFICER

R million	2017	2016	Change %
SPAR/TOPS	57 450.7	54 791.2	+4.9
<i>Liquor sales (SPAR/TOPS)</i>	5 757.7	5 176.5	+11.2
Build it	7 050.1	6 908.3	+2.1
South Africa	64 500.8	61 699.5	+4.5
Ireland*	20 528.7	23 099.7	(11.1)
Switzerland**	10 431.6	5 889.3	+77.1
Total Group	95 461.1	90 688.5	+5.3

* Ireland: €-denominated sales up 1.5%

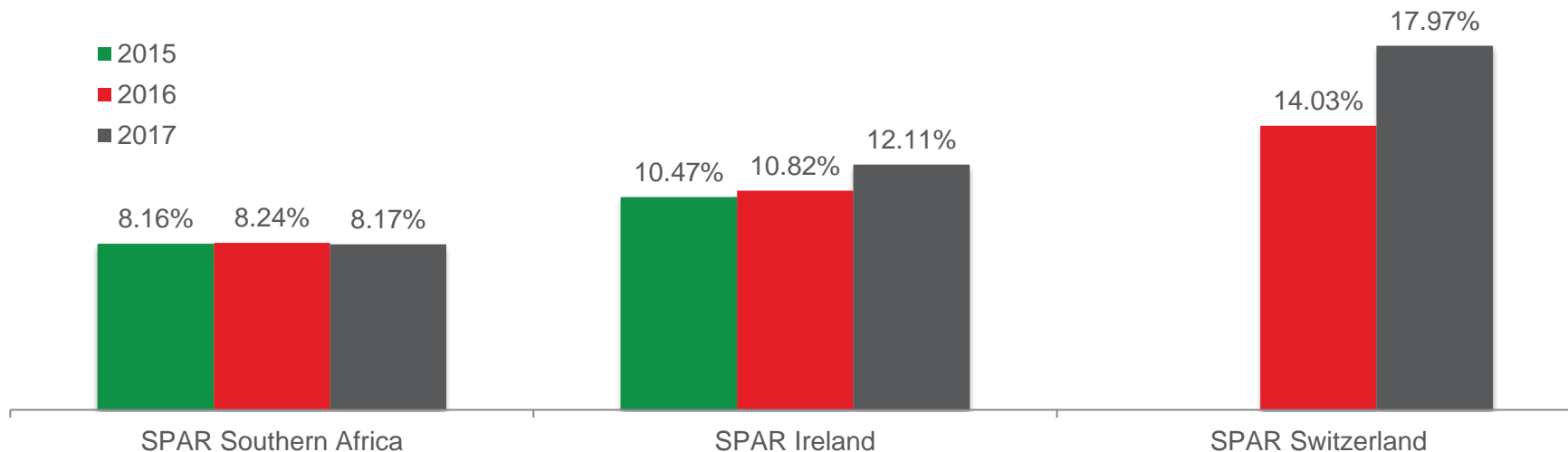
** Switzerland: CHF-denominated sales up 94.7% year-on-year (12 month vs 6 month consolidation)



■ SPAR Southern Africa ■ SPAR Ireland ■ SPAR Switzerland

R million	2017 Turnover	Gross margin	2017 (GP%)	Change	2016 (GP%)
Total South Africa	64 500.8	5 269.0	8.17%	↓	8.24%
Ireland	20 528.7	2 487.0	12.11%	↑	10.82%
Switzerland	10 431.6	1 874.9	17.97%	↑	14.03%
Total Group	95 461.1	9 630.9	10.09%	↑	9.27%

REGIONAL MARGIN PROGRESSION



R million	2017		2016		% increase
	Expenses	% of sales	Expenses	% of sales	
Total South Africa	3 836.4	5.9	3 535.8	5.7	+8.5
Ireland	2 340.4	11.4	2 383.7	11.6	(1.8)
Switzerland	2 583.8	24.8	1 428.1	24.3	+80.9
Total Group	8 760.6	9.2	7 347.6	8.1	+19.2

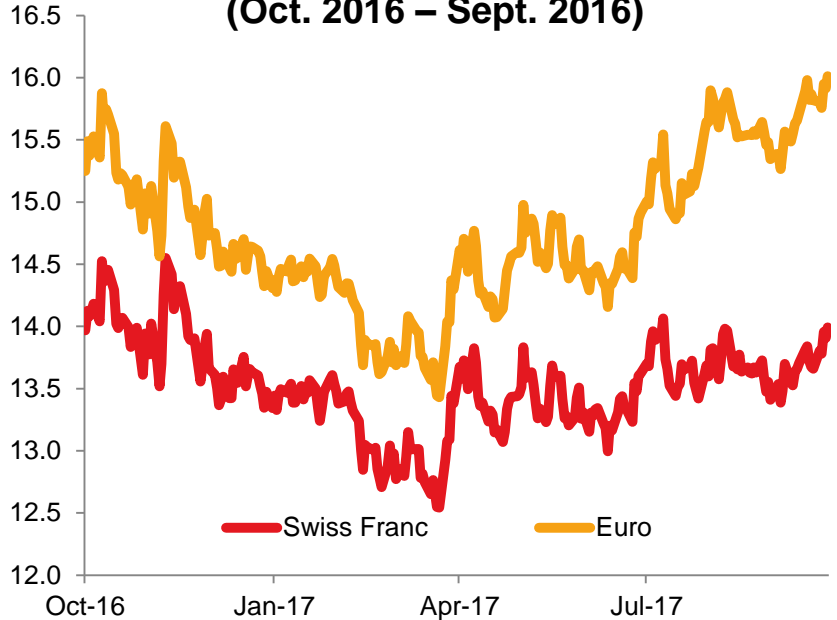
Expenses up 4.3% excluding SPAR Switzerland

