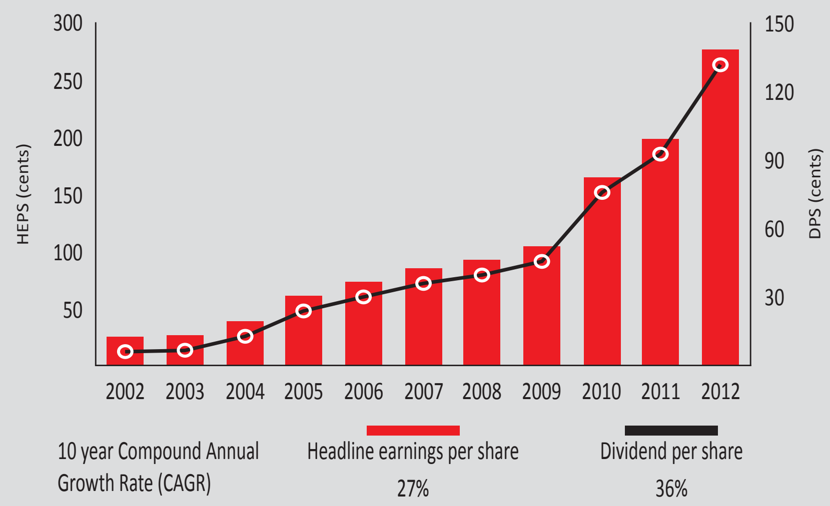
Mr Price Group Limited

UNAUDITED GROUP RESULTS AND INTERIM CASH DIVIDEND DECLARATION FOR THE 26 WEEKS ENDED 29 SEPTEMBER 2012

Registration number 1933/004418/06 • Incorporated in the Republic of South Africa • ISIN: ZAE 000026951 • JSE share code: MPC ("Mr Price" or "the Company" or "the Group")



OPERATING PROFIT UP 21%

HEADLINE EARNINGS PER SHARE UP 35%

INTERIM DIVIDEND PER SHARE UP 42%

INCLUSION IN JSE TOP 40 INDEX

RESULTS

Despite unstable economic conditions both locally and internationally, the Group's resilient fashion-value retail model has resulted in solid improvements in sales, operating profits, earnings and dividends per share. Retail sales for the 26 weeks ended 29 September 2012 increased by 13.9%. Growth in the retail sector for the five months to August 2012, as reported by Statistics South Africa, was 9.3%. Group sales in like-for-like locations (comparable sales) were up by 8.5%. Retail selling price inflation of 4.3% was recorded and 92.2 million units were sold - an increase of 9.0%. The opening of 34 new and the closing of 7 stores resulted in weighted average trading space increasing by 3.7%. The Group ended the period with 989 stores and employed 20 464 associates.

Interest on trade receivables, impacted by an increased debtors' book but lower interest rates, rose by 42.9% and premium income on the sale of financial services products was up by 43.3%. Combined, this resulted in other income increasing by 40.8%.

Total costs and expenses increased by 13.5%, a rate lower than sales growth. Cost of sales rose by 14.0% and the gross profit margin remained in line with the prior year at 41.3% of retail sales. Selling expenses grew by 12.2% as a result of inflation, space growth and higher bad debts, and comprised 23.3% of retail sales, an improvement on last year's 23.7%. Administrative expenses increased by 14.5% and comprised 7.3% of retail sales, consistent with the prior year. Costs associated with the expansion of corporate-owned stores in Nigeria and Ghana, which are trading ahead of feasibility, as well as the successful launch of an online sales platform, www.mrp.co.za, impacted both selling and administrative expenses.

Profit from operating activities increased by 21.2% and the operating margin improved from 12.9% to 13.7% of retail sales.

Net finance income was up by 34.3% as a result of higher average cash balances, while the decrease in the effective taxation rate was largely due to the fact that there was no STC levied on the 2012 final dividend which was paid in the current period.

