SEGMENT INFORMATION for the year ended 28 February 2014

	TOTAL				RETAIL MOTOR			
	2014 R'000	**%**	Restated 2013 R'000	%	**2014 R'000**	**%**	Restated 2013 R'000	%
External revenue	**10 831 384**	**100**	9 808 733	100	**10 261 436**	**95**	9 311 946	95
Operating profit	**320 224**	**100**	289 827	100	**234 173**	**74**	242 723	84
Net finance costs	**(75 547)**	**100**	(67 333)	100	**(62 778)**	**83**	(50 754)	76
Profit before taxation	**244 677**	**100**	222 494	100	**171 395**	**70**	191 969	87
Total assets	**2 574 110**	**100**	2 494 624	100	**1 538 713**	**60**	1 496 905	60
Total liabilities	**2 008 384**	**100**	1 813 953	100	**1 272 973**	**63**	1 149 474	63
Goodwill at year-end	**74 972**	**100**	74 972	100	**74 972**	**100**	74 972	100
Employee costs	**636 386**	**100**	598 277	100	**526 107**	**83**	489 941	82
Number of staff	**2 935**	**100**	2 840	100	**2 427**	**82**	2 344	83

	CAR HIRE				MARINE AND LEISURE			
	2014 R'000	**%**	Restated 2013 R'000	%	**2014 R'000**	**%**	Restated 2013 R'000	%
External revenue	**337 439**	**3**	316 807	3	**127 768**	**1**	150 756	2
Operating profit	**65 431**	**20**	67 766	23	**(449)**	**–**	(5 533)	(2)
Net finance costs	**(35 594)**	**47**	(41 706)	62	**(256)**	**–**	(278)	–
Profit before taxation	**29 837**	**12**	26 060	12	**(705)**	**–**	(5 811)	(3)
Total assets	**645 072**	**25**	559 576	22	**51 432**	**2**	69 599	3
Total liabilities	**681 724**	**34**	616 807	34	**12 247**	**1**	13 814	1
Goodwill at year-end	**–**	**–**	–	–	**–**	**–**	–	–
Employee costs	**63 678**	**10**	56 647	9	**9 841**	**1**	14 762	3
Number of staff	**368**	**13**	349	12	**28**	**1**	48	2

	FINANCIAL SERVICES				CORPORATE SERVICES/OTHER			
	2014 R'000	**%**	Restated 2013 R'000	%	**2014 R'000**	**%**	Restated 2013 R'000	%
External revenue	**77 910**	**1**	23 150	–	**26 831**	**–**	6 074	–
Operating profit	**30 289**	**9**	11 246	4	**(9 220)**	**(3)**	(26 375)	(9)
Net finance costs	**2 384**	**(3)**	456	(1)	**20 697**	**(27)**	24 949	(37)
Profit before taxation	**32 673**	**13**	11 702	5	**11 477**	**5**	(1 426)	(1)
Total assets	**18 039**	**1**	5 834	–	**320 854**	**12**	362 710	15
Total liabilities	**2 156**	**–**	7 369	–	**39 284**	**2**	26 489	2
Goodwill at year-end	**–**	**–**	–	–	**–**	**–**	–	–
Employee costs	**–**	**–**	–	–	**36 760**	**6**	36 927	6
Number of staff	**–**	**–**	–	–	**112**	**4**	99	3

