MR PRICE GROUP LIMITED

UNAUDITED GROUP RESULTS AND INTERIM CASH DIVIDEND DECLARATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2009

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")

RESULTS

Despite the global recession and the resulting tough trading environment, the group's retail sales for the six months ended 30 September 2009 grew by 10.8% to R4.3 billion. This performance should be evaluated against the sales growth achieved in the retail sector, as reported by Statistics South Africa for the five month period to August, which were as follows:

- total retail sales +4.7%;
- textiles, clothing and footwear +3.2%; and
- household furniture and appliances -5.2%.

Through the fashion value appeal of its merchandise, the group has continued to gain market share, as measured by the Retailers' Liaison Committee (RLC). Comparable sales, which include sales of expanded and relocated stores in like-for-like locations, were up 9.2%. These sales levels were achieved off an increase in gross inventories of only 2.2%.

Other income rose by 12.9% mainly as a result of increased interest received from debtors and premium income relating to the sale of financial service products. Administrative expenses were up 13.3%, affected by a mark-to-market loss on forward exchange contracts as a consequence of the strengthening Rand. Excluding this accounting charge, administrative expenses increased by 9.8%. Profit from operating activities increased by 14.0% and the operating margin increased from 7.7% to 8.0% of retail sales. Net finance income increased by 41.6% due to higher average cash balances than the comparable period. Headline earnings per share increased by 15.1% to 101.5 cents.

The group increased its net weighted average trading space by 6.1% and ended the period with 951 stores. The group now employs almost 19 000 associates and has continued to create employment opportunities during an economic recession.

The interim dividend has been set at 46.2 cents per share which reflects an increase of 14.9% over the comparable period and is based on a maintained interim cover of 2.2 times.

TRADING

The trading results for the group are reported in two main segments, **Apparel** and **Home**.

The **Apparel** chains (Mr Price, Miladys and Mr Price Sport), which constitute 71.3% of group sales, grew sales by 15.1% to R3.0 billion, with retail selling price inflation of 6.3%. Comparable sales were up 11.7%. Operating profits increased by 19.1% to R385.2 million and the operating margin increased from 12.2% of retail sales in the comparable period to 12.6%.

Mr Price grew sales by 20.3% to R2.4 billion on an increase in weighted average trading space of 6.9%, which was an exceptional performance given the trading conditions. Comparable sales were 17.9% higher and the division recorded retail selling price inflation of 8.7%. The division's merchandise strategy, aided by sophisticated IT capabilities, enabled it to continue the trend of achieving growth in market share as measured by the RLC. The number of units sold increased by 10.6% to 44.4 million.

Miladys sales decreased by 5.9% to R471.9 million, with a growth in weighted average trading space of 10.5%. The division experienced retail selling price inflation of 3.5%. While the trading environment inhibited sales, the internal factors that led to a drop in units sold of 9.0% have been addressed and an improved operating performance in the second half is expected.

Mr Price Sport generated sales of R193.6 million, an increase of 17.1%. Comparable sales were up 10.1% and weighted average trading space grew by 8.3%. The initiatives put in place last year to accelerate performance are proving successful. During the period, the division exceeded its own financial and operational targets through an improved stock turn, lower markdowns and a higher gross profit percentage. Independent market research commissioned in July 2009 highlighted that Mr Price Sport has the highest affinity amongst sport retailers and the division ranked first in top-of-mind awareness, both of which are significant milestones given the relative newness of the brand.

Sales in the **Home** chains (Mr Price Home and Sheet Street) were up 4.4% to R1.2 billion and retail selling price inflation of 10.5% was recorded. Comparable sales were up 3.6%. This segment continues to be the most affected by the reduction in consumer spend on semi-durable products, however both chains maintained market share. Operating profits declined to R4.4 million and the operating margin reduced from 1.9% to 0.4% of retail sales.

Mr Price Home generated sales of R834.4 million, an increase of 4.2%. Retail selling price inflation of 11.0% was recorded and comparable sales were up 5.5%. Although the division maintained its gross profit percentage, the performance was negatively affected by the drop in unit sales of 4.0%. Weighted average trading space increased by 2.0%.

Sheet Street increased sales by 4.7% to R384.0 million and comparable sales were down 0.5%. Retail selling price inflation of 9.5% was recorded and weighted average trading space increased by 7.0%. Profitability was impacted by increased markdowns and a decrease in unit sales of 4.2%.