SPAR Ireland: 2.0% reduction associated with currency fluctuation

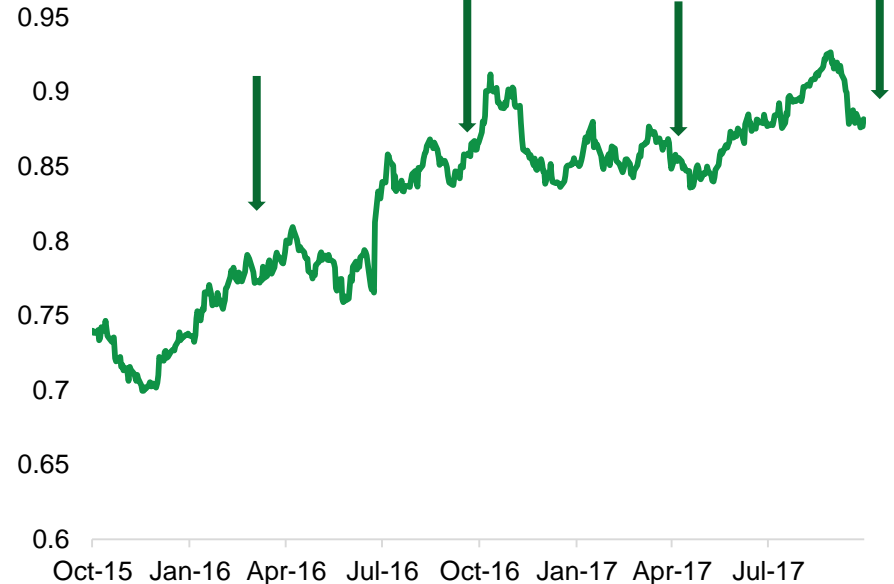
SPAR Switzerland impact: Not in H1 2016 base

- Higher marketing and selling costs due to corporate stores
- Efficient logistics

Euro / Swiss Franc vs Rand (Oct. 2016 – Sept. 2016)



Euro vs Sterling (Oct. 2015 – Sept. 2017)



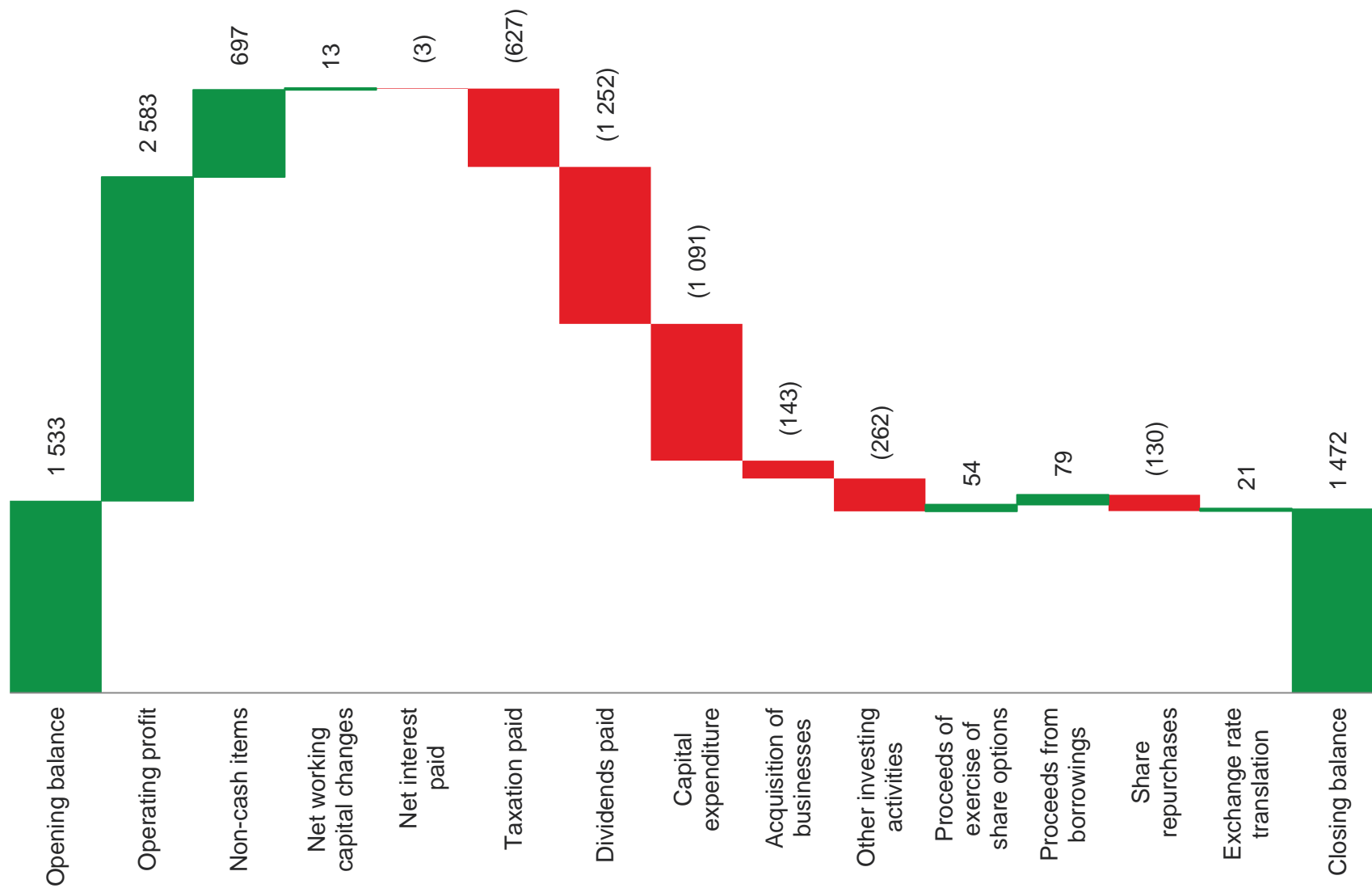
Ireland (€)

Switzerland (CHF)

