CONTENTS

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 8 of this Circular apply to this section.

Shareholders must please take careful note of the following provisions regarding actions to be taken:

- If you are in any doubt as to what action to take as regards this Circular, please consult your Broker, CSDP, banker, accountant, or other financial advisor as soon as possible.
- If you have disposed of all of your Shares, please forward this Circular to the purchaser of such Shares or the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.
- The General Meeting will be held at the Company's registered office, 1 Wilton Crescent, Umhlanga Ridge, Durban, South Africa at 16:00, on Thursday, 28 May 2015 to consider and, if deemed fit, to pass the Special Resolution and associated ordinary resolution to enable CMH to proceed with the Share Repurchase and to make the Share Repurchase Offer.

In order for CMH to effect the Share Repurchase and to make the Share Repurchase Offer, it is necessary that the Special Resolution to be proposed at the General Meeting be passed by Shareholders present in person or by proxy at the General Meeting, representing at least 25% of all of the voting rights entitled to be exercised on the Special Resolution and who so vote in favour of the Special Resolution by at least 75% of all of the total voting rights as will be exercised on the Special Resolution. Following such approval and subject to no section 115(3) Companies Act issues arising, the Share Repurchase Offer will be implemented with settlement of the Share Repurchase Offer Consideration expected to take place on or about Monday, 6 July 2015.

The Share Repurchase, through the Share Repurchase Offer, will enable the Company to repurchase a maximum of 21 133 000 Shares at a cash price of R11,83 per Share.

Should the Share Repurchase not be approved at the General Meeting, or should it be approved but for whatever reason not come into force or effect, the Share Repurchase Offer will not be made.

DEMATERIALISED SHAREHOLDERS

1. OWN NAME DEMATERIALISED SHAREHOLDER

1.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.

1.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached Form of Proxy *(yellow)* in accordance with the instructions contained therein, to be received by the Company c/o the Company Secretary, at the registered office of the Company, 1 Wilton Crescent, Umhlanga Ridge, Durban, 4319, South Africa (PO Box 1033, Umhlanga Rocks, 4320, South Africa) (email address: Kerriannef@cmh.co.za), by no later than 16:00 on Wednesday, 27 May 2015.

2. DEMATERIALISED SHAREHOLDERS NOT WITH OWN NAME REGISTRATION

2.1 If you wish to attend or be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or be represented at the General Meeting, in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

2.2 If you do not wish to attend or be represented at the General Meeting but nevertheless wish to vote on the resolutions to be considered at the General Meeting, and your CSDP or Broker has not contacted you within reasonable time, you are advised to contact your CSDP or Broker and provide them with your voting instructions, in the manner stipulated in the Custody Agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

2.3 You must not complete the attached Form of Proxy *(yellow)*.

2.4 **Surrender of Documents of Title pursuant to acceptance of the Share Repurchase Offer**

You must **not** complete the attached Form of Acceptance *(white)*.

2.5 **Settlement of Share Repurchase Offer Consideration**

Whilst all information contained in this Circular is important and should be read and understood, Shareholders are in particular referred to paragraph 14 of the Circular which provides important information regarding tax implications for Shareholders electing to participate in the Share Repurchase Offer.

Subject to implementation of the Share Repurchase Offer, Dematerialised Share Repurchase Offer Participants who have elected to participate in the Share Repurchase Offer by having advised their CSDPs or Brokers in the manner stipulated in the Custody Agreement governing the relationship between them and their CSDP or Broker will have their accounts held at their CSDP or Broker debited with the Shares repurchased and credited with the total amount of Share Repurchase Offer Consideration owing to them based on the Share Repurchase Offer Ratio, on the Share Repurchase Offer Payment Date.

If the Special Resolution required to proceed with the Share Repurchase is not passed at the General Meeting, the Share Repurchase Offer will not be made and will accordingly fail.

3. **CERTIFICATED SHAREHOLDERS**

If you hold Certificated Shares:

3.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.

3.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached Form of Proxy *(yellow)* in accordance with the instructions contained therein, to be received by the Company c/o the Company Secretary, at the registered office of the Company, 1 Wilton Crescent, Umhlanga Ridge, Durban, 4319, South Africa (PO Box 1033, Umhlanga Rocks, 4320, South Africa) (email address: Kerriannef@cmh.co.za), by no later than 16:00 on Wednesday, 27 May 2015.

3.3 Surrender of Documents of Title for purposes of participation in the Share Repurchase Offer (this applies only to Certificated Shareholders and not to Own Name Dematerialised Shareholders or Dematerialised Shareholders).

3.3.1 **Certificated Shareholders**

3.3.1.1 Subject to implementation of the Share Repurchase Offer, Share Repurchase Offer Participants being Certificated Shareholders who wish to participate in the Share Repurchase Offer will be required to complete the attached Form of Acceptance *(white)* in accordance with its instructions and return it, together with their Documents of Title representing their Certificated Shares, to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa or PO Box 61763, Marshalltown, 2107, South Africa to be received by them by not later than 12:00 on the Share Repurchase Offer Closing Date in order to have the Share Repurchase Offer Consideration (based on the Share Repurchase Offer Ratio) transferred electronically or posted to them on the Share Repurchase Offer Payment Date. Shares tendered by Share Repurchase Offer Participants for acceptance of the Share Repurchase Offer and not repurchased by CMH by virtue of the application of the Share Repurchase Offer Ratio will be returned to the relevant Share Repurchase Offer Participants by the Transfer Secretaries, as soon as practicably possible, by registered post by way of Documents of Title amended to reflect the reduced shareholdings of such Shareholders.

3.3.1.2 Certificated Shareholders should note that Documents of Title lodged with the Transfer Secretaries for purposes of tendering of their Shares for purposes of the Share Repurchase Offer, will not be capable of being traded on the JSE until such time as either the Share Repurchase Offer is completed or, for whatever reason, is not implemented, whereafter, either all of the Shares, or the balance of the

Shares, if any, not repurchased by CMH in accordance with the Share Repurchase Offer Ratio will be returned to such Shareholders by the Transfer Secretaries as soon as is practicably possible.

3.4 **Settlement of Share Repurchase Offer Consideration**

3.4.1 As the Share Repurchase Offer will close at 12:00 on the Share Repurchase Offer Closing Date, any acceptances of the Share Repurchase Offer after such date and time will not be accepted by CMH and will accordingly be invalid.

3.4.2 If you wish to surrender your Documents of Title in anticipation of the Share Repurchase Offer being implemented:

3.4.2.1 you should complete the Form of Acceptance *(white)* in accordance with its instructions and return it, together with your Documents of Title, to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa or PO Box 61763, Marshalltown, 2107, South Africa; and

3.4.2.2 it should be noted that you will not be able to Dematerialise or deal in your Shares between the date of surrender of your Documents of Title and the Share Repurchase Offer Closing Date or, if the Share Repurchase is for whatever reason whatsoever not implemented, the date on which your Documents of Title are returned to you pursuant to paragraph 3.4.4 below.

3.4.3 Documents of Title surrendered in anticipation of the Share Repurchase Offer being implemented will be held in trust by the Transfer Secretaries, at the risk of the Certificated Shareholder, pending implementation of the Share Repurchase Offer.

3.4.4 Should the Share Repurchase Offer for whatever reason not be implemented, any Documents of Title surrendered by you and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post, within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Share Repurchase Offer will not be implemented, whichever is the later.

3.5 **Own Name Dematerialised Shareholders**

3.5.1 Surrender of Documents of Title pursuant to acceptance of the share Repurchase Offer. You must not complete the attached Form of Acceptance (*white*).

3.5.2 If you are an Own Name Dematerialised Shareholder and wish to participate in the Share Repurchase Offer, it will incumbent upon you to contact your CSDP and/or Broker to provide them with your instructions as to acceptance and participation in the Share Repurchase Offer.

3.5.3 Subject to implementation of the Share Repurchase Offer, Own Name Dematerialised Share Repurchase Offer Participants who have elected to participate in the Share Repurchase Offer by having advised their CSDPs or Brokers in the manner stipulated in the Custody Agreement governing the relationship between them and their CSDP or Broker will have their accounts held at their CSDP or Broker debited with the Shares repurchased and credited with the total amount of Share Repurchase Offer Consideration owing to them based on the Share Repurchase Offer Ratio, on the Share Repurchase Offer Payment Date.

If the Special Resolution required to proceed with the Share Repurchase is not passed at the General Meeting, the Share Repurchase Offer will not be made and will accordingly fail.

3.5.4 If you are a Reinstated Dissenting Shareholder who subsequently becomes a Share Repurchase Offer Participant by Wednesday, 1 July 2015, you must **not** complete the attached Form of Acceptance *(white)*.

If you wish to dematerialise your Shares, please contact your CSDP or Broker. No Dematerialisation or Rematerialisation of Shares may take place from the Business Day following the Share Repurchase Offer LDT until after the Share Repurchase Offer Record Date.

You are not required to Dematerialise your Shares in order to participate in the Share Repurchase Offer or to receive the Share Repurchase Offer Consideration. Share Repurchase Offer Participants are advised to consult their professional advisors about their personal tax positions regarding the Share Repurchase Offer.

IMPORTANT DATES AND TIMES

The Definitions and Interpretations commencing on page 8 of this Circular apply to this 'Important Dates and Times' section.

Action	**2015**
Notice of General Meeting released on SENS on	Tuesday, 28 April
Notice of General Meeting published in the South African press on	Wednesday, 29 April
Circular posted to CMH Shareholders recorded as such in the Register on Friday, 17 April 2015 on	Thursday, 30 April
In terms of sections 59(1) and (2) of the Companies Act, last day to trade CMH Shares in order to be recorded in the Register and thereby be able to attend, participate in and vote at the General Meeting, (see note 4 below) on	Friday, 15 May
In terms of sections 59(1)(b) and (2) of the Companies Act, record date to be eligible to attend, participate in and vote at the General Meeting, being the General Meeting Record Date, by close of trade on	Friday, 22 May
Completed Forms of Proxy to be lodged with the Company, c/o the Company Secretary, at the Company's registered office, 1 Wilton Crescent, Umhlanga Ridge, Durban, 4319, South Africa (PO Box 1033, Umhlanga Rocks, 4320, South Africa), by 16:00 (see note 5 below) on	Wednesday, 27 May
Last date and time for Shareholders to give notice to CMH in terms of section 164 of the Companies Act objecting to the Special Resolution necessary to authorise the Share Repurchase to be considered at the General Meeting (see note 3 below) by 16:00 on	Thursday, 28 May
General Meeting held at 16:00 on	Thursday, 28 May
Results of General Meeting as well as providing/confirming dates pertinent to the Share Repurchase Offer published on SENS on	Friday, 29 May
Results of General Meeting as well as providing/confirming dates pertinent to the Share Repurchase Offer published in the South African press on	Monday, 1 June
Share Repurchase Offer Opening Date being the expected date for the opening of the Share Repurchase Offer at 09:00 on	Monday, 1 June
Subject to the Share Repurchase Offer being approved by Shareholders at the General Meeting with sufficient voting rights such that no Shareholder can require the Company to obtain Court approval for the Special Resolution as contemplated in section 115(3)(a) of the Companies Act:	
End of 10 Business Day period during which Shareholders can make application to the Court in terms of section 115(3)(b) of the Companies Act on	Thursday, 11 June
Last date for CMH to give notice of adoption of the Special Resolution approving the Share Repurchase to Shareholders, if any objecting to the Special Resolution (see note 3 below) on	Thursday,11 June
If no Shareholders exercise their rights in terms of section 115(3)(b) of the Companies Act, then the following are the anticipated relevant dates and times:	
Finalisation announcement on SENS on	Monday, 15 June
Share Repurchase Offer LDT, being the last day to trade in Shares in order to be registered as a Shareholder in the Register at the Share Repurchase Offer Record Date on	Friday, 26 June
Shares trade "ex" the right to participate in the Share Repurchase Offer on	Monday, 29 June

Action	2015
Share Repurchase Offer Record Date, being the date by which a Shareholder must be recorded as such in the Register in order to be entitled to participate in the Share Repurchase Offer, on	Friday, 3 July
Share Repurchase Offer Closing Date, being the expected date for the closing of the Share Repurchase Offer at 12:00 on	Friday, 3 July
Share Repurchase Offer Payment Date, being the expected date for the settling of the Share Repurchase Offer Consideration on or about	Monday, 6 July
Expected date for the delisting from the JSE of the Shares repurchased in terms of the Share Repurchase Offer from the commencement of trading on the JSE on or about	Tuesday, 7 July

Notes:

1. All of the above dates and times are subject to change following mutual agreement, as required between CMH, the JSE and the TRP. The dates have been determined based on certain assumptions regarding the date by which certain regulatory approvals will have been obtained and that no Court approval or review of the Special Resolution approving the implementation of the Share Repurchase Offer will be required. Any change in the dates and times will be released on SENS and published in the South African press.
2. Although the salient dates and times are subject to change, such statement may not be regarded as carte blanche consent or dispensation for any change to any relevant applicable time period which may be required in terms of any regulations stipulated by the JSE/TRP and/or Companies Act requirements and regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the relevant regulatory authority.
3. Shareholders are referred to Annexure 7 (which contains a summary of Dissenting Shareholders' Appraisal Rights in respect of the Share Repurchase Offer) regarding rights afforded to Shareholders, the exercise of which may affect the above indicated important dates and times.
4. Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades' takes place five Business Days after such trade. Therefore, persons who acquire Shares after the last day to trade in order to be eligible to vote at the General Meeting, namely, Friday, 15 May 2015, will not be able to vote thereat, but may, nevertheless, provided the Share Repurchase is approved and they acquire the Shares on or prior to the Share Repurchase Offer LDT, expected to be Friday, 26 June 2015, participate in the Share Repurchase Offer.
5. A Shareholder may submit a proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairman of the General Meeting before the appointed proxy exercises any of the relevant Shareholders' rights at the General Meeting (or any adjournment of the General Meeting), provided that should a Shareholder lodge a form of proxy with the Transfer Secretaries less than 24 hours before the General Meeting, a Shareholder will also be required to furnish a copy of such form of proxy to the chairman of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
6. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
7. All times given in this Circular are local times in South Africa.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless inconsistent with the context, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"Appraisal Rights"	in terms of section 164 of the Companies Act, the dissenting shareholder appraisal rights afforded Shareholders as a consequence of the Company contemplating the Share Repurchase, such rights being fully set out in Annexure 7;
"Beneficial Owner"	a Shareholder on whose behalf any Dematerialised Share (not held in Own Name form) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement;
"Broker"	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the FMA;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"Certificated Shareholders"	holders of Certificated Shares;
"Certificated Shares"	Shares being "certificated securities" as defined in the FMA and having accordingly not yet been Dematerialised, title to which is evidenced by Document of Title;
"Circular"	this bound document, dated 30 April 2015, which includes all annexures, the notice of General Meeting, Form of Acceptance and Form of Proxy;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Court"	any South African court with competent jurisdiction to approve the implementation of the Special Resolution pursuant to section 115 of the Companies Act and/or to determine the fair value of CMH Shares and make an order pursuant to section 164(14) of the Companies Act;
"CMH Group"	the Company and its subsidiaries;
"Companies Act"	the South African Companies Act, 2008 (Act No. 71 of 2008), as amended;
"Companies Act Regulations"	the South African Companies Act Regulations, 2011, as amended, promulgated under the Companies Act;
"Company" or "CMH"	Combined Motor Holdings Limited (Registration number 1965/000270/06), a public company duly incorporated with limited liability and registered in accordance with the Companies Act, the entire issued Shares of which is listed on the Main Board of the JSE;
"Company Secretary"	the company secretary of CMH, namely Mrs K Fonseca;
"Custody Agreement"	a custody mandate agreement concluded between a Shareholder and a CSDP or Broker, regulating their relationship, *inter se*, in respect of such Shareholder's holding of Dematerialised Shares on a sub-register of CMH Shareholders as administered by such CSDP or Broker on behalf of such Shareholder;
"CSDP"	a participant, as defined in chapter 1 of the FMA;
"Dematerialisation"	the process by which Certificated Shares and/or Documents of Title are converted to electronic form and recorded as such in the sub-register of Shareholders maintained by a CSDP;

"Dematerialised Shareholders"	holders of Dematerialised Shares;
"Dematerialised Shares" or "Dematerialised"	Shares that have already been dematerialised or have been issued in dematerialised form and which are recorded in a sub-register of Shareholders of CMH administered by a CSDP;
"Directors"	at the Last Practicable Date, the persons named on page 12 of this Circular comprising the board of directors of the Company;
"Dissenting Shareholders"	all or any Shareholders validly exercising Appraisal Rights in the manner set out in accordance with sections 164(5) and 164(8) of the Companies Act;
"Documents of Title"	tangible documents of title including share certificates, certified transfer deeds, balance receipts or any other tangible document of title evidencing ownership of Shares acceptable to CMH;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act of South Africa, No. 9 of 1933, as amended;
"FMA"	the Financial Markets Act, No. 19 of 2012, of South Africa;
"Foreign Shareholder"	a Shareholder not being a resident of South Africa or not being subject to South African tax;
"Form of Acceptance"	for purposes of acceptance of the Share Repurchase Offer, the form of acceptance, surrender and transfer (*white*) for use only by Share Repurchase Offer Participants holding Certificated Shares;
"Form of Proxy"	for purposes of the General Meeting, the form of proxy *(yellow)* for use only by: • Certificated Shareholders; and • Own Name Dematerialised Shareholders;
"General Meeting"	in terms of the Notice of General Meeting attached to and forming part of this Circular, the general meeting of Shareholders of the Company convened to be held at the Company's registered office, 1 Wilton Crescent, Umhlanga Ridge, Durban, South Africa at 16:00 on Thursday, 28 May 2015, for the purpose of considering and, if deemed fit, of passing, with or without modification, the Special Resolution and associated ordinary resolution to be considered thereat or, in the event of the adjournment of the aforesaid general meeting, the subsequent adjourned general meeting;
"General Meeting Record Date"	in terms of sections 59(1)(b) and (2) of the Companies Act, the date determined by the Directors as being that date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting, being Friday, 22 May 2015;
"Independent Board"	collectively, JTM Edwards, LCZ Cele and JS Dixon, being the Directors that the Company has indicated are Independent Directors for purposes of the Takeover Regulations;
"JSE"	the exchange, licensed under the FMA, operated by the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated with limited liability and registered in accordance with the Companies Act;
"Last Practicable Date"	Thursday, 16 April 2015, being the last practicable date prior to the finalisation of this Circular;
"Listings Requirements"	the listings requirements of the JSE in force as at the Last Practicable Date;

'MOI"	the Memorandum of Incorporation of the Company;
"Own Name Registration" or "Own Name Dematerialised Shareholders"	Shareholders holding Shares in their own name and recorded as such in the Share register of the Company;
"Register"	the securities register of Shareholders maintained by the Company in terms of sections 50(1) and 50(3) of the Companies Act, including the uncertificated securities register;
"Reinstated Dissenting Shareholder"	Shareholders who are Dissenting Shareholders and whose shareholder rights have been reinstated in terms of section 164(10) of the Companies Act or in respect of whom a South African court has ordered that such Dissenting Shareholder withdraw its demand;
"SENS"	the Stock Exchange News Service of the JSE;
"Shareholder"	a registered holder of Shares;
"Shares"	ordinary shares of no par value in CMH;
"Share Repurchase"	subject to the passing of the Special Resolution at the General Meeting and the other conditions precedent contained in paragraph 4 of this Circular, the repurchase by CMH of a maximum of 21 133 000 Shares, at a cash price of R11,83 per Share in terms of the Share Repurchase Offer;
"Share Repurchase Offer"	in terms of the Share Repurchase, the offer by CMH to Share Repurchase Offer Participants to tender for repurchase, on a voluntary basis, all or a portion only of their holdings of Shares, acceptance of such tender of Shares to be based on the Share Repurchase Offer Ratio;
"Share Repurchase Offer Closing Date"	the expected closing date and time of the Share Repurchase Offer, namely, 12:00 on Friday, 3 July 2015;
"Share Repurchase Offer Consideration"	R11,83 in cash per Share;
"Share Repurchase Offer LDT"	being the last day to trade in Shares on the JSE in order to be registered as a Shareholder in the Register at the Share Repurchase Offer Record Date and thereby entitling such Shareholder to participate in and to receive the Share Repurchase Offer, expected to be on Friday, 26 June 2015;
"Share Repurchase Offer Opening Date"	the expected opening date of the Share Repurchase Offer, namely, Monday, 1 June 2015;
"Share Repurchase Offer Participants"	Shareholders registered as such on the Share Repurchase Offer Record Date and thereby entitled to participate in the Share Repurchase Offer as well as Reinstated Dissenting Shareholders in terms of section 164(9) of the Companies Act, if any;
"Share Repurchase Offer Payment Date"	the date of payment of the Share Repurchase Offer Consideration, expected to be Monday, 6 July 2015;

"Share Repurchase Offer Ratio"	subject to the proviso that, for administrative and cost reasons, the number of Shares to be repurchased in terms of the ratio herein contained will be rounded up or down to the nearest multiple of 50 Shares, the ratio to be used by CMH for acceptances of Shares tendered by Share Repurchase Offer Participants in terms of the Share Repurchase Offer is as follows: A = B/C x D Where: A = the number of Shares to be repurchased from the Share Repurchase Offer Participant B = the number of Shares tendered by the Share Repurchase Offer Participant for repurchase in terms of the Share Repurchase Offer C = the total number of Shares tendered for repurchase by all Share Repurchase Offer Participants in terms of the Share Repurchase Offer D = the maximum number of Shares being repurchased by CMH, namely 21 133 000;
"Share Repurchase Offer Record Date"	the date determined by the Directors as being that date by which a Shareholder must be recorded as such in the Register in order to be entitled to participate in the Share Repurchase Offer, which date is expected to be Friday, 3 July 2015;
"South Africa"	the Republic of South Africa;
"Special Resolution"	in terms of sections 48(8), 114(e) and 115(2)(a) of the Companies Act, the special resolution to be proposed at the General Meeting for the approval of the proposed Share Repurchase as contained in the notice of General Meeting attached to and forming part of this Circular;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated with limited liability and registered in accordance with the Companies Act and which is a registered central securities depository and which is responsible for the electronic custody and settlement system of the JSE;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated with limited liability and registered in accordance with the Companies Act;
"TRP"	the Transaction Regulation Panel as empowered under and in terms of the Companies Act; and
"ZAR" or "Rand" or "R"	South African Rand.

COMBINED MOTOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1965/000270/06
Share code: CMH ISIN: ZAE000088050
("CMH" or **"the Company")**

Directors

JTM Edwards *(Independent Non-executive Chairman)*
JD McIntosh *(Chief Executive Officer)*
LCZ Cele *(Independent Non-executive)*
MPD Conway *(Executive)*
JS Dixon *(Independent Non-executive)*
SK Jackson *(Financial Director)*
ME Jones *(Independent Non-executive)*
JA Mabena *(Independent Non-executive)*
N Siyotula *(Independent Non-executive)*
II Zimmerman *(Non-executive)*
J W Alderslade (alternate to JA Mabena and N Siyotula)

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 On 21 April 2015, CMH announced that it intends making an offer to all Shareholders to voluntarily submit for repurchase all or a portion of their shareholding of Shares.

