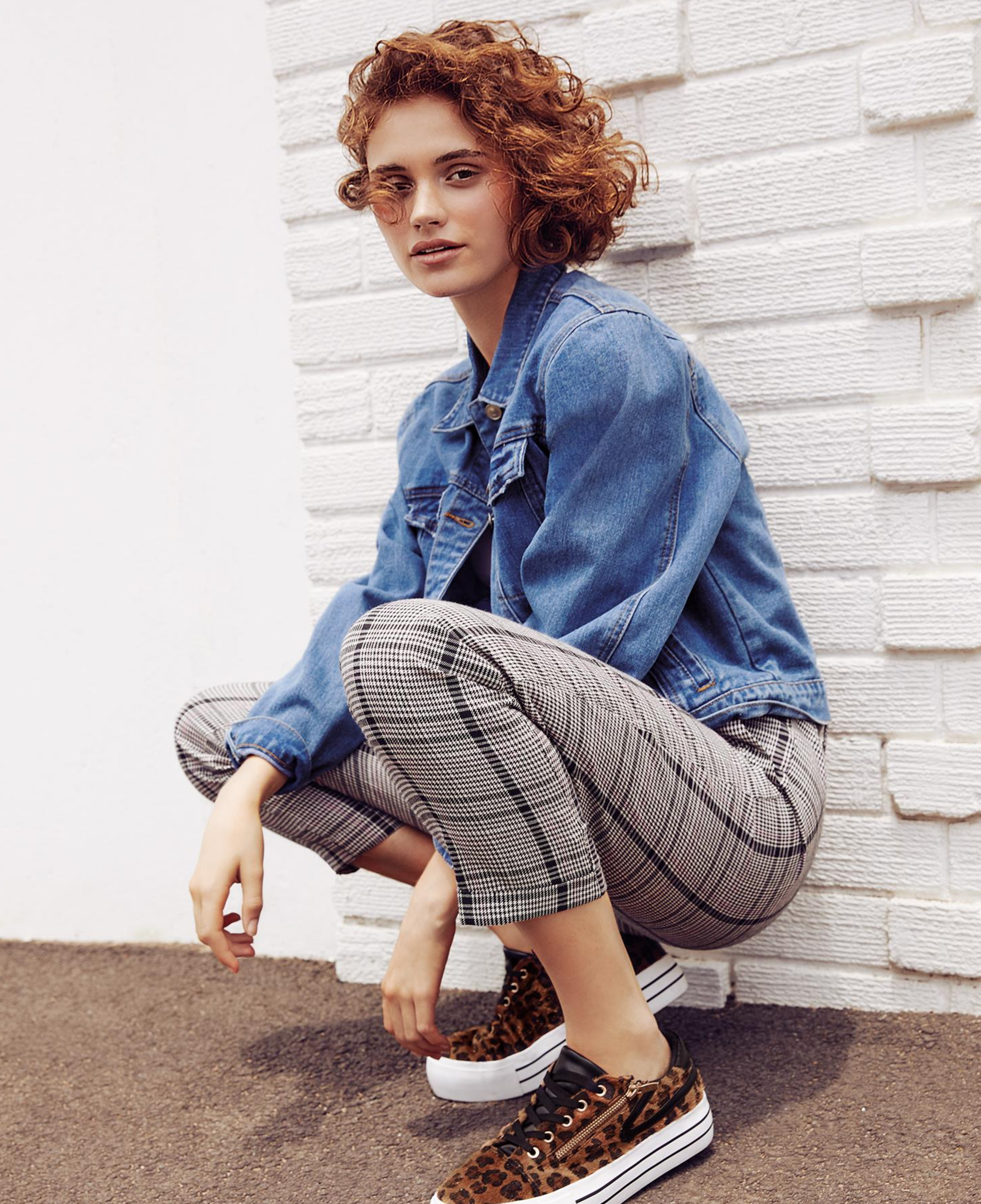

mr price group limited

Final Results - Supplementary Information
52 weeks ended 30 March 2019

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Mr Price Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1933/004418/06
Tax reference number: 9285/130/20/0
JSE and A2X code: MRP
ISIN: ZAE000200457

Registered Office
Upper Level, North Concourse
65 Masabalala Yengwa Avenue
Durban, 4001

