

Combined Motor Holdings earnings up to 154.9c a share

Motor retail group Combined Motor Holdings (CMH) reported that its diluted basic earnings per share were 154.9c for the year ended February, up from 142.4c a year ago.



Combined Motor Holdings has seen sales and profits rise for the year ended in February. Image: Fotomek [Fotolia](#)

The group said revenue increased by 10% to R10.8bn, with the retail motor, car hire and financial services segments reporting real growth. It reported an operating profit that rose from R289.8m to R320.2m for the year. CMH declared a full-year dividend of 50c per share.

Combined Motor Holdings said it was pleased with the results it had achieved, especially in light of the prolonged strike in both the motor manufacturing and the motor component sectors.

"These strike impacted negatively on production for a three-month period. The continual fuel price increases, the currency collapse in November and December, and the interest rate hike in January have precipitated a fall in consumer confidence to levels last seen in October 2010. The group reported a 10.5% increase in operating profit, and a 3% margin on revenue," the company said.

The group said it expected negative dealer vehicle sales growth in the year ahead.

"After a number of years of pleasing growth, a period of consolidation is expected. Following the devaluation of the rand it is inevitable that price increases will be effected. A number of relatively significant increases have already been announced and these are expected to continue.

"The strategy within the group is to maintain the profit levels of the historically successful operations, and to secure growth by elimination of the loss-makers," Combined Motor Holdings said.