1.2 In accordance with the provisions of sections 48(8), 114(e) and 115(2)(a) of the Companies Act, it is necessary that the Share Repurchase be approved and implemented as a section 114 scheme of arrangement in terms of the Companies Act. Accordingly, for this purpose, the General Meeting has been convened, notice of which is contained in and forms part of this Circular.

1.3 The purpose of this Circular is to provide Shareholders with all relevant information regarding the Share Repurchase and the Share Repurchase Offer and to obtain the required approval of Shareholders in order to proceed.

2. RATIONALE FOR THE SHARE REPURCHASE, SOLVENCY, LIQUIDITY AND WORKING CAPITAL OF CMH

2.1 **Rationale for the Share Repurchase**

2.1.1 The CMH Group currently has, and has had for a number of years, cash and near cash equivalents surplus to its present and reasonably foreseeable requirements. Having reviewed the CMH Group's cash flow projections, the Directors do not anticipate that these resources will be required to be utilised in the near nor medium term (1 – 2 years) future for either operational or other requirements.

2.1.2 Rather than earn a relatively low interest rate return on the surplus funds, the Directors believe that optimal use thereof can better be made by returning the surplus funds to Shareholders by way of the Share Repurchase Offer.

2.1.3 In December 2013 Shareholders approved the making of a similar offer to all Shareholders to voluntarily submit for repurchase all or a portion of their shareholding of Shares. Following this approval, the Company repurchased 15 400 000 Shares for a total consideration of R200 million.

2.1.4 In proposing this course of action, the Directors have also considered the rather limited trading of the Company's Shares on the JSE and the challenges that this may pose for larger Shareholders wishing to create a liquidity event in order to realise cash. By way of illustration, during the year ended 28 February 2015, the average number of Shares traded was 157 000 Shares per week.

2.1.5 Accordingly, the proposed Share Repurchase Offer has the ability to offer some of the Company's larger Shareholders the opportunity to create such a liquidity event whilst facilitating future benefits accruing to smaller Shareholders by virtue of the fact that post the Share Repurchase Offer, as a result of the cancellation and restoration to authorised but unissued shares in the Company, the reduced number of issued Shares will have the effect of improving earnings and dividends per share for the remaining issued Shares. In addition, the "free float", being the proportion of Shares held by public Shareholders, has the potential to increase to 46% from its present 36%.

2.2 **Solvency and liquidity in terms of the Listings Requirements and the Companies Act**

In proposing the Share Repurchase, the Directors have taken cognisance of their duties and responsibilities in terms of section 5.69(c) of the Listings Requirements and section 46 read with section 4 of the Companies Act pertaining to the solvency and liquidity of CMH. In this regard, the Directors reasonably confirm that, following solvency and liquidity tests on CMH, CMH will satisfy the solvency and liquidity test immediately post payment of the Share Repurchase Offer Consideration in that:

- the assets of CMH, as fairly valued, will exceed its liabilities, as fairly valued for a period of 12 months after the issue of this Circular and it will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months following payment of the Share Repurchase Offer Consideration. For this purpose, the financial information considered by CMH has been based on the accounting policies used in the most recent audited consolidated financial statements of the Company and that satisfy the requirements of section 28 of the Companies Act and financial statements that satisfy the requirements of section 29 of the Companies Act;
- the share capital and reserves and the working capital of the Company and the CMH Group will be adequate for ordinary business purposes for a period of 12 months after the issue date of this Circular;
- as regards the working capital of the Company and of the CMH Group, the Directors are of the opinion that the working capital available to the Company and the CMH Group is sufficient for CMH Group's present requirements, that is, for at least the next 12 months from the issue date of this Circular;
- the Company and the CMH Group will be able in the ordinary course of business to pay any debts arising for a period of twelve months after the issue date of this Circular.

In contemplating and assessing the above, the Directors have taken into account a fair valuation of CMH's assets and liabilities, including any reasonably foreseeable contingent assets and liabilities, irrespective of whether or not arising as a result of the proposed Share Repurchase Offer or otherwise, and has also considered any other valuation of their respective assets and liabilities that is reasonable in the circumstances and has not included as a liability any amount that would be required, were CMH to be liquidated at the time of the Share Repurchase Offer, to satisfy any preferential rights upon liquidation of Shareholders and/or any other class of shareholder whose preferential rights upon liquidation are superior to the preferential rights upon liquidation of those that would be participating in the Share Repurchase Offer.

3. SALIENT TERMS OF THE SHARE REPURCHASE OFFER

The coming in to force and effect of the Share Repurchase Offer is subject to the fulfilment of the conditions precedent listed in paragraph 4 below.

The salient terms of the Share Repurchase Offer are as follows:

3.1 CMH, by way of the Share Repurchase Offer, will offer all Share Repurchase Offer Participants the opportunity to tender for repurchase all or a portion of such Shareholders' holdings of Shares.

Accordingly, Shareholders are being invited to voluntarily tender to the Company for repurchase, as many Shares as they deem fit, or, not to tender any Shares at all. On this basis, acceptance of the Share Repurchase Offer is completely voluntary and free of any form of compulsory expropriation. For this reason dispensation from the necessity for CMH to have prepared and included to Shareholders a fairness opinion on the Share Repurchase Offer was sought from the TRP and duly obtained subject to CMH, in terms of section 114(2) of the Companies Act, retaining an Independent Expert to compile a report on the Share Repurchase in compliance with section 114(3) of the Companies Act. In this regard, a copy of the ruling letter of the TRP is available for inspection in the manner set out in paragraph 20 below. The required report of BDO Corporate Finance Proprietary Limited, the duly appointed Independent Expert, is contained in Annexure 1 of this Circular.

3.2 The Share Repurchase Offer is restricted to a maximum number of 21 133 000 Shares, representing 22,6% of the Company's total present issued ordinary Shares.

3.3 Share Repurchase Offer Participants will receive R11,83 in cash per Share repurchased by CMH, which represents an 18,97% discount to the 30 Business Days volume weighted average price of CMH Shares as at the Last Practicable Date. Accordingly, full take-up of the Share Repurchase Offer will result in the Company utilising R250 003 390, exclusive of costs.

3.4 In view of the intention to tender for acceptance of the Share Repurchase Offer referred to in paragraph 9.2 below, there will be in excess of 21 133 000 Shares tendered for repurchase. Consequently, the number of Shares repurchased from each individual Share Repurchase Offer Participant will be determined, subject to paragraphs 3.5 below (but in any event no more than the number of Shares tendered by the Share Repurchase Offer Participant), in accordance with the following ratio:

$$A = B/C \times D$$

Where:

A	=	the number of Shares to be repurchased from the Share Repurchase Offer Participant
B	=	the number of Shares tendered by the Share Repurchase Offer Participant for repurchase in terms of the Share Repurchase Offer
C	=	the total number of Shares tendered for repurchase by all Share Repurchase Offer Participants in terms of the Share Repurchase Offer
D	=	the maximum number of Shares being repurchased by CMH, namely 21 133 000

3.5 For administration and cost reasons, the number of Shares to be repurchased in terms of the ratio will be rounded up or down to the nearest multiple of 50 Shares.

3.6 The Share Repurchase Offer Consideration will be paid, in full, in accordance with the terms of the Share Repurchase Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which CMH may otherwise be, or claim to be, entitled against any Share Repurchase Offer Participant.

3.7 The Shares repurchased from the participating Share Repurchase Offer Participants will be delisted from the JSE on or about Tuesday, 7 July 2015 and will be cancelled, in terms of section 35(5) of the Companies Act and accordingly, no longer form part of the issued shares of the Company.

4. CONDITIONS PRECEDENT

4.1 Implementation of the Share Repurchase and the making of the Share Repurchase Offer is subject to the fulfilment of the following conditions precedent:

4.1.1 the approval by Shareholders at the General Meeting of the Share Repurchase by way of the Special Resolution. In order for the Special Resolution to be validly considered and passed, the required quorum of at least 25% of all of the voting rights entitled to be exercised on the Special Resolution must be present and the Special Resolution must be passed by at least 75% of all of the voting rights as are exercised on the Special Resolution;

4.1.2 the approval by Shareholders at the General Meeting of the authorising ordinary resolution. In order for the ordinary resolution to be validly considered and passed, the required quorum of at least 25% of all of the voting rights entitled to be exercised on the ordinary resolution must be present and the ordinary resolution must be passed by a majority of more than 50% of all of the voting rights as are exercised on the ordinary resolution;

4.1.3 to the extent and if required, the approval of the implementation of the Special Resolution by the Court in terms of section 115 of the Companies Act;

4.1.4 if applicable, CMH not treating the Special Resolution as a nullity, as contemplated in terms of section 115(5)(b) of the Companies Act;

4.1.5 the receipt of unconditional approvals, consents or waivers from all regulatory bodies, including the TRP (in terms of a compliance certificate to be issued in terms of the Companies Act) or to the extent that any such approvals, consents or waivers are subject to conditions, such conditions being satisfactory to CMH.

4.2 Should all of the conditions precedent referred to in paragraph 4.1 above not have been fulfilled or waived (if possible), as the case may be, following the conclusion of the General Meeting on Thursday, 28 May 2015, or any adjournment thereof, or by such other later date as may be determined by CMH and subject to the approval of the TRP and JSE (if necessary), the Share Repurchase and consequently the Share Repurchase Offer will not become operative and shall be of no force or effect.

4.3 An announcement will be published on SENS and in the South African press as soon as practicably possible advising on the fulfilment or otherwise of the above conditions precedent and the ramifications and effects thereof.

5. *PRO FORMA* FINANCIAL EFFECTS

The preparation of the *pro forma* financial information relating to the Share Repurchase on the financial year ended 28 February 2015, is the responsibility of the Directors of CMH. The *pro forma* financial effects have been prepared for illustrative purposes only to provide information on how the Share Repurchase may have impacted on CMH Group's results and financial position and, due to the nature thereof, may not give a fair reflection of CMH Group's results and financial position after the Share Repurchase.

The *pro forma* statement of financial position and statement of comprehensive income are set out in Annexure 2 and the Independent Reporting Accountants' Assurance Report on the *pro forma* financial information relating to the Share Repurchase is set out in Annexure 3.

6. BACKGROUND TO CMH

The Company's business is that of an investment holding company, its principal assets being its investment in and loan to CMH Holdings Proprietary Limited, and a preference share investment in Main Street 445 Proprietary Limited. The CMH Group has significant interests in retail motor, car hire and financial services. The Company is listed in the "General Retailers" sector of the JSE.

7. DIRECTORS' INTERESTS

7.1 As at the Last Practicable Day the direct and indirect interests of the Directors in Shares are as follows:

Directors	Direct Beneficial ('000)	Indirect Beneficial ('000)	%
JTM Edwards	7	–	0,01
JD McIntosh	112	25 395	27,23
LCZ Cele	–	–	–
MPD Conway	29	1 215	1,33
JS Dixon	–	–	–
SK Jackson	87	5 000	5,43
ME Jones	–	–	–
JA Mabena	–	–	–
N Siyotula	–	–	–
II Zimmerman	–	28 455	30,37
JW Alderslade (alternate)	8	–	0,01
Total	**243**	**60 065**	**64,38**

No directors' associates hold shares.

7.2 **Share Options held by Directors**

The following table sets out the share options held by the executive Directors, which are subject to the terms and conditions of the Share Option Scheme 2001, at the Last Practicable Date.

	Options ('000)
JD McIntosh	1 012
MPD Conway	338
SK Jackson	787
Total	**2 137**

7.3 Rights held subject to the terms and conditions of the CMH Share Appreciation Rights Scheme 2010, as at the Last Practicable Date.

	Rights ('000)
MPD Conway	
Rights held at 28 February 2014	450
Taken up during the period	(100)
Granted during the period	–
Rights held at Last Practicable Date	**350**

7.4 **Directors' remuneration**

The Directors' remuneration will not be affected as a consequence of the implementation of the proposed Share Repurchase.

7.5 **Irrevocable letters of undertaking**

CMH has received letters of undertaking from the following Shareholders to vote the Shares indicated in favour of the resolutions to be considered at the General Meeting:

Name	**Number of Shares**	**%**
Jebb McIntosh Investment Company (Pty) Ltd	25 508 400	27,23
MPD Conway	1 243 970	1,33
SKJ Family Holdings (Pty) Ltd	5 088 000	5,43
Maldwyn Zimmerman Investment Holding Company (Pty) Ltd ("HoldCo")*	28 455 273	30,37
Total	**60 295 643**	**64,36**

* All of the issued shares of HoldCo are owned by the Maldwyn Zimmerman Children Trust (IT No 7484/77).

7.6 **Dealing in Shares by Directors**

In the eighteen months preceding the Last Practicable Date, the only Director that has traded in Shares is MPD Conway who sold 55 480 Shares on the open market on 25 November 2014 at a price of 1 305 cents per Share and sold 37 419 Shares on the open market on 4 August 2014 at a price of 1 105 cents per Share. Save for such trades, no other Directors have traded in Shares.

7.7 **Directorate changes**

In the 18 months prior to the Last Practicable Date, the only changes in directorate are as follows:

- on 31 January 2014, VP Khanyile resigned and was replaced by N Siyotula;
- on 17 June 2014, D Molefe resigned and was replaced by J Mabena;
- on 8 July 2014, M Zimmerman resigned and was replaced by II Zimmerman; and
- on 16 April 2015, ME Jones was appointed as a Director.

8. SERVICE CONTRACTS

There are no long-term contracts of service between the CMH Group and any of the executive Directors and all are terminable after one month's written notice. Non-executives have no fixed terms of employment.

9. DIRECTORS' INTEREST IN THE SHARE REPURCHASE AND AGREEMENTS IN RELATION THERETO

9.1 There have been no other corporate actions during the current year nor in the immediately preceding financial year nor during any earlier year which remain in any respect outstanding or unperformed.

9.2 The Maldwyn Zimmerman Investment Holding Company (Pty) Ltd ("HoldCo") holds a total of 28 455 273 shares in CMH. All of the issued shares of HoldCo are owned by the Maldwyn Zimmerman Children Trust (IT No 7484/77) ("the Trust"). As regards such holding of shares the Company has been advised in writing by the Trust of the intention to tender for acceptance of the Share Repurchase Offer not less than 28 455 273 Shares should the Share Repurchase Offer be implemented. Maldwyn Zimmerman is a past director of the Company.

9.3 There are no other agreements in relation to the Share Repurchase Offer. No special arrangements or dealings have been entered into with any party.

10. AUTHORISED AND ISSUED SHARE CAPITAL OF CMH

The authorised and issued Share capital of CMH, before and after the proposed Share Repurchase Offer, is set out below:

Before the proposed Share Repurchase Offer	**Stated capital R**
Authorised shares	
1 032 400 7,5% "C" redeemable cumulative preference shares of R1,00 each	N/A
143 590 560 ordinary Shares of no par value	N/A
Issued Shares	
93 673 498 ordinary Shares of no par value	27 794 464
After the proposed Share Repurchase Offer	**Stated capital R**
Authorised shares	
1 032 400 7,5% "C" redeemable cumulative preference shares of R1,00 each	N/A
143 590 560 ordinary Shares of no par value	N/A
Issued Shares	
72 540 498 ordinary Shares of no par value*	15 816 648

*Assumes full take up of the 21 133 000 Shares the subject of the Share Repurchase Offer and on the basis that the Shares repurchased are cancelled and restored to the status of authorised unissued Shares.

CMH holds no Shares in treasury.

11. MAJOR SHAREHOLDERS

11.1 As at the Last Practicable Date, the only Shareholder other than the Directors as per paragraph 7.1 above who is directly or indirectly beneficially interested in 5% or more of the Shares of CMH, is Old Mutual Group with 7,9%.

11.2 As the Share Repurchase Offer will be made on a *pro rata* basis, no disclosure has been made of dealings six months prior to, and ending on, the Last Practicable Date as is normally required by the TRP.

12. MATERIAL CHANGES

There has been no material change in trading or financial position of CMH Group between the financial year ended 28 February 2015 and the Last Practicable Date.

13. **OPINIONS, RECOMMENDATIONS AND IRREVOCABLE UNDERTAKINGS**

13.1 The Directors have carefully considered the terms, conditions and rationale for the Share Repurchase and Share Repurchase Offer and are of the opinion that the Share Repurchase and Share Repurchase Offer are fair, and accordingly recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting.

13.2 All of the Directors having material direct or indirect beneficial holdings in Shares have signed irrevocable undertakings to vote in favour of the resolutions to be considered at the General Meeting to implement the Share Repurchase and the Share Repurchase Offer. Paragraph 7.5 above lists the irrevocable undertaking received by CMH.

13.3 The Independent Board, having taken into account the report of the Independent Expert referred to in paragraph 3.1 above, is unanimously of the opinion that the terms and conditions of the Share Repurchase Offer are good for the Company and Shareholders, and accordingly recommend that Shareholders vote in favour of the Special Resolution at the General Meeting.

14. **TAX IMPLICATIONS FOR SHAREHOLDERS WHO ELECT TO PARTICIPATE IN THE SHARE REPURCHASE OFFER**

14.1 The Share Repurchase Offer Consideration of R11,83 per Share for each Share repurchased, will comprise 21,8 cents, being a refund of contributed tax capital, and 1 161,2 cents, being a dividend distribution payment.

14.2 The dividend distribution payment element of the Share Repurchase Offer Consideration will be subject to a dividend withholding tax ("DWT") at a rate of 15%, unless the respective Share Repurchase Offer Participants are exempt from DWT in terms of section 64F of the Income Tax Act of South Africa, which will result in a net dividend distribution per Share repurchased of 987,02 cents.

14.3 It is recommended that prior to taking any action to complete and return a Form of Acceptance pertaining to participation in the Share Repurchase Offer, Share Repurchase Offer Participants should seek appropriate advice.

15. **TRP DISPENSATION**

15.1 As indicated in paragraph 3.1 above, the TRP has provided CMH with a ruling letter, exempting CMH from the need to have prepared and presented to Shareholders, an independent expert fairness opinion on the Share Repurchase Offer subject to CMH, in terms of section 114(2) of the Companies Act, retaining an independent expert to compile a report on the Share Repurchase in compliance with section 114(3) of the Companies Act.

15.2 A copy of such ruling letter from the TRP is available for inspection in the manner indicated in paragraph 20 below.

16. **FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS**

Annexure 6 of this Circular contains a summary of the Exchange Control Regulations as they apply to Shareholders. Shareholders who are Foreign Shareholders must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the Share Repurchase Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Shareholders should consult their professional advisors immediately.

17. **RESPONSIBILITY STATEMENT**

The Directors, whose names are given on page 12 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Circular contains all information required by the JSE Listings Requirements and law.

18. **EXPENSES IN RELATION TO THE SHARE REPURCHASE**

The following expenses have been provided for by CMH in connection with the Share Repurchase and Share Repurchase Offer. All fees are exclusive of VAT.

Detail	**Payable to**	**R'000**
Corporate Advisor and Sponsor	PricewaterhouseCoopers Corporate Finance Proprietary Limited	250
Independent Reporting Accountants	PricewaterhouseCoopers Inc.	30
JSE documentation fees	JSE	33
TRP fees	Payable to TRP	100
Printers	Ince	67*
Transfer Secretaries	Computershare	20
Independent Expert	BDO Corporate Finance Proprietary Limited	100
Total		**600**

* Estimated as at the Last Practicable Date.

19. **CONSENTS**

19.1 PricewaterhouseCoopers Corporate Finance (Pty) Ltd, as Corporate Advisor and Sponsor, the Transfer Secretaries, BDO Corporate Finance Proprietary Limited as Independent Expert, and PricewaterhouseCoopers Inc, as independent reporting accountants, have all consented in writing to the inclusion of their names in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

19.2 Each of PricewaterhouseCoopers Inc and BDO Corporate Finance Proprietary Limited have provided written consent to the inclusion of their respective reports in this Circular and have not withdrawn such consents prior to the issue of this Circular.

20. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during usual business hours on Business Days at the registered office of CMH from 30 April 2015 up to and including the date of the General Meeting:

- the MOI of CMH and its subsidiaries;
- the signed irrevocable undertakings referred to in paragraphs 7.5 and 13.2 above;
- the integrated annual reports of CMH Group for the three years ended 28 February 2015, 28 February 2014 and 28 February 2013;
- the written consent of each of the advisors;
- the signed report of PricewaterhouseCoopers Inc, the independent reporting accountants' referred to in paragraph 19.2 above and set out in Annexure 3;
- the ruling letter from the TRP, referred to in paragraphs 3.1 and 15 above;
- the approval letter of the TRP;
- the signed report of BDO Corporate Finance Proprietary Limited referred to in paragraph 3.1 above and set out in Annexure 1; and
- a signed copy of this Circular.

21. **NOTICE OF GENERAL MEETING**

Notice of General Meeting at which the required resolutions will be considered, is contained in and forms part of this Circular. The Notice of General Meeting commences on page 110 of this Circular.

SK Jackson
Director

For and on behalf of
COMBINED MOTOR HOLDINGS LIMITED

Durban
21 April 2015

INDEPENDENT EXPERT'S REPORT

The Directors
Combined Motor Holdings Limited
1 Wilton Crescent
Umhlanga Ridge
Durban
4319

23 April 2015

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO COMBINED MOTOR HOLDINGS LIMITED REGARDING THE SPECIFIC REPURCHASE OF 22,6% OF ITS ISSUED ORDINARY SHARE CAPITAL FROM CMH SHAREHOLDERS

INTRODUCTION

The board of directors (the "Directors" or the "Board") of Combined Motor Holdings Limited ("CMH" or the "Company") has resolved to implement a specific repurchase of a maximum of 21 133 000 ordinary shares with no par value in the issued capital of the Company ("Shares") on a voluntary *pro rata* basis, which will constitute 22,6% of the issued share capital ("the Specific Repurchase").

The Company only has two classes of shares, namely ordinary no par value shares and 7,5% "C" redeemable cumulative preference shares. The Specific Repurchase will be implemented pursuant to an offer by CMH to all registered holder of Shares ("Share Repurchase Offer Participants") to tender for repurchase, on a voluntary basis, all or a portion only of their holdings of Shares.

The repurchase will not vary the rights of CMH shareholders ("Shareholders"), apart from a change in the number of Shares held.

Pursuant to the Specific Repurchase, the Repurchase Shares will be cancelled as issued shares and restored to the status of authorised share capital in CMH. Application will be made to the JSE Limited ("JSE") for the delisting of the Repurchase Shares once they have been repurchased in accordance with section 35(5) of the Companies Act.

Share Repurchase Offer Participants will receive R11,83 in cash per Share (the "Repurchase Price").

The total cost to CMH of the Specific Repurchase will be funded out of CMH's available cash resources.

As at the date of this opinion, the share capital of the Company prior to the Specific Repurchase comprises the following:

Before the proposed Share Repurchase Offer	Stated capital (R)
Authorised share capital	
1 032 400 7,5% "C" redeemable cumulative preference shares of R1,00 each	N/A
143 590 560 ordinary shares of no par value	N/A
Issued share capital	
93 673 498 ordinary shares of no par value	27 794 464

The share capital of the Company after the Specific Repurchase comprises the following:

After the proposed Share Repurchase Offer	Stated capital (R)
Authorised share capital	
1 032 400 7,5% "C" redeemable cumulative preference shares of R1,00 each	N/A
143 590 560 ordinary shares of no par value	N/A
Issued share capital	
72 540 498 ordinary shares of no par value*	15 816 648

*Assumes full take up of the 21 133 000 Shares the subject of the Share Repurchase Offer and on the basis that the Shares repurchased are cancelled and restored to the status of authorised unissued Shares.