PO Box 912, Durban, 4000

Website
www.mrpricegroup.com

Sponsor
Rand Merchant Bank (a division of FirstRand Bank Limited)

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Auditors
Ernst & Young Inc.

mr price group limited

Group Results & Final Cash Dividend Declaration

52 Weeks Ended 30 March 2019

This short-form announcement is the responsibility of the Mr Price Group Limited board of directors and is a summary of the information in the detailed results announcement released on SENS on 31 May 2019 and does not contain full or complete details. These documents and the results presentation to the investment community are available on the group's website at www.mrpricegroup.com and copies may be requested from the company secretary (jcheadle@mrpg.com or +27 31 310 8000) at the company's registered office. Any investment decision in relation to the company's shares should be based on the full announcement.

Highlights

REVENUE	PROFIT AFTER TAX	OPERATING MARGIN
+5.8% R22.6bn	+7.2% R3.0bn	17.6% +0bps

HEPS	DILUTED HEPS	DIVIDEND PER SHARE
+6.2% 1 168.6c	+6.2% 1 142.3c	+6.2% 736.2c

Final Cash Dividend Declaration

The final gross dividend of 424.80 cents per share (339.84 cents net of dividend withholding tax of 20% for shareholders who are not exempt), is based on a payout ratio of 63%, which is in line with the comparable period. The dividend has been declared from income reserves. The salient dates for the dividend are as follows:

Last date to trade 'cum' dividend	Tuesday	18 June 2019
Date trading commences 'ex' dividend	Wednesday	19 June 2019
Record date	Friday	21 June 2019
Payment date	Monday	24 June 2019

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 19 June 2019 and Friday, 21 June 2019, both dates inclusive.

Commentary

Total revenue grew 5.8% to R22.6bn. For the first time, the group exceeded both retail sales of R20bn, growing 4.4% (comparable stores 1.6%), and profit before tax of R4bn. Other income grew 24.7% to R1.5bn, mainly from financial services and cellular. Interest earned on cash balances grew by 38.2% to R224m. Cash sales grew by 6.6% and constitute 84.2% of total sales, whilst credit sales including cellular increased by 2.3%. Local store sales were up 3.8% while non-South African store sales grew 12.1%, aided by the acquisition of the Kenyan franchise stores in May 2018. Retail selling price inflation was 5.1% and 220m units were sold, an increase of 0.2%. After opening 82 new stores and expanding 11, weighted average new space grew 3.1%. By closing 17 stores and reducing the size of 30, total weighted average space was up 1.4%, taking the total number of corporate owned stores to 1 323. The group continues to focus on optimising trading space with trading densities up 3.0%.

The group's gross profit margin declined by 40bps to 42.9%. All divisions grew merchandise margins except for MRP Apparel whose Q4 markdowns offset prior gains. Merchandise margins on an annual basis contracted 10bps to 43.6%. Cellular margins decreased 150bps to 19.1% due to product mix changes as Cellular kiosks, which are lower margin than MRP Mobile, were rolled out to over 200 stores. Selling and administration expenses were well managed, increasing by 4.0% (excluding Kenya and Poland 2.8%). Profit from operating activities increased by 5.5% to R3.9bn and the operating margin remained flat at 17.6% of retail sales and other income (RSOI). Basic earnings per share increased by 7.0% to 1 156.6 cents.

The Apparel segment increased RSOI by 3.8% to R15.6bn. Operating profit increased 3.4% off a strong base and the operating margin declined marginally from 18.1% to 18.0%. Sales in MRP Apparel grew 3.1% (comparable 0.1%) to R12.6bn, and exceeded market growth as reported by Stats SA (Type D) on an annual basis. Online sales grew at 30.2%, with 25.1m visits to mrp.com throughout the year. Miladys grew sales 4.0% (comparable 3.1%). MRP Sport reported strong sales growth of 9.7% (comparable 6.4%), with online sales growing at 43.8%.

Despite discretionary spend product being under pressure due to economic challenges, the Home segment performed well, increasing RSOI by 5.9% to R5.3bn. Operating profit increased 12.3% and the operating margin increased from 15.7% to 16.6%. Both divisions grew market share, outperforming the market on an annual basis as reported by Stats SA (Type D). Sales in MRP Home were up 7.2% (comparable 4.5%) with online sales increasing 34.8%. Sheet Street grew sales by 4.0% (comparable 1.6%).