GROUP STATEMENT OF FINANCIAL POSITION at 28 February 2014

	2014 R'000	Restated 2013 R'000	Restated 2012 R'000
ASSETS			
Non-current assets			
Plant and equipment	**74 803**	68 803	58 537
Goodwill	**74 972**	74 972	89 972
Insurance receivable	**18 039**	1 074	2 445
Deferred taxation	**46 643**	45 707	49 964
	214 457	190 556	200 918
Current assets			
Car hire fleet vehicles	**572 765**	520 162	467 376
Inventories	**1 214 577**	1 184 968	1 001 472
Trade and other receivables	**263 831**	264 007	212 668
Tax paid in advance	**–**	–	42
Cash and cash equivalents	**308 480**	334 931	385 994
	2 359 653	2 304 068	2 067 552
Total assets	**2 574 110**	2 494 624	2 268 470
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**27 794**	29 500	25 438
Share-based payment reserve	**14 441**	13 024	10 006
Non-distributable reserve	**–**	–	5 896
Retained earnings	**523 379**	638 027	541 523
Ordinary shareholders' equity	**565 614**	680 551	582 863
Non-controlling interest	**112**	120	266
Total equity	**565 726**	680 671	583 129
Non-current liabilities			
Advance from non-controlling shareholders of subsidiaries	**–**	3 938	15 952
Insurance payable	**2 156**	2 608	2 746
Lease liabilities	**90 244**	97 481	104 528
	92 400	104 027	123 226
Current liabilities			
Advance from non-controlling shareholders of subsidiaries	**4 193**	7 255	–
Derivative financial liabilities	**–**	–	1 778
Trade and other payables	**1 258 014**	1 128 197	1 020 421
Borrowings	**622 962**	563 116	525 768
Lease liabilities	**8 759**	9 092	6 639
Current tax liabilities	**22 056**	2 266	7 509
	1 915 984	1 709 926	1 562 115
Total liabilities	**2 008 384**	1 813 953	1 685 341
Total equity and liabilities	**2 574 110**	2 494 624	2 268 470

GROUP STATEMENT OF COMPREHENSIVE INCOME for the year ended 28 February 2014

	2014 R'000	Restated 2013 R'000
Revenue	**10 831 384**	9 808 733
Cost of sales	**(9 162 323)**	(8 246 446)
Gross profit	**1 669 061**	1 562 287
Other income	**–**	–
Impairment of goodwill	**–**	(15 000)
Selling and administration expenses	**(1 348 837)**	(1 257 460)
Operating profit	**320 224**	289 827
Finance income	**13 709**	12 535
Finance costs	**(89 256)**	(79 868)
Profit before taxation	**244 677**	222 494
Tax expense	**(75 245)**	(65 680)
Total profit and comprehensive income	**169 432**	156 814
Attributable to:		
Equity holders of the company	**169 440**	156 810
Non-controlling interest	**(8)**	4
	169 432	156 814
EARNINGS PER SHARE (cents)		
Basic	**156,8**	144,5
Diluted basic	**154,9**	142,4

GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 28 February 2014

	Share capital R'000	Non-distributable reserve R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to equity holders of the company R'000	Non-controlling interest R'000	Total equity R'000
Previously reported balance at 29 February 2012	25 438	5 896	10 006	630 203	671 543	(5 301)	666 242
Adjustment for policy change				(88 680)	(88 680)	5 567	(83 113)
Restated balance at 29 February 2012	25 438	5 896	10 006	541 523	582 863	266	583 129
Issue of shares	3 144				3 144		3 144
Total profit and comprehensive income – restated				156 810	156 810	4	156 814
– previously reported				186 399	186 399	17 528	203 927
– adjustment for policy change				(29 589)	(29 589)	(17 524)	(47 113)
Transfer to share capital	918		(918)				
Share-based payment reserve			3 936		3 936		3 936
Dividends paid – restated				(66 202)	(66 202)	(150)	(66 352)
– previously reported				(66 202)	(66 202)	(20 209)	(86 411)
– adjustment for policy change						20 059	20 059
Transfer to retained earnings		(5 896)		5 896			
Balance at 28 February 2013	29 500	–	13 024	638 027	680 551	120	680 671
Issue of shares	1 274				1 274		1 274
Total profit and comprehensive income				169 440	169 440	(8)	169 432
Transfer to share capital	377		(377)				
Release following exercise of share appreciation rights			(2 182)		(2 182)		(2 182)
Loss on share appreciation rights exercised				(864)	(864)		(864)
Share-based payment reserve			3 976		3 976		3 976
Dividends paid				(85 026)	(85 026)		(85 026)
Shares repurchased	(3 357)			(198 198)	(201 555)		(201 555)
Balance at 28 February 2014	**27 794**	**–**	**14 441**	**523 379**	**565 614**	**112**	**565 726**