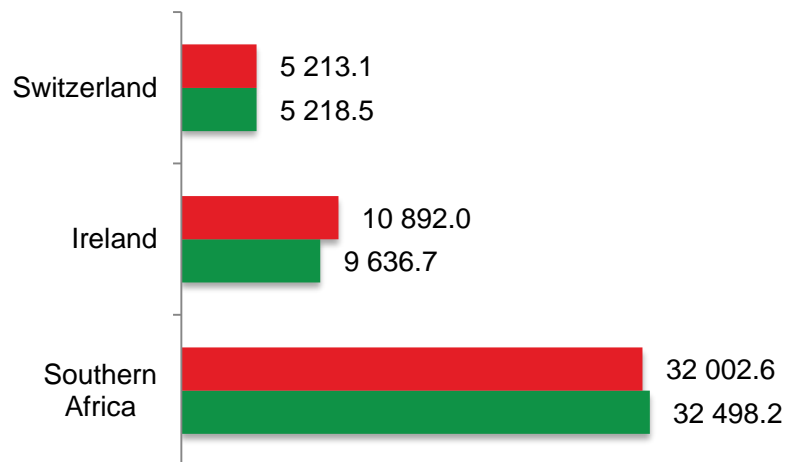
	2017	2016	2017	2016
Year end rate	15.96	15.59	13.95	14.37
Average rate	14.81	16.45	13.59	14.93*

* 1 April 2016 to 30 September 2017

R million



2017 TURNOVER (Rm)



	Growth
First half	+12.6%
South Africa	+4.9%
Ireland	-13.1%
Second half	-1.1%
South Africa	+4.1%
Ireland	-9.3%
Switzerland	-11.5%

2017 OPERATING PROFIT (Rm)

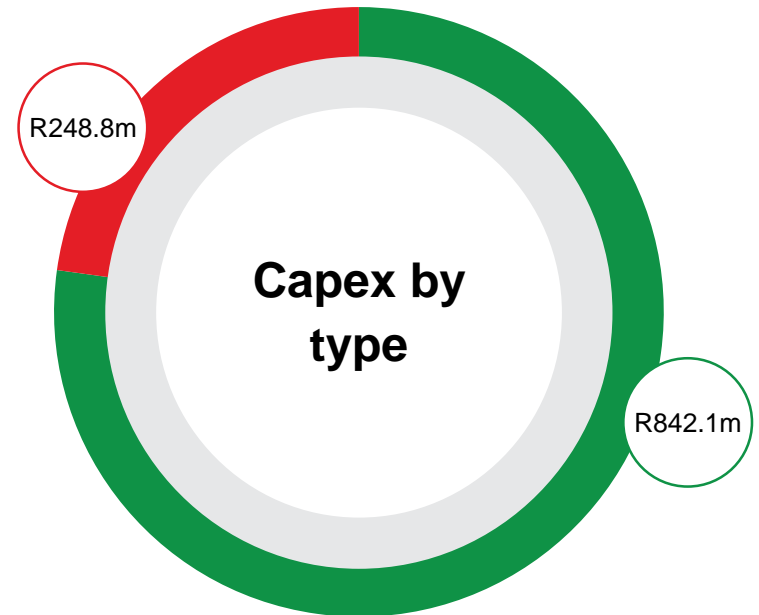
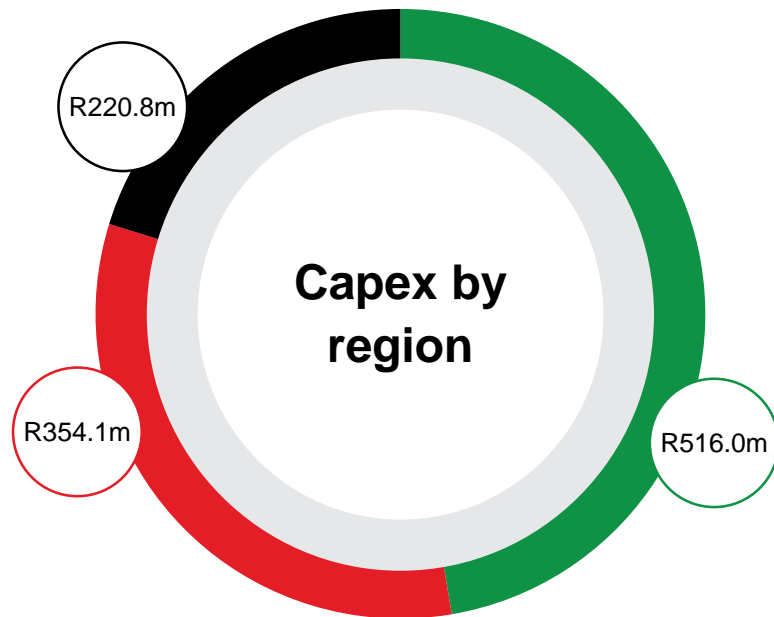


	Growth
First half	-4.1%
South Africa	-4.7%
Ireland	+3.6%
Second half	+4.5%
South Africa	-0.2%
Ireland	+5.3%
Switzerland	+140.1%

R million	SPAR Southern Africa	SPAR Ireland	SPAR Switzerland	Group
Balance sheet				
Property, plant and equipment	2 438.9	1 586.1	2 528.9	6 553.9
Goodwill and intangible assets	565.3	3 281.0	315.9	4 162.2
Current assets	10 552.8	4 125.4	1 953.0	16 631.2
Current liabilities	(8 807.1)	(4 513.5)	(964.9)	(14 285.5)
Long-term liabilities	(1 263.7) ¹	(2 851.2)	(3 235.2) ²	(7 350.1)
<i>Net asset value per share (cents)</i>	<i>2 910.9</i>	<i>928.3</i>	<i>346.1</i>	<i>3 414.6</i>

1. Includes financial liability of R963.8m relating to minority purchase

2. Includes financial liability of R736.3m relating to minority purchase



■ SPAR Southern Africa ■ SPAR Ireland ■ SPAR Switzerland

■ Expansion capex ■ Maintenance capex

- Southern Africa: Expansion of the Western Cape and North Rand perishables facilities
- Ireland and Switzerland: Investments in retail environment and technology upgrades