The Financial Services & Cellular segment reported revenue growth of 25.9% to R1.4bn and an operating profit decline of 1.3%. Financial services revenue grew 4.9% to R760m. A weak credit environment, a lower effective repo rate and a change to IFRS 9 caused growth in interest and fees to slow. The industry has shown a rising number of new accounts in early default. In line with the group's prudent approach to credit, scorecard adjustments were made. The effect of this was less accounts approved despite growing new account applications. Cellular and mobile revenue grew 62.1% to R677m with Cellular products sold through 216 locations across the group, achieving sales density and operating profit per square metre in line with the other merchandise.

The balance sheet remains in a healthy position. Cash and cash equivalents increased 15.8% to R3.2bn. Net asset value per share increased 16.2% to 3 345 cents. The group's ROA and ROE were 26.8% and 37.5% respectively, significantly higher than the JSE Top 40 and retail competitors average. Solvency and liquidity ratios remain market leading. Capital expenditure of R424m was incurred primarily relating to store development activities. Inventory levels were up 18.9% due to an increase in goods in transit (GIT) to satisfy the timing of winter merchandise. Excluding GIT, inventory was up 14.2%. Excess stock due to lower than expected trade since festive will require promotional activity in the new year. The debtors book remains well managed, with a retail net bad debt to book ratio of 7.3% and an IFRS 9 impairment provision of 8.9%.

The appointment of Mark Blair as CEO effective 1 January 2019, came with him making a few key appointments including newly formed roles of Chief Operating Officer and Chief Retail Officer. The new management team has identified potential opportunities for growth across the business and prioritised key areas of focus which will form part of the process of updating the group strategy. High cash generation, a low cost operating model and strengthening the key fashion-value product offering at everyday low prices will continue to remain central to the business model. The group expects to open 70 new stores in FY2020.

The retail environment in South Africa is likely to remain under pressure in the short term as flat real wage growth and low levels of disposable income continue to challenge the consumers' ability to spend. The national elections delivered a positive outcome which we hope will lead to reformed economic policies that will encourage business growth and job creation. Hopefully this could be the start of an upward swing in the retail cycle, but any improvements are expected to be gradual and we are therefore anticipating a very tough first half of the new financial year. The second half should see an improvement due to the base effect and impact of internal initiatives coming through. Increased focus is being applied to our key differentiators to ensure that we continue to gain market share and deliver above market related returns for our shareholders.

mrp | mrphome | MILADYS | mrpsport | sheet•street | mrpmoney

Mr Price Group Limited Registration Number: 1933/004418/06 - Incorporated in the Republic of South Africa - ISIN: ZAE000200457 - JSE/A2X code: MRP

Directors SB Cohen* (Honorary chairman), NG Payne* (Chairman), MM Blair (CEO), MJ Stirton (CFO), N Abrams^, MJ Bowman*, M Chauke*, SA Ellis^, K Getz*, MR Johnston*, RM Motanyane-Welch*, D Naidoo*, B Niehaus*, * Non-executive director, ^ Alternate director

Sponsor Rand Merchant Bank (a division of FirstRand Bank Limited)

Transfer Secretaries Computershare Investor Services (Pty) Ltd

PRESS RELEASE

MR PRICE GROUP LIMITED REPORTS FINAL RESULTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

[Durban, 31 May 2019] Mr Price today released its final results for the 52 weeks ended 30 March 2019. Headline earnings per share (HEPS) and dividends per share (DPS) increased by 6.2% to 1 168.6 cents and 736.2 cents respectively. Diluted headline earnings per share increased by 6.2% to 1 142.3 cents.

"We are pleased to be able to deliver solid earnings growth and increase our dividend to shareholders in what has been a very tough year for retail. Despite this, both our apparel and homeware segments outperformed the market and gained market share on an annual basis. For the first time our retail sales exceeded R20bn and profit before tax R4bn," said CEO Mark Blair.