GROUP STATEMENT OF CASH FLOWS for the year ended 28 February 2014

	2014 R'000	Restated 2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**10 814 135**	9 784 160
Cash paid to suppliers and employees	**(10 362 756)**	(9 598 534)
Cash generated from operations	**451 379**	185 626
Taxation paid	**(56 055)**	(66 624)
Net cash movement from operating activities	**395 324**	119 002
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current plant and equipment	**(38 227)**	(37 077)
Proceeds on disposal of non-current plant and equipment	**5 105**	1 079
Insurance receivable	**(16 965)**	1 371
Insurance payable	**(452)**	(138)
Net cash movement from investing activities	**(50 539)**	(34 765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-controlling shareholders of subsidiaries	**(7 000)**	(4 909)
Proceeds of issue of shares	**1 274**	3 144
Repurchase of shares	**(201 555)**	–
Settlement of share appreciation rights	**(3 382)**	–
Finance income received	**13 709**	12 535
Finance costs paid	**(89 256)**	(79 868)
Dividends paid	**(85 026)**	(66 202)
Net cash movement from financing activities	**(371 236)**	(135 300)
Net movement in cash and cash equivalents	**(26 451)**	(51 063)
Cash and cash equivalents at beginning of year	**334 931**	385 994
Cash and cash equivalents at end of year	**308 480**	334 931

CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

GROUP STATEMENT OF FINANCIAL POSITION	Restated 28 February 2013 R'000	Adjustment Note 1 R'000	Adjustment Note 4 R'000	Previously reported 28 February 2013 R'000
Non-current assets				
Investments	–	(233 613)	–	233 613
Insurance receivable	1 074	1 074	–	–
Current assets				
Investments	–	(1 000)	–	1 000
Trade and other receivables	264 007	(106)	–	264 113
Cash and cash equivalents	334 931	(5 728)	–	340 659
Total assets	2 494 624	(239 373)	–	2 733 997
Capital and reserves				
Retained earnings	638 027	(118 269)	–	756 296
Non-controlling interest	120	8 102	–	(7 982)
Non-current liabilities				
Advance from non-controlling shareholders of subsidiaries	3 938	(124 446)	–	128 384
Assurance funds	–	(7 548)	–	7 548
Insurance payable	2 608	2 608	–	–
Current liabilities				
Trade and other payables	1 128 197	548	(563 116)	1 690 765
Borrowings	563 116	–	563 116	–
Current tax liabilities	2 266	(368)	–	2 634
Total equity and liabilities	2 494 624	(239 373)	–	2 733 997

CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

GROUP STATEMENT OF FINANCIAL POSITION	Restated 29 February 2012 R'000	Adjustment Note 1 R'000	Adjustment Note 4 R'000	Previously reported 29 February 2012 R'000
Non-current assets				
Investments	–	(204 500)	–	204 500
Insurance receivable	2 445	2 445	–	–
Current assets				
Investments	–	(3 000)	–	3 000
Trade and other receivables	212 668	(200)	–	212 868
Cash and cash equivalents	385 994	(9 414)	–	395 408
Total assets	2 268 470	(214 669)	–	2 483 139
Capital and reserves				
Retained earnings	541 523	(88 680)	–	630 203
Non-controlling interest	266	5 567	–	(5 301)
Non-current liabilities				
Non-controlling shareholders of subsidiaries	15 952	(119 537)	–	135 489
Assurance funds	–	(7 731)	–	7 731
Insurance payable	2 746	2 746	–	–
Current liabilities				
Non-controlling shareholders of subsidiaries	–	(4 850)	–	4 850
Trade and other payables	1 020 421	(12)	(525 768)	1 546 201
Borrowings	525 768	–	525 768	–
Current tax liabilities	7 509	(2 172)	–	9 681
Total equity and liabilities	2 268 470	(214 669)	–	2 483 139

GROUP STATEMENT OF COMPREHENSIVE INCOME	Restated 28 February 2013 R'000	Adjustment Note 1 R'000	Adjustment Note 3 R'000	Adjustment Note 4 R'000	Previously reported 28 February 2013 R'000
Revenue	9 808 733	(44 113)	881 035	–	8 971 811
Cost of sales	(8 246 446)	–	(881 035)	43 206	(7 408 617)
Gross profit	1 562 287	(44 113)	–	43 206	1 563 194
Other income	–	(3 000)	–	–	3 000
Operating profit	289 827	(47 113)	–	43 206	293 734
Finance costs	(79 868)	–	–	(43 206)	(36 662)
Profit before taxation	222 494	(47 113)	–	–	269 607
Total profit and comprehensive income	156 814	(47 113)	–	–	203 927
Attributable to:					
Equity holders of the company	156 810	(29 589)	–	–	186 399
Non-controlling interest	4	(17 524)	–	–	17 528
Earnings per share (cents)					
Basic	144,5	(27,2)	–	–	171,7
Diluted basic	142,4	(26,9)	–	–	169,3

CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

GROUP STATEMENT OF CASH FLOWS	Restated 28 February 2013 R'000	Adjustment Note 1 R'000	Adjustment Note 2 R'000	Adjustment Note 3 R'000	Adjustment Note 4 R'000	Previously reported 28 February 2013 R'000
Cash flows from operating activities						
Cash receipts from customers	9 784 160	(44 007)	–	881 035	–	8 947 132
Cash paid to suppliers and employees	(9 598 534)	44 656	–	(881 035)	43 206	(8 805 361)
Cash generated from operations	185 626	649	–	–	43 206	141 771
Finance income	–	–	(12 535)	–	–	12 535
Finance costs	–	–	36 662	–	–	(36 662)
Dividends paid	–	–	66 202	–	–	(66 202)
Taxation paid	(66 667)	1 761	–	–	–	(68 428)
Net cash movement from operating activities	118 959	2 410	90 329	–	43 206	(16 986)
Cash flows from investing activities						
Investments	–	(20 000)	–	–	–	20 000
Redemption of insurance receivables	1 414	1 414	–	–	–	–
Repayment of insurance payables	(138)	(138)	–	–	–	–
Net cash movement from investing activities	(34 722)	(18 724)	–	–	–	(15 998)
Cash flows from financing activities						
Advance from non-controlling shareholders of subsidiaries	(4 909)	20 000	–	–	–	(24 909)
Finance income	12 535	–	12 535	–	–	–
Finance costs	(79 868)	–	(36 662)	–	(43 206)	–
Dividends paid	(66 202)	–	(66 202)	–	–	–
Net cash movement from financing activities	(135 300)	20 000	(90 329)	–	(43 206)	(21 765)
Net movement in cash and cash equivalents	(51 063)	3 686	–	–	–	(54 749)
Cash and cash equivalents at beginning of year	385 994	(9 414)	–	–	–	395 408
Cash and cash equivalents at end of year	334 931	(5 728)	–	–	–	340 659

EXTRACTS FROM THE REPORT OF THE CHIEF EXECUTIVE OFFICER

The year began in a positive mood, with consumer confidence at the relatively high levels recorded in the latter months of 2012. However, testing times began with the prolonged strike in both the motor manufacturing and the motor component sectors. These impacted negatively on production for a three-month period. The continual fuel price increases, the currency collapse in November/December, and the interest rate hike in January 2014 have precipitated a fall in consumer confidence to levels last seen in October 2010. Higher levels of household debt, and consequent falling vehicle affordability, have increased the pressure in an already competitive and testing economy.

Given this background, I am pleased with the results achieved by the Group. Off revenue which exceeded the R10 billion level for the first time, the Group reported a 10,5% increase in operating profit, and a 3% margin on revenue.

FINANCIAL OVERVIEW

Group revenue increased by 10% to R10,8 billion, with the retail motor, car hire and financial services segments reporting real growth. Despite the revenue growth and the knock-on effect on variable expenses, total selling and administration expenses rose a modest 7,3%. Expansion of the car hire fleet, coupled with the January 2014 prime rate hike, caused net finance costs to increase by 12,2%.

Within the segments, the 10,7% decline in retail motor profit before taxation was more than offset by the improvements in car hire, marine and leisure, and financial services.

After eliminating the cost of goodwill impaired last year, headline earnings reflected a decline of 1,3%, to R169,3 million. Although disappointing, this still represents a creditable 27,2% return on shareholders' funds.

In October 2013 the Board announced that it intended to utilise some of its surplus cash to effect an offer to shareholders to voluntarily submit for repurchase all or a portion of their shares. The exercise was completed in February 2014, and resulted in the Company repurchasing 15,4 million shares at R13 each, a total outlay of R200,2 million excluding costs. Despite this negative cash flow, and the payment of dividends totalling R85,0 million, the Group ended the year with cash resources of R308,4 million. The 14,0% reduction in shares in issue will have the effect of enhancing earnings and dividends per share in future periods.

The assets and liabilities levels, as recorded in the statement of financial position remain substantially unchanged from last year. The Group is soundly positioned, with the only interest-bearing borrowings being of a short-term nature, aligned with the value of the car hire fleet.