R million	2017	2016
SPAR Ireland: €-denominated		
Balance at beginning of year	824.4	729.8
Finance costs recognised in profit or loss (7.2%)	60.1	96.3
Net exchange differences arising during the period	27.7	(1.7)
Fair value adjustment	51.6	
Balance at end of year	963.8	824.4
SPAR Switzerland: CHF-denominated		
Balance at beginning of year	743.6	-
Financial liability initially recognised	-	789.4
Finance costs recognised in profit or loss (2.0%)	14.2	7.7
Net exchange differences arising during the period (CHF to €)	(37.6)	4.2
Foreign exchange translation	16.1	(57.7)
Balance at end of year	736.3	743.6
Total financial liabilities recognised	1 700.1	1 568.0

R million	2017	2016	Change %
Turnover	95 461.1	90 688.5	+5.3
Operating Profit	2 582.5	2 577.3	+0.2
Profit before tax	2 464.7	2 439.2	+1.0
Earnings per share (cents)*	945.2	1 010.0	(6.4)
Headline earnings per share (cents)*	952.5	1 020.0	(6.6)
Dividend per share (cents)	675.0	665.0	+1.5
Net asset value per share (cents)*	3 414.6	3 140.1	+8.7

* Weighted average number of ordinary shares (net of treasury shares) in 2017 was 192 555 203 (2016: 179 703 184)

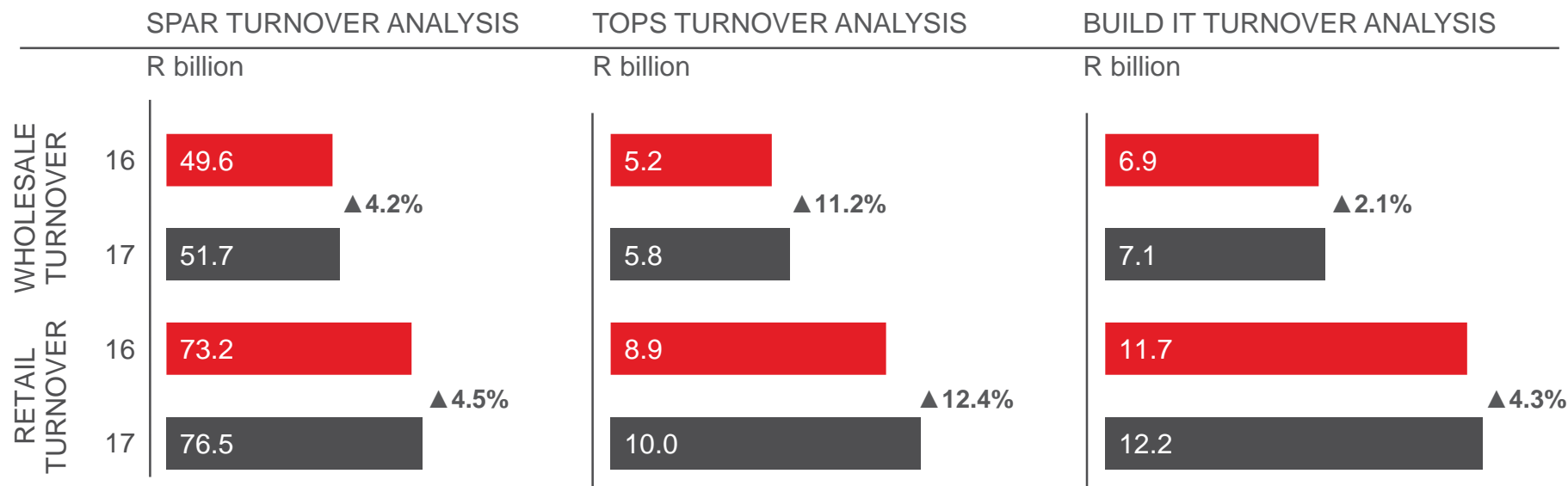


OPERATIONAL OVERVIEW

GRAHAM O'CONNOR
CEO

	Total growth %	Like-for-like %
SPAR	+4.5	+4.2
TOPS	+12.4	+9.7
Build it	+4.3	+1.1

Significant slowdown in sales exposed cost pressures and resulted in net margin contraction



Ireland: ZAR sales analysis	%
Performance of core business	+0.33
Impact of Gillett's: Full year consolidation	+1.16
	+1.49
Currency impacts: Euro/GBP/ZAR	(12.62)
	(11.13)

- SPAR and XL brands reported strong sales growth
- Successful integration of Londis business into BWG supply chain, achieving 4.6% growth
- Positive contribution from Gilletts acquisition
- Wines and spirits business up 17.8%
- Foodservice increased 13.2%

Sales up 94.7% in CHF terms (recognised 12 months vs 6 months in prior year)

- Impact of franchising six company-owned SPAR stores: Continue to trade under SPAR brand
- Economic environment and competition resulting in negative growth in all distribution lines
- Contributed 10.9% of group turnover for first full period of consolidation

Reversed half-year loss with operating profit of R69m

- Early gains from implementing plan to improve retail offering

Switzerland: Sales analysis by business		Ratio %
Ex-warehouse sales	ZAR4.2bn	40.4
TopCC sales	ZAR4.0bn	38.4
SPAR Corporate retail sales	ZAR2.2bn	21.2
	ZAR10.4bn	100