CMH holds no treasury shares.

The direct and indirect beneficial interests in Shares held by all the directors of CMH, before the Specific Repurchase are shown below:

Name of director	Direct beneficial	Indirect beneficial	Held by associates	Total	% of issued Shares
JTM Edwards	7 000	–	–	7 000	0,01
JD McIntosh	112 000	25 395 000	–	25 507 000	27,23
LCZ Cele	–	–	–	–	–
MPD Conway	29 000	1 215 000	–	1 244 000	1,33
JS Dixon	–	–	–	–	
SK Jackson	87 000	5 000 000	–	5 087 000	5,43
ME Jones	–	–	–	–	–
JA Mabena	–	–	–	–	–
N Siyotula	–	–	–	–	–
II Zimmerman	–	28 455 000	–	–	30,37
JW Alderslade (alternate)	8 000	–	–	8 000	0,01
Total	**243 000**	**60 065 000**	**–**	**60 308 000**	**64,38**

In accordance with section 114(2) of the Companies Act (No. 71 of 2008), as amended (the "Companies Act"), BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance") has been appointed by the Board to provide independent external advice to the Board regarding the provisions of section 114(4) of the Companies Act (as read with section 48(8)(b) and section 115 of the Companies Act).

Copies of sections 115 and 164 of the Companies Act are included as Annexure 7 to the Circular.

INDEPENDENT EXPERT OPINION

As the Specific Repurchase involves the acquisition by the Company of more than 5% of the Company's ordinary shares in issue, section 48(8)(b) of the Companies Act specifies that the Specific Repurchase is subject to the requirements of sections 114 and 115 of the Companies Act. In terms of section 114(2) of the Companies Act as read together with Regulation 90 of the Companies Regulations, 2011 (the "Companies Regulations"), the Board must retain an independent expert to compile a report on the Specific Repurchase (the "Opinion"). BDO Corporate Finance has been appointed by the Board to provide the Opinion.

RESPONSIBILITY

Compliance with the Companies Act is the responsibility of the Directors. Our responsibility is to report on the terms of the Specific Repurchase in accordance with section 114(3) of the Companies Act.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- The terms and conditions of the Specific Repurchase;
- Annual financial statements of CMH for the years ended 28 February 2013, 2014 and 2015;
- Integrated annual report of CMH for the year ended 28 February 2015;
- Cash flow forecast of CMH for the year ending 29 February 2016;
- Historic and forward revenue, earnings before interest and tax ("EBIT"), earnings before interest, taxation, depreciation and amortisation ("EBITDA") and profit after tax ("PAT") multiples for comparable publicly traded companies. Forward multiples are based on consensus analysts' forecasts as per Thomson Reuters;
- Discussions with CMH directors and management and their advisors regarding the rationale for the Specific Repurchase;
- Discussions with CMH directors and management regarding the historical and forecast financial information of CMH;
- Discussions with CMH directors and management on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to CMH and the markets in which the Company operates.

The information above was secured from:

- Directors and management of CMH and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing CMH.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Specific Repurchase;
- Reviewed the financial information related to CMH, as detailed above;
- Reviewed and obtained an understanding from management as to the forecast financial information of CMH and assessed the achievability thereof by considering historic information as well as macroeconomic and sector-specific data;
- Held discussions with directors of CMH and their advisors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Compiled a capitalisation of maintainable earnings valuation of CMH by using adjusted historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables, adjusted for factors specific to CMH relevant to listed peers to revenue, EBIT, EBITDA and PAT;
- Assessed the long-term potential of CMH;
- Evaluated the relative risks associated with CMH and the industry in which it operates;
- Reviewed certain publicly available information relating to CMH and the sector in which the Company operates that we deemed to be relevant, including company announcements and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which CMH operates, and to analyse external factors that could influence the businesses of CMH; and
- Held discussions with the directors and management of CMH and their advisors as to the long-term strategy and the rationale for the Specific Repurchase and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the sector in which the Company operates.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Specific Repurchase will be legally enforceable;
- That the Specific Repurchase will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of CMH; and
- That reliance can be placed on the audited and unaudited financial information of CMH.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of CMH and the economic environment in which it operates.

LIMITING CONDITIONS

This opinion is provided to the Board in connection with and for the purposes of the Specific Repurchase. The opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of CMH Shareholders.

A shareholder's decision regarding the Specific Repurchase may be influenced by such Shareholder's particular circumstances and accordingly Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Specific Repurchase.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of CMH relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of CMH will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Specific Repurchase will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of CMH and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that BDO Corporate Finance meet the requirements as set out in section 114(2) of the Companies Act. We also confirm that we have the necessary qualifications and competence to provide the Opinion.

Furthermore, we confirm that our professional fees of R100 000, payable in cash, are not contingent upon the success of the proposed Specific Repurchase.

VALUATION APPROACH

BDO Corporate Finance performed a valuation of CMH to determine whether the Specific Repurchase represents fair value to CMH Shareholders. The valuation of CMH was performed using the capitalisation of maintainable earnings methodology.

The valuation was performed taking cognisance of risk and other market and industry factors affecting CMH and its underlying operations.

Key internal value drivers and assumptions to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of CMH as well as an assessment of market-related revenue, EBIT, EBITDA and PAT multiples applicable to comparable publicly traded companies.

We selected a basket of comparable companies with similar operations to CMH. Historic and forward multiples were calculated for these comparable companies. Outliers were excluded and a range of market multiples was determined. This range was adjusted for differences between CMH and the basket of peers to account for the risk profile of CMH relative to the basket of peers.

In addition, a sensitivity analysis was performed in respect of the quantum of the adjustment to market multiples to reflect differences in risk profiles.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined a valuation range for Shares of R13.20 to R15.03 per Share with a most likely value of R14.11 per Share.

The valuation above is provided solely in respect of this Opinion and should not be used for any other purposes.

OPINION

We have assessed the terms of the Specific Repurchase with reference to normal market-related practice. We have found no indication that the Specific Repurchase will have any material adverse effect on the Company or its Shareholders and have identified no transaction parameters which could be considered unreasonable to the Company or its Shareholders.

Our opinion is necessarily based upon the information available to us up to 23 April 2015, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Specific Repurchase have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This opinion may be included, in whole or in part, in any required regulatory announcement or documentation, including, without limitation, the Circular.

Yours faithfully

N Lazanakis
Director

BDO Corporate Finance Proprietary Limited
22 Wellington Road
Parktown
2193

PRO FORMA FINANCIAL INFORMATION

The *pro forma* statement of financial position and statement of comprehensive income for the year ended 28 February 2015 are set out on page 27 to 29 inclusive. The statements have been prepared for illustration purposes only, to provide information on how the Share Repurchase might have affected the reported historical information of CMH Group. Because of their nature, the statement of comprehensive income and statement of financial position may not provide a fair reflection of CMH Group's future earnings or financial position after the Share Repurchase. The Directors are responsible for the preparation of the *pro forma* financial information. The Independent Reporting Accountants' Assurance Report relating to the *pro forma* financial information is set out in Annexure 3.

PRO FORMA GROUP STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2015

	Before R'000[1]	*Pro forma* adjustment R'000[2]	*Pro forma* After R'000
ASSETS			
Non-current assets			
Plant and equipment	74 846		74 846
Goodwill	44 972		44 972
Insurance receivables	20 418		20 418
Deferred taxation	51 224		51 224
	191 460		**191 460**
Current assets			
Car hire fleet vehicles	609 811		609 811
Inventories	1 175 207		1 175 207
Trade and other receivables	266 293		266 293
Cash and cash equivalents[3]	450 544	(250 603)	199 941
	2 501 855	**(250 603)**	**2 251 252**
Total assets	**2 693 315**	**(250 603)**	**2 442 712**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital[4]	27 794	(4 607)	23 187
Share-based payment reserve	12 011		12 011
Retained earnings[5]	600 543	(245 996)	354 547
Ordinary shareholders' equity	640 348	(250 603)	389 745
Non-controlling interest	275		275
Total equity	**640 623**	**(250 603)**	**390 020**
Non-current liabilities			
Insurance payable	1 680		1 680
Lease liabilities	74 298		74 298
Provisions	4 231		4 231
	80 209		**80 209**
Current liabilities			
Advance from non-controlling shareholder of subsidiary	255		255
Trade and other payables	1 279 367		1 279 367
Borrowings	667 561		667 561
Lease liabilities	15 232		15 232
Current tax liabilities	10 068		10 068
	1 972 483		**1 972 483**
Total liabilities	**2 052 692**		**2 052 692**
Total equity and liabilities	**2 693 315**	**(250 603)**	**2 442 712**
Net asset value per share (cents)	684		538
Net tangible asset value per share (cents)	636		476
Number of shares in issue at year-end	93 673	(21 133)	72 540

Notes:

1. The "Before" column has been extracted from the published audited results of CMH Group for the year ended 28 February 2015.
2. The *pro forma* adjustments have been made on the assumption that the Share Repurchase was effective 28 February 2015.
3. "Cash and cash equivalents" reflects the R250,6 million cash outflow to fund the Share Repurchase and associated transaction costs.
4. The reduction in "Share capital" reflects the portion of the Share Repurchase paid from share capital.
5. The reduction in "Retained earnings" reflects the portion of the Share Repurchase and the cost thereof paid from retained earnings.

PRO FORMA GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2015

	Before R'000[1]	*Pro forma* adjustments R'000[2]	*Pro forma* After R'000
Continuing operations			
Revenue	10 737 862		10 737 862
Cost of sales	(8 986 601)		(8 986 601)
Gross profit	1 751 261		1 751 261
Goodwill impaired	(30 000)		(30 000)
Selling and operating expenses	(1 395 103)		(1 395 103)
Operating profit	326 158		326 158
Finance income[3,4,5]	14 821	(13 157)	1 664
Finance costs	(103 355)		(103 355)
Profit before taxation	237 624	(13 157)	224 467
Tax expense	(77 074)	3 684	(73 390)
Profit for the year from continuing operations	160 550	(9 473)	151 077
Discontinued operations			
Loss for the year from discontinued operations (attributable to equity holders of the Company)	(8 000)		(8 000)
Total profit and comprehensive income	**152 550**	**(9 473)**	**143 077**
Attributable to:			
Equity holders of the Company	152 387	(9 473)	142 914
Non-controlling interest	163		163
	152 550	**(9 473)**	**143 077**
Reconciliation of headline earnings			
Total profit and comprehensive income	152 550	(9 473)	143 077
Continuing operations	160 550	(9 473)	151 077
Discontinued operations	(8 000)		(8 000)
Non-trading items:			
Continuing operations			
Impairment of goodwill	30 000		30 000
Profit on sale of plant and equipment			
– Gross	(93)		(93)
– Impact of tax	26		26
Headline earnings	182 483	(9 473)	173 010
Continuing operations	190 483	(9 473)	181 010
Discontinued operations	(8 000)		(8 000)
Attributable to:			
Equity holders of the Company	182 320	(9 473)	172 847
Continuing operations	190 320	(9 473)	180 847
Discontinued operations	(8 000)		(8 000)
Non-controlling interest	163		163
Continuing operations	163		163
Discontinued operation	–		–

PRO FORMA GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2015

	Before R'000	*Pro forma* adjustments R'000	*Pro forma* After R'000
Earnings per share (cents)			
Basic earnings per share	162,7		197,0
Continuing operations	171,2		208,0
Discontinued operation	(8,5)		(11,0)
Diluted basic earnings per share	160,1		193,0
Continuing operations	168,5		203,8
Discontinued operation	(8,4)		(10,8)
Headline earnings per share	194,6		238,3
Continuing operations	203,1		249,3
Discontinued operation	(8,5)		(11,0)
Diluted headline earnings per share	191,6		233,4
Continuing operations	200,0		244,2
Discontinued operation	(8,4)		(10,8)
Weighted average number of Shares in issue ('000)	93 673	(21 133)	72 540
Weighted average number of Shares for dilution purposes ('000)	95 178	(21 133)	74 045

Notes

1. The "Before" column has been extracted from the published audited results of CMH Group for the year ended 28 February 2015.
2. The *pro forma* adjustments have been made on the assumption that the Share Repurchase was effective 1 March 2014 and the R250,6 million used for the Share Repurchase and the transaction costs thereof was invested throughout the year at the current 30 day deposit rate of 5,25%.
3. "Finance income" adjustment reflects the reduction in income received in respect of funds previously invested on 30-day deposit at the current 30-day deposit rate of 5.25%.
4 A tax rate of 28% has been applied to the reduced "Finance income".
5. No portion of the reduced "Finance income" is attributable to the non-controlling shareholder of the subsidiary.
6. Transaction costs of the Share Repurchase, estimated at R600 000, are accounted for as a deduction from equity in terms of IAS 32: *Financial Instruments: Presentation.*
7. All adjustments, with the exception of the estimated transaction costs, will have a continuing effect on the CMH Group.
8. It is assumed that a maximum of 21 133 000 shares are repurchased for a total consideration of R250 million.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Board of Directors
Combined Motor Holdings Limited
1 Wilton Crescent
Umhlanga Ridge
4319

23 April 2015

Independent reporting accountants' assurance report on the compilation of *pro forma* financial information of Combined Motor Holdings Limited ("CMH" or "the Company") and its subsidiaries ("the CMH Group")

Introduction

CMH is issuing a circular to its shareholders ("the Circular") regarding a share repurchase by the Company of a maximum of 21 133 000 issued shares at a cash price of R11,83 per share from CMH shareholders on a voluntary pro rata basis ("the Share Repurchase").

At your request and for the purposes of the Circular to be dated on or about 28 April 2015, we present our assurance report on the compilation by the Directors of the *pro forma* financial information of the CMH Group.

The *pro forma* financial information, presented in Annexure 2 to the Circular, consists of the *pro forma* statement of financial position as at 28 February 2015 and the *pro forma* statement of comprehensive income for the year ended 28 February 2015 ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements and described in Annexure 2 of the Circular.

The *Pro Forma* Financial Information has been compiled by the Directors to illustrate the impact of the Share Repurchase on the CMH Group's financial performance for the year ended 28 February 2015. As part of this process, information about the CMH Group's financial performance has been extracted by the Directors from the CMH Group's audited published results for the year ended 28 February 2015.

Directors' responsibility

The Directors of CMH are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 2 to the Circular. The Directors are also responsible for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information included in a prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 2 of the Circular.

PricewaterhouseCoopers Inc.
Director: SF Randelhoff
Registered Auditor
Durban

HISTORICAL FINANCIAL INFORMATION

Extracts from the audited financial statements of CMH, for the years ended 28 February 2015 and 28 February 2014 are set out below:

STATEMENTS OF FINANCIAL POSITION
for the year ended 28 February 2015

	Notes	**Group 2015 R'000**	Group 2014 R'000	**Company 2015 R'000**	Company 2014 R'000
ASSETS					
Non-current assets					
Plant and equipment	4	**74 846**	74 803	**–**	–
Goodwill	5	**44 972**	74 972	**–**	–
Investments	6	**–**	–	**129 673**	187 386
Insurance receivable	14	**20 418**	18 039	**–**	–
Deferred taxation	7	**51 224**	46 643	**–**	–
Investment in subsidiary	8	**–**	–	**137 571**	256 093
		191 460	214 457	**267 244**	443 479
Current assets					
Investments	6	**–**	–	**30 000**	–
Car hire fleet vehicles	4	**609 811**	572 765	**–**	–
Inventories	9	**1 175 207**	1 214 577	**–**	–
Trade and other receivables	10	**266 293**	263 831	**–**	–
Cash and cash equivalents	11	**450 544**	308 480	**285 370**	175 414
		2 501 855	2 359 653	**315 370**	175 414
Total assets		**2 693 315**	2 574 110	**582 614**	618 893
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	**27 794**	27 794	**27 794**	27 794
Share-based payment reserve	13	**12 011**	14 441	**3 325**	3 325
Retained earnings		**600 543**	523 379	**549 100**	585 995
Ordinary shareholders' equity		**640 348**	565 614	**580 219**	617 114
Non-controlling interest		**275**	112	**–**	–
Total equity		**640 623**	565 726	**580 219**	617 114
Non-current liabilities					
Insurance payable	14	**1 680**	2 156	**–**	–
Lease liabilities	15	**74 298**	90 244	**–**	–
Provisions	16	**4 231**	–	**–**	–
		80 209	92 400	**–**	**–**
Current liabilities					
Advance from non-controlling shareholder of subsidiary	17	**255**	4 193	**–**	–
Trade and other payables	18	**1 279 367**	1 258 014	**598**	534
Borrowings	19	**667 561**	622 962	**–**	–
Lease liabilities	15	**15 232**	8 759	**–**	–
Current tax liabilities		**10 068**	22 056	**1 797**	1 245
		1 972 483	1 915 984	**2 395**	1 779
Total liabilities		**2 052 692**	2 008 384	**2 395**	1 779
Total equity and liabilities		**2 693 315**	2 574 110	**582 614**	618 893

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 28 February 2015

	Notes	**Group 2015 R'000**	Restated Group 2014 R'000	**Company 2015 R'000**	Company 2014 R'000
Continuing operations					
Revenue	20	**10 737 862**	10 703 616	**17 287**	39 364
Cost of sales	21	**(8 986 601)**	(9 056 748)	**–**	–
Gross profit		**1 751 261**	1 646 868	**17 287**	39 364
Other income		**–**	–	**–**	3 409
Impairment of goodwill	5	**(30 000)**	–	**–**	–
Selling and administration expenses	21	**(1 395 103)**	(1 329 645)	**(241)**	(243)
Operating profit		**326 158**	317 223	**17 046**	42 530
Finance income	22	**14 821**	13 709	**32 356**	50 266
Finance costs	22	**(103 355)**	(89 000)	**–**	–
Profit before taxation		**237 624**	241 932	**49 402**	92 796
Tax expense	23	**(77 074)**	(75 245)	**(9 016)**	(14 036)
Profit for the year from continuing operations		**160 550**	166 687	**40 386**	78 760
Discontinued operation					
(Loss)/profit for the year from discontinued operation (attributable to equity holders of the company)	24	**(8 000)**	2 745	**–**	–
Total profit and comprehensive income		**152 550**	169 432	**40 386**	78 760
Attributable to:					
Equity holders of the company		**152 387**	169 440	**40 386**	78 760
Non-controlling interest		**163**	(8)	**–**	–
		152 550	169 432	**40 386**	78 760
EARNINGS PER SHARE (cents)	25				
Basic earnings per share					
From continuing operations		**171,2**	154,3		
From discontinued operation		**(8,5)**	2,5		
From total profit and comprehensive income		**162,7**	156,8		
Diluted basic earnings per share					
From continuing operations		**168,5**	152,4		
From discontinued operation		**(8,4)**	2,5		
From total profit and comprehensive income		**160,1**	154,9		

GROUP STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2015

	Share capital 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
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**
Total profit and comprehensive income			**152 387**	**152 387**	**163**	**152 550**
Release following exercise of share appreciation rights		**(5 471)**		**(5 471)**		**(5 471)**
Gain on share appreciation rights exercised			**2 058**	**2 058**		**2 058**
Share-based payment reserve		**3 041**		**3 041**		**3 041**
Dividends paid			**(77 281)**	**(77 281)**		**(77 281)**
Balance at 28 February 2015	**27 794**	**12 011**	**600 543**	**640 348**	**275**	**640 623**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2015

	Share capital R'000	Share-based payment reserve R'000	Retained earnings R'000	Total equity R'000
Balance at 28 February 2013	29 500	3 702	790 459	823 661
Issue of shares	1 274			1 274
Transfer to share capital	377	(377)		
Shares repurchased	(3 357)		(198 198)	(201 555)
Total profit and comprehensive income			78 760	78 760
Dividends paid			(85 026)	(85 026)
Balance at 28 February 2014	**27 794**	**3 325**	**585 995**	**617 114**
Total profit and comprehensive income			**40 386**	**40 386**
Dividends paid			**(77 281)**	**(77 281)**
Balance at 28 February 2015	**27 794**	**3 325**	**549 100**	**580 219**

STATEMENTS OF CASH FLOWS
for the year ended 28 February 2015

	Notes	**Group 2015 R'000**	Group 2014 R'000	**Company 2015 R'000**	Company 2014 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	26	**439 873**	451 379	**(177)**	19 812
Finance income received	22	**–**	–	**32 356**	50 266
Taxation paid	27	**(93 643)**	(56 055)	**(8 464)**	(13 087)
Net cash movement from operating activities		**346 230**	395 324	**23 715**	56 991
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current plant and equipment		**(32 858)**	(38 227)	**–**	–
Proceeds on disposal of non-current plant and equipment		**4 807**	5 105	**–**	–
Investments		**–**	–	**45 000**	70 000
Insurance receivables		**(2 379)**	(16 965)	**–**	–
Insurance payables		**(476)**	(452)	**–**	–
Repayment by subsidiary		**–**	–	**118 522**	41 473
Net cash movement from investing activities		**(30 906)**	(50 539)	**163 522**	111 473
CASH FLOWS FROM FINANCING ACTIVITIES					
Non-controlling shareholders of subsidiaries		**(3 938)**	(7 000)	**–**	–
Proceeds of issue of shares		**–**	1 274	**–**	1 274
Repurchase of shares		**–**	(201 555)	**–**	(201 555)
Settlement of share appreciation rights		**(3 413)**	(3 382)	**–**	–
Finance income received	22	**14 971**	13 709	**–**	–
Finance costs paid	22	**(103 599)**	(89 256)	**–**	–
Dividends paid	28	**(77 281)**	(85 026)	**(77 281)**	(85 026)
Net cash movement from financing activities		**(173 260)**	(371 236)	**(77 281)**	(285 307)
Net movement in cash and cash equivalents		**142 064**	(26 451)	**109 956**	(116 843)
Cash and cash equivalents at beginning of year		**308 480**	334 931	**175 414**	292 257
Cash and cash equivalents at end of year	11	**450 544**	308 480	**285 370**	175 414

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Pronouncements, as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act, 2008 (the "Act"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The policies set out below have been consistently applied to all the years presented unless otherwise stated.

Standards, amendments and interpretations effective in 2015 or early adopted by the Group

There are no standards, amendments or interpretations that became effective in 2015 and are relevant to the Group. No standards, amendments and interpretations not yet effective have been early adopted by the Group.

1.2 Basis of consolidation

Investment in subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition- related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by- acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.3 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in South African Rands, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within "selling and administration expenses" in the period in which they arise.

1.4 Plant and equipment

Plant and equipment is recorded at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Depreciation is provided using the straight-line method to write off the cost of the assets to their estimated residual values over their estimated useful lives as follows:

Plant and machinery	4 to 5 years
Furniture and office equipment	3 to 10 years
Car hire fleet vehicles	9 to 18 months
Other motor vehicles	4 to 5 years
Leasehold improvements	the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised in the statement of comprehensive income within "selling and administration expenses".

As it is the Group's intention to dispose of car hire fleet vehicles within 12 months after the year-end date, such items are disclosed as current assets.