During the year a number of changes in accounting policies were effected. These were triggered principally by accounting statement changes and, to a lesser extent, by decision of the Board. Full details of the changes, and the impact on the financial statements, are contained in the notes to the financial statements.

Total dividends declared during the year were 78 cents per share, up 27,9% on the previous year. The relatively unchanged level of headline earnings and continued liquidity have enabled the Board to declare a dividend of 50 cents per share, payable in June 2014.

OPERATIONAL OVERVIEW

The Group's management style remains one of decentralised operating and marketing complemented by centralised cash flow monitoring, accounting controls and internal audit. Remuneration of management and staff is linked to performance benchmarks, all of which are closely monitored using internally-generated measurements, and peer group review. The Group operates in sectors which produce very low margins, so tight control over expenses and cash flow is vital to success.

The Group as a whole has retained its B-BBEE status as a level 4 contributor, and the car hire division, measured separately, as a level 3 contributor.

Motor retail

In line with the national market in respect of the franchises which the Group represents, only marginal growth in new passenger and light commercial unit sales was achieved during the year. In the used vehicle market, the Group recorded growth of 4% against an estimated national market decline of 5%.

Whilst the majority of branches returned excellent results, the overall picture was spoilt by disappointing, albeit predictable, losses in others.

One of the strengths of the Group is that it represents a wide range of motor manufacturers. This provides a measure of protection against the fluctuating fortunes of these manufacturers. Nevertheless, the decline of a particular manufacturer does negatively impact on Group results. During the year the Group suffered losses in its once-profitable Peugeot dealerships, and was forced to close four outlets. The staff, lease and other unavoidable costs have been fully accounted for, and will eliminate losses in the year ahead.

There are two principal growth paths in the retail motor industry – by acquisition, or by developing "green-field" dealerships. The former is difficult to achieve because the majority of desirable targets are held by big motor groups like ourselves and are rarely offered for sale. If and when they are available, they command high premiums over their net asset value. Consequently, the Group has, over the past two years, invested in establishing new dealerships, usually in competition with developed dealers in the vicinity and often representing less popular vehicle brands. These investments are not without attendant risks. A dealership infrastructure is high, particularly in terms of staff and lease commitments, and the break-even volumes can take a considerable time to achieve. In the interim, trading losses must be absorbed. Management's task is to continuously assess performance against budget and to terminate those operations that show no realistic chance of future profitability. During the year under review a number of new investments were made and they, predictably, incurred start-up losses.

The environment remained extremely competitive, especially in the lower value segments, as manufacturers struggled to maintain their share of a declining market. The intense competition forced them to once again contain increases to rates which were below inflation. At dealer level the competition manifested in pressure to maintain higher than optimum inventory levels and to conclude sales at reduced margins.

The MG/Maxus range produced disappointing results, both at importer/distributor and retail level. Significant delays in the production of the new range of smaller and higher-volume MG models has meant that the businesses have not been able to cover overheads with the low volume of sales of the current product. Management is assessing its options regarding the future of this venture, particularly in light of the recent currency deterioration.

The Group's workshops and parts departments produced outstanding results, increasing profitability by 41% and 8% respectively. These departments produce the stable and dependable base on which all successful dealerships are founded, and their continued growth is comforting.

Customer service levels at each dealership are measured monthly, both internally and by independent manufacturer representatives. It is a constant challenge to maintain best-in-class standards in the face of ever-increasing demands of customers.

The Group's web-based Carshop brand has been identified as a stand-alone business, and will market both Group and externally-sourced vehicles.

The ill-conceived billing system designed for the Gauteng toll roads is proving to be unworkable in a dealership environment. Accounts are received for vehicles long since sold and for usage prior to the dealerships trading in used vehicles. This occurs, in part, because the toll system is linked to an already-flawed eNaTis system containing inaccurate vehicle ownership information. Attempts to have invoices redirected to correct owners are met with no response from an obviously overloaded Sanral billings department. I hope that the inefficiencies highlighted since the opening of these toll roads will prompt a rethink by the appropriate authorities.