Total revenue grew 5.8% to R22.6bn with retail sales increasing by 4.4% (comparable stores 1.6%) to R20.9bn. Other income grew 24.7% to R1.5bn, mainly from financial services and cellular. Interest earned on cash balances grew by 38.2% to R224m. Cash sales grew by 6.6% and constitute 84.2% of total sales, whilst credit sales including cellular increased by 2.3%. Local store sales were up 3.8% while non-South African store sales grew 12.1%, aided by the acquisition of the Kenyan franchise stores in May 2018. Retail selling price inflation was 5.1% and 220m units were sold, an increase of 0.2%. By opening 82 new stores and expanding 11, weighted average new space grew 3.1%. After closing 17 stores and reducing the size of 30, total weighted average space was up 1.4%, taking the total number of corporate owned stores to 1 323. The group continues to focus on optimising trading space with trading densities up 3.0%.

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ENDS

Contact
Group Head of Investor Relations
Matt Warriner
Mr Price Group Limited
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+27 31 334 1652

FINAL CASH DIVIDEND DECLARATION

Notice is hereby given that a final gross cash dividend of 424.80 cents per share has been declared for the 52 weeks ended 30 March 2019. As the dividend has been declared from income reserves, shareholders, unless exempt or who qualify for a reduced withholding tax rate, will receive a net dividend of 339.84 cents per share. The dividend withholding tax rate is 20%.

Annual dividends per share increased by 6.2% to 736.20 cents and the final dividend per share of 424.80 cents is 2.6% higher than the comparable period. Dividends have been based on a dividend payout ratio of 63% of headline earnings per share.

The issued share capital at the declaration date is 256 945 727 listed ordinary and 7 995 234 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	Tuesday	18 June 2019
Date trading commences 'ex' the dividend	Wednesday	19 June 2019
Record date	Friday	21 June 2019
Payment date	Monday	24 June 2019

Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 19 June 2019 and Friday, 21 June 2019, both dates inclusive.

The dividend was approved on behalf of the board on 29 May 2019 in Durban by:

NG Payne – Chairman
MM Blair – Chief executive officer

DIRECTORS

SB Cohen* (Honorary Chairman), NG Payne* (Chairman), MM Blair (CEO), MJ Stirton (CFO), N Abrams*^, MJ Bowman*, M Chauke*, SA Ellis^, K Getz*, MR Johnston*, RM Motanyane-Welch*, D Naidoo*, B Niehaus*

* Non-executive director ^ Alternate director

GROUP RESULTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'm	**2019 30 Mar**	2018 31 Mar
Assets		
Non-current assets	**2 655**	2 628
Property, plant and equipment	**2 117**	2 092
Intangible assets	**423**	433
Long-term receivables and other assets	**40**	18
Defined benefit fund asset	**64**	63
Deferred taxation assets	**11**	22
Current assets	**8 481**	7 491
Inventories	**2 692**	2 215
Trade and other receivables	**2 179**	2 369
Derivative financial instruments	**27**	1
Reinsurance assets	**304**	146
Taxation	**4**	4
Cash and cash equivalents	**3 275**	2 756
Non-current assets held for sale	**9**	-
Total assets	**11 145**	10 119
Equity and liabilities		
Equity attributable to shareholders	**8 682**	7 455
Non-current liabilities	**289**	257
Lease obligations	**201**	214
Deferred taxation liabilities	**46**	1
Long-term liabilities	**11**	13
Post retirement medical benefits	**31**	29
Current liabilities	**2 174**	2 407
Trade and other payables	**1 920**	1 982
Derivative financial instruments	**-**	133
Reinsurance liabilities	**46**	38
Current portion of lease obligations	**46**	36
Taxation	**37**	182
Bank overdrafts	**125**	36
Total equity and liabilities	**11 145**	10 119