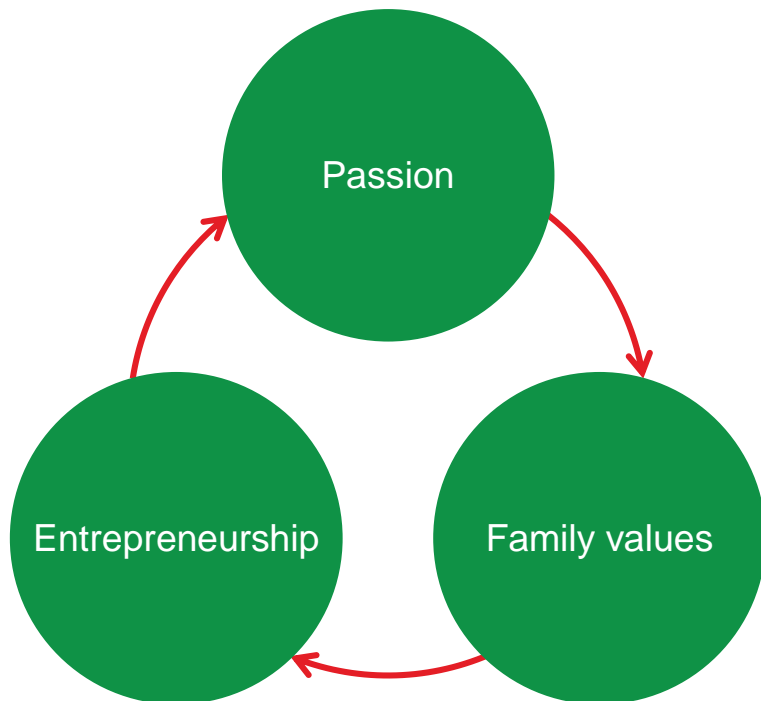


STRATEGIC REVIEW

GRAHAM O'CONNOR

CEO

Strategic outcomes entrenched in our values



1. **World-class replenishment system**
2. **Compelling pricing**
3. **Comprehensive range**
4. **World-class brands**
5. **Best retailers**
6. **New business growth**



Volumes handled in 2017

- 2.6% decline in SA distribution centres to 224.5 million cases
- 8.5% increase in cases dispatched in Ireland to 35.1 million cases

Ongoing investments to support growth

- Expansion of Western Cape perishable facility (R99.6m)
- North Rand perishables facility expansion (R34.5m) to alleviate volume pressures
- SAP HANA R31.3m and IBM server upgrade for DC systems (R15.8m)
- Comprehensive analysis of Ireland logistics and distribution to develop improvement model

SA category management practices implemented in SPAR Switzerland

- Optimise space allocation and provide feedback to suppliers



Ex-warehouse sales

		2017 %	2016 %
Warehouse (excl. liquor)	– Dry	43.6	44.3
	– Perishables	18.7	17.9
		62.3	62.2
Dropshipment (excl. Build it and liquor)		37.7	37.8

Category performances:

Warehouse +4.4% on 2016

Top Performers: Liquor, bakery and butchery

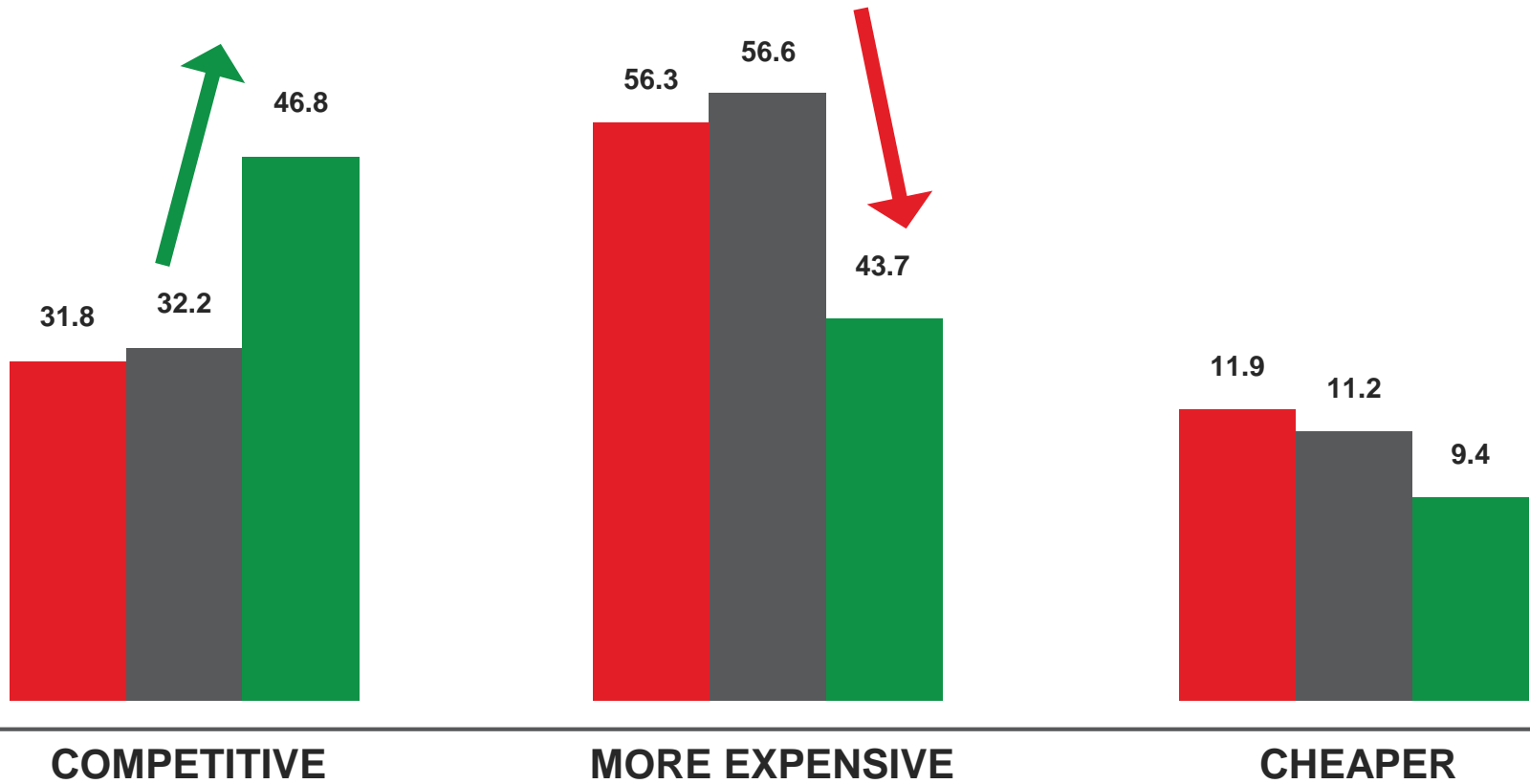
Difficult performances: General Merchandise, fresh produce and personal care