Mr Price International opened an additional four stores in the Mr Price and Mr Price Home formats, bringing the total to 21. These test stores have to date proved that there is strong demand for the group's merchandise. Extensive research and planning is now underway that will enable entry to selected markets with an appropriate business model and streamlined business and logistics processes.

FINANCIAL POSITION

The cash-driven business model, whereby 82.6% of sales are for cash, will enable the group to retain a healthy balance sheet. Cash generated from operating activities increased by 36.3% to R310.9 million and cash resources rose to R635.2 million.

Although the debtors book has increased by 21.7% to R741.6 million, the group has continued its cautious credit granting approach. Annualised bad debts net of recoveries increased from 7.1% to 7.4% of debtors and the provision for impairment has been conservatively set at 8.6% of the book. Independent statistics confirm that the ageing profile of the debtors' book continues to be the industry benchmark.

Gross inventories were well managed and the group stock turn improved from 5.4 times to 5.8 times during a challenging trading period, aided by the continued progress being made by Project Redgold.

PROSPECTS

The reduction in interest rates of 500 basis points since December 2008, as well as a decreasing inflation rate, will continue to ease the plight of the South African consumer. There will be a delayed impact for this to materially increase consumer spending and the tough trading climate is expected to continue well into 2010. However, the group is well positioned to capture further market share with its fashionable products at everyday low prices.

On behalf of the board

SB Cohen - Joint chairman
LJ Chiappini - Joint chairman — Durban
AE McArthur - Deputy chairman and chief executive officer — 11 November 2009

INTERIM CASH DIVIDEND DECLARATION

Notice is hereby given that an interim cash dividend of 46.2 cents per share has been awarded to the holders of ordinary and unlisted B ordinary shares.

The following dates are applicable:

Last date to trade 'cum' the dividend	Friday	27 November 2009
Date trading commences 'ex' the dividend	Monday	30 November 2009
Record date	Friday	4 December 2009
Date of payment	Monday	7 December 2009

Shareholders may not dematerialise or rematerialise their share certificates between Monday 30 November 2009 and Friday 4 December 2009, both dates inclusive.

On behalf of the board — Durban
CS Yuill - Group secretary — 11 November 2009

DIRECTORS

LJ Chiappini* (Joint chairman), SB Cohen* (Joint chairman), AE McArthur (Deputy chairman and chief executive officer), SI Bird (Deputy chief executive officer), MM Blair, SA Ellis, K Getz*, MR Johnston*, RM Motanyane*, NG Payne*, Prof. LJ Ring* (USA), MJD Ruck*, SEN Sebotsa*, WJ Swain*, M Tembe*, S van Niekerk, CS Yuill

*Non-executive director

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)

consolidated statement of financial position

R'000	2009 September	2008 September	2009 March
Assets			
Non-current assets	877 706	895 714	893 460
Property, plant and equipment	558 714	599 138	603 299
Intangible assets	56 153	23 899	45 163
Long-term receivables and prepayments	239 658	244 045	222 748
Defined benefit fund asset	19 009	28 632	19 009
Deferred taxation assets	4 172	-	3 241
Current assets	2 373 854	1 932 652	2 377 410
Inventories	967 550	932 580	1 002 456
Trade and other receivables	771 090	634 577	714 167
Cash and cash equivalents	635 214	365 495	660 787
Total assets	3 251 560	2 828 366	3 270 870
Equity and liabilities			
Equity attributable to shareholders	1 756 256	1 504 634	1 764 187
Non-current liabilities	228 122	233 896	225 673
Lease obligations	152 522	132 598	145 785
Deferred taxation liabilities	65 155	92 244	69 926
Post retirement medical benefits	10 445	9 054	9 962
Current liabilities	1 267 182	1 089 836	1 281 010
Trade and other payables	1 225 051	1 056 868	1 208 450
Current portion of lease obligations	35 760	28 922	29 976
Taxation	6 371	4 046	42 584
Total equity and liabilities	3 251 560	2 828 366	3 270 870