CONDENSED CONSOLIDATED INCOME STATEMENT

R'm	**2019 30 Mar 52 weeks**	2018 31 Mar 52 weeks	%
Revenue	**22 585**	21 347	5.8
Retail sales	**20 877**	19 994	4.4
Other income	**1 484**	1 191	24.7
Retail sales and other income	**22 361**	21 185	5.6
Costs and expenses	**18 423**	17 453	5.6
Cost of sales	**12 317**	11 582	6.3
Selling expenses	**4 691**	4 492	4.4
Administrative and other operating expenses	**1 415**	1 379	2.6
Profit from operating activities	**3 938**	3 732	5.5
Finance income	**224**	162	38.2
Finance costs	**4**	2	104.5
Profit before taxation	**4 158**	3 892	6.8
Taxation	**1 176**	1 111	5.9
Profit after taxation	**2 982**	2 781	7.2
Loss attributable to non-controlling interests	-	-	
Profit attributable to equity holders of parent	**2 982**	2 781	7.2
Weighted average number of shares in issue (000)	**258 922**	258 375	
Earnings per share (cents)			
- basic	**1 151.6**	1 076.4	7.0
- headline	**1 168.6**	1 100.1	6.2
- diluted basic	**1 125.7**	1 052.2	7.0
- diluted headline	**1 142.3**	1 075.4	6.2
Dividends per share (cents)	**736.2**	693.1	6.2
Dividend payout ratio	**63.0**	63.0	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'm	**2019 30 Mar 52 weeks**	2018 31 Mar 52 weeks
Profit attributable to equity holders of parent	**2 982**	2 781
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments	**21**	(58)
Net gain/(loss) on hedge accounting	**115**	(78)
Items that will not be reclassified subsequently to profit or loss:		
Defined benefit fund net actuarial (loss)/gain	**(5)**	5
Total comprehensive income	**3 113**	2 650

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'm	**2019 30 Mar**	2018 31 Mar
Total equity attributable to shareholders at beginning of the year	**7 455**	6 729
IFRS 9 opening retained income adjustment, net of tax	**(8)**	-
IFRS 15 opening retained income adjustment, net of tax	**3**	-
Adjusted total equity attributable to shareholders at beginning of the year	**7 450**	6 729
Total comprehensive income for the year	**3 113**	2 650
Treasury share transactions	**(74)**	(98)
Recognition of share-based payments	**109**	87
Dividends to shareholders	**(1 916)**	(1 893)
Acquisition of non-controlling interest	-	(20)
Total equity attributable to shareholders at end of the year	**8 682**	7 455

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'm	**2019 30 Mar 52 weeks**	2018 31 Mar* 52 weeks
Cash flows from operating activities		
Operating profit before working capital changes	**4 009**	3 881
Working capital changes	**(490)**	(13)
Interest on trade receivables	**373**	365
Finance income received	**222**	162
Finance costs	**(4)**	(2)
Taxation paid	**(1 253)**	(891)
Net cash inflows from operating activities	**2 857**	3 502
Cash flows from investing activities		
(Advances)/receipts in respect of long-term receivables	**(9)**	5
Acquisition of Kenyan franchise	**(19)**	-
Additions to and replacement of intangible assets	**(118)**	(129)
Property, plant and equipment		
- replacement	**(129)**	(111)
- additions	**(177)**	(221)
- proceeds on disposal	**1**	1
Net cash outflows from investing activities	**(451)**	(455)
Cash flows from financing activities		
Outflow in respect of long-term liabilities	**(4)**	(51)
Acquisition of non-controlling interest	**-**	(1)
Sale of shares by staff share trusts	**340**	317
Purchase of shares by staff share trusts	**(239)**	(286)
Net deficit on treasury share transactions	**(183)**	(139)
Dividends to shareholders	**(1 916)**	(1 893)
Net cash outflows from financing activities	**(2 002)**	(2 053)
Change in cash and cash equivalents	**404**	994
Cash and cash equivalents at beginning of the year	**2 720**	1 784
Exchange gains/(losses)	**26**	(58)
Cash and cash equivalents at end of the year	**3 150**	2 720

* Re-presented for comparative disclosure purposes and reclassifications (refer note 11).