Dropshipment +3.2% on 2016

Top Performer: Bakery

Difficult performances: Build it and Coca Cola

SPAR Price Perception Study 2017



 2007  2008  2017

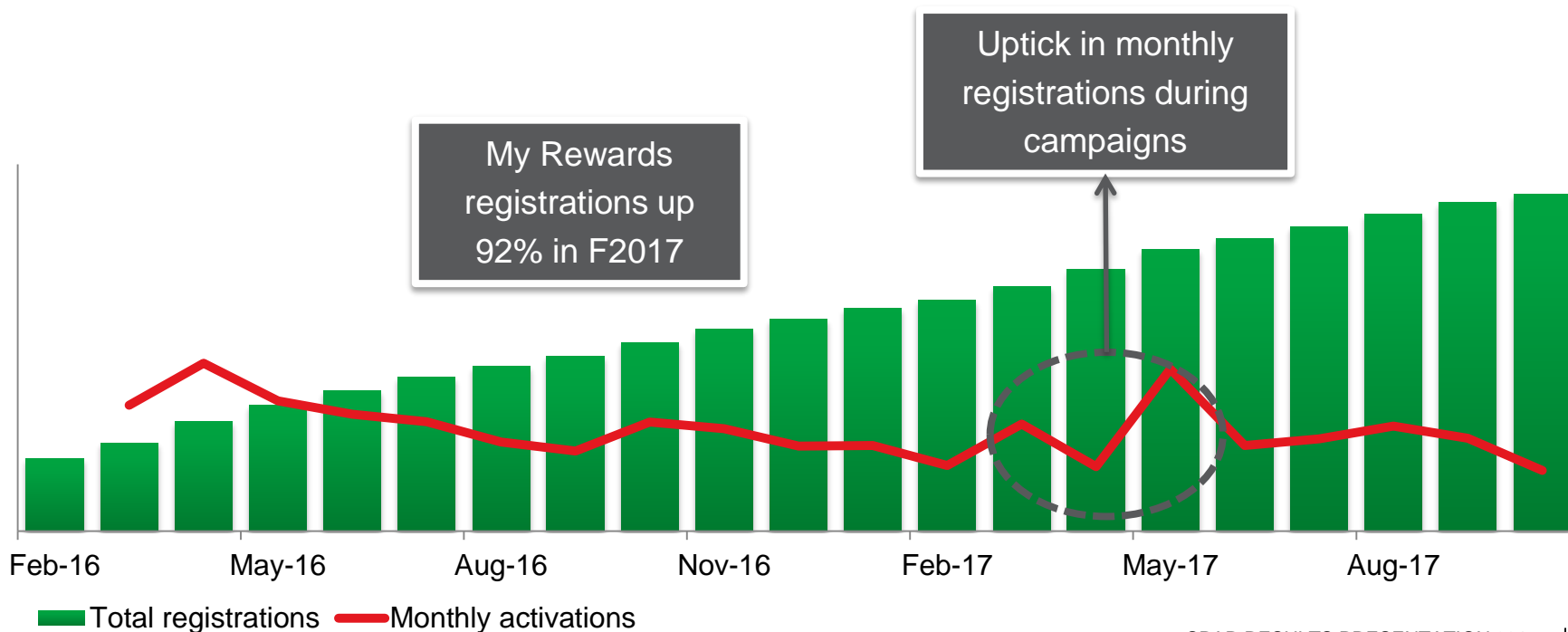
Advertising and Promotions

- Digital platforms to get more feet into stores

My SPAR Rewards added several million new members

Launch of SPAR TEXT ME!

- September 2017: ±10m sms messages to customers from retailers



Advertising and Promotions

- SPAR Money Transfers launched in South Africa

SA's biggest Money Transfer Network

Trusted by millions of SPAR customers

- Send and receive from over 4000 SPAR till points
- Collect from over 8000 Standard Bank ATMs, after hours, so you can get your money 24/7
- Withdrawals without any ID book and no fees
- No bank account needed
- Send up to R5000 per transaction for only R9,95

THE TRUSTED WAY TO SEND AND RECEIVE



WIN CASH

THE EASY MILLION GIVEAWAY

Send or receive your SPAR Money Transfer at SPAR stores nationwide and stand a chance to win your share of R1 000 000 in cash.

THE TRUSTED WAY TO SEND AND RECEIVE

CURRENT CAMPAIGN

LAUNCH CAMPAIGN

MONEY TRANSFERS

THE TRUSTED WAY TO SEND AND RECEIVE



Advertising and Promotions

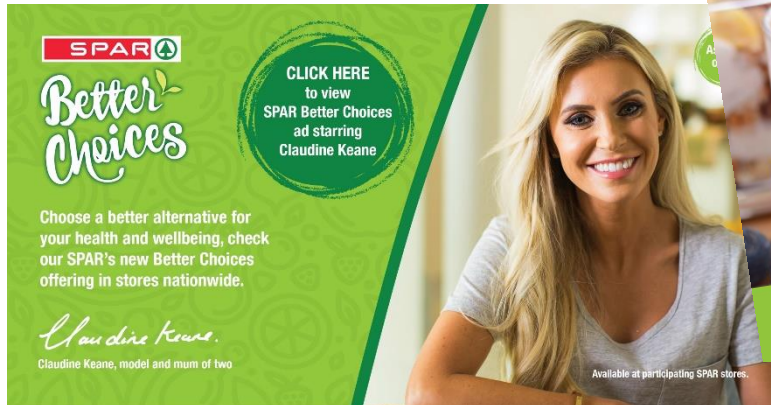
- Positive consumer response to TOPS' new "Good Advice" campaign
 - Offers information and advice while retaining humour



Advertising and Promotions: SPAR Ireland “Better Choices” campaign launched

- New advertising and in-store promotions tapping into Irish shopper trends: “Healthy eating is now part of the national psyche as almost 2 in 3 consumers are buying healthier options nowadays.”
- Healthy on-the-go products including low fat, high protein and gluten free developed in conjunction with qualified dietician
- Starring celebrities: Republic of Ireland football campaign Seamus Coleman and Model and Mum-of-two Claudine Keane

Source: B&A Consumer Research, June 2017



Advertising and Promotions: SPAR Switzerland

- Advertising programme focused on convenience driven pricing
- Driven by WOW promotions initiative balancing competitive pricing on promotions and retail profitability
- Positive initial results



Auf gute Nachbarschaft.



