

The SPAR Group Limited

(Incorporated in the Republic of South Africa)

Registration number: 1967/001572/06

Share Code: SPP

ISIN: ZAE000058517

("SPAR" or the "Group")

TRADING UPDATE FOR THE 17 WEEKS TO 26 JANUARY 2019

HIGHLIGHTS

- Group sales increased by 8.2% to R36.53 billion (the comparative seventeen (17) weeks to 27 January 2018: reported an increase of 7.0%)
- SPAR South Africa Group sales growth of 7.7%
 - Core SPAR business sales up 5.7% and like-for-like sales increased 3.8%, with internally measured price inflation of +1.4%
 - Exceptionally strong liquor sales growth of 19.2%
 - Build It sales growth of 10.3%, building on the momentum seen in the 2018 financial year ("FY18")
- SPAR Ireland increased turnover by 8.4% (euro-denominated)
- SPAR Switzerland turnover down 1.5% (Swiss franc currency terms) reflecting the difficult Swiss retail environment

GROUP

The SPAR Group increased sales by 8.2% from R33.78 billion to R36.53 billion for the seventeen (17) week trading period ended 26 January 2019 ("**Period**") when compared to the same period for 2018.

SPAR SOUTHERN AFRICA

Group sales in South Africa increased by 7.7%, which included the S.Buys pharmaceutical business being recognised for the Period. On a like for like basis, the South African Group sales increased by 7.6% reflecting the weak consumer spend. The core SPAR business reported sales growth of 5.7%, with same store sales increasing by 3.8%. Internally measured price inflation of about 1.4% reflected the decrease in prices from the previous comparative period as deflation continued to be measured in a wide range of grocery and perishable items. The liquor business delivered another impressive performance with growth exceeding 19.2% in a highly competitive retail sector. Building on the momentum seen in FY18, the Build It business produced strong results with sales growth of 10.3% as a result of healthy retail growth and improved customer loyalty.

SPAR IRELAND

The Group's Irish business recorded solid growth across all retail brands and wholesale divisions in a challenging economic environment. In euro-currency terms, this business increased turnover by 8.4% which also reflected the contributions of the 4 Aces Wholesale and Corrib Foods businesses acquired during the previous calendar year. Sales growth was 11.5% when combined with a slightly weakened rand.

SPAR SWITZERLAND

The Group's Swiss business continued to reflect the negative local market conditions and sales declined 1.5% in Swiss franc currency terms. This result is still influenced by the strategic disposal of certain corporate retail stores during the latter part of the previous financial year. The wholesale division reported a pleasing growth in sales of 4.8% and is more reflective of the SPAR retail performance. In rand measured terms this business increased turnover by 4.1%. Management remains satisfied that the implemented strategy continues to show positive results.

Shareholders are advised that the financial information contained in this announcement is the responsibility of the directors and that it has not been audited, reviewed or reported on by the Group's auditors.

The financial results for the six months ending 31 March 2019 will be released on SENS on or about Wednesday, 15 May 2019.

By order of the Board
12 February 2019

Sponsor
One Capital