

Mr Price Group Limited  
(Registration number 1933/004418/06)  
Incorporated in the Republic of South Africa  
ISIN: ZAE000200457  
JSE share code: MRP  
("Mr Price Group" or "the Group" or "the Company")

## TRADING UPDATE FOR THE 18 WEEKS ENDED 6 AUGUST 2016

The recent winter season has been the most difficult we have experienced in well over a decade.

Unseasonably warm weather at the start of winter and higher prices from the weaker rand inhibited sales. There has also been a fundamental shift in consumer spending in South Africa, with higher unemployment and low economic growth significantly dampening consumer confidence and spending, as evidenced in recently announced weak national sales in both the retail and automotive sectors. Trading patterns have become very volatile during the two thirds of the month when cash is in short supply. Credit sales continue to be impacted by legislation changes made in September last year. There has also been little improvement in our external markets such as Nigeria.

While all divisions were under pressure in this environment, the apparel businesses were the most impacted. Although in MRP Apparel certain product opportunities were missed, the chain was more affected by the heavy discounting of winter product by competitors. In hindsight, winter goods should have been marked down earlier than usual, and a higher level of markdowns are now being taken which will impact margins. Miladys which is in the process of realigning its customer focus, also had a poor winter, and, being a largely credit business, felt the effect of the revised credit granting regulations.

During the first 18 weeks (03 April 2016 to 06 August 2016) of the financial year ending 1 April 2017, Mr Price Group recorded growth of 2.3% in retail sales and other income over the corresponding period in the prior year.

Other income, mainly from the financial services and cellular operations, grew by 29.6%.

Retail sales increased by 1.0% (comparable -2.4%). A weaker ZAR/USD exchange rate contributed to retail selling price inflation of 11.2% and 9.1% lower units being sold.

	Total Sales	Comparable Sales	Trading Space
MRP Apparel	0.0%	-3.6%	5.7%
MRP Sport	14.2%	2.4%	5.6%
Miladys	-11.2%	-12.3%	0.4%
MRP Home	2.9%	1.2%	-3.2%
Sheet Street	5.5%	5.0%	0.4%
Total	1.0%	- 2.4%	2.6%

Cash sales increased by 2.8% and credit sales were 6.6% lower than the corresponding period.

Sales in South Africa increased by 1.5% (comparable -1.8%) and in external markets growth was lower at -3.2% (comparable -9.3%).

Given the soft winter and the weak trading environment over the past 18 weeks it is unlikely that earnings for the half-year to September will exceed the previous year. Further earnings guidance will be communicated after the end of the trading period.

While the length and depth of the current downturn is at present unclear, the Company has successfully negotiated previous negative cycles. The Group is responding to the changing economic and competitive environment by focusing on delivering merchandise at exceptional value. In the long-term, the Group's fashion value business model and strong cash flow generation and balance sheet will sustain its competitive advantage.

The above-mentioned figures and any information contained herein do not constitute an earnings forecast and have not been reviewed and reported on by the Company's external auditors.

Durban

31 August 2016

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Ltd)