Auf gute Nachbarschaft.



Auf gute Nachbarschaft.



Auf gute Nachbarschaft.

Continued uptake of house brands in Southern Africa

- SPAR house brands up 9.7% to R8.0bn
- Total SPAR house brand range now worth ~R10.2bn
- Build it house brand sales through the imports facility grew 18.7% to 339m (2016: R285m)



235 SPAR branded SKUs launched in 2017 (including all variants)



Four new par cooked crumbed products with cheese



Extra fat (5% vs 3.4% in regular full cream milk) has extra energy with long life properties



Four giant beef mega burgers. SPAR beef burger patty category growing at 75% year on year as a brand



All SPAR fish or mussel purchases are SASSI compliant



Authentic Italian quality meat: SPAR has 44% share of chilled processed meats category



SPAR branded frozen vegetables and berries: 27% market share



SPAR double cream yoghurt fortified with aloe and seeds for digestion and slow energy release

HMR success stories underpinning Fresh drive



Sales from DC's
↑ 12.9% in 2017



Sales from DC's
↑ 36.1% in 2017



Sales from DC's >R4m
In 3m since July 2017 launch



TOPS at SPAR once again recognised as sector leader

- “Best Liquor Store” for 6th consecutive year and “Best place to buy wine” for 7th time (2017 Daily News Your Choice Awards)
- “Best liquor and bottle store” for 8th consecutive year (2017 Times SoweTan Shopper Survey)

SPAR Ireland recognised as Ireland’s No 1 Convenience Store (EIQA National Awards)

SPAR SWEEPS THE BOARD AT NATIONAL AWARDS - IRELAND'S NO 1 CONVENIENCE STORE

For the 11th year in a row in 2017 SPAR has been named Ireland's No 1 Convenience Store at the National Awards. The award is the most prestigious in the convenience store sector and is voted for by over 100,000 Irish consumers. SPAR's success is a testament to the hard work and dedication of our staff and the support of our customers. We are proud to be recognised as the best convenience store in Ireland.

CONGRATULATIONS TO ALL OUR SPAR RETAILERS.

MEMBERS OF THE YEAR WINNERS:
 SPAR Fermanagh and Tyrone: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Wick: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Carlow: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Wicklow: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Wexford: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Kerry: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Cork: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Limerick: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Tipperary: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Waterford: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Dublin: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.

SPAR STORES WIN BIG AT THIS YEAR'S FORECOURT & CONVENIENCE RETAILER AWARDS

SPAR Fermanagh, SPAR Charlestown Service Station and SPAR Tipperary Town (Bohercrowe) have all scooped top awards at the Forecourt & Convenience Retailer Awards.

SPAR Fermanagh took home the Newcomer of the Year Award. SPAR Charlestown Service Station won best Forecourt Convenience Store of the Year Category 1 and Paulie Byrne from SPAR Tipperary Town (Bohercrowe) Plaza won Store Manager of the Year.

CONGRATULATIONS TO ALL THE STORES ON THEIR SUCCESS!

MEMBERS OF THE YEAR WINNERS:
 SPAR Fermanagh: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Charlestown Service Station: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Tipperary Town (Bohercrowe) Plaza: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.

SPAR STORES WIN BIG AT THIS YEAR'S EIQA NATIONAL AWARDS

Brimm's SPAR Cahersive and Brimm's SPAR Oak Park in Tralee, Tobin's SPAR Express Letterkenny and Ballymullin SPAR Parkwest have all scooped top awards at the EIQA National Awards. Ballymullin SPAR Parkwest took home the Retail O Mark Level 1 Award. Brimm's SPAR Cahersive won the Forecourt O Mark Level 1 Award while Brimm's SPAR Oak Park won the Retail Convenience Level 3 Award. The Forecourt Level 3 Award was won by Tobin's SPAR Express Letterkenny.

CONGRATULATIONS TO ALL THE STORES ON THEIR SUCCESS!

MEMBERS OF THE YEAR WINNERS:
 SPAR Cahersive: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Oak Park in Tralee: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Express Letterkenny: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.
 SPAR Parkwest: Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown, Paul McKeown.

Supporting retailer profitability

SPAR South Africa launched new customer care program well received by retailers

- GUEST: Greet-Uniform-Engage-Sell-Thank
- Changing perception of staff to treat customers as guests

SPAR Ireland:

- Individual convenience stores regularly recognised with best in class awards

SPAR Switzerland: Progress in retail environment

- Development of Logistics Masterplan and upgrade of category management function
- Proactive relationship building with retailers



SPAR Ireland and Switzerland acquisition

- 32.4% of 2017 turnover generated offshore
- Market share gains across most of SPAR Ireland brands
- Early indications of positive turnaround in Switzerland

Zambia transaction completed: 47.87% shareholding

Solid progress in Sri Lanka with first store opening planned in 2018

Leverage Pharmacy at SPAR offering through acquisition of S Buys (post year end)

Ongoing evaluation of potential business acquisitions in existing geographies



Wholesale

- National pharmaceutical wholesaler
- Pharmaceutical, frontshop, surgical & consumables and medical devices
- Key customer channels: Pharmacies, hospitals and doctors.