Headline earnings per share increased by 35.2% to 253.2 cents and now reflects a 10 year CAGR of 26.8%. Sustained strong performance resulted in the Company being included in the MSCI Emerging Market Index, the JSE Top 40 Index and being a finalist in the World Retail Awards 2012 - Emerging Markets category.

TRADING

The Apparel chains increased sales and other income by 13.8% to R4.4 billion, with comparable sales up by 7.5% and retail selling price inflation of 4.1%. Operating profit grew by 16.2% to R727.9 million and the operating margin increased from 16.5% to 17.0% of retail sales. Mr Price Apparel recorded sales growth of 11.2% (comparable 4.7%) to R3.3 billion (54.4% of Group sales) and recorded the highest weighted average space growth in the Group at 7.3%. Comparable sales, including expanded stores in like-for-like locations, were up by 7.2%. The division's performance was affected by higher markdowns in order to clear excess stock from the previous summer, the impact of the late winter season and delays in deliveries in spring. However, despite this, and the expansion related costs detailed earlier, operating profit increased over the prior year. Mr Price Sport increased sales by 27.0% (comparable 15.5%) to R372.8 million and exceeded prior year and budgeted profitability levels. Miladys recorded sales growth of 17.5% to R604.8 million, with comparable sales growth of 18.5%. Lower markdowns and continued sound cost control resulted in a significant increase in operating profit.

The Home chains increased sales and other income by 16.3% to R1.8 billion, with comparable sales up by 10.9% and retail selling price inflation of 4.6%. Operating profit rose by 36.5% to R178.1 million and the operating margin increased from 8.8% to 10.3% of retail sales. Mr Price Home increased sales by 16.6% (comparable 11.5%) to R1.2 billion. Sheet Street opened a net 11 new stores and increased sales by 15.4% (comparable 9.7%) to R540.9 million. Expenses in both chains were tightly controlled and operating profits were well ahead of prior year and budgeted levels.

FINANCIAL POSITION

The Group's business model of selling predominantly for cash (79.1% of total sales) has enabled it to maintain its healthy balance sheet. Despite increased dividends, higher capital expenditure and purchasing treasury shares to the value of R59.0 million (at an average price of R121.18 per share), the Group ended the period with cash resources of R1.0 billion. Cash generated by operating activities increased by 80.6%.

Inventories at a gross level increased by 7.8% (against the sales increase of 13.9%) and stock turn decreased from 6.9 times to 6.7 times.

Gross trade receivables increased by 41.6% from R954.0 million to R1.4 billion with a significant portion of the growth taking place in the second half of the 2012 financial year. The net bad debt to book ratio has increased from 4.1% to 6.1%, largely as a result of the festive season campaign conducted in October to December 2011 not performing according to expectations. Pleasingly however, the remainder of the accounts, which represent approximately 90% of the total debtors' book value, have performed very well.

PROSPECTS

Although both business and consumer confidence increased slightly in the third quarter of 2012, the Group expects retail trading conditions to remain challenging in the short term. Growth in credit sales (which constitute approximately 20% of total sales) in the second half of the year is expected to be lower due to the high base set in the prior year, particularly in the third quarter, and a generally tighter approach to credit.

The current economic situation is uncertain, however the Group has successfully dealt with volatility in the past and the many growth initiatives underway allow it to remain positive about long-term performance and prospects. History has shown that during tough economic times the Group gains shoppers who are attracted by the fashion-value merchandise offer, and that these customers are retained when trading conditions improve.

The Group's cash generative business model and strong balance sheet will be important in funding investments in information systems and a new distribution centre over the next few years, which are necessary to build a strong platform for future growth, both locally and internationally.

Approximately 40 new stores will be opened in the second half of the year.

INTERIM CASH DIVIDEND DECLARATION

The interim dividend cover has been reduced from 2.0 to 1.9 times, in order to be more closely aligned with the annual cover, which was 1.6 times at the previous year end.