Car hire

Over the last six years, since its rebranding in 2008, this division has recorded a remarkable 25% compound growth in profit. This is testament to the sound management team under the leadership of Bruce Barritt, and adherence to the core principle that consistently good customer service will build a loyal customer base. The First Car Rental brand is the country's largest car rental brand that is not linked to an international brand. Operating from 40 locations including all major airports, the division has a state-of-the-art web-based marketing and reservations system providing a user-friendly customer interface. To reduce vehicle damage repair costs and turnaround times, the division has opened its own panel shop in Cape Town, and a second is planned for the Kempton Park depot. I expect continued growth in the years ahead.

Financial services

This division comprises five insurance cells providing life, disability, retrenchment, and vehicle warranty cover, and two joint venture vehicle financing operations. Insurance premium income increased almost 200% during the year which bodes well for the continued success of these cells. I recorded last year that prior year losses in the finance joint ventures had been eliminated, and the result was a profit of R19,5 million, up from R5,0 million. This annuity-type income has the potential to record continued growth in the years ahead.

Marine and leisure

Management's decision to close the retail outlet in Randburg has proved correct. The business has been restructured to concentrate on import and distribution, and the product range has been trimmed to those lines which have historically delivered profitable volumes. During the six months to 31 August 2013, the division recorded a trading loss of R1,8 million, whilst the second half produced a profit of R1,1 million. I am confident that the restructured business will continue the second half trend.

PROSPECTS

Recent economic data releases indicate the economy is heading for a period of consolidation and slower economic growth. Real disposable income of the majority of households has not kept pace with inflation, and the anticipated interest rate hikes will only worsen the position. Continued strike action is worrying. Only when the country can develop a stable work force, operating at peak efficiency and with reasonable salary expectations, will companies be able to generate the profits required to foster expansion and further job creation. Resolution of the recent electricity supply disruptions is a priority.

In the retail motor segment, I expect negative dealer vehicle sales growth in the year ahead. After a number of years of pleasing growth, I expect a period of consolidation. Following the devaluation of the rand it is inevitable that price increases will be effected. A number of relatively significant increases have already been announced and these are expected to continue.

The strategy within the Group is to maintain the profit levels of the historically successful operations, and to secure growth by elimination of the loss-makers. The rigorous evaluation of sub-performing branches started during the second half of 2013 and progress has been encouraging. The expected new vehicle price increases will widen the gap between new and used vehicles and create opportunities for growth in that market.

As mentioned earlier, the marine and leisure division is well on the way to recovery, and continued growth is expected from car hire, financial services and parts/workshop departments.

The Group has a strong and experienced management team which embraces the challenge of growing earnings in what threatens to be a difficult trading environment.

CHANGES IN DIRECTORATE

During October 2013, Maldwyn Zimmerman announced his retirement as chairman of the Group. He has headed the Group since its inception in 1976 and during its listing in 1987. I take this opportunity to thank Maldwyn for his invaluable contribution and wise council over an extended period.

John Edwards was elected as Maldwyn's successor. He has a long association with the Group, having been appointed to the Board in 2002. John has, over the years, served as chairman of the audit and risk assessment committee and remuneration committee, and in recent years acted as lead independent director. He brings with him a wealth of professional and business leadership experience, and I look forward to working with him during his tenure.

Vusi Khanyile, chairman of Thebe Investment Corporation resigned in January 2014, and his position was filled by Zukie Siyotula.

DIVIDEND

A dividend (dividend number 52) of 50 cents per share will be paid on Tuesday, 17 June 2014 to members reflected in the share register of the Company at the close of business on the record date, Friday, 13 June 2014. Last day to trade 'cum' dividend is Friday, 6 June 2014. First day to trade 'ex' dividend is Monday, 9 June 2014. Share certificates may not be dematerialised or rematerialised from Monday, 9 June 2014 to Friday, 13 June 2014, both days inclusive.

The number of ordinary shares in issue at the date of the declaration is 93 673 498. Consequently, the gross dividend payable is R46 837 000 and will be distributed from income reserves. There are no STC credits available for utilisation. The dividend will be subject to dividend withholding tax at a rate of 15%, which will result in a net dividend of 42,5 cents to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.

BASIS OF PREPARATION

The summary consolidated financial statements for the year ended 28 February 2014 have been prepared under the supervision of SK Jackson CA (SA), financial director, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the South African Companies Act, No 71 of 2008, (the "Act"), applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting

Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied are in terms of IFRS and, except as recorded below, are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements.