SEGMENTAL REPORTING

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

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories;
- The Home segment retails homewares;
- The Financial Services and Cellular segment manages the group's trade receivables and sells financial services and celluar products; and
- The Central Services segment provides services to the trading segments including information technology, internal audit, human resources, group real estate, distribution centre, logistics 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	**2019** **30 Mar**	2018 31 Mar	% change
Retail sales and other income			
Apparel	**15 605**	15 027	3.8
Home	**5 298**	5 002	5.9
Financial Services and Cellular	**1 437**	1 141	25.9
Central Services	**21**	15	41.3
Total	**22 361**	21 185	5.6
Profit from operating activities			
Apparel	**2 804**	2 713	3.4
Home	**882**	785	12.3
Financial Services and Cellular	**420**	425	(1.3)
Central Services	**(168)**	(191)	(12.4)
Total	**3 938**	3 732	5.5
Segment assets			
Apparel	**2 910**	2 465	18.0
Home	**825**	787	4.9
Financial Services and Cellular	**2 450**	2 281	7.4
Central Services	**4 960**	4 586	8.1
Total	**11 145**	10 119	10.1

SUPPLEMENTARY INFORMATION

	2019 **30 Mar**	2018 31 Mar
Total number of shares issued (000)	**264 941**	264 941
Number of Ordinary shares (000)	**256 946**	256 796
Number of B Ordinary shares (000)	**7 995**	8 145
Less: shares held by share trusts	**5 353**	5 959
Net number of shares in issue (000)	**259 588**	258 982
Weighted average number of shares in issue (000)	**258 922**	258 375
Net asset value per share (cents)	**3 345**	2 879

Reconciliation of headline earnings (R'm)		
Attributable profit	**2 982**	2 781
Loss on disposal, write off and impairment of property, plant, equipment and intangible assets	**61**	85
Taxation adjustment	**(17)**	(24)
Headline earnings	**3 026**	2 842

Notes:

1. These preliminary consolidated results, for which the directors take full responsibility and which is not itself audited, have been correctly extracted from the audited annual financial statements upon which Ernst & Young Inc. has issued an unmodified opinion. A copy of the opinion and the group annual financial statements are available for inspection at the company's registered office. The results have been prepared under the supervision of Mr MJ Stirton, CA(SA), chief financial officer.

2. The financial statements have been prepared in accordance with the Companies Act of South Africa.

3. The disaggregated revenue is as follows:

R'm	**2019** **30 March**	2018 31 March^
Revenue from contracts with customers	**21 815**	20 669
Retail sales	**20 877**	19 994
Insurance premium	**261**	257
Cellular and mobile income	**677**	418
Interest and charges on debtors	**499**	467
Other sundry income	**47**	49
Finance income	**224**	162
Revenue	**22 585**	21 347

^Comparatives are based on IAS 18 'Revenue'.

Revenue from contracts with customers is recognised at a point in time, except where revenue has been earned through mobile contracts where services are transferred over time.

4. The accounting policies and estimates applied are in compliance with IFRS including IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides and Financial Pronouncements as issued by the Financial Reporting Standards Council and are consistent with those applied in the 2018 annual financial statements, except for the adoption of new standards. All new and revised Standards and Interpretations that became effective during the period were adopted and did not lead to any material changes in accounting policies except for those relating to IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers", as disclosed note 9.

5. The fair value of FECs as calculated by the banks is measured using a forward pricing model. The significant inputs into the Level 2 fair value of FECs are yield curves, market interest rates and market foreign exchange rates. The estimated fair values of recognised financial instruments approximate their carrying amounts.

6. The acquisition of 12 Kenyan franchise stores from Deacons East Africa Plc was completed on 18 May 2018 for a consideration of R19 million. The stores were rebranded and merchandised and re-opened

for trade as corporate owned stores. This is accounted for as a business combination. The amounts for assets and liabilities assumed at the date of acquisition, are as follows:

R'm	Fair value
Plant and equipment	19
Inventory	-*
Net identifiable assets acquired	19

*less than R1 million

From the date of acquisition, revenue contributed was R146m and net loss contributed was R12m, affected by once off startup costs.

7. In May 2017 litigation was instituted by the National Credit Regulator (NCR) in the National Credit Tribunal (NCT) to declare the group to have acted in contravention of the National Credit Act in relation to Miladys Club fee charges. The NCR requested that the NCT order the group to refund all club fees to customers from 2007 to date and pay a fine of 10% of the group's annual turnover. The group opposed the referral and applied to stay the proceedings pending the outcome of a similar matter between Edcon and the NCT. The high court recently ruled in favour of Edcon and the group was therefore optimistic that the Miladys matter would have a positive outcome. The matter was heard at the National Consumer Tribunal on 22 November 2018. The judgement was handed down on 14 January 2019 in our favour with the court finding that the club fee does not form part of the cost of credit. The court concurred that the club fee is an optional product, therefore the group was not in contravention of the NCA. The NCR has delivered an appeal to the judgment handed down in our favour. We are currently awaiting a date for the appeal, thereafter both parties will file their heads of argument. The directors are of the opinion that the likelihood of any liability is remote.