consolidated income statement

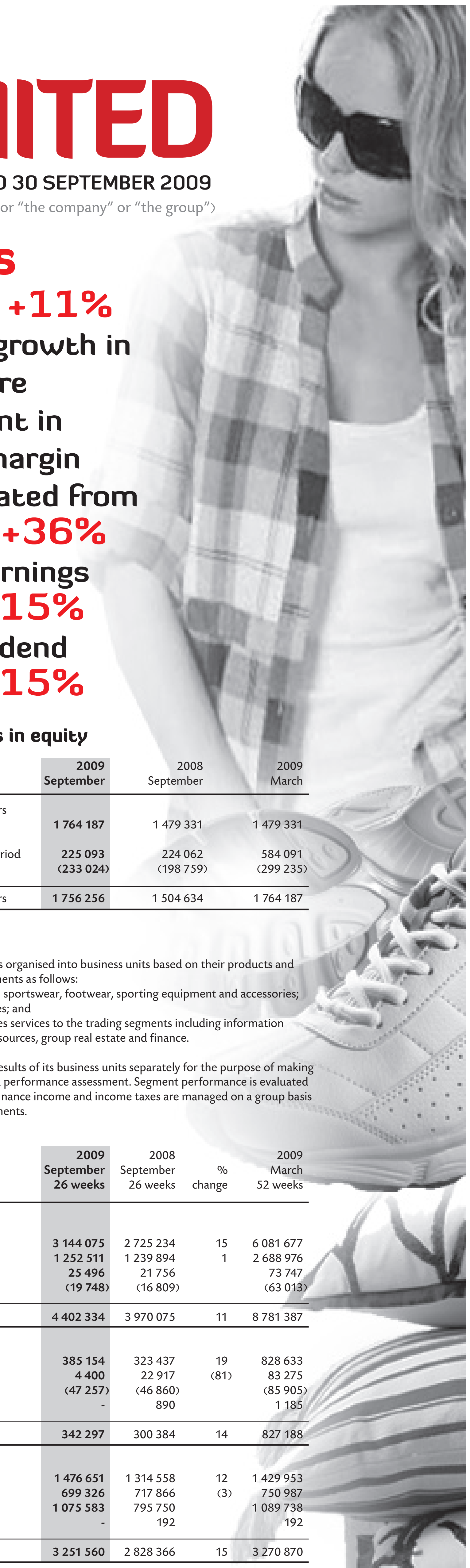
R'000	2009 September 26 weeks	2008 September 26 weeks	% change	2009 March 52 weeks
Revenue	4 439 216	4 000 252	11	8 857 229
Retail sales	4 299 954	3 879 423	11	8 591 258
Other income	102 380	90 652	13	190 129
Retail sales and other income	4 402 334	3 970 075	11	8 781 387
Costs and expenses	4 060 037	3 669 691	11	7 954 199
Cost of sales	2 618 698	2 380 291	10	5 240 547
Selling expenses	1 104 842	992 276	11	2 104 880
Administrative and other operating expenses	336 497	297 124	13	608 772
Profit from operating activities	342 297	300 384	14	827 188
Net finance income	14 305	10 102	42	25 757
Profit after net finance income	356 602	310 486	15	852 945
Net adjustment to contributions to export partnerships	18 734	19 629	(5)	39 258
Profit before taxation	375 336	330 115	14	892 203
Taxation	128 209	113 836	13	276 480
Profit attributable to shareholders	247 127	216 279	14	615 723
Weighted average number of shares in issue (net of shares held by staff share trusts) (000)	245 964	247 299	(1)	247 175
Earnings per share (cents)				
- basic	100.5	87.5	15	249.1
- headline	101.5	88.2	15	251.9
- diluted basic	96.3	85.3	13	241.8
- diluted headline	97.3	86.0	13	244.6
Distribution cover (times)	2.2	2.2	-	1.9
Distributions per share (cents)	46.2	40.2	15	133.0

consolidated cash flow statement

R'000	2009 September 26 weeks	2008 September 26 weeks	2009 March 52 weeks
Cash flows from operating activities			
Operating profit before working capital changes	394 904	356 016	937 825
Working capital changes	(3 351)	(70 796)	(50 242)
Net interest received	83 169	73 874	168 700
Restraints of trade	-	-	(1 667)
Taxation paid	(163 831)	(131 059)	(271 463)
Net cash inflows from operating activities	310 891	228 035	783 153
Cash flows from investing activities			
Net receipts in respect of long-term receivables	2 426	844	14 142
Proceeds on disposal of investment in consolidated entity	18 452	-	-
Additions to and replacement of intangible assets	(19 383)	(3 733)	(31 586)
Property, plant and equipment			
- replacement	(11 629)	(60 853)	(110 673)
- additions	(47 736)	(50 841)	(92 111)
- proceeds on disposal	1 136	752	