1.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets in the business combination at the date of acquisition. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill arising on business combinations is initially reflected at its original cost. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.6 Classification of financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its assets at initial recognition. Financial assets are initially measured at fair value plus transaction costs. Thereafter they are measured at amortised cost using the effective-interest-rate method, less impairment losses, which are recognised in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses at each financial year-end whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the statement of comprehensive income in the period in which they occur.

1.7 Investments

Investments are recognised initially at fair value and subsequently measured at amortised cost, using the effective- interest-rate method, less provision for impairment. Investments are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of investments.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses".

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income. The tax expense is calculated on the basis of the tax laws enacted or substantially enacted at the year-end.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates and laws that have been enacted or substantially enacted by the year-end and are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred tax assets relating to income tax are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value, due recognition having been made for obsolescence and redundancy. Movements in the obsolescence provision have been included in "cost of sales" in the statement of comprehensive income. Net realisable value is the estimate of the selling price of inventory in the ordinary course of business, less applicable variable selling expenses. Cost includes all costs incurred that are necessary to bring the goods to saleable condition and location, and is determined on the following basis:

New vehicles	actual cost
New marine craft	actual cost
Used and demonstration vehicles	actual cost
Used and demonstration marine craft	actual cost
Parts and accessories	weighted average cost
Petrol, oils and other inventory	actual cost

Vehicles and parts purchased, which are paid for within the short time periods provided for in the manufacturers' standard franchise agreements, are recognised as inventory when received. This policy is applied despite the fact that certain agreements provide that ownership will remain vested in the manufacturer until the purchase price has been paid in full.

1.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective-interest-rate method, less provision for impairment. Trade receivables are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses". Subsequent recoveries of amounts previously written off are credited against "selling and administration expenses".

1.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits held at call with banks, net of bank overdrafts. These are reflected in the statement of financial position and statement of cash flows at cost. Bank overdrafts are reflected under current liabilities except where they are held at the same bank and branch as favourable balances and there is a legal right of set-off.

1.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.13 Financial liabilities

The Group has the following financial liabilities:

Trade and other payables: these are initially measured at fair value less transaction costs and subsequently stated at amortised cost. Short-term payables are measured at original invoice amount which approximates fair value.

Borrowings: these are measured initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost, using the effective-interest-rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised as finance cost/income in the statement of comprehensive income over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the year-end.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expires.

1.14 Employee benefits

Pension

The Group provides retirement benefits for its employees through a number of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their employment service.

Payments to the retirement contribution plans are charged to the statement of comprehensive income as incurred.

Health care

The Group provides health care benefits for its employees through contributions to various independent medical aid schemes. Payments to the medical aid schemes are charged to the statement of comprehensive income as incurred. The Group has no post-retirement obligations to employees.

Remuneration

The cost of all short-term employee remuneration is recognised during the period in which the employee renders the related service. An accrual is made for employee entitlement to salary, bonuses, profit share and leave pay based on contractual obligations at current rates of remuneration.

Equity compensation plans

The Group enters into share-based payment transactions in terms of the employee share option and share appreciation rights schemes. Costs incurred in administering the schemes are expensed as incurred. The charge to profit or loss required by IFRS 2, 'Share-based Payment' is accounted for on the basis that the instruments are equity-settled. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options/rights determined at the grant date using the Black-Scholes valuation model. Non-market vesting conditions are included in assumptions about the number of options/rights that are expected to become exercisable or the number of options/rights that the employee will ultimately receive. The amount determined, net of taxation, is charged or credited to the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received on exercise of the options/rights, net of any directly attributable transaction costs, are credited to equity. Gains and losses, representing the difference between the fair value of the options/rights at grant date and the actual value at exercise date, are taken to equity.

1.15 Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be established.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.16 Revenue recognition

Group revenue comprises revenue from trading activities after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and, in respect of the sale of vehicles, marine craft, parts and accessories, the risks and rewards of ownership have been transferred to the customer. Revenue relating to services is recognised on a straight-line basis over the service period. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business, net of discounts allowed and value added tax. .

Interest income is recognised as it accrues, taking into account the effective yield on the asset. Dividends are recognised when the right to receive payment is established.

1.17 Dividends paid

Dividends paid are recorded in the financial statements during the period in which they are approved by the Board of directors.

1.18 Segment reporting

Operating segments are reported in a manner consistent with that used for internal reporting provided to the chief executive officer. The chief executive officer, responsible for allocating resources and assessing performance of the operating segments, has been identified as the person that makes strategic decisions.

The various segments of the Group are each subject to risks and returns that are different from other business segments. The principal business segments identified within the Group are retail motor, car hire, marine and leisure, and financial services. The corporate services/other segment contains the Group's treasury function, and CMH Green and National Workshop Equipment which are not large enough to warrant separate disclosure.

Segment assets, liabilities, revenue and expenditure are those directly attributable to the segment. Transfers between segments are accounted for at competitive market prices and are eliminated on consolidation.

1.19 Underwriting activities

Underwriting results are determined on an annual basis. The principle applied is that the costs of incurred claims, commission and related expenditure are applied against the earned proportion of premiums received, as follows:

- claims incurred comprise claims and related expenditure paid in the year and changes in the provision for outstanding claims incurred but not reported, and are expensed in the year during which they are incurred; and
- commission paid is expensed in the year during which it is incurred.

Premiums earned relate to business written during the year, adjusted for unearned premiums. Unearned premiums represent that portion of the premiums that relates to unexpired terms of the insurance policy, calculated on a time-proportionate basis.

The activities for the year are included in the statement of comprehensive income on a line-by-line basis.

Underwriting activities are conducted through an external financial services provider at market-related terms and conditions.

The net result of the year's activities is presented in the statement of financial position as "Insurance receivable/payable".

1.20 Operating leases

Operating leases are those where substantially all the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to the statement of comprehensive income on a straight- line basis over the period of the lease.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the chief executive officer and financial director under policies approved by the Board of directors. They identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments, and the investment of excess liquidity.

2.1 Interest rate risk

Interest rate exposures are reviewed regularly. The Group is exposed to interest rate risk on its investments and borrowing facilities, all of which are linked to the prime overdraft rate.

Had interest rates for the year been 0,5 percentage point higher or lower and been applied to the interest-bearing debt and investments at year-end, the profit before taxation for the year would have been lower or higher by R3 626 000 (2014: R4 098 000) on the assumption that all other factors remained constant.

2.2 Foreign currency risk

The Group has no significant foreign currency risk. Certain balances arising on material transactions denominated in foreign currencies are economically hedged through the use of forward exchange contracts. At 28 February 2015, the Group had accounts receivable to the value of US$217 349 denominated in foreign currency (2014: US$332 116), and had trade payables to the value of US$346 106 (2014: US$917 237). No portion of this (2014: nil) was hedged through the use of forward exchange contracts. These trade payables will be settled within the next 12 months. Had the South African Rand been 5% weaker or stronger against the US Dollar at year-end, the profit before taxation for the year would have been lower or higher by R75 000 (2014: R316 000).

2.3 Credit risk

The Group's credit risk lies principally in its trade receivables. These comprise a number of major banks which finance vehicle sales, together with a large, wide-spread customer base. Regular credit assessments of customers are conducted. All amounts receivable are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after sale. There are no significant concentrations of credit risk.

Cash and cash equivalents are placed only with major financial institutions with secure credit ratings.

2.4 Equity price risk

The Group has no direct exposure to any equity price risk.

2.5 Liquidity risk

The Group manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. At year-end the Group's position was as follows:

	2015 R'000	2014 R'000
Cash resources	**450 544**	308 480

In terms of its memorandum of incorporation the Company has unlimited borrowing powers.

The expected maturity of all significant financial liabilities is disclosed in the relevant notes to the financial statements. These liabilities are expected to be settled from the proceeds of realisation of current assets.

2.6 Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or repurchase shares or sell assets to reduce debt.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates will, by definition, rarely equal the actual results achieved. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use projections based on financial budgets approved by management. The value-in-use calculation uses estimates and assumptions made by management. Management determines budgeted operating profit based on past performance and future expectations. The weighted average growth rates are consistent with the forecasts used in industry reports. The discount rates used reflect specific risks relating to the relevant cash-generating units.

3.2 Consolidation of entities in which the Group holds less than 50%

The Group has applied IFRS 10, 'Consolidated Financial Statements' in determining whether to consolidate its investment in Main Street 445 Proprietary Limited ("Main Street"). The Group has determined that, even though it does not own any ordinary equity shares in Main Street, an agreement signed by the Company, Thebe Investment Corporation Limited 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.

3.3 Consolidation of underwriting entities

The Group has applied IFRS 10, 'Consolidated Financial Statements' in determining whether to consolidate its investment in various entities through which it conducts insurance underwriting activities. The Group has determined that the entities do not constitute "deemed separate entities" as envisaged in IFRS 10, and have not been consolidated.

3.4 Equity compensation plans

The terms of the Group's Share Appreciation Rights Scheme 2010 ("the Scheme") permit settlement in cash in certain circumstances. During the year under review, the second year of vesting of the rights granted in 2010, all the participants received a share settlement. This was effected by purchasing shares for participants in the open market. The Board has determined that cash settlement will only be permitted in extreme circumstances, and on this basis the Group will continue to account for the Scheme on an equity-settled basis.

4. PLANT AND EQUIPMENT

4.1 Details of plant and equipment

	Total R'000	Leasehold improve-ments R'000	Plant and machinery R'000	Furniture and office equipment R'000	Car hire fleet and other motor vehicles R'000
GROUP					
At 28 February 2015					
Cost	**949 042**	**53 062**	**61 484**	**107 896**	**726 600**
Accumulated depreciation	**(264 385)**	**(34 412)**	**(43 047)**	**(72 756)**	**(114 170)**
Net book value	**684 657**	**18 650**	**18 437**	**35 140**	**612 430**
Less: vehicles transferred to current assets	**(609 811)**	**–**	**–**	**–**	**(609 811)**
Non-current portion	**74 846**	**18 650**	**18 437**	**35 140**	**2 619**
At 28 February 2014					
Cost	894 412	55 345	59 720	97 417	681 930
Accumulated depreciation	(246 844)	(27 867)	(42 788)	(70 967)	(105 222)
Net book value	647 568	27 478	16 932	26 450	576 708
Less: vehicles transferred to current assets	(572 765)	–	–	–	(572 765)
Non-current portion	74 803	27 478	16 932	26 450	3 943

COMPANY: Nil

4.2 Reconciliation of movement

	Total R'000	Leasehold improve-ments R'000	Plant and machinery R'000	Furniture and office equipment R'000	Car hire fleet and other motor vehicles R'000
GROUP					
Net book value 28 February 2013					
– non-current	68 803	26 676	14 698	23 597	3 832
– current	520 162	–	–	–	520 162
Additions	465 240	9 857	10 714	14 567	430 102
Disposals	(299 092)	(352)	(1 557)	(1 304)	(295 879)
Depreciation charge	(107 545)	(8 703)	(6 923)	(10 410)	(81 509)
Net book value 28 February 2014					
– non-current	74 803	27 478	16 932	26 450	3 943
– current	572 765	–	–	–	572 765
Additions	475 965	1 042	9 242	21 051	444 630
Disposals	(329 486)	(51)	(1 791)	(1 210)	(326 434)
Depreciation charge	(109 390)	(9 819)	(5 946)	(11 151)	(82 474)
Net book value 28 February 2015					
– non-current	**74 846**	**18 650**	**18 437**	**35 140**	**2 619**
– current	**609 811**	**–**	**–**	**–**	**609 811**

4.3 The insurance replacement value of plant and equipment excluding motor vehicles is R210 000 000 (2014: R180 000 000).

4.4 R30 000 000 (2014: R30 000 000) has been budgeted and authorised for capital expenditure in respect of leasehold improvements and the replacement of plant and equipment excluding car hire fleet vehicles. No portion of this was committed at year-end. This amount will be financed from existing cash resources.

	Group 2015 R'000	Group 2014 R'000
4. PLANT AND EQUIPMENT continued		
4.5 Depreciation is recognised in the statement of comprehensive income as follows:		
– Cost of sales	**80 695**	79 583
– Selling and administration expenses	**28 695**	27 962
	109 390	107 545

4.6 Car hire fleet vehicles aggregating R560 273 000 (2014: R572 765 000) have been pledged as security for interest-bearing borrowings aggregating R667 561 000 (2014: R622 962 000).

5. GOODWILL

	Group 2015 R'000	Group 2014 R'000
5.1 Cost at beginning of year	**155 473**	155 473
Amounts fully impaired in previous years	**(60 728)**	–
Cost at end of year	**94 745**	155 473
5.2 Accumulated impairment at beginning of year	**80 501**	80 501
Amounts fully impaired in previous years	**(60 728)**	–
Amounts impaired during year	**30 000**	–
Accumulated impairment at end of year	**49 773**	80 501
5.3 Net book value at beginning of year	**74 972**	74 972
Amounts impaired during the year	**(30 000)**	–
Net book value at end of year	**44 972**	74 972

5.4 Goodwill acquired through business combinations has been attributed to individual cash-generating units ("CGUs").

The carrying value of goodwill is subject to annual impairment testing using the value-in-use method. Detailed operating budgets for the 2016 year formed the basis of projected cash flows. In respect of the CGUs with attributable goodwill, the budgets contained average sales volume growth of 4% (2014: 4%). In respect of the forecast years two to five, growth of between 4% and 5% (2014: 4% and 5%) per annum was predicted. A terminal growth rate of 4% (2014: 5%) has been applied to the period beyond year five and a discount rate of between 14,5% and 15% (2014: 13% and 14%) applied. On this basis, the value-in-use calculation indicated that the goodwill relating to certain CGUs exceeded the calculated value and an impairment charge of R30 000 000 was processed during the year under review.

5.5 The cash flows for the remaining CGUs were stress-tested by adversely amending the parameters listed above. Neither parameter change had an impact on the outcomes.

5.6 Amounts impaired are shown separately in the statement of comprehensive income.

	Company 2015 R'000	Company 2014 R'000
6. INVESTMENTS		
6.1 Main Street 445 Proprietary Limited		
Cost at acquisition	**124 387**	124 387
Less: capital repayments received	**(20 000)**	–
	104 387	124 387
Dividends accrued	**55 286**	62 999
Cost at end of year	**159 673**	187 386
Less: current portion	**(30 000)**	–
Non-current portion	**129 673**	187 386

6.2 The investment in Main Street 445 Proprietary Limited ("Main Street") comprises 124 387 'C' redeemable cumulative preference shares of R0,00001 each issued at a premium of R999,99999 each. The preference shares accrue a semi- annual dividend providing a dividend yield to the holder on the unredeemed capital and accrued dividends equivalent to the prime overdraft rate. Main Street is wholly-owned by Thebe Investment Corporation ("TIC"). This investment was made in support of the BEE transaction concluded with TIC in October 2006.

	Group 2015 R'000	Group 2014 R'000

7. DEFERRED TAXATION

7.1

	Group 2015 R'000	Group 2014 R'000
Balance at beginning of year	**46 643**	45 707
Movements during year:		
Temporary differences	**4 581**	600
Release following exercise of share appreciation rights	**–**	336
Balance at end of year	**51 224**	46 643

7.2 Balance at end of year comprises:

	Group 2015 R'000	Group 2014 R'000
Impairment of receivables	**1 986**	1 992
Lease liabilities	**25 068**	27 250
Taxation allowances	**(6 811)**	(6 719)
Accruals and provisions	**22 040**	16 500
Assessed losses	**128**	98
Receipts in advance	**6 618**	6 595
Share-based payment reserve	**2 540**	927
Prepayments	**(345)**	–
	51 224	46 643

7.3 The movement on the deferred taxation account was as follows:

	Closing balance 28 February 2015 R'000	**Movement during the year 2015 R'000**	Closing balance 28 February 2014 R'000	Movement during the year 2014 R'000	Closing balance 28 February 2013 R'000
Impairment of receivables	**1 986**	**(6)**	1 992	30	1 962
Lease liabilities	**25 068**	**(2 182)**	27 250	(1 883)	29 133
Taxation allowances	**(6 811)**	**(92)**	(6 719)	1 109	(7 828)
Accruals and provisions	**22 040**	**5 540**	16 500	3 983	12 517
Assessed losses	**128**	**30**	98	(508)	606
Receipts in advance	**6 618**	**23**	6 595	(122)	6 717
Share-based payment reserve	**2 540**	**1 613**	927	(1 683)	2 610
Prepayments	**(345)**	**(345)**	–	10	(10)
Total	**51 224**	**4 581**	46 643	936	45 707

7.4

	Group 2015 R'000	Group 2014 R'000
Movement during the year	**4 581**	936
Less: release following exercise of share appreciation rights	**–**	(336)
Statement of comprehensive income movement	**4 581**	600

7.5 At 28 February 2015, certain subsidiaries had assessable losses aggregating R45 561 200 (2014: R35 355 600) against which no deferred taxation asset has been raised as the future generation of taxable income by those companies is not assured beyond reasonable doubt.

		Company 2015 R'000	Company 2014 R'000
8.	**INVESTMENT IN SUBSIDIARY**		
8.1	Shares, at cost less amounts impaired	**1**	1
	Amount owing by subsidiary	**137 570**	256 092
		137 571	256 093

8.2 Financial information in respect of Group subsidiaries is stated on page 72.

8.3 The amount owing by subsidiary is unsecured, earns interest at 1% above the prime overdraft rate (2014: 2% above the prime overdraft rate) and has no fixed repayment terms.

8.4 Costs of impairment of investments in subsidiaries are charged to the statement of comprehensive income under the heading "selling and administration expenses".

		Group 2015 R'000	Group 2014 R'000
9.	**INVENTORIES**		
9.1	Inventories have been valued as stated in note 1.9 and comprise:		
	– new vehicles	**566 540**	648 056
	– new marine craft	**20 694**	24 660
	– used and demonstration vehicles	**535 753**	485 091
	– used and demonstration marine craft	**925**	1 040
	– parts and accessories	**36 444**	42 376
	– petrol, oils and other inventory	**14 851**	13 354
		1 175 207	1 214 577

9.2 Inventories of new and demonstration vehicles aggregating R831 299 000 (2014: R795 213 000) form security for trade payables aggregating R1 016 269 600 (2014: R1 000 893 000).

9.3 The cost of inventories sold during the year is recognised as an expense and charged to "cost of sales" in the statement of comprehensive income.

		Group 2015 R'000	Group 2014 R'000
9.4	Inventories are stated after deduction of the following provisions for obsolescence and redundancy:		
	– new marine craft	**1 561**	1 675
	– used and demonstration vehicles	**16 332**	21 815
	– parts and accessories	**6 004**	6 212
		23 897	29 702

	Group 2015 R'000	Group 2014 R'000
10. TRADE AND OTHER RECEIVABLES		
10.1 Trade receivables	**250 952**	218 758
Less: impairment	**(9 566)**	(7 747)
	241 386	211 011
Other receivables	**24 907**	52 820
	266 293	263 831

10.2 Trade receivables are primarily in respect of vehicle, marine craft, car hire, parts and workshop sales. These amounts are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after year-end. No interest is charged on these accounts and there are no significant concentrations of credit risk.

10.3 The carrying value of trade and other receivables approximates their fair value, as the impact of discounting is not significant.

10.4 Trade receivables can be analysed as follows:

	Group 2015 R'000	Group 2014 R'000
0 to 30 days, neither overdue nor impaired	**186 979**	157 616
31 to 60 days, overdue less than 61 days and impaired	**39 255**	38 826
Impairment	**(1 313)**	(364)
	37 942	38 462
61 to 90 days, overdue more than 60, less than 91 days and impaired	**9 125**	6 992
Impairment	**(1 141)**	(964)
	7 984	6 028
91+ days, overdue more than 90 days and impaired	**15 593**	15 324
Impairment	**(7 112)**	(6 419)
	8 481	8 905
Total	**250 952**	218 758
Impairment	**(9 566)**	(7 747)
	241 386	211 011

10.5 The movement in the allowance for impairment is as follows:

	Group 2015 R'000	Group 2014 R'000
At beginning of year	**7 747**	7 008
Utilised during year	**(4 079)**	(2 653)
Increase in impairment	**5 898**	3 392
At end of year	**9 566**	7 747

10.6 The net movement in the allowance for impairment and the charge for bad and doubtful debts for the year has been included under "selling and administration expenses" in the statement of comprehensive income.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
11. CASH AND CASH EQUIVALENTS				
Bank balances	**450 544**	308 480	**285 370**	175 414

The effective interest rate earned on bank balances was 5% (2014: 4%).

Bank balances are held at financial institutions with a national long term credit rating of AA.

12. SHARE CAPITAL

12.1 Preference share capital

Authorised

1 032 400 7,5% 'C' redeemable cumulative preference shares of R1 each

Issued

Nil shares

12.2 Ordinary share capital

Authorised

143 590 560 ordinary shares of no par value

Issued	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
At beginning of year – 93 673 498 shares	**27 794**	29 500	**27 794**	29 500
Issued – Nil (2014: 248 925) shares	**–**	1 274	**–**	1 274
Repurchased – Nil (2014:15 400 000) shares	**–**	(3 357)	**–**	(3 357)
Transfer from share-based payment reserve	**–**	377	**–**	377
At end of year – 93 673 498 shares	**27 794**	27 794	**27 794**	27 794

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
13. SHARE-BASED PAYMENT RESERVE				
Share option scheme 2001	**3 325**	3 325	**3 325**	3 325
Share appreciation rights scheme 2010	**8 686**	11 116	–	–
	12 011	14 441	**3 325**	3 325

13.1 Share option scheme 2001

13.1.1 During 2001 shareholders approved the introduction of an employee share incentive scheme. In terms of the scheme 20% of the Company's issued shares, less those shares that are subject to the terms and conditions of the Combined Motor Holdings Limited Share Trust, were made available to issue to employees as option shares.

During October 2004, the Group granted 12 employees the option to acquire a total of 4 350 000 shares at R5,12 per share. All the options were exercised immediately and have now fully vested.

13.1.2 A reconciliation of the movement in the number of share options granted to date, and which have now fully vested, net of options which have matured and been exercised is as follows ('000 shares):

	Group 2015	Group 2014	Company 2015	Company 2014
Outstanding at beginning of year	**2 262**	2 510	**2 262**	2 510
Taken up during year	**–**	(248)	–	(248)
Outstanding at end of year	**2 262**	2 262	**2 262**	2 262

13.1.3 The amounts recognised in the financial statements for these share-based payment transactions are as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Balance at beginning of year	**3 325**	3 702	**3 325**	3 702
Transferred to share capital	**–**	(377)	–	(377)
Balance at end of year	**3 325**	3 325	**3 325**	3 325

13.2 Share appreciation rights scheme 2010

13.2.1 On 1 June 2010, the Group introduced the Combined Motor Holdings Limited Share Appreciation Rights Scheme 2010 ("the scheme"). Under the scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price and the grant price. The employee therefore participates in the share price appreciation of the Company. The vesting of the right is conditional on the achievement of Group performance levels over a performance period. Details of the rights granted are recorded on page 60.