8. During the 2018 financial year, the company received an assessment from SARS relating to the disallowance of certain deductions claimed in the 2014 year of assessment. The assessment amounted to additional income tax of R65.1m, made up of a reallocation between deferred tax and current tax of R59.5m and additional current tax of R5.6m. Interest and penalties charged to 31 March 2019 amount to R40.4m (2018: R33.1m). The overall potential impact on the income statement therefore amounts to R46.0m (2018: R38.7m).

   The company, supported by senior counsel's opinion, appealed the decision of the Commissioner to disallow the company's objection to the assessment. No adjustments have been made to the financial statements as the directors are of the opinion that the likelihood of the liability is remote.

9. The group applied both IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' using the modified retrospective approach, by recognising the cumulative effect of applying IFRS 9 and IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. Therefore the comparative information has not been restated and continues to be reported under IAS 18 'Revenue' and IAS 39 'Financial Instruments'.

   The key impact of IFRS 9 is the new impairment model for financial assets, impacting the group's debtors book. The new impairment model reflects expected credit losses based on forward-looking information as opposed to incurred credit losses under IAS 39 *Financial Instruments: Recognition and Measurement*. The group has adopted the general impairment approach for retail debtors (R7m increase on opening balance of provision) and the simplified approach for mobile debtors (R4m increase on opening balance of provision). The combined deferred tax impact is an increase in deferred tax (R3m increase in deferred tax asset). Refer to the statement of changes in equity for the impact on opening retained income. IFRS 9 has been applied prospectively for hedge accounting and has no impact on the comparative figures.

   IFRS 15 key areas of impact are changes in timing and amount of recognition of MRP Mobile contract revenue (R5m increase in opening balance of contract asset) and the recognition of the refund liability (R12m increase in opening balance) and related right of return asset (R7m increase in opening balance) now recognised on a gross basis. The credit note provision of R4m was derecognised. The combined deferred tax impact is a decrease in deferred tax (R1m decrease in deferred tax asset). Refer to the statement of changes in equity for the impact on opening retained income.

10. The group anticipates a material change as a result of the adoption of IFRS 16 'Leases' in FY2020. The material change relates to the capitalising of leased stores and vehicles onto the statement of financial position resulting in a right of use asset, with a corresponding lease liability. Changes to the statement of comprehensive Income will result in the current operating lease costs being replaced by an amortisation of the right-of-use asset and calculated lease finance costs on the interest line. Other metrics that will be impacted by the adoption of the standard include operating profit margin, EBITDA, earnings per share and return on assets. We will give additional disclosure in our FY2019 annual financial statements.

11. Movements in reinsurance premiums were previously included in operating profit before working capital changes. These have been reclassified to changes in working capital under cash flows from operating activities in the cash flow statement. The impact on net cash inflows from operating activities is Rnil. Net interest received and treasury share transactions have been re-presented on a gross basis.

12. On 3 April 2019, the Mr Price Group Limited board approved the withdrawal of financial support to the Australia operations and as a result, the MRP Retail Australia (Pty) Ltd directors put the company into Part 5.3A administration on 2 May 2019. The Australian stores ceased trading on 30 April 2019. The closure of the Australia operations is a non-adjusting subsequent event and will be disclosed as discontinued operations in the 2020 financial year. At this stage, no material financial impact is expected.

CHANGE IN DIRECTOR RESPONSIBILITIES

Shareholders are advised that the Board of Directors ("Board") have appointed Mark Bowman as Lead Independent Director ("LID"), in Bobby Johnston's stead, effective 30 May 2019. Mark Bowman is an independent non-executive director, chair of the Remuneration and Nominations Committee ("Remnomco"), and member of the Audit and Compliance Committee ("ACC"). Bobby Johnston continues to serve as an independent non-executive director, and member of both Remnomco and the ACC. The Board thanks Bobby for his valuable guidance during his tenure as LID.