These results are extracted from audited information, but are not themselves audited. The consolidated financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited consolidated financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

During the year a number of changes in accounting policies were effected. These were triggered principally by accounting statement changes, and also by decision of the Board. Details of the changes, and the impact on prior year financial statements, are recorded below.

The changes in accounting policy have been applied retroactively and, as a consequence, adjustments have been made in the financial statements of all comparative periods presented.

1. Consolidated financial statements

Investment in Main Street 445 Proprietary Limited

IFRS 10, 'Consolidated Financial Statements' was issued in August 2012 and replaces the guidance on control and consolidation in IAS 27, 'Consolidated and Separate Financial Statements', and in SIC 12, 'Consolidation – Special Purpose Entities'. The Group concluded a BEE transaction with Thebe Investment Corporation Limited ('TIC') in 2006. In terms of the transaction, a special purpose entity, Main Street 445 Proprietary Limited ('Main Street') was formed as a wholly-owned subsidiary of TIC to acquire a 15% equity stake in CMH Holdings Proprietary Limited. The balance of 85% is owned by the Company.

The Group has determined that, while it did not have control over Main Street under the principles of IAS 27, it does have control over that entity in terms of the current standard. Although the Group does not own any ordinary equity shares in Main Street, an agreement signed by the Company, TIC, and Main Street does enable the Company to control the activities of Main Street, and to earn variable returns therefrom. As a result, Main Street has been consolidated in the financial statements of the Group.

Investment in insurance underwriting activities

The Group conducts insurance underwriting activities through various entities controlled by external financial service providers. These entities were consolidated in terms of IAS 27 and SIC 12. However the Group has determined that the entities do not constitute "deemed separate entities" as envisaged in IFRS 10 and they will no longer be consolidated.

2. Reclassification within Statement of Cash Flows

"Finance income received", "Finance costs", and "Dividends paid" were previously classified under the heading "Cash movement from operating activities". They have now been reclassified under the heading "Cash movement from financing activities". The change has no impact on "Net movement in cash and cash equivalents".

3. Reclassification of wholesale transactions

Revenue arising from the sale of new and used motor vehicles to customers who were themselves dealers in motor vehicles and who purchased the vehicles for resale, was classified as wholesale revenue, and was eliminated and offset against "Cost of sales" in the statement of comprehensive income. This policy has been discontinued and revenue from such sales is now included in "Revenue" and a corresponding adjustment has been made to "Cost of sales". The change has no impact on "Gross profit".

4. Reclassification of transactions associated with financing of car hire fleet

The cost of financing the Group's car hire vehicles was included in "Cost of sales" and the year-end liability in "Trade and other payables". This policy has been discontinued. Finance charges are now included in "Finance costs" and the liability is recorded as "Borrowings". The change has no impact on "Profit before taxation" nor on "Total current liabilities".

CORPORATE GOVERNANCE

The Group is committed to maintaining the high standards of governance as embodied in the King Report on Corporate Governance and complies with the principles of both the Report and the JSE Limited Listings Requirements.

ANNUAL GENERAL MEETING

The annual general meeting will be held at 1 Wilton Crescent, Umhlanga Ridge, at 15h00 on Thursday, 29 May 2014. The record date in terms of section 59(1)(a) of the Act for shareholders to be recorded on the securities register of the Company in order to receive notice of the annual general meeting is Thursday, 17 April 2014. The record date in terms of section 59(1)(b) of the Act for shareholders to participate in and vote at the annual general meeting is Friday, 23 May 2014.

By order of the board of directors

K Fonseca CA (SA)
Company Secretary

23 April 2014

COMBINED MOTOR HOLDINGS LIMITED

("the Company" or "the Group")
Registration number: 1965/000270/06
Income tax reference number: 9471/712/71/2
Share code: CMH
ISIN: ZAE000088050

REGISTERED OFFICE

1 Wilton Crescent, Umhlanga Ridge, 4319

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown, 2107

SPONSOR

PricewaterhouseCoopers Corporate Finance Proprietary Limited
Private Bag X36, Sunninghill, 2157

DIRECTORS

JTM Edwards (Chairman), JD McIntosh (CEO), LCZ Cele,
MPD Conway, JS Dixon, SK Jackson, D Molefe, N Siyotula,
M Zimmerman, J Alderslade (alternate)