Notice is hereby given that an interim cash dividend of 133.0 cents per share has been declared, an increase of 42.1%. As the dividend has been declared from income reserves and no STC credits are available for utilisation, shareholders, unless exempt or who qualify for a reduced withholding tax rate, will receive a net dividend of 113.05 cents per share, an increase of 20.8%.

The issued share capital at the declaration date is 250 750 410 listed ordinary and 13 878 538 unlisted B ordinary shares. The tax reference number is 9285/130/20/0.

The salient dates for the dividend will be as follows:

Last date to trade 'cum' the dividend	Friday	7 December 2012
Date trading commences 'ex' the dividend	Monday	10 December 2012
Record date	Friday	14 December 2012
Payment date	Tuesday	18 December 2012

Shareholders may not dematerialise or rematerialise their share certificates between Monday 10 December 2012 and Friday 14 December 2012, both dates inclusive.

On behalf of the board
SI Bird - Chief executive officer
MM Blair - Chief financial officer

Durban
14 November 2012

DIRECTORS

LJ Chiappini* (Honorary chairman), SB Cohen* (Honorary chairman), NG Payne* (Chairman), SI Bird (Chief executive officer), MM Blair (Chief financial officer), N Abrams*^, TA Chiappini-Young*^, SA Ellis^, K Getz*, MR Johnston*, RM Motanyane*, D Naidoo *, Prof. LJ Ring*^ (USA), MJD Ruck*, WJ Swain*, M Tembe*

* Non-executive director ^ Alternate director

On 30 August 2012, Ms SEN Sebotsa resigned from the Board.

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'm	2012 29 September 26 weeks	2011 1 October 26 weeks	% change	2012 31 March 52 weeks
Revenue	6 226	5 444	14.4	12 122
Retail sales	6 015	5 283	13.9	11 767
Other income	186	132	40.8	296
Retail sales and other income	6 201	5 415	14.5	12 063
Costs and expenses	5 376	4 735	13.5	10 321
Cost of sales	3 532	3 099	14.0	6 843
Selling expenses	1 404	1 252	12.2	2 646
Administrative and other operating expenses	440	384	14.5	832
Profit from operating activities	825	680	21.2	1 742
Net finance income	22	16	34.3	44
Profit before taxation	847	696	21.7	1 786
Taxation	242	243	(0.2)	569
Profit attributable to shareholders	605	453	33.5	1 217
Other comprehensive income:				
Currency translation adjustments	-	1	-	(3)
Defined benefit fund net actuarial gain	-	-	-	(5)
Total comprehensive income	605	454	33.1	1 209
Earnings per share (cents)				
- basic	247.8	186.6	32.8	500.9
- headline	253.2	187.3	35.2	503.0
- diluted basic	227.5	172.5	31.9	462.5
- diluted headline	232.5	173.2	34.3	464.5
Dividend cover (times)	1.9	2.0		1.6
Dividends per share (cents)	133.0	93.6	42.1	314.0

SEGMENTAL REPORTING

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments, as follows:

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories;
- The Home segment retails homewares; and
- The Central Services segment provides services to the trading segments, including information technology, internal audit, human resources, group real estate and finance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Net finance income and income taxes are managed on a group basis and are not allocated to operating segments.

R'm	2012 29 September	2011 1 October	% change	2012 31 March
Retail sales and other income				
Apparel	4 435	3 897	13.8	8 673
Home	1 760	1 513	16.3	3 379
Central Services	6	5		11
Total	6 201	5 415	14.5	12 063
Profit from operating activities				
Apparel	728	627	16.2	1 515
Home	178	130	36.5	374
Central Services	(81)	(77)		(147)
Total	825	680	21.2	1 742
Segment assets				
Apparel	2 208	1 821	21.2	2 102
Home	664	644	3.0	657
Central Services	1 413	1 191		1 536
Total	4 285	3 656	17.2	4 295