13. SHARE-BASED PAYMENT RESERVE continued

13.2 Share appreciation rights scheme 2010 continued

13.2.1 continued

Grant date	Grant price	Expiry date	Number of rights at 1 March 2014 '000	Rights granted during the year '000	Rights exercised during the year '000	Rights forfeited during the year '000	**Number of rights at 28 February 2015 '000**
June 2010	R10,31	Dec 2014	1 043	–	1 043	–	**–**
June 2010	R10,31	Dec 2015	1 044	–	–	–	**1 044**
			2 087	–	1 043	–	**1 044**
June 2011	R11,48	Dec 2014	140	–	140	–	**–**
June 2011	R11,48	Dec 2015	140	–	–	–	**140**
June 2011	R11,48	Dec 2016	140	–	–	–	**140**
			420	–	140	–	**280**
June 2012	R10,84	Dec 2015	316	–	–	–	**316**
June 2012	R10,84	Dec 2016	317	–	–	–	**317**
June 2012	R10,84	Dec 2017	317	–	–	–	**317**
			950	–	–	–	**950**
June 2013	R13,70	Dec 2016	390	–	–	–	**390**
June 2013	R13,70	Dec 2017	390	–	–	–	**390**
June 2013	R13,70	Dec 2018	390	–	–	–	**390**
			1 170	–	–	–	**1 170**
			4 627	–	1 183	–	**3 444**

The Group has used a Black-Scholes model to determine the fair value of the share appreciation rights (SARs). The model used the following parameters:

Grant price	The grant price at which the SAR is issued, being the 30-day weighted average share price quoted on the JSE Limited on the grant date
Share price at grant date	The closing share price as quoted by the JSE Limited at grant date
Expected option life	Between 3,25 and 5,25 years
Risk-free interest rate	Between 7,6% and 7,9%
Annualised volatility	Between 38,8% and 49,1% based on historic volatility determined by the statistical analysis of daily share price movements over the past three years
Dividend yield	Between 3,4% and 3,6% based on historic dividend payments over the three years prior to the grant date
Vesting	1 500 000 on 1 June 2015 (rights expire on 1 December 2015) 847 000 on 1 June 2016 (rights expire on 1 December 2016) 707 000 on 1 June 2017 (rights expire on 1 December 2017) 390 000 on 1 June 2018 (rights expire on 1 December 2018)
Performance conditions	Compound real growth in headline earnings per share of the Company
Non-market conditions	Growth in headline earnings per share
Market conditions	No market conditions

13. SHARE-BASED PAYMENT RESERVE continued

13.2 Share appreciation rights scheme 2010 continued

13.2.1 continued

Estimated fair value per right at grant date

Grant date: June 2010:	Expiry date 1 December 2015: R1,33
Grant date: June 2011:	Expiry date 1 December 2015: R1,29
	Expiry date 1 December 2016: R1,50
Grant date: June 2012:	Expiry date 1 December 2015: R0,98
	Expiry date 1 December 2016: R1,12
	Expiry date 1 December 2017: R1,42
Grant date: June 2013:	Expiry date 1 December 2016: R0,75
	Expiry date 1 December 2017: R0,85
	Expiry date 1 December 2018: R1,12
Average remaining life:	Between 0,5 and 3,75 years

		Group 2015 R'000	Group 2014 R'000
13.2.2	The amounts recognised in the financial statements for these share-based payment transactions are as follows:		
	Balance at beginning of year	**11 116**	9 322
	Charged as "selling and administration expenses" during year	**3 041**	3 976
	Released during year following exercise of share appreciation rights	**(5 471)**	(2 182)
	Balance at end of year	**8 686**	11 116

13.2.3 The total cost of the rights, as reflected by the model, is R19 537 000, which will be charged to the statement of comprehensive income as follows:

	R'000
2011	2 301
2012	3 085
2013	3 936
2014	3 976
2015	**3 041**
2016	1 786
2017	953
2018	393
2019	66
	19 537

13.2.4 During the year 1183 000 (2014: 1 043 000) rights were exercised at a time when the 30-day weighted average share price quoted on the JSE Limited was R13,45 (2014: R13,50).

	Group 2015 R'000	Group 2014 R'000
14. INSURANCE RECEIVABLE/(PAYABLE)		
14.1 Underwriting activities are conducted through special purpose entities on commercial terms and conditions and at market rates.		
The Group sells insurance policies to customers who enter into credit agreements in respect of vehicle purchases. The risks covered include life, disability and retrenchment during the period of the credit agreements.		
The Group also sells extended warranty cover in respect of vehicles and components thereof.		
Underwriting reserves held by the Group in respect of these risks are based on independent actuarial calculations.		
14.2 Statement of comprehensive income effect:		
– gross written premium	**60 268**	60 910
– investment income	**2 297**	1 384
– increase in assurance funds	**(7 716)**	(10 207)
– claims paid	**(13 070)**	(14 686)
– other expenses	**(23 901)**	(22 909)
– profit before taxation	**17 878**	14 492
14.3 Reflected in the statement of financial position as:		
– insurance receivable	**20 418**	18 039
– insurance payable	**(1 680)**	(2 156)
15. LEASE LIABILITIES		
At beginning of year	**99 003**	106 573
Movement during year	**(9 473)**	(7 570)
At end of year	**89 530**	99 003
Less: current portion	**(15 232)**	(8 759)
Non-current portion	**74 298**	90 244
This liability arose as a result of the implementation of the "straight-line" concept contained in IAS 17, 'Leases'.		
16. PROVISIONS		
16.1 Provision for onerous lease contracts		
At beginning of year	**–**	–
Created during year	**5 500**	–
At end of year	**5 500**	–
Less: current portion (note 18)	**(1 269)**	–
Non-current portion	**4 231**	–

		Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
17.	**ADVANCE FROM NON-CONTROLLING SHAREHOLDER OF SUBSIDIARY**				
17.1	Current portion	**255**	4 193	**–**	–
17.2	The advance is interest-free.				
17.3	The non-controlling shareholder is a related party of the Company.				
18.	**TRADE AND OTHER PAYABLES**				
18.1	Trade payables	**1 084 879**	1 123 291	**–**	–
	Accrued expenses	**193 219**	134 723	**598**	534
	Provisions (note 16)	**1 269**	–	**–**	–
		1 279 367	1 258 014	**598**	534
18.2	Trade and other payables comprise primarily trade payables in respect of the purchase of vehicles, marine craft and parts. They are payable according to terms varying between 30 and 180 days.				
18.3	All payables are interest-free except those in respect of vehicle purchases which bear interest at rates varying between 8,0% and 11,0% per annum (2014: 8,0% and 10,5%) for the period they are outstanding in excess of an initial interest-free period.				
19.	**BORROWINGS**				
19.1	**Current**				
	Car hire fleet liability	**667 561**	622 962	**–**	–

19.2 These borrowings are secured by car hire fleet vehicles classified as current assets (refer note 4.6). The underlying contracts have a maturity of less than one year and bear interest at rates varying between 7,75% and 8,25% per annum (2014: 8,0% and 11,0%), after an initial interest-free period. The carrying amounts of borrowings approximate their fair value, as the impact of discounting is not significant.

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
20. REVENUE				
20.1 Revenue is derived from the various segments of the business as follows:				
Continuing operations				
Retail motor	**10 282 716**	10 261 436	**–**	–
Car hire	**368 493**	337 439	**–**	–
Financial services	**60 268**	77 910	**–**	–
Corporate services/other	**26 385**	26 831	**17 287**	39 364
	10 737 862	10 703 616	**17 287**	39 364
Discontinued operation				
Marine and Leisure	**94 721**	127 768	**–**	–
	10 832 583	10 831 384	**17 287**	39 364
20.2 Analysis of revenue by products and services is as follows:				
Sales of goods	**9 562 536**	9 646 466	**–**	–
Services	**1 270 047**	1 184 918	**–**	–
Dividend income	**–**	–	**17 287**	39 364
	10 832 583	10 831 384	**17 287**	39 364

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
21. EXPENSES BY NATURE				
Cost of sales	**9 065 751**	9 162 323	**–**	–
Attributable to discontinued operation	**(79 150)**	(105 575)	**–**	–
Attributable to continuing operations	**8 986 601**	9 056 748	**–**	–
Selling and administration expenses				
– Employee benefit expense (note 21.1)	**681 400**	636 386	**–**	–
– Depreciation	**28 695**	27 962	**–**	–
– Auditor's remuneration (note 21.3)	**5 005**	4 784	**86**	63
– Operating lease charges				
– Properties	**207 199**	191 808	**–**	–
– Equipment	**6 737**	6 457	**–**	–
– Impairment charge for bad and doubtful debt	**5 898**	3 392	**–**	–
– Foreign exchange losses/(gains)	**492**	(526)	**–**	–
– Profit on disposal of plant and equipment	**(93)**	(115)	**–**	–
– Advertising expenses	**54 549**	55 229	**–**	–
– Other expenses	**428 698**	423 460	**155**	180
Selling and administration expenses	**1 418 580**	1 348 837	**241**	243
Attributable to discontinued operation	**(23 477)**	(19 192)	**–**	–
Attributable to continuing operations	**1 395 103**	1 329 645	**241**	243
21.1 Employee benefit expense				
Employee costs – selling and administration	**611 445**	570 388	**–**	–
– workshop labour	**72 956**	68 797	**–**	–
Pension fund contributions	**40 432**	36 525	**–**	–
Medical aid contributions	**26 482**	25 497	**–**	–
Share-based payment expense	**3 041**	3 976	**–**	–
Total employee benefit expense	**754 356**	705 183	**–**	–
Less: portion included in "Cost of sales"	**(72 956)**	(68 797)	**–**	–
Included in "Selling and administration expenses"	**681 400**	636 386	**–**	–
21.2 Key management employee benefit expense				
Short-term employee benefits	**37 343**	37 620	**–**	–
Share-based payment expense	**1 965**	2 303	**–**	–
	39 308	39 923	**–**	–
These amounts are included in "Employee benefit expense" above.				
21.3 Auditor's remuneration				
Fees for audit				
– Current year	**4 734**	4 702	**57**	63
– Prior year	**146**	–	**–**	–
Fees for other services	**125**	82	**29**	–
	5 005	4 784	**86**	63

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
22. FINANCE INCOME/FINANCE COSTS				
Interest paid by continuing operations				
– trade payables	**(54 056)**	(48 597)	**–**	–
– interest-bearing borrowings	**(49 299)**	(40 402)	**–**	–
– other	**–**	(1)	**–**	–
	(103 355)	(89 000)	**–**	–
Interest paid by discontinued operation				
– trade payables	**(244)**	(256)	**–**	–
Total interest paid	**(103 599)**	(89 256)	**–**	–
Interest received by continuing operations				
– bank	**14 522**	13 295	**9 999**	9 923
– subsidiary	**–**	–	**22 357**	40 343
– other	**299**	414	**–**	–
	14 821	13 709	**32 356**	50 266
Interest received by discontinued operation				
– other	**150**	–	**–**	–
Total interest received	**14 971**	13 709	**32 356**	50 266
Net finance cost	**(88 628)**	(75 547)	**32 356**	50 266

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
23. TAX EXPENSE				
23.1 South African normal taxation				
– current year	**80 156**	75 757	**9 016**	14 036
– prior year adjustment	**1 499**	88	**–**	–
– deferred – current year	**(4 581)**	(600)	**–**	–
	77 074	75 245	**9 016**	14 036
	%	%	**%**	%
23.2 Reconciliation of rate of taxation				
Statutory rate	**28,0**	28,0	**28,0**	28,0
Adjusted for:				
Disallowable expenditure	**4,7**	1,0	**–**	–
Exempt income and allowances	**(1,3)**	(0,6)	**(9,8)**	(12,9)
Assessed losses	**0,4**	2,7	**–**	–
Prior year adjustment	**0,6**	–	**–**	–
Effective rate	**32,4**	31,1	**18,2**	15,1

Disallowable expenditure comprises principally the goodwill impairment charge and depreciation of leasehold improvements.

	Group 2015 R'000	Group 2014 R'000

24. DISCONTINUED OPERATION

24.1 During January 2015 a decision was taken to discontinue the Group's Marine and Leisure division. The year-end investment in inventories and receivables, totalling R34 192 000, is expected to be substantially realised over the next six months.

24.2 Results of discontinued operation

The figures previously presented in respect of the Group 2014 Statement of Comprehensive Income have been restated to exclude the following results of the discontinued operation:

	Group 2015 R'000	Group 2014 R'000
Revenue	**94 721**	127 768
Cost of sales	**(79 150)**	(105 575)
Gross profit	**15 571**	22 193
Selling and administration expenses	**(23 477)**	(19 192)
Operating (loss)/profit	**(7 906)**	3 001
Finance income	**150**	–
Finance costs	**(244)**	(256)
(Loss)/profit before taxation	**(8 000)**	2 745
Tax expense	**–**	–
(Loss)/profit for the year	**(8 000)**	2 745

24.3 Cash flows arising from discontinued operation

	Group 2015 R'000	Group 2014 R'000
Operating cash flows	**11 186**	19 551
Investing cash flows	**(299)**	(52)
Financing cash flows	**(10 890)**	(19 536)
Total cash flows	**(3)**	(37)

25. EARNINGS PER SHARE

25.1 Basic earnings and headline earnings per share are based on total profit and comprehensive income, and headline earnings attributable to equity holders of the Company respectively, and are calculated using the weighted average of 93 673 498 (2014: 108 057 000) shares in issue during the year.

25.2 On the assumption that all of the share options referred to in note 13.1.2 are taken up by employees, earnings and headline earnings per share will be diluted.

The number of shares used to calculate diluted earnings and headline earnings per share is determined by adding to the weighted average number of shares in issue the number of shares that could have been purchased using the value representing the discount between the price at which the option shares were granted and the year-end value of the existing shares. No adjustment is made to total profit or headline earnings.

	Group 2015 R'000	Group 2014 R'000
25. EARNINGS PER SHARE continued		
25.2 continued		
Weighted average number of shares in issue during year ('000 shares)	**93 673**	108 057
Adjustment for option shares	**1 505**	1 335
Weighted average number of shares for dilution calculation	**95 178**	109 392
25.3 Reconciliation of headline earnings		
Profits/(losses) for the year attributable to equity holders of the company		
– from continuing operations	**160 387**	166 695
– from discontinued operation	**(8 000)**	2 745
Total profit and comprehensive income attributable to equity holders of the company	**152 387**	169 440
Non-trading items:		
– impairment of goodwill	**30 000**	–
– profit on sale of plant and equipment		
– gross	**(93)**	(115)
– impact of income tax	**26**	32
Headline earnings attributable to equity holders of the company	**182 320**	169 357
From continuing operations	**190 320**	166 612
From discontinued operation	**(8 000)**	2 745
	182 320	169 357
25.4 Total earnings per share (cents)		
Basic	**162,7**	156,8
Diluted basic	**160,1**	154,9
Headline	**194,6**	156,7
Diluted headline	**191,6**	154,8
25.5 Earnings per share from continuing operations (cents)		
Basic	**171,2**	154,3
Diluted basic	**168,5**	152,4
Headline	**203,1**	154,2
Diluted headline	**200,0**	152,3
25.6 Earnings per share from discontinued operation (cents)		
Basic	**(8,5)**	2,5
Diluted basic	**(8,4)**	2,5
Headline	**(8,5)**	2,5
Diluted headline	**(8,4)**	2,5

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
26. CASH GENERATED FROM OPERATIONS				
Operating profit				
– from continuing operations	**326 158**	317 223	**17 046**	42 530
– from discontinued operation	**(7 906)**	3 001	**–**	–
	318 252	320 224	**17 046**	42 530
Adjustments for non-cash items:				
Dividend accrued	**–**	–	**(17 287)**	(19 364)
Movement in lease liabilities	**(9 473)**	(7 570)	**–**	–
Movement in share-based payment reserve	**3 041**	3 976	**–**	–
Depreciation	**109 390**	107 545	**–**	–
Movement in provisions	**5 500**	–	**–**	–
Profit on sale of plant and equipment	**(93)**	(115)	**–**	–
Fair value discount reversed	**–**	–	**–**	(3 409)
Impairment of goodwill	**30 000**	–	**–**	–
Sale of car hire fleet vehicles	**324 772**	294 102	**–**	–
Purchase of car hire fleet vehicles	**(443 107)**	(427 013)	**–**	–
	338 282	291 149	**(241)**	19 757
Working capital changes:				
Inventories	**39 370**	(29 609)	**–**	–
Trade and other receivables	**(2 462)**	176	**–**	–
Trade and other payables	**20 084**	129 817	**64**	55
Borrowings	**44 599**	59 846	**–**	–
	101 591	160 230	**64**	55
Cash generated from operations	**439 873**	451 379	**(177)**	19 812
27. TAXATION PAID				
Taxation paid is reconciled to the amounts disclosed in the statements of comprehensive income as follows:				
Amounts unpaid at beginning of year	**(22 056)**	(2 266)	**(1 245)**	(296)
Amounts charged to the statements of comprehensive income	**(81 655)**	(75 845)	**(9 016)**	(14 036)
Amounts unpaid at end of year	**10 068**	22 056	**1 797**	1 245
	(93 643)	(56 055)	**(8 464)**	(13 087)
28. DIVIDENDS PAID				
Ordinary dividends				
Dividend number 53: 32,5 cents per share	**(30 444)**	–	**(30 444)**	–
Dividend number 52: 50 cents per share	**(46 837)**	–	**(46 837)**	–
Dividend number 51: 28 cents per share	**–**	(30 541)	**–**	(30 541)
Dividend number 50: 50 cents per share	**–**	(54 485)	**–**	(54 485)
	(77 281)	(85 026)	**(77 281)**	(85 026)

	Group 2015 R'000	Group 2014 R'000	Company 2015 R'000	Company 2014 R'000
29. RELATED PARTY TRANSACTIONS				
29.1 During the year a number of subsidiary companies occupied properties which are owned directly or indirectly by various directors of the Company.				
Rentals paid during the year amounted to	**70 620**	67 289	**–**	–
The uninvolved directors are of the opinion that the terms and conditions of the rental agreements approximate those available in the open market.				
29.2 Other transactions conducted and balances with related companies were as follows:				
Dividends received				
– Main Street 445 Proprietary Limited (note 6)	**–**	–	**(17 287)**	(19 364)
– inter-group	**–**	–	**–**	(20 000)
Interest received				
– inter-group	**–**	–	**(22 357)**	(40 343)
Year-end balances				
– advance to subsidiary	**–**	–	**137 570**	256 092
– investment in Main Street 445 Proprietary Limited	**–**	–	**159 673**	187 386
– advance from Thebe Investment Corporation Limited	**–**	3 938	**–**	–
– advance from Chez Investments Proprietary Limited	**255**	255	**–**	–
Thebe Investment Corporation Limited and Chez Investments Proprietary Limited are non-controlling shareholders of Group companies.				
30. COMMITMENTS				
Operating lease commitments				
The future minimum lease payments under non-cancellable operating leases are as follows:				
Next 12 months	**187 286**	191 673	**–**	–
Years 2 to 5	**372 469**	416 745	**–**	–
Years 6+	**54 157**	86 585	**–**	–
	613 912	695 003	**–**	–
Less: accrued in statement of financial position	**(89 530)**	(99 003)	**–**	–
Future expense	**524 382**	596 000	**–**	–

31. EMPLOYEE BENEFIT INFORMATION

31.1 Membership of motor-related union pension funds is compulsory for certain artisans and other employees, whilst membership of the Group pension fund, Combined Motor Holdings Pension Fund, is available for all other classes of employees commencing employment before the age of 55 years.

31.2 During the year under review the Combined Motor Holdings Pension Fund operated as a defined contribution plan governed by the Pension Funds Act.

31.3 The Group pays a fixed monthly contribution to these separate legal entities and has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to their employment service.

31.4 The Group pays a fixed monthly contribution to various independent medical schemes. It has no post-retirement obligations to employees.

32. SUBSEQUENT EVENTS

32.1 DIvidend declaration

A dividend (dividend number 54) of 65 cents per share will be paid on Monday, 15 June 2015 to members reflected in the share register of the Company at the close of business on the record date, Friday, 12 June 2015. Last day to trade cum dividend is Friday, 5 June 2015. First day to trade ex dividend is Monday, 8 June 2015. Share certificates may not be dematerialised or rematerialised from Monday, 8 June 2015 to Friday, 12 June 2015, 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 R60 888 000 and will be distributed from income reserves. The dividend will be subject to dividend withholding tax at a rate of 15%, which will result in a net dividend of 55,25 cents to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.

32.2 Repurchase of shares

The directors have proposed the repurchase of 21 133 000 ordinary shares of no par value in the Company at a price of R11,83 each. The Company will make an offer to all shareholders to voluntarily submit for repurchase all or a portion of their shareholding, or no shares. In the event that in excess of 21 133 000 shares are submitted for repurchase, then each shareholder who submits shares for repurchase will be paid *pro rata* to the number of shares submitted. If submissions total fewer than 21 133 000, then shareholders who have submitted shares for repurchase will be paid in full, and no further shares will be repurchased. The repurchase, to a maximum value of R250 003 000, will be effected using the Group's existing cash resources.

Details of the repurchase proposal will be announced, and a circular describing the details of the proposal will be sent to shareholders, in due course.

33. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

A number of new standards, and amendments to existing standards and interpretations have been published that are mandatory for the Group's future accounting periods, but that the Group has not early adopted. None of these is expected to have an impact on the consolidated financial statements of the Group in future periods, except for the following:

IAS 1 Presentation of Financial Statements (Amendment) (effective for periods beginning on or after 1 January 2016)

IFRS 2 Share-based Payments (Amendment) (effective for periods beginning on or after 1 July 2014)

IFRS 9 Financial Instruments (Revised) (effective for periods beginning on or after 1 January 2015)

IFRS 8 Operating Segments (Amendment) (effective for periods beginning on or after 1 July 2014)

IFRS 15 Revenue from Contracts with Customers (effective for periods beginning on or after 1 January 2017)

Management is currently assessing the impact of the above on the results and disclosures of the Group and intends to adopt the standards at their respective effective dates.

