

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 13 WEEKS ENDED 31 DECEMBER 2016

During the third quarter (2 October 2016 to 31 December 2016) of the financial year ending 1 April 2017, on a statutory reporting basis, the Group recorded growth in retail sales and other income of 0.4% to R6.4bn over the corresponding period in the prior year ("Corresponding Period"). Total retail sales of R6.1bn (including franchise) were 0.5% lower (comparable stores -2.9%) than the corresponding period, while sales growth in corporate owned stores was as follows:

	Total Sales	Comparable Store Sales	Trading Space
MRP Apparel	-1.9%	-4.1%	4.9%
MRP Sport	3.9%	-3.7%	6.0%
Miladys	-0.7%	-1.3%	0.0%
MRP Home	1.8%	-1.7%	-2.7%
Sheet Street	5.0%	5.0%	-0.2%
Total	-0.4%	-2.8%	2.3%

On a like-for-like ("LFL") reporting week basis, which adjusts for the shift in trading weeks as a result of the 53rd week in the base and is a more accurate basis on which to measure performance, sales growth in corporate owned stores was as follows:

	Total Sales	Comparable Store Sales
MRP Apparel	-1.1%	-3.3%
MRP Sport	2.6%	-4.9%
Miladys	-0.6%	-1.2%
MRP Home	1.2%	-1.0%
Sheet Street	5.0%	4.8%
Total	0.0%	-2.2%

On the same LFL basis, monthly sales growth reflected an improving trend in festive season trade. Group sales in December increased by 3.9% as follows:

	Total Sales	Comparable Store Sales
MRP Apparel	4.3%	2.2%
MRP Sport	1.9%	-5.0%
Miladys	4.0%	3.1%
MRP Home	2.0%	-0.8%
Sheet Street	5.3%	5.2%
Total	3.9%	1.6%

Cash sales, which constitute 83.2% of total sales, decreased by 0.5%. Credit sales growth, which had slowed significantly as a result of consumer caution and legislative changes impacting new account applications, showed an improvement from the reduction at the half year, and increased by 0.3% over the

corresponding period. The debtors' book, which grew by 1.8% at period end, continued its positive performance, with collections for the quarter exceeding forecast.

As anticipated, the difficult trading environment referred to at previous reporting periods, has extended into H2. Poor economic growth, low levels of consumer confidence and higher selling prices driven by a weak and volatile exchange rate has resulted in a very competitive retail environment, with persisting high levels of price discounting and promotional activity. Retail selling price inflation for the period was 10.8%.

Given this situation and the need to manage inventory levels going into the new year, higher promotional markdowns were required, particularly in MRP Apparel. Although this has impacted gross margin, group inventory has been well managed, decreasing by 5.0% and generally being in better shape than at the end of Q3 last year.

Other income grew by 23.7% to R284.4m, with double digit growth being achieved in all major revenue types, namely debtors' interest and fees, cellular and insurance.

Looking ahead, any improvement in economic growth and consumer health is likely to be gradual. Despite this, the group is hopeful that a more settled economic environment will aid planning and result in lower merchandise input costs. The early positive signs of focused effort, particularly on MRP Apparel and Miladys merchandise and credit sales are encouraging.

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

17 January 2017

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