Specialised Courier
Pharmacy

- National delivery of highly specialised medication to high-risk patients and doctors
- *Renal, Ophthalmology, Rheumatology, Oncology, Transplant, ARVs, Neurology*

Training Academy

Training programmes for pharmacy sector across SA

Monthly facts and figures:

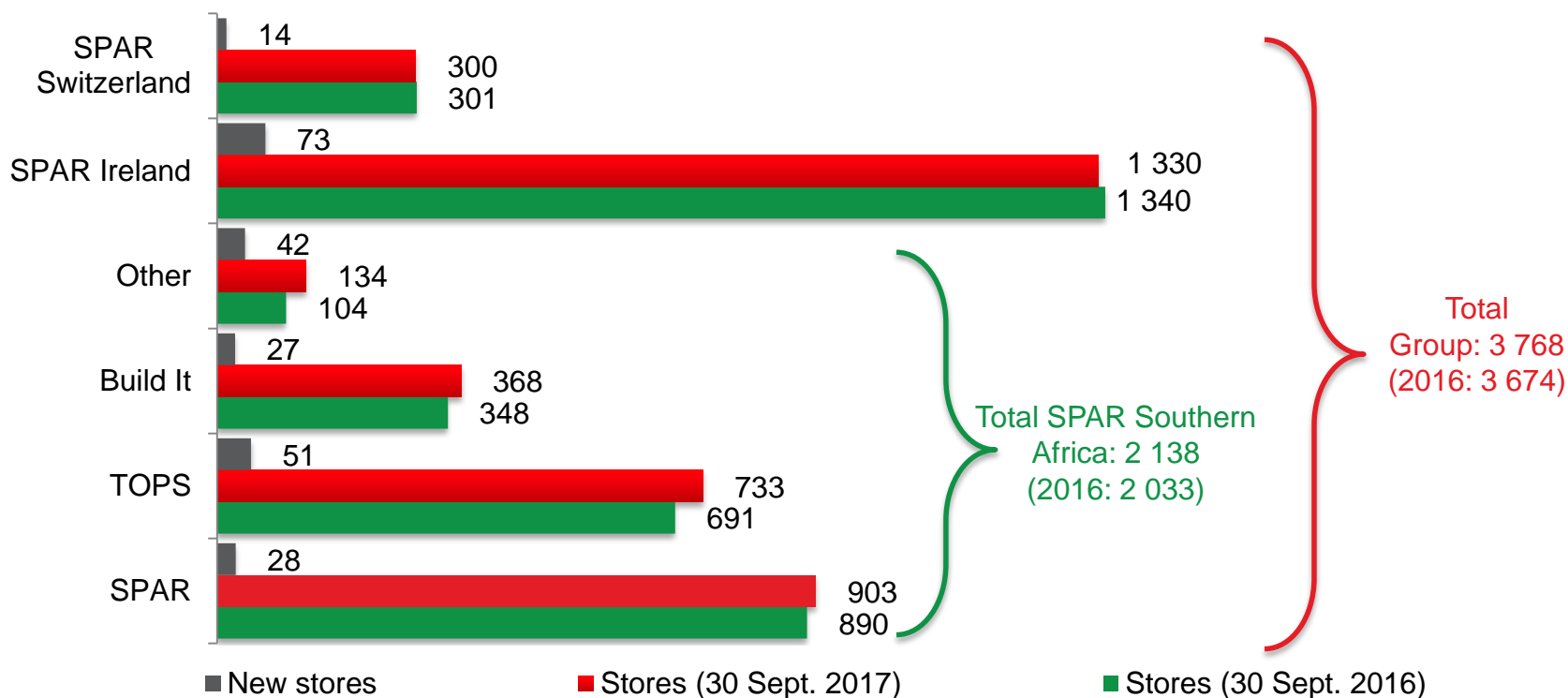
- Pharmacy, hospital and doctor supplies: >750 wholesale customers
- Chronic medication: >18 000 patients
- Training: >1 000 people in pharmacy sector

Key benefits to grow Pharmacy at SPAR network:

- Established platform with all required pharmaceutical related registration & licenses
- Providing direct relationships with healthcare suppliers
- Securing efficiencies and value: Brings dedicated supply chain into SPAR pharmacies
- SPAR better positioned to deliver competitive pharmacy front-shop offering

Cultural alignment of values: S Buys and SPAR and their stakeholders

The graphic features a woman drinking water in a circular frame on the left. To the right, the text 'We care about you' is written in a large, white, cursive font on a red background. Below this, it says 'Pharmacy at SPAR, caring for you and your family.' At the bottom, there are two product images: a white container of 'Body Shake' (NEAL SUPPLEMENT) priced at R74⁹⁰ and a box of 'Reuterina femme' (Reuterina Femme Capsules 30x) priced at R144⁹⁰. A small red banner at the bottom of the graphic reads 'Specials available at selected stores from 22 August up to and including 3 September 2017, while stocks last.' The bottom of the graphic features the 'caring for you' tagline and the 'Pharmacy at SPAR' logo.



- Southern Africa:
 - 259 refurbishments including 149 SPAR stores
 - Additional upgrades at TOPS and Build it
- Ireland: Reduction mainly due to Appleby's
- Switzerland: Focus on moving corporate stores to independent operators



LOOKING FORWARD

GRAHAM O'CONNOR
CEO

Southern Africa:

Drive key strategic focus areas to support retailer profitability and deliver real business growth

- Ongoing investments in distribution network, competitive pricing and comprehensive product range

Ireland:

Some caution due to regional economic uncertainty

- Adapt to prevailing market conditions
- Confident of delivering further strong results
- Ongoing evaluation of potential acquisitions to expand offering to consumers

Switzerland:

Entrench positive early indicators turnaround strategy

- Continued focus on retail performance to deliver SPAR's expected returns

Group

Geographically diversified businesses comprising well-established retail brands in chosen markets

- Board and management are confident that group is well placed to continue delivering value

This presentation contains forward-looking statements about the company's operations and financial conditions. They are based on **SPAR** Group Limited's best estimates and information at the time of writing. They are nonetheless subject to significant uncertainties and contingencies many of which are beyond the control of the company. Unanticipated events will occur and actual future events may differ materially from current expectations due to new business opportunities, changes in priorities by the company or its joint ventures as well as other factors. Any of these factors may materially affect the company's future business activities and its ongoing financial results.