HISTORICAL FINANCIAL INFORMATION

Extracts from the audited financial statements of CMH, for the year ended 28 February 2013 are set out below:

STATEMENTS OF FINANCIAL POSITION
at 28 February 2013

	Notes	**Group 2013 R'000**	Group 2012 R'000	**Company 2013 R'000**	Company 2012 R'000
ASSETS					
Non-current assets					
Plant and equipment	4	**68 803**	58 537	**–**	–
Goodwill	5	**74 972**	89 972	**–**	–
Investments	6	**233 613**	204 500	**233 613**	204 500
Deferred taxation	7	**45 707**	49 964	**–**	–
Investment in subsidiary	8	**–**	–	**297 566**	449 857
		423 095	402 973	**531 179**	654 357
Current assets					
Investments	6	**1 000**	3 000	**1 000**	3 000
Car hire fleet vehicles	4	**520 162**	467 376	**–**	–
Inventory	9	**1 184 968**	1 001 472	**–**	–
Trade and other receivables	10	**264 113**	212 868	**–**	–
Tax paid in advance		**–**	42	**–**	–
Cash and cash equivalents	11	**340 659**	395 408	**292 257**	148 677
		2 310 902	2 080 166	**293 257**	151 677
Total assets		**2 733 997**	2 483 139	**824 436**	806 034
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	**29 500**	25 438	**29 500**	25 438
Share-based payment reserve	13	**13 024**	10 006	**3 702**	4 620
Non-distributable reserve		**–**	5 896	**–**	5 896
Retained earnings		**756 296**	630 203	**790 459**	766 631
Ordinary shareholders' equity		**798 820**	671 543	**823 661**	802 585
Non-controlling interest	14	**(7 982)**	(5 301)	**–**	–
Total equity		**790 838**	666 242	**823 661**	802 585
Non-current liabilities					
Non-controlling shareholders of subsidiaries	14	**128 384**	135 489	**–**	–
Assurance funds	15	**7 548**	7 731	**–**	–
Lease liabilities	16	**97 481**	104 528	**–**	–
		233 413	247 748	**–**	–
Current liabilities					
Non-controlling shareholders of subsidiaries	14	**7 255**	4 850	**–**	–
Derivative financial liabilities		**–**	1 778	**–**	–
Trade and other payables	17	**1 690 765**	1 546 201	**479**	460
Lease liabilities	16	**9 092**	6 639	**–**	–
Current tax liabilities		**2 634**	9 681	**296**	2 989
		1 709 746	1 569 149	**775**	3 449
Total liabilities		**1 943 159**	1 816 897	**775**	3 449
Total equity and liabilities		**2 733 997**	2 483 139	**824 436**	806 034

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 28 February 2013

	Notes	**Group 2013 R'000**	Group 2012 R'000	**Company 2013 R'000**	Company 2012 R'000
Revenue	18	**8 971 811**	8 293 728	**44 113**	18 601
Cost of sales	19	**(7 408 617)**	(6 922 488)	**–**	–
Gross profit		**1 563 194**	1 371 240	**44 113**	18 601
Other income	20	**3 000**	3 000	**3 000**	3 000
Impairment of goodwill	5	**(15 000)**	–	**–**	–
Selling and administration expenses	19	**(1 257 460)**	(1 157 116)	**(223)**	(213)
Operating profit		**293 734**	217 124	**46 890**	21 388
Finance income	21	**12 535**	14 927	**51 680**	53 900
Finance costs	21	**(36 662)**	(34 037)	**–**	(10)
Profit before taxation		**269 607**	198 014	**98 570**	75 278
Tax expense	22	**(65 680)**	(53 868)	**(14 436)**	(19 681)
Total profit and comprehensive income		**203 927**	144 146	**84 134**	55 597
Attributable to:					
Equity holders of the Company		**186 399**	131 297	**84 134**	55 597
Non-controlling interest		**17 528**	12 849	**–**	–
		203 927	144 146	**84 134**	55 597
EARNINGS PER SHARE (cents)					
Basic	23	**171,7**	121,4		
Diluted basic	23	**169,3**	121,0		

STATEMENTS OF CHANGES IN EQUITY
for the year ended 28 February 2013

	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
GROUP							
Balance at 28 February 2011	25 013	5 896	7 039	550 624	588 572	(2 563)	586 009
Issue of shares	307				307		307
Total profit and comprehensive income				131 297	131 297	12 849	144 146
Transfer to share capital	118		(118)				
Share-based payment reserve			3 085		3 085		3 085
Dividends paid				(46 513)	(46 513)	(15 123)	(61 636)
Purchase of non-controlling shareholders' interest in subsidiaries				(5 205)	(5 205)	(464)	(5 669)
Balance at 29 February 2012	25 438	5 896	10 006	630 203	671 543	(5 301)	666 242
Issue of shares	3 144				3 144		3 144
Total profit and comprehensive income				186 399	186 399	17 528	203 927
Transfer to share capital	918		(918)				
Share-based payment reserve			3 936		3 936		3 936
Dividends paid				(66 202)	(66 202)	(20 209)	(86 411)
Non-distributable reserve transferred to retained earnings		(5 896)		5 896			
Balance at 28 February 2013	**29 500**	**–**	**13 024**	**756 296**	**798 820**	**(7 982)**	**790 838**
COMPANY							
Balance at 28 February 2011	25 013	5 896	4 738	757 547	793 194		
Issue of shares	307				307		
Transfer to share capital	118		(118)				
Total profit and comprehensive income				55 597	55 597		
Dividends paid				(46 513)	(46 513)		
Balance at 29 February 2012	25 438	5 896	4 620	766 631	802 585		
Issue of shares	3 144				3 144		
Transfer to share capital	918		(918)				
Non-distributable reserve transferred to retained earnings		(5 896)		5 896			
Total profit and comprehensive income				84 134	84 134		
Dividends paid				(66 202)	(66 202)		
Balance at 28 February 2013	**29 500**	**–**	**3 702**	**790 459**	**823 661**		

STATEMENTS OF CASH FLOWS
for the year ended 28 February 2013

	Notes	Group 2013 R'000	Restated Group 2012 R'000	Company 2013 R'000	Restated Company 2012 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**8 947 132**	8 308 882	**44 113**	1 372
Cash paid to suppliers and employees		**(8 805 361)**	(8 037 774)	**(44 317)**	(172)
Cash generated from operations	24	**141 771**	271 108	**(204)**	1 200
Finance income	21	**12 535**	14 927	**51 680**	53 900
Finance costs	21	**(36 662)**	(34 037)	**–**	(10)
Dividends paid	25	**(66 202)**	(46 513)	**(66 202)**	(46 513)
Taxation paid	26	**(68 428)**	(40 865)	**(17 129)**	(18 739)
Net cash movement from operating activities		**(16 986)**	164 620	**(31 855)**	(10 162)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current plant and equipment		**(37 077)**	(26 410)	**–**	–
Proceeds on disposal of non-current plant and equipment		**1 079**	1 904	**–**	–
Investments		**20 000**	–	**20 000**	–
Purchase of non-controlling shareholders' interest in subsidiaries		**–**	(5 669)	**–**	–
Repayment by subsidiary		**–**	–	**152 291**	33 906
Net cash movement from investing activities		**(15 998)**	(30 175)	**172 291**	33 906
CASH FLOWS FROM FINANCING ACTIVITIES					
Non-controlling shareholders of subsidiaries	27	**(24 909)**	(50 946)	**–**	–
Proceeds of issue of shares		**3 144**	307	**3 144**	307
Interest-bearing loans		**–**	(986)	**–**	–
Net cash movement from financing activities		**(21 765)**	(51 625)	**3 144**	307
Net movement in cash and cash equivalents		**(54 749)**	82 820	**143 580**	24 051
Cash and cash equivalents at beginning of year		**395 408**	312 588	**148 677**	124 626
Cash and cash equivalents at end of year	11	**340 659**	395 408	**292 257**	148 677

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The annual financial statements and consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Pronouncements, as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act, 2008 (the "Act"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The policies set out below have been consistently applied to all the years presented unless otherwise stated.

Standards, amendments and interpretations effective in 2013 or early adopted by the Group

There are no standards, amendments or interpretations that became effective in 2013 and that are relevant to the Group. No standards, amendments and interpretations not yet effective have been early adopted by the Group.

1.2 Basis of consolidation

Investment in subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one-half of the voting rights or has the power to govern the financial and operating policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in subsidiaries

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss.

1.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in South African Rands, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the period in which they arise.

1.4 Plant and equipment

Plant and equipment is recorded at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Depreciation is provided using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Plant and machinery	4 to 5 years
Furniture and office equipment	3 to 10 years
Car hire fleet and other motor vehicles	4 to 5 years
Leasehold improvements	the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised in the statement of comprehensive income within "selling and administration expenses".

Where it is the Group's intention to dispose of items of plant and equipment within 12 months after the year-end date, such items are disclosed as current assets.

1.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets in the business combination at the date of acquisition. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill arising on business combinations is initially reflected at its original cost. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.6 Classification of financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its assets at initial recognition. Financial assets are initially measured at fair value plus transaction costs. Thereafter, they are measured at amortised cost using the effective-interest-rate method, less impairment losses, which are recognised in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses at each financial year-end whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the statement of comprehensive income in the period in which they occur.

1.7 Investments

Investments are recognised initially at fair value and subsequently measured at amortised cost, using the effective-interest-rate method, less provision for impairment. Investments are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of investments.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses".

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income. The tax expense is calculated on the basis of the tax laws enacted or substantially enacted at the year-end.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates and laws that have been enacted or substantially enacted by the year-end and are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred tax assets relating to income and dividend taxes are recognised to the extent that it is probable that future taxable profit or dividends paid will be available against which the temporary differences can be utilised.

1.9 Inventory

Inventories are stated at the lower of cost and net realisable value, due recognition having been made for obsolescence and redundancy. Net realisable value is determined as set out in note 3.3. Cost includes all costs incurred that are necessary to bring the goods to saleable condition and location, and is determined on the following basis:

New vehicles	actual cost
New marine craft	actual cost
Used and demonstration vehicles	actual cost
Used and demonstration marine craft	actual cost
Parts and accessories	weighted average cost
Petrol, oils and other inventory	actual cost

Vehicles and parts purchased, which are paid for within the short time periods provided for in the manufacturers' standard franchise agreements, are recognised as inventory when received. This policy is applied despite the fact that certain agreements provide that ownership will remain vested in the manufacturer until the purchase price has been paid in full.

1.10 **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective-interest-rate method, less provision for impairment. Trade receivables are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses".

1.11 **Cash and cash equivalents**

Cash and cash equivalents comprise deposits held at call with banks, net of bank overdrafts, and balances held by insurance underwriters. These are reflected in the statement of financial position and statement of cash flows at cost. Bank overdrafts are reflected under current liabilities except where they are held at the same bank and branch as favourable balances and there is a legal right of set-off.

1.12 **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.13 **Financial liabilities**

The Group has the following financial liabilities:

Trade and other payables: These are initially measured at fair value less transaction costs and subsequently stated at amortised cost. Short-term payables are measured at original invoice amount which approximates fair value.

Borrowings: These are measured initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost, using the effective-interest-rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised as finance cost/income in the statement of comprehensive income over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the year-end.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expires.

1.14 **Derivative financial instruments**

Derivatives held comprise forward exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequently, the derivatives are carried at fair value through profit or loss. Gains or losses arising from a change in the fair value of the derivatives are included in the statement of comprehensive income within "selling and administration expenses" in the period in which they arise. The fair value of these contracts is determined using quoted forward exchange rates at the year-end date.

1.15 **Employee benefits**

Pension

The Group provides retirement benefits for its employees through a number of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their employment service.

Payments to the retirement contribution plans are charged to the statement of comprehensive income as incurred.

Health care

The Group provides health care benefits for its employees through contributions to various independent medical aid schemes. Payments to the medical aid schemes are charged to the statement of comprehensive income as incurred. The Group has no post-retirement obligations to employees.

Remuneration

The cost of all short-term employee remuneration is recognised during the period in which the employee renders the related service. An accrual is made for employee entitlement to salary, bonuses, profit share and leave pay based on contractual obligations at current rates of remuneration.

Equity compensation plans

The Group enters into share-based payment transactions in terms of the employee share option and share appreciation rights schemes. Costs incurred in administering the schemes are expensed as incurred. The charge to profit or loss required by IFRS 2: *Share-based Payment* is accounted for on the basis that the instruments are equity settled. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options/rights determined at the grant date using the Black-Scholes valuation model. Non-market vesting conditions are included in assumptions about the number of options/rights that are expected to become exercisable or the number of options/rights that the employee will ultimately receive. The amount determined is charged or credited to the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received on exercise of the options/rights, net of any directly attributable transaction costs, are credited to equity.

1.16 Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be established.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.17 Revenue recognition

Group revenue comprises revenue from trading activities after deducting value-added tax, and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and, in respect of the sale of vehicles, marine craft, parts and accessories, the risks and rewards of ownership have been transferred to the customer. The retail motor division eliminates revenue arising from the sale of pre-owned vehicles to the wholesale motor trade. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

Interest-income is recognised as it accrues, taking into account the effective yield on the asset. Dividends are recognised when the right to receive payment is established.

1.18 Dividends paid

Dividends paid are recorded in the financial statements during the period in which they are approved by the Board of directors.

1.19 **Segment reporting**

Operating segments are reported in a manner consistent with that used for internal reporting provided to the chief executive officer and executive committee. The chief executive officer and executive committee, responsible for allocating resources and assessing performance of the operating segments, have been identified as the body that makes strategic decisions.

The various segments of the Group are each subject to risks and returns that are different from other business segments. The principal business segments identified within the Group are retail motor, car hire, marine and leisure, and financial services. The corporate services segment provides management support and expertise for the business segments.

Segment assets, liabilities, revenue and expenditure are those directly attributable to the segment. Transfers between segments are accounted for at competitive market prices and are eliminated on consolidation.

1.20 **Assurance activities**

Underwriting results are determined on an annual basis in accordance with generally accepted practice for short-term insurers. The principle applied is that the costs of incurred claims, commission and related expenditure are applied against the earned proportion of premiums received, as follows:

- claims incurred comprise claims and related expenditure paid in the year and changes in the provision for outstanding claims incurred but not reported, and are expensed in the year during which they are incurred; and
- commission paid is expensed in the year during which it is incurred.

Premiums written relate to business written during the year, together with premiums written in prior years and not yet taken to income.

Unearned premiums represent that portion of the premiums that relates to unexpired terms of the insurance policy, calculated on a time-proportionate basis.

1.21 **Operating leases**

Operating leases are those where substantially all the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Penalties payable on cancellation of leases are charged to the statement of comprehensive income in the period in which the penalties become payable.

1.22 **Finance leases**

The Group leases certain car hire and demonstration vehicles. Leases of vehicles where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised when the lease commences, at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in "trade and other payables". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The vehicles acquired under finance leases are depreciated to their estimated residual value over the lease term.

2. **FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the chief executive officer and financial director under policies approved by the Board of directors. They identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments, and the investment of excess liquidity.

2.1 **Interest rate risk**

Interest rate exposures are reviewed regularly. The Group is exposed to interest rate risk on its investments and borrowing facilities, all of which are linked to the prime overdraft rate.

Had interest rates for the year been 0,5 percentage point higher or lower and been applied to the interest-bearing debt and investments at year-end, the profit before taxation for the year would have been lower or higher by R2 062 000 (2012: R1 522 000) on the assumption that all other factors remained constant.

2.2 **Foreign currency risk**

The Group has no significant foreign currency risk. Certain balances arising on material transactions denominated in foreign currencies are economically hedged through the use of forward exchange contracts. At 28 February 2013, the Group had accounts receivable to the value of US$1 544 764 denominated in foreign currency (2012: nil), and had trade payables to the value of €60 349 (2012: nil) and US$406 238 (2012: US$3 628 374). No portion of this (2012: US$2 800 700) was hedged through the use of forward exchange contracts. These trade payables will be settled within the next 12 months. Had the South African Rand been 5% weaker or stronger against the US Dollar and the Euro at year-end, the profit before taxation for the year would have been lower or higher by R481 000 (2012: R307 000).

2.3 **Credit risk**

The Group's credit risk lies principally in its trade receivables. These comprise a number of major banks which finance vehicle sales, together with a large, wide-spread customer base. Regular credit assessments of customers are conducted. All amounts receivable are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after sale. There are no significant concentrations of credit risk.

Cash and cash equivalents are placed only with major financial institutions with secure credit ratings.

2.4 **Equity price risk**

The Group has no direct exposure to any equity price risk.

2.5 **Liquidity risk**

The Group manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. At year-end the Group's position was as follows:

	2013 **R'000**	2012 R'000
Cash resources, excluding those held by insurance underwriters	**334 931**	385 994

In terms of its memorandum of incorporation the Company has unlimited borrowing powers.

The expected maturity of all significant financial liabilities is disclosed in the relevant notes to the financial statements.

2.6 **Capital risk**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates will, by definition, rarely equal the actual results achieved. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.2 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use projections based on financial budgets approved by management.

The value-in-use calculation uses estimates and assumptions made by management. Management determines budgeted operating profit based on past performance and future expectations. The weighted average growth rates are consistent with the forecasts used in industry reports. The discount rates used reflect specific risks relating to the relevant cash-generating units.

3.3 Determination of net realisable value of inventory

Net realisable value is the estimate of the selling price of inventory in the ordinary course of business, less applicable variable selling expenses. Management is required to exercise judgement in the determination of this estimate, specifically relating to the forecasting of demand and inventory pricing (refer to note 1.9).

3.4 Consolidation of investment

The Group has applied SIC 12: *Consolidation – Special Purpose Entities* in determining whether to consolidate its investment in Main Street 445 (Proprietary) Limited ("Main Street"). The Group has not consolidated this investment on the basis that it has determined that the Group does not have rights to obtain the majority of the residual benefits of Main Street, nor does it retain the majority of the residual or ownership risks related to the Company in order to obtain benefits from its activities.

4. **PLANT AND EQUIPMENT**

4.1 Details of plant and equipment

	Total R'000	Leasehold improvements R'000	Plant and machinery R'000	Furniture and office equipment R'000	Car hire fleet and other motor vehicles R'000
GROUP					
At 28 February 2013					
Cost	**801 161**	**46 785**	**52 462**	**92 065**	**609 849**
Accumulated depreciation	**(212 196)**	**(20 109)**	**(37 764)**	**(68 468)**	**(85 855)**
Net book value	**588 965**	**26 676**	**14 698**	**23 597**	**523 994**
Less: Vehicles transferred to current assets	**(520 162)**	**–**	**–**	**–**	**(520 162)**
Non-current portion	**68 803**	**26 676**	**14 698**	**23 597**	**3 832**
At 29 February 2012					
Cost	710 163	31 600	47 711	85 558	545 294
Accumulated depreciation	(184 250)	(15 540)	(31 617)	(62 057)	(75 036)
Net book value	525 913	16 060	16 094	23 501	470 258
Less: Vehicles transferred to current assets	(467 376)	–	–	–	(467 376)
Non-current portion	58 537	16 060	16 094	23 501	2 882
COMPANY: Nil					

4.2 **Reconciliation of movement**

GROUP

Net book value 28 February 2011					
– non-current	58 565	14 501	15 920	24 097	4 047
– current	415 636	–	–	–	415 636
Additions	422 937	6 655	7 816	10 968	397 498
Disposals	(279 609)	–	(468)	(688)	(278 453)
Depreciation charge	(91 616)	(5 096)	(7 174)	(10 876)	(68 470)
Net book value 29 February 2012					
– non-current	58 537	16 060	16 094	23 501	2 882
– current	467 376	–	–	–	467 376
Additions	430 723	17 422	5 738	10 605	396 958
Disposals	(269 047)	(320)	(359)	(392)	(267 976)
Depreciation charge	(98 624)	(6 486)	(6 775)	(10 117)	(75 246)
Net book value 28 February 2013					
– non-current	**68 803**	**26 676**	**14 698**	**23 597**	**3 832**
– current	**520 162**	**–**	**–**	**–**	**520 162**

4.3 The insurance replacement value of plant and equipment excluding motor vehicles is R165 000 000 (2012: R145 985 000).

4.4 R25 000 000 (2012: R35 000 000) has been budgeted and authorised for capital expenditure in respect of leasehold improvements and the replacement of plant and equipment excluding car hire fleet vehicles. No portion of this was committed at year-end. This amount will be financed from existing cash resources.

		Group 2013 R'000	Group 2012 R'000
4.5	Depreciation is recognised in the statement of comprehensive income as follows:		
	– Cost of sales	**73 207**	66 360
	– Selling and administration expenses	**25 417**	25 256
		98 624	91 616
4.6	Car hire fleet vehicles aggregating R520 162 000 (2012: R467 376 000) have been pledged as security for trade and other payables aggregating R563 116 000 (2012: R525 769 000).		

5. **GOODWILL**

		Group 2013 R'000	Group 2012 R'000
5.1	Cost	**155 473**	155 473
	Accumulated impairment	**(80 501)**	(65 501)
	Net book value at end of year	**74 972**	89 972
5.2	Net book value at beginning of year	**89 972**	89 972
	Amounts impaired during year	**(15 000)**	–
	Net book value at end of year	**74 972**	89 972

5.3 Goodwill acquired through business combinations has been attributed to individual cash-generating units ("CGUs").

The carrying value of goodwill is subject to annual impairment testing using the value-in-use method. Detailed operating budgets for the 2014 year formed the basis of projected cash flows. In respect of the CGUs with attributable goodwill, the budgets contained average sales volume growth of 4% (2012: 4%). In respect of the forecast years two to five, growth of between 4% and 5% (2012: 4% and 5%) per annum was predicted, and a discount rate of between 13% and 14% (2012: 13% and 14%) applied. On this basis, the value-in-use calculations indicated that goodwill relating to certain CGUs exceeded the calculated value and an impairment charge of R15 000 000 was processed during the year under review.

5.4 The cash flows for the remainder of the CGUs were stress-tested by adversely amending the parameters listed above. Neither parameter change had an impact on the outcomes.

5.5 Amounts impaired are shown separately on the face of the statement of comprehensive income.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
6. INVESTMENTS				
6.1 Main Street 445 (Pty) Limited				
Cost at acquisition	**124 387**	124 387	**124 387**	124 387
Discount on initial recognition	**(21 409)**	(21 409)	**(21 409)**	(21 409)
Reversal recognised				
– Prior years	**15 000**	12 000	**15 000**	12 000
– Current year	**3 000**	3 000	**3 000**	3 000
	(3 409)	(6 409)	**(3 409)**	(6 409)
Dividends accrued	**113 635**	89 522	**113 635**	89 522
Amortised cost at end of year	**234 613**	207 500	**234 613**	207 500
Less: current portion	**(1 000)**	(3 000)	**(1 000)**	(3 000)
Non-current portion	**233 613**	204 500	**233 613**	204 500

6.2 The investment in Main Street 445 (Pty) Limited ("Main Street") comprises 124 387 "C" redeemable cumulative preference shares of R0,00001 each issued at a premium of R999,99999 each. The preference shares accrue a semi-annual dividend providing a dividend yield to the holder on the unredeemed capital and accrued dividends equivalent to the prime overdraft rate (2012: 85% of the prime overdraft rate). Main Street is a wholly-owned subsidiary of Thebe Investment Corporation ("TIC"). This investment was made in support of the BEE transaction concluded with TIC in October 2006.

6.3 With effect from 1 April 2012, secondary taxation on companies was abolished, and dividend withholding tax introduced. This change constitutes a "variation event" in terms of the preference share subscription agreement. To compensate CMH shareholders for the new tax, the dividend yield on the preference shares has increased from 85% to 100% of the prime overdraft rate, effective on all dividends received after 1 April 2012. In respect of dividends accrued but not yet received at 1 April 2012, the effect is that the amount accrued has been increased by R21 225 000. This one-off amount has been credited to revenue in the statements of comprehensive income during the year under review.

6.4 A discount of R21 409 000 was applied when the investment was initially recognised at fair value on acquisition date. This discount is reversed through the statements of comprehensive income over the initially estimated period of settlement of the investment.