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'm	2012 29 September	2011 1 October	2012 31 March
Assets			
Non-current assets	796	645	743
Property, plant and equipment	584	486	539
Intangible assets	108	92	103
Long-term receivables and prepayments	9	-	10
Defined benefit fund asset	15	20	15
Deferred taxation assets	80	47	76
Current assets	3 489	3 011	3 552
Inventories	1 117	1 055	1 168
Trade and other receivables	1 342	1 056	1 183
Cash and cash equivalents	1 030	900	1 201
Total assets	4 285	3 656	4 295
Equity and liabilities			
Equity attributable to shareholders	2 800	2 222	2 780
Non-current liabilities	199	185	194
Lease obligations	183	171	179
Deferred taxation liabilities	1	1	1
Post-retirement medical benefits	15	13	14
Current liabilities	1 286	1 249	1 321
Trade and other payables	1 240	1 204	1 235
Current portion of lease obligations	36	39	35
Taxation	10	6	51
Total equity and liabilities	4 285	3 656	4 295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'm	2012 29 September	2011 1 October	2012 31 March
Total equity attributable to shareholders at beginning of the period	2 780	2 394	2 394
Total comprehensive income for the period	605	454	1 209
Treasury share transactions	(56)	(211)	(201)
Recognition of share-based payments	23	21	48
Dividends to shareholders	(552)	(436)	(670)
Total equity attributable to shareholders at end of the period	2 800	2 222	2 780

This report and the supporting presentation are available on our website:
www.mrpricegroup.com

CONSOLIDATED STATEMENT OF CASH FLOWS

R'm	2012 29 September 26 weeks	2011 1 October 26 weeks	2012 31 March 52 weeks
Cash flows from operating activities			
Operating profit before working capital changes	848	723	1 854
Working capital changes	(109)	(264)	(518)
Net interest received	146	102	239
Taxation paid	(274)	(223)	(517)
Net cash inflows from operating activities	611	338	1 058
Cash flows from investing activities			
Net receipts in respect of long-term receivables	1	-	(10)
Additions to and replacement of intangible assets	(30)	(25)	(49)
Property, plant and equipment			
- replacement	(83)	(28)	(126)
- additions	(49)	(85)	(126)
- proceeds on disposal	-	1	1
Net cash outflows from investing activities	(161)	(137)	(310)
Cash flows from financing activities			
Decrease in lease obligations	-	(6)	(10)
Net purchase of shares by staff share trusts	(46)	(211)	(153)
Deficit on treasury share transactions	(23)	(18)	(80)
Dividends to shareholders	(552)	(436)	(670)
Net cash outflows from financing activities	(621)	(671)	(913)
Change in cash and cash equivalents	(171)	(470)	(165)
Cash and cash equivalents at beginning of the period	1 201	1 369	1 369
Exchange gains/(losses)	-	1	(3)
Cash and cash equivalents at end of the period	1 030	900	1 201

SUPPLEMENTARY INFORMATION

	2012 29 September	2011 1 October	2012 31 March
Weighted average number of shares in issue (000)	244 059	242 839	242 996
Number of shares in issue (000)	243 746	241 603	243 922
Net asset value per share (cents)	1 149	920	1 140
Reconciliation of headline earnings (R'm)			
Attributable profit	605	453	1 217
Loss on disposal and impairment of property, plant and equipment and intangible assets	14	2	7
Taxation adjustment	(1)	(1)	(2)
Headline earnings	618	454	1 222
Capital expenditure (R'm)			
- expended during the period	162	138	301
- authorised or committed at period end	202	216	311
Number of stores	989	944	962

Notes:

1. The results at 29 September 2012 are unaudited. The results at 31 March 2012 were audited by Ernst & Young Inc. The results have been prepared under the supervision of Mr MM Blair, CA(SA), Chief financial officer.
2. The accounting policies and estimates applied are in compliance with IFRS including IAS 34 Interim Financial Reporting and are consistent with those applied in the 2012 annual financial statements. All new and revised Standards and Interpretations that became effective during the period were adopted and did not lead to any significant changes in accounting policies.
3. There have been no adverse changes to the contingent liabilities and guarantees provided by the company as disclosed in the 2012 annual financial statements.