	Group 2013 R'000	Group 2012 R'000
7. DEFERRED TAXATION		
7.1 Balance at beginning of year	**49 964**	55 287
Movements during year:		
Prior year adjustments	**–**	(84)
Temporary differences		
– income taxation	**(4 257)**	(4 372)
– secondary taxation on companies	**–**	(867)
Balance at end of year	**45 707**	49 964
7.2 Balance at end of year comprises:		
Impairment of receivables	**1 962**	1 657
Lease liabilities	**29 133**	30 303
Taxation allowances	**(7 828)**	(5 244)
Accruals and provisions	**12 517**	9 915
Assessed losses	**606**	6 953
Receipts in advance	**6 717**	4 872
Share-based payment reserve	**2 610**	1 508
Prepayments	**(10)**	–
	45 707	49 964

7.3 The movement on the deferred taxation account was as follows:

	Closing balance 28 February 2013 R'000	**Statement of comprehensive income movement 2013 R'000**	**Closing balance 29 February 2012 R'000**	**Statement of comprehensive income movement 2012 R'000**	**Closing balance 28 February 2011 R'000**
Impairment of receivables	**1 962**	**305**	1 657	(763)	2 420
Lease liabilities	**29 133**	**(1 170)**	30 303	354	29 949
Taxation allowances	**(7 828)**	**(2 584)**	(5 244)	394	(5 638)
Accruals and provisions	**12 517**	**2 602**	9 915	1 846	8 069
Secondary taxation	**–**	**–**	–	(867)	867
Assessed losses	**606**	**(6 347)**	6 953	(6 568)	13 521
Receipts in advance	**6 717**	**1 845**	4 872	(597)	5 469
Share-based payment reserve	**2 610**	**1 102**	1 508	864	644
Prepayments	**(10)**	**(10)**	–	14	(14)
Total	**45 707**	**(4 257)**	**49 964**	**(5 323)**	**55 287**

7.4 At 28 February 2013, certain subsidiaries had assessable losses aggregating R29 992 000 (2012: R30 188 000) against which no deferred taxation asset has been raised as the future generation of taxable income by those companies is not assured beyond reasonable doubt.

		Company 2013 R'000	Company 2012 R'000
8.	**INVESTMENT IN SUBSIDIARY**		
8.1	Shares at cost less amounts impaired	**1**	1
	Amount owing by subsidiary	**297 565**	449 856
		297 566	449 857

8.2 Financial information in respect of Group subsidiaries is stated on page.

8.3 The amount owing by subsidiary is unsecured, earns interest at 2% above the prime overdraft rate and has no fixed repayment terms.

8.4 Costs of impairment of investments in subsidiaries are charged to the statement of comprehensive income under the heading "selling and administration expenses".

8.5 Directors' valuation of investment in subsidiaries – R921 271 000 (2012: R729 256 000).

		Group 2013 R'000	Group 2012 R'000
9.	**INVENTORY**		
9.1	Inventory has been valued as stated in note 1.9 and comprises:		
	– new vehicles	**606 958**	506 908
	– new marine craft	**44 652**	31 667
	– used and demonstration vehicles	**469 701**	406 998
	– used and demonstration marine craft	**3 460**	5 040
	– parts and accessories	**49 984**	43 163
	– petrol, oils and other inventory	**10 213**	7 696
		1 184 968	1 001 472

9.2 Inventory of new and demonstration vehicles aggregating R742 399 000 (2012: R594 518 000) forms security for trade payables aggregating R838 700 000 (2012: R749 253 000).

9.3 The cost of inventory sold during the year is recognised as an expense and charged to "cost of sales" in the statement of comprehensive income.

9.4 Certain demonstration vehicles are subject to finance leases. These leases all mature within 12 months. Because of the nature of the business and the short period of the leases, the leased vehicles are reflected as inventory and the corresponding liability is included in trade payables.

		Group 2013 R'000	Group 2012 R'000
10.	**TRADE AND OTHER RECEIVABLES**		
10.1	Trade receivables	**201 615**	176 936
	Less: Impairment	**(7 008)**	(6 680)
		194 607	170 256
	Other receivables	**69 506**	42 612
		264 113	212 868

10.2 Trade receivables are primarily in respect of vehicle, marine craft, car hire, parts and workshop sales. These amounts are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after year-end. No interest is charged on these accounts and there are no significant concentrations of credit risk.

10.3 Other receivables comprise primarily incentive and warranty claims payable by motor manufacturers, deposits and payments in advance.

10.4 The carrying value of trade and other receivables approximates their fair value.

		Group 2013 R'000	Group 2012 R'000
10.5	Trade receivables can be analysed as follows:		
	0 to 30 days, neither overdue nor impaired	**146 840**	138 731
	31 to 60 days, overdue less than 61 days and impaired	**33 634**	23 010
	Impairment	**(219)**	(403)
		33 415	22 607
	61+ days, overdue more than 60 days and impaired	**21 141**	15 195
	Impairment	**(6 789)**	(6 277)
		14 352	8 918
	Total	**201 615**	176 936
	Impairment	**(7 008)**	(6 680)
		194 607	170 256
10.6	The movement in the allowance for impairment is as follows:		
	At beginning of year	**6 680**	10 006
	Written off during year	**(4 484)**	(3 632)
	Increase in impairment	**4 812**	306
	At end of year	**7 008**	6 680

10.7 The net movement in the allowance for impairment and the charge for bad and doubtful debts for the year has been included under "selling and administration expenses" in the statement of comprehensive income.

		Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
11.	**CASH AND CASH EQUIVALENTS**				
	Bank balances, net of overdrafts	**334 931**	385 994	**292 257**	148 677
	Held by insurance underwriters	**5 728**	9 414	**–**	–
		340 659	395 408	**292 257**	148 677

The effective interest rate earned on bank balances was 4% (2012: 4%).

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
12. SHARE CAPITAL				
12.1 Preference share capital				
Authorised				
1 032 400 7,5% "C" redeemable cumulative preference shares of R1 each				
Issued				
Nil shares				
12.2 Ordinary share capital				
Authorised				
143 590 560 ordinary shares of no par value				
Issued				
At beginning of year – 108 198 573 shares	**25 438**	25 013	**25 438**	25 013
During year – 626 000 (2012: 60 000) shares	**3 144**	307	**3 144**	307
Transfer from share-based payment reserve	**918**	118	**918**	118
At end of year – 108 824 573 shares	**29 500**	25 438	**29 500**	25 438
12.3 During 2001 shareholders approved the introduction of an employee share incentive scheme. In terms of the scheme 20% of the Company's issued shares, less those shares that are subject to the terms and conditions of the Combined Motor Holdings Limited Share Trust, were made available to issue to employees as option shares. Share options which have been granted to date, and which have now fully vested, net of options which have matured and been exercised, are as follows ('000 shares):				
– October 2002 at R2,06 per share	**–**	20	**–**	20
– October 2004 at R5,12 per share	**2 510**	3 116	**2 510**	3 116
	2 510	3 136	**2 510**	3 136
12.4 Details of the share options are ('000 shares):				
Granted at beginning of year	**3 136**	3 196	**3 136**	3 216
Taken up during year	**(626)**	(60)	**(626)**	(80)
Granted at end of year	**2 510**	3 136	**2 510**	3 136

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
13. SHARE-BASED PAYMENT RESERVE				
Share option scheme 2001	**3 702**	4 620	**3 702**	4 620
Share appreciation rights scheme 2010	**9 322**	5 386	**–**	–
	13 024	10 006	**3 702**	4 620

13.1 **Share option scheme 2001**

13.1.1 During October 2004, the Group granted 12 employees the option to acquire a total of 4 350 000 shares at R5,12 per share. All the options were exercised immediately and have now fully vested.

13.1.2 A reconciliation of the movement in the number of share options is as follows ('000 shares):

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Outstanding at beginning of year	**3 116**	3 176	**3 116**	3 196
Taken up during year	**(606)**	(60)	**(606)**	(80)
Outstanding at end of year	**2 510**	3 116	**2 510**	3 116
13.1.3 The amounts recognised in the financial statements for these share-based payment transactions are as follows:				
Balance at beginning of year	**4 620**	4 738	**4 620**	4 738
Transferred to share capital	**(918)**	(118)	**(918)**	(118)
Balance at end of year	**3 702**	4 620	**3 702**	4 620

13.2 **Share appreciation rights scheme 2010**

13.2.1 On 1 June 2010, the Group introduced the Combined Motor Holdings Limited Share Appreciation Rights Scheme 2010 ("the scheme"). Under the scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price and the grant price. The employee therefore participates in the share price appreciation of the Company. The vesting of the right is conditional on the achievement of Group performance levels over a performance period.

Grant date	Grant price	Expiry date	Number of rights at 1 March 2012 '000	Rights granted during the year '000	Rights exercised during the year '000	Rights forfeited during the year '000	Number of rights at 28 February 2013 '000
June 2010	R10,31	Dec 2013	1 043	–	–	–	**1 043**
June 2010	R10,31	Dec 2014	1 043	–	–	–	**1 043**
June 2010	R10,31	Dec 2015	1 044	–	–	–	**1 044**
			3 130	–	–	–	**3 130**
June 2011	R11,48	Dec 2014	140	–	–	–	**140**
June 2011	R11,48	Dec 2015	140	–	–	–	**140**
June 2011	R11,48	Dec 2016	140	–	–	–	**140**
			420	–	–	–	**420**
June 2012	R10,84	Dec 2015	–	316	–	–	**316**
June 2012	R10,84	Dec 2016	–	317	–	–	**317**
June 2012	R10,84	Dec 2017	–	317	–	–	**317**
			–	950	–	–	**950**
			3 550	950	–	–	**4 500**

The Group has used a Black-Scholes model to determine the fair value of the share appreciation rights (SARs). The model used the following parameters:

Grant price	The grant price at which the SAR is issued, being the 30-day weighted average share price quoted on the JSE Limited on the grant date
Share price at grant date	The closing share price as quoted by the JSE Limited at grant date
Expected option life	Between 3,25 and 5,25 years
Risk-free rate	Between 7,6% and 7,9%
Annualised volatility	Between 38,8% and 49,1% based on historic volatility determined by the statistical analysis of daily share price movements over the past three years
Dividend yield	Between 3,4% and 3,6% based on historic dividend payments over the three years prior to the grant date
Vesting	1 043 000 on 1 June 2013 (rights expire on 1 December 2013) 1 183 000 on 1 June 2014 (rights expire on 1 December 2014) 1 500 000 on 1 June 2015 (rights expire on 1 December 2015) 457 000 on 1 June 2016 (rights expire on 1 December 2016) 317 000 on 1 June 2017 (rights expire on 1 December 2017)
Performance conditions	Compound real growth in headline earnings per share of the Company
Non-market conditions	Growth in headline earnings per share
Market conditions	No market conditions
Estimated fair value per right at grant date	Grant date: June 2010 Expiry date 1 December 2013: R0,99 Expiry date 1 December 2014: R1,33 Expiry date 1 December 2015: R1,33 Grant date: June 2011 Expiry date 1 December 2014: R0,93 Expiry date 1 December 2015: R1,29 Expiry date 1 December 2016: R1,50 Grant date: June 2012 Expiry date 1 December 2015: R0,98 Expiry date 1 December 2016: R1,12 Expiry date 1 December 2017: R1,42
Average remaining life	Between 0,5 and 4,5 years

		Group 2013 R'000	Group 2012 R'000
13.2.2	The amounts recognised in the financial statements for these share-based payment transactions are as follows:		
	Balance at beginning of year	**5 386**	2 301
	Charged as "selling and administration expenses" during year	**3 936**	3 085
	Balance at end of year	**9 322**	5 386

13.2.3 The total cost of the rights, as reflected by the model, is R16 351 000 which will be charged to the statement of comprehensive income as follows:

	R'000
2011	2 301
2012	3 085
2013	**3 936**
2014	3 374
2015	2 237
2016	982
2017	368
2018	68
	16 351

	Group 2013 R'000	Group 2012 R'000
14. NON-CONTROLLING INTEREST		
14.1 Advance from non-controlling shareholders of subsidiaries		
Non-current portion	**128 384**	135 489
Current portion	**7 255**	4 850
	135 639	140 339
Share of deficit in subsidiaries	**(7 982)**	(5 301)
	127 657	135 038

14.2 The advance from non-controlling shareholders of subsidiaries is interest-free. It is repayable as follows:

	Group 2013 R'000	Group 2012 R'000
Next 12 months	**7 255**	4 850
Months 13 to 24	**4 035**	7 000
No defined terms	**124 349**	128 489
	135 639	140 339

14.3 The non-controlling shareholders of subsidiaries are related parties of the Company.

15. ASSURANCE FUNDS

Underwriting activities are conducted through special purpose entities on commercial terms and conditions and at market rates.

	Group 2013 R'000	Group 2012 R'000
Statement of comprehensive income effect:		
– gross written premium	**20 583**	13 714
– investment income	**456**	498
– decrease in assurance funds	**183**	5 406
– claims paid	**(3 880)**	(1 708)
– other expenses	**(7 225)**	(4 900)
– profit before taxation	**10 117**	13 010
Reflected in the statement of financial position as:		
– assurance funds	**(7 548)**	(7 731)
– trade and other receivables	**106**	200
– cash and cash equivalents	**5 728**	9 414
– current tax liabilities	**(369)**	(2 172)
– trade and other payables	**548**	(12)

16. LEASE LIABILITIES

	Group 2013 R'000	Group 2012 R'000
At beginning of year	**111 167**	110 176
Movement during year	**(4 594)**	991
At end of year	**106 573**	111 167
Less: current portion	**(9 092)**	(6 639)
Non-current portion	**97 481**	104 528

This liability arose as a result of the implementation of the "straight-line" concept contained in IAS 17: *Leases.*

	Group 2013 R'000	Group 2012 R'000	**Company 2013 R'000**	Company 2012 R'000
17. **TRADE AND OTHER PAYABLES**				
17.1 Trade payables	**1 566 958**	1 430 952	**–**	–
Accrued expenses	**123 807**	115 249	**479**	460
	1 690 765	1 546 201	**479**	460

17.2 Trade and other payables comprise primarily trade payables in respect of the purchase of vehicles, marine craft and parts. They are payable according to terms varying between 30 and 180 days.

17.3 All payables are interest-free except those in respect of vehicle purchases and car hire fleet vehicles which bear interest at rates varying between 7,5% and 10% per annum (2012: 7,5% and 10%) for the period they are outstanding in excess of an initial interest-free period.

	Group 2013 R'000	Group 2012 R'000	**Company 2013 R'000**	Company 2012 R'000
18. **REVENUE**				
Revenue is derived from the various segments of the business as follows:				
Retail motor	**8 430 911**	7 799 845	**–**	–
Car hire	**316 807**	291 914	**–**	–
Marine and leisure	**150 756**	173 155	**–**	–
Financial services	**23 150**	15 559	**–**	–
Corporate services/other	**50 187**	13 255	**44 113**	18 601
	8 971 811	8 293 728	**44 113**	18 601

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
19. EXPENSES BY NATURE				
Cost of sales	**7 408 617**	6 922 488	**–**	–
Impairment of goodwill	**15 000**	–	**–**	–
– Employee benefit expense (note 19.1)	**598 277**	531 476	**–**	–
– Depreciation	**25 417**	25 256	**–**	–
– Auditor's remuneration (note 19.3)	**4 537**	4 350	**52**	49
– Operating lease charges	**194 777**	183 684	**–**	–
– Impairment charge for bad and doubtful debt	**4 812**	306	**–**	–
– Foreign exchange losses	**3 756**	919	**–**	–
– Valuation of derivative financial instrument	**(2 263)**	1 778	**–**	–
– Other expenses	**428 147**	409 347	**171**	164
Selling and administration expenses	**1 257 460**	1 157 116	**223**	213
19.1 Employee benefit expense				
Employee costs	**537 975**	474 337	**–**	–
Pension fund contributions	**32 898**	29 536	**–**	–
Medical aid contributions	**23 468**	24 518	**–**	–
Share-based payment expense	**3 936**	3 085	**–**	–
	598 277	531 476	**–**	–
19.2 Key management employee benefit expense				
Short-term employee benefits	**32 964**	30 078	**–**	–
Share-based payment expense	**2 149**	1 581	**–**	–
	35 113	31 659	**–**	–
These amounts are included in "Employee benefit expense" above.				
19.3 Auditor's remuneration				
Fees for audit	**4 449**	4 272	**52**	49
Fees for other services	**88**	75	**–**	–
Prior year adjustment	**–**	3	**–**	–
	4 537	4 350	**52**	49

		Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
20.	**OTHER INCOME**				
	Fair value discount reversed (note 6)	**3 000**	3 000	**3 000**	3 000
21.	**FINANCE INCOME/FINANCE COSTS**				
	Interest paid – trade payables	**(36 655)**	(33 994)	**–**	(10)
	– other	**(7)**	(43)	**–**	–
		(36 662)	(34 037)	**–**	(10)
	Interest received – bank	**12 394**	14 669	**10 460**	7 706
	– subsidiary	**–**	–	**41 220**	46 194
	– other	**141**	258	**–**	–
		12 535	14 927	**51 680**	53 900
	Net finance cost	**(24 127)**	(19 110)	**51 680**	53 890
22.	**TAX EXPENSE**				
	22.1 South African normal taxation				
	– current year	**61 268**	44 640	**14 436**	15 030
	– prior year adjustment	**155**	(17)	**–**	–
	– deferred – current year	**4 257**	4 372	**–**	–
	– prior year	**–**	84	**–**	–
	Secondary taxation on companies				
	– current	**–**	3 922	**–**	4 651
	– deferred	**–**	867	**–**	–
		65 680	53 868	**14 436**	19 681
		%	%	**%**	%
	22.2 **Reconciliation of rate of taxation**				
	Statutory rate	**28,0**	28,0	**28,0**	28,0
	Adjusted for:				
	Disallowable expenditure	**2,4**	0,9	**–**	–
	Exempt income and allowances	**(5,6)**	(3,4)	**(13,4)**	(8,0)
	Secondary taxation on companies				
	– current	**–**	2,0	**–**	6,1
	– deferred	**–**	0,4	**–**	–
	Assessed losses not recognised	**0,8**	0,1	**–**	–
	Assessed losses utilised	**(1,2)**	(0,8)	**–**	–
	Effective rate	**24,4**	27,2	**14,6**	26,1

23. EARNINGS PER SHARE

23.1 Basic earnings and headline earnings per share are based on total profit and comprehensive income, and headline earnings attributable to equity holders of the Company respectively, and are calculated using the weighted average of 108 531 000 (2012: 108 179 000) shares in issue during the year.

23.2 On the assumption that all of the share options referred to in note 12.4 are taken up by employees, earnings and headline earnings per share will be diluted.

The number of shares used to calculate diluted earnings and headline earnings per share is determined by adding to the weighted average number of shares in issue the number of shares that could have been purchased using the value representing the discount between the price at which the option shares were granted and the year-end value of the existing shares. No adjustment is made to total profit or headline earnings.

	Group 2013 R'000	Group 2012 R'000
Weighted average number of shares in issue during year ('000 shares)	**108 531**	108 179
Adjustment for option shares	**1 555**	307
Weighted average number of shares for dilution calculation	**110 086**	108 486
23.3 **Reconciliation of headline earnings**		
Total profit and comprehensive income	**203 927**	144 146
Non-trading items:		
– Impairment of goodwill	**15 000**	–
– Loss on sale of plant and equipment	**542**	–
Headline earnings	**219 469**	144 146
Attributable to:		
Equity holders of the Company	**199 610**	131 297
Non-controlling interest	**19 859**	12 849
	219 469	144 146
23.4 **Earnings per share (cents)**		
Basic	**171,7**	121,4
Diluted basic	**169,3**	121,0
Headline	**183,9**	121,4
Diluted headline	**181,3**	121,0

		Group 2013 R'000	Restated Group 2012 R'000	Company 2013 R'000	Restated Company 2012 R'000
24.	**CASH GENERATED FROM OPERATIONS**				
	Operating profit	**293 734**	217 124	**46 890**	21 388
	Adjustments for non-cash items:				
	Dividend accrued	**(44 113)**	(17 229)	**(44 113)**	(17 229)
	Movement in lease liabilities	**(4 594)**	991	**–**	–
	Movement in share-based payment reserve	**3 936**	3 085	**–**	–
	Depreciation	**98 624**	91 616	**–**	–
	Movement in provisions	**–**	(1 500)	**–**	–
	Valuation of derivative financial liability	**(1 778)**	1 778	**–**	–
	Loss on sale of plant and equipment	**542**	–	**–**	–
	Fair value discount reversed	**(3 000)**	(3 000)	**(3 000)**	(3 000)
	Impairment of goodwill	**15 000**	–	**–**	–
	Assurance funds movement	**(183)**	(5 406)	**–**	–
	Sale of car hire fleet vehicles	**267 426**	277 705	**–**	–
	Purchase of car hire fleet vehicles	**(393 646)**	(396 527)	**–**	–
		231 948	168 637	**(223)**	1 159
	Working capital changes:				
	Inventory	**(183 496)**	(176 271)	**–**	–
	Trade and other receivables	**(51 245)**	17 063	**–**	–
	Trade and other payables	**144 564**	261 679	**19**	41
		(90 177)	102 471	**19**	41
	Cash generated from operations	**141 771**	271 108	**(204)**	1 200

		Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
25.	**DIVIDENDS PAID**				
	Ordinary dividends				
	Dividend number 49	**(27 206)**	–	**(27 206)**	–
	Dividend number 48	**(38 996)**	–	**(38 996)**	–
	Dividend number 47	**–**	(14 065)	**–**	(14 065)
	Dividend number 46	**–**	(32 448)	**–**	(32 448)
		(66 202)	(46 513)	**(66 202)**	(46 513)
26.	**TAXATION PAID**				
	Taxation paid is reconciled to the amounts disclosed in the statements of comprehensive income as follows:				
	Amounts unpaid at beginning of year	**(9 639)**	(1 959)	**(2 989)**	(2 047)
	Amounts charged to the statements of comprehensive income	**(61 423)**	(48 545)	**(14 436)**	(19 681)
	Amounts unpaid at end of year	**2 634**	9 639	**296**	2 989
		(68 428)	(40 865)	**(17 129)**	(18 739)
27.	**NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES**				
	Repayment of loans	**(4 700)**	(35 823)		
	Payment of dividends	**(20 209)**	(15 123)		
		(24 909)	(50 946)		

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
28. RELATED PARTY TRANSACTIONS				
28.1 During the year a number of subsidiary companies occupied properties which are owned directly or indirectly by various directors of the Company.				
Rentals paid during the year amounted to	**61 249**	46 485	**–**	–

The directors are of the opinion that the terms and conditions of the rental agreements approximate those available in the open market.

28.2 Other transactions conducted and balances with related companies were as follows:

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Dividends received				
– Main Street 445 Proprietary Limited (note 6)	**(44 113)**	(17 229)	**(44 113)**	(17 229)
– inter-group	**–**	–	**–**	(1 372)
Interest received				
– inter-group	**–**	–	**(41 220)**	(46 194)
Dividends paid				
– Main Street 445 Proprietary Limited	**20 059**	15 123	**–**	–
– Chez Investments Proprietary Limited	**150**	–	**–**	–
Year-end balances				
– advance to subsidiary	**–**	–	**297 565**	449 856
– investment in Main Street 445 Proprietary Limited	**234 613**	207 500	**234 613**	207 500
– advance from Main Street 445 Proprietary Limited	**135 384**	140 234	**–**	–
– advance from Chez Investments Proprietary Limited	**255**	105	**–**	–

Main Street 445 Proprietary Limited and Chez Investments Proprietary Limited are non-controlling shareholders of Group companies.

29. COMMITMENTS

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Next 12 months	**176 092**	170 635	**–**	–
Years 2 to 5	**377 533**	418 002	**–**	–
Years 6+	**100 837**	176 232	**–**	–
	654 462	764 869	**–**	–
Less: accrued in statement of financial position	**(106 573)**	(111 167)	**–**	–
Future expense	**547 889**	653 702	**–**	–

30. **EMPLOYEE BENEFIT INFORMATION**

30.1 Membership of motor-related union pension funds is compulsory for certain artisans and other employees, whilst membership of the Group pension fund, Combined Motor Holdings Pension Fund, is available for all other classes of employees commencing employment before the age of 55 years.

30.2 During the year under review the Combined Motor Holdings Pension Fund operated as a defined contribution plan governed by the Pension Funds Act.

30.3 The Group pays a fixed monthly contribution to these separate legal entities and has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to their employment service.

30.4 The Group pays a fixed monthly contribution to various independent medical schemes. It has no post-retirement obligations to employees.

31. **RESTATEMENT OF STATEMENTS OF CASH FLOWS**

31.1 Dividend income receivable but not yet received by the Group and Company was reflected in the Statements of Cash Flows for the year ended 29 February 2012, both as cash inflows and as an increase in Investments. Further, the line items "Cash paid to suppliers and employees" (Group) and "Cash receipts from customers" (Company) also included an entry recording dividends accrued.

31.2 The 2012 Statements of Cash Flows have been adjusted to remove the effect of these items, as follows:

	As previously reported R'000	Adjustment for dividend income R'000	As restated R'000
Group 2012			
Cash paid to suppliers and employees	(8 020 545)	(17 229)	(8 037 774)
Cash generated from operations	288 337	(17 229)	271 108
Net cash movement from operating activities	181 849	(17 229)	164 620
Investments	(17 229)	17 229	–
Net cash movement from investing activities	(47 404)	17 229	(30 175)
Company 2012			
Cash receipts from customers	18 601	(17 229)	1 372
Cash generated from operations	18 429	(17 229)	1 200
Net cash movement from operating activities	7 067	(17 229)	(10 162)
Investments	(17 229)	17 229	–
Net cash movements from investing activities	16 677	17 229	33 906

31.3 Note 24 detailing "Cash generated from operations" has also been restated to reflect this adjustment.

31.4 The restatement had no impact on the net movement in cash and cash equivalents, nor the balance thereof at year-end.

32. SUBSEQUENT EVENT

A dividend (dividend number 50) of 50 cents per share will be paid on Tuesday, 18 June 2013 to members reflected in the share register of the Company at the close of business on the record date, Friday, 14 June 2013. Last day to trade "*cum*" dividend is Friday, 7 June 2013. First day to trade "*ex*" dividend is Monday , 10 June 2013. Share certificates may not be dematerialised or rematerialised from Monday, 10 June 2013 to Friday, 14 June 2013, both days inclusive.

The number of ordinary shares in issue at the date of the declaration is 108 825 000. Consequently, the gross dividend payable is R54 413 000 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.

33. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE TO THE GROUP'S OPERATIONS

A number of new standards, and amendments to existing standards and interpretations have been published that are mandatory for the Group's future accounting periods, but that the Group has not early adopted. None of these is expected to have an impact on the consolidated financial statements of the Group in future periods, except for the following:

IFRS 9	(Revised) Financial Instruments (effective for periods beginning on or after 1 January 2015)
IFRS 10	Consolidated Financial Statements (effective for periods beginning on or after 1 January 2013)
IFRS 11	Joint Arrangements (effective for periods beginning on or after 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (effective for periods beginning on or after 1 January 2013)
IAS 34	(Amendment) Interim Financial Reporting (effective for periods beginning on or after 1 January 2013)

Management is currently assessing the impact of the above on the results and disclosures of the Group and intends to adopt the standards at their respective effective dates.

FOREIGN SHAREHOLDERS AND SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

1. Acceptances of the Share Repurchase Offer by a Foreign Shareholder may be affected by the laws of the relevant jurisdiction of a Foreign Shareholder. A Foreign Shareholder should acquaint himself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Share Repurchase Offer, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments owing in such jurisdiction.

   The Share Repurchase Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

   Any Foreign Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. **EXCHANGE CONTROL REGULATIONS**

   The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Share Repurchase Offer Participants. Share Repurchase Offer Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

   2.1 **Residents of the Common Monetary Area**

   In the case of:

   Share Repurchase Offer Participants holding Certificated Shares whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Share Repurchase Offer Consideration will be posted or transferred to such Share Repurchase Offer Participants by EFT (should this option have been selected on the Form of Acceptance *(white)*);

   or

   Share Repurchase Offer Participants holding Dematerialised Shares whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Share Repurchase Offer Consideration will be credited directly to the accounts nominated for the relevant Share Repurchase Offer Participants by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

   2.2 **Emigrants from the Common Monetary Area**

   2.2.1 The Share Repurchase Offer Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

   2.2.2 The Share Repurchase Offer Consideration owing to a Certificated Share Repurchase Offer Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations will, against delivery of the relevant Documents of Title, be deposited in a blocked Rand account with the authorised dealer in foreign exchange in South Africa controlling the Share Repurchase Offer Participant's blocked assets in accordance with his instructions.

2.2.3 In terms of a recent relaxation to the Exchange Control Regulations, emigrants may externalise the Share Repurchase Offer Consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is, however, no longer the position and the Share Repurchase Offer Consideration may, on application, be externalised free of the levy.

2.2.4 The authorised dealer releasing the relevant Documents of Title in terms of the Share Repurchase Offer must countersign the Form of Acceptance (white) thereby indicating that the Share Repurchase Offer Consideration will be placed directly in its control.

2.2.5 The attached Form of Acceptance (white) makes provision for the details and signature of the authorised dealer concerned to be provided.

2.3 **All other non-residents of the Common Monetary Area**

2.3.1 The Share Repurchase Offer Consideration owing to a Certificated Share Repurchase Offer Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Share Repurchase Offer Participant. It will be incumbent on the Share Repurchase Offer Participant concerned to instruct the nominated authorised dealer as to the disposal of the amounts concerned, against delivery of the relevant Documents of Title.

2.3.2 The Form of Acceptance *(white)* attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of such paragraph 2.3.1, the Share Repurchase Offer Consideration will be held in trust by CMH for the Share Repurchase Offer Participants concerned pending receipt of the necessary information or instruction.

COPY OF SECTIONS 115 AND 164 OF THE COMPANIES ACT

"Section 115: Required approval for transactions contemplated in Part

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its Board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a Scheme of arrangement, unless:

(a) the disposal, amalgamation or merger, or Scheme of arrangement:

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a Scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved:

(a) by a Special Resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a Special Resolution, also adopted in the manner required by paragraph (a), by the shareholders

of the company's holding company if any, if:

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

(a) notified the company in advance of the intention to oppose a Special Resolution contemplated in this section; and

(b) was present at the meeting and voted against that Special Resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any Shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of Shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

"**Section 164: Dissenting shareholders Appraisal Rights**

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its Shares in any manner materially adverse to the rights or interests of holders of that class of Shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in sections 112, 113 or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither:

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the Shares of the company held by that person if:

(a) the shareholder:

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds Shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of Shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those Shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those Shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent Special Resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the Shares are reinstated without interruption.

(11) Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's Directors to be the fair value of the relevant Shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11):

(a) in respect of Shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) Shares evidenced by certificates, tender the relevant Share certificates to the company or the company's transfer agent; or

(ii) uncertificated Shares, take the steps required in terms of section 53 to direct the transfer of those Shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the Share certificates; or

(ii) directed the transfer to the company of uncertificated Shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the Shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the Shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the Shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their Shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any Shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose Shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of Shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its Shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

COMBINED MOTOR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1965/000270/06
Share code: CMH ISIN: ZAE000088050
("CMH" or **"the Company")**

NOTICE OF GENERAL MEETING

The Definitions and Interpretations commencing on page 8 of this Circular apply to this Notice of General Meeting unless the context may otherwise require.

Shareholders are reminded that:

- **a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the General Meeting in the place of the Shareholder. In this regard, Shareholders are referred to the attached Form of Proxy *(yellow)*;**
- **an appointed proxy need not also be a Shareholder of the Company; and**
- **in terms of section 63(1) of the Companies Act, any person attending and/or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.**

In terms of section 59 of the Companies Act, the last date to trade in Shares in order to be eligible to attend, participate in and vote at the General Meeting is Friday, 15 May 2015 and the General Meeting Record Date is Friday, 22 May 2015.

Notice of General Meeting

Notice is hereby given that the General Meeting of Shareholders will be held at the Company's registered office, 1 Wilton Crescent, Umhlanga Ridge, Durban, South Africa at 16:00 on Thursday, 28 May 2015, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

SPECIAL RESOLUTION – APPROVAL OF THE SHARE REPURCHASE AND SHARE REPURCHASE OFFER

"**RESOLVED THAT**, the scheme of arrangement in terms of sections 48(8), 114(e) and 115(2)(a) of the Companies Act, whereby the Company is to proceed with and implement the Share Repurchase through means of the Share Repurchase Offer, namely, the offer by CMH to repurchase up to a maximum of 21 133 000 Shares at a price of R11,83 per Share on a voluntary tender basis from Share Repurchase Offer Participants, which tender of Shares will be accepted by CMH based on the Share Repurchase Offer Ratio and upon the terms, conditions and timeframes as are contained in the Circular (such timeframes being subject to change as may necessarily be required to comply with either statutory, JSE or TRP matters or issues), which Circular also contains this Notice of General Meeting, be and is hereby approved."

Information and explanatory material with respect to the Special Resolution

The full reasons for and effects of the Special Resolution are contained in the Circular, which Circular also contains this Notice of General Meeting.

Quorum requirement for the Special Resolution to be adopted: sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the Special Resolution.

Percentage of voting rights required for the Special Resolution to be adopted: at least 75% of the voting rights exercised in favour of the Special Resolution.

INDEPENDENT BOARD'S RECOMMENDATION

The Independent Board unanimously recommends that Shareholders vote in favour of the Special Resolution contemplated above.

ORDINARY RESOLUTION – AUTHORISING RESOLUTION

"RESOLVED THAT, subject to the passing of the Special Resolution set out in this Notice of General Meeting, K Fonseca and/or SK Jackson be and are hereby authorised, instructed and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the Special Resolution."

Information and explanatory material with respect to the Ordinary Resolution

This Ordinary Resolution is necessary to give effect to the Special Resolution subject to the approval by Shareholders.

Quorum requirement for the Ordinary Resolution to be adopted: sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the Ordinary Resolution.

Percentage of voting rights required for the Ordinary Resolution to be adopted: more than 50% of the voting rights exercised in favour of the Ordinary Resolution."

VOTING AND PROXIES

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with Own Name Registration, a Form of Proxy *(yellow)* is attached. Duly completed Forms of Proxy must be lodged with the Transfer Secretaries not less than 24 hours before the commencement of the General Meeting (or any adjournment of the General Meeting) or handed to the chairman of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting); provided that should a Shareholder lodge a Form of Proxy with the Transfer Secretaries not less than 24 hours before the General Meeting, such Shareholder will also be required to furnish a copy of such Form of Proxy to the chairman of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).

Dematerialised Shareholders without Own Name Registration who wish to attend the General Meeting in person should request their CSDP or Broker to provide them with the necessary letter of representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without Own Name Registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without Own Name Registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before the Special Resolution as set out in this Notice of General Meeting is voted on, a Dissenting Shareholder may give the Company a written notice objecting to the Special Resolution.

Within 10 Business Days after the Company has adopted the Special Resolution, the Company must send a notice that the Special Resolution has been adopted to each Dissenting Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the Special Resolution.

A Dissenting Shareholder may demand that the Company pay the Dissenting Shareholder the fair value for all of the Shares of the Company held by that Dissenting Shareholder if:

- the Dissenting Shareholder has sent the Company a notice of objection;
- the Company has adopted the Special Resolution; and
- the Dissenting Shareholder voted against the Special Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act.

By order of the Directors

K Fonseca
Company Secretary

21 April 2015

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REF. JOB007412

COMBINED MOTOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1965/000270/06
Share code: CMH ISIN: ZAE000088050
("CMH" or **"the Company")**

FORM OF PROXY (FOR USE BY CERTIFICATED AND OWN NAME DEMATERIALISED SHAREHOLDERS ONLY)

The Definitions and Interpretations commencing on page 8 of the Circular, which Circular also contains this Form of Proxy, apply throughout unless the context may otherwise require.

For use by Certificated Shareholders and Dematerialised Shareholders with Own Name Registration only, at the General Meeting of Shareholders convened to be held at the Company's registered office, 1 Wilton Crescent, Umhlanga Ridge, Durban,South Africa at 16:00 on Thursday, 28 May 2015.

Dematerialised Shareholders without Own Name Registration must inform their CSDP or Broker of their intention to attend the General Meeting and request their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person and vote, or provide their CSDP or Broker with their voting instructions should they not wish to attend the General Meeting in person. These Shareholders must not use this form of proxy.

I/We (Please PRINT names in full):

of (address):

Telephone number: ( ) Cellphone number:

E-mail address:

being the holder(s) of ______ Certificated Shares or Dematerialised Shares with "Own-Name" Registration do hereby appoint (see notes 1 and 2 on reverse of this Form of Proxy):

1. or failing him/her,

2. or failing him/her,

3. the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting (or any adjournment thereof).

I/We desire to vote as follows (see note 2 on reverse of this Form of Proxy):

	Number of votes on a poll (one vote per Share)		
	For	**Against**	**Abstain**
Special Resolution *(Approval of the Share Repurchase and Share Repurchase Offer)*			
Ordinary Resolution *(Authorising resolution)*			

Signed at on 2015

Signature:

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached (see notes 8 and 9 on reverse of this Form of Proxy).

Assisted by me (where applicable)

Full name:

Capacity:

Signature:

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *a Shareholder may, and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder of CMH) as a proxy to participate in, and speak and vote at, the General Meeting on behalf of such Shareholder;*
- *any appointed proxy of a Shareholder may delegate authority to act on behalf of that Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);*
- *irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person at the General Meeting in the exercise of any of such Shareholder's rights as a Shareholder (see note 5 below);*
- *any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;*
- *if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and the Company; and*
- *a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the Company's MOI, or the instrument appointing the proxy, provides otherwise (see note 3 below).*

Notes to this Form of Proxy

1. Each Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the chairperson of the General Meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Shareholder's votes exercisable at the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Company Secretary, at the registered office of the Company, being 1 Wilton Crescent, Umhlanga Ridge, Durban, 4319, South Africa (PO Box 1033, Umhlanga Rocks, 4320, South Africa) to be received by her by no later than 16:00 on Wednesday, 27 May 2015.
5. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by CMH or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been previously recorded by CMH or the Transfer Secretaries or waived by the chairperson of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been previously recorded by CMH or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares with Own Name Registration and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Shareholder and such Shareholder's CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received timeously by the Transfer Secretaries.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

COMBINED MOTOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1965/000270/06
Share code: CMH ISIN: ZAE000088050
("CMH" or "the Company")

The Definitions and Interpretations commencing on page 8 of the Circular, which Circular also contains this Form of Acceptance, Surrender and Transfer ("Form of Acceptance"), apply throughout this Form of Acceptance unless the context may so otherwise require.

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER

This Form of Acceptance is ONLY for use by Share Repurchase Offer Participants holding Certificated Shares for purposes of acceptance of the Share Repurchase Offer, full details of which Share Repurchase Offer are contained in the Circular which Circular also contains this Form of Acceptance.

Instructions

1. A separate Form of Acceptance is required for each Share Repurchase Offer Participant.
2.
   - 2.1 Part A must be completed by all Share Repurchase Offer Participants who return this Acceptance Form;
   - 2.2 Part B must be completed by all Share Repurchase Offer Participants who are emigrants from or are non-residents of the Common Monetary Area;
   - 2.3 Part C must be completed by all Share Repurchase Offer Participants requiring payment of the Share Repurchase Offer Consideration to be made by way of the electronic transfer of funds; and

   must be returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61763, Marshalltown, 2107, South Africa) so as to be received before 12:00 on the Share Repurchase Offer Closing Date, namely Friday, 3 July 2015.

   It is expected that electronic funds transfers will be made on the Share Repurchase Offer Payment Date, namely Monday, 6 July 2015 only to those Share Repurchase Offer Participants who have surrendered their Documents of Title prior to 12:00 on the Share Repurchase Offer Closing Date.
3. If this Form of Acceptance is returned with the relevant Documents of Title before the Share Repurchase Offer Opening Date, it will be treated as a conditional acceptance and surrender which is made subject to the implementation of the Share Repurchase Offer (full details of which Share Repurchase Offer are contained in the Circular which Circular contains this Form of Acceptance). In the event of the Share Repurchase Offer not being implemented for any reason whatsoever, the Transfer Secretaries will, within 5 (five) Business Days of the date upon which it becomes known that the Share Repurchase Offer will not be implemented, return the Documents of Title to the Shareholders concerned, by registered mail, at the risk of such Shareholders.
4. Persons who acquire Shares in CMH post the issue of the Circular, which Circular contains this Form of Acceptance, but prior to the Share Repurchase Offer LDT, can obtain copies of the Form of Acceptance and the Circular from the Transfer Secretary. The Share Repurchase Offer Consideration owing to Share Repurchase Offer Participants on the Share Repurchase Offer Payment Date will not be made unless and until Documents of Title in respect of the relevant repurchased Shares have been surrendered to the Transfer Secretaries.

Please also read the notes contained at the end of this Form of Acceptance.

To: Computershare Investor Services Proprietary Limited
PO Box 61763, Marshalltown, 2107
(70 Marshall Street, Johannesburg, 2001)

Dear Sirs

PART A – to be completed by all Share Repurchase Offer Participants wishing to participate in the Share Repurchase Offer and who return this Form of Acceptance

I/We (Surname or name of corporate body)

First names (in full):

Title (Mr, Mrs, Miss, Ms, etc):

hereby agree to participate in the Share Repurchase Offer in respect of the following number of Shares registered in my name:

Number of Shares currently held		**Number of Shares tendered for repurchase in accordance with the Share Repurchase Offer:**	

I/We understand that, notwithstanding the number of Shares tendered by me/us as per above for repurchase in terms of the Share Repurchase Offer, the Share Repurchase Offer is based upon the Share Repurchase Offer Ratio which may result in CMH repurchasing a lesser number of my/our Shares tendered by me/us for repurchase, and agree to such basis.

In respect of the Shares tendered by me/us for repurchase per above, I/we hereby surrender and enclose the under-mentioned Documents of Title to Shares together with this signed Form of Acceptance.

Documents of Title

Name of registered Shareholder (separate form for each Shareholder)	Share certificate number(s) (in numerical order)	Number of Shares covered by each Share certificate
Total		

Address to which the Share Repurchase Offer Consideration should be sent (if different from registered address)

Postal code

Country Telephone ( ) Telefax ( )

Cellphone number Email:

In order to comply with the Financial Intelligence Act, 2001 (Act 38 of 2001) Computershare Investor Services Proprietary Limited will be unable to record any change of address mandated unless the following documentation is received from the relevant Share Repurchase Offer Participant:

- an original certified copy of your identity document:
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or original certified copy of a service bill to verify your residential address.

PART B – to be completed by all emigrant Share Repurchase Offer Participants from, and non-resident Share Repurchase Offer Participants of, the Common Monetary Area (see notes 1 and 2 below)

In the case of Share Repurchase Offer Participants who are emigrants: The Share Repurchase Offer Consideration will be posted or transferred (at the risk of the Share Repurchase Offer Participant) to the authorised dealer nominated by the Share Repurchase Offer Participant below for its control and credited to the emigrant's blocked account. Accordingly, non-residents who are emigrants must provide the following information:

Name of authorised dealer:

Address:

Account number:

In the case of all other non-resident Share Repurchase Offer Participants: The Share Repurchase Offer Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below (in each case at the risk of the Share Repurchase Offer Participant):

Substitute address:

Signature of Shareholder:

Details of authorised dealer:

Signature of authorised dealer:

Stamp and address of agent lodging this form (if any)

PART C – submission of banking details (excluding third party accounts) in respect of Share Repurchase Offer Participants wishing payment of the Share Repurchase Offer Consideration to be made by way of the electronic transfer of funds

In terms of the Financial Intelligence Centre Act requirements, the Transfer Secretaries will only be able to record the banking details if the following documents are attached:

(a) a certified copy of identity document; and

(b) a certified true copy of a bank statement.

Name of Share Repurchase Offer Participant: Banking details:

(Name of bank, branch, branch code, account number):

Contact person:

Contact telephone number and code/Cellphone no:

CMH undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature below. Share Repurchase Offer Participants warrant the correctness of the above banking details and indemnify and hold CMH harmless against any loss for funds having been paid into the account, details of which have been provided above.

Signature of Shareholder

Note: In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Shareholder:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate); and
- a certified true copy of an original bank statement (in respect of bank mandate).

Stamp and address of agent lodging this form (if any)

Notes:

1. All documents are posted at the risk of the Share Repurchase Offer Participants. The Share Repurchase Offer Consideration will be posted or transferred, as the case may be, at the risk of the Share Repurchase Offer Participants.
2. Emigrants from the Common Monetary Area must complete Part B.
3. All other non-residents of the Common Monetary Area must also complete Part B (if they wish the Share Repurchase Offer Consideration to be sent to an authorised dealer in South Africa).
4. If Part B is not properly completed, the Share Repurchase Offer Consideration (in the case of emigrants) will be paid by the Company to an authorised dealer of its choice to hold on behalf of the relevant emigrant pending receipt of the necessary nomination or instruction. No interest will accrue or be payable to the Share Repurchase Offer Participant in respect of such monies.
5. The Share Repurchase Offer Consideration will not be paid to or sent to Share Repurchase Offer Participants unless and until the Documents of Title in respect of the relevant Shares have been surrendered to the Transfer Secretaries. If a Share Repurchase Offer Participant produces evidence to the satisfaction of CMH that Documents of Title in respect of Shares have been lost or destroyed, surrender of such Documents of Title may be waived by CMH, provided that CMH, if it so requires, is provided with indemnity to its satisfaction in respect of such Documents of Title and any additional evidence or documents or undertakings (including insurance or a guarantee) as CMH may require.
6. If this Form of Acceptance is not signed by the Share Repurchase Offer Participant, the Share Repurchase Offer Participant will be deemed to have irrevocably appointed the Company Secretary to implement the desired Share repurchase of the Share Repurchase Offer Participant in terms of this Form of Acceptance.
7. No receipts will be issued for Documents of Title lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Acceptance.
8. Any alteration to this Form of Acceptance must be signed in full, not initialled.
9. If this Form of Acceptance is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this Form of Acceptance (unless it has previously been recorded by CMH or the Transfer Secretaries).
10. Where the Share Repurchase Offer Participant is a company or a close corporation, unless it has previously been recorded with CMH or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form of Acceptance must be submitted if so requested by CMH.
11. Note 10 above does not apply if this Form of Acceptance bears the stamp of a Broking member of the JSE.
12. Where there are joint holders of any Repurchase Shares, only the holder whose name stands first in the Register need sign this Form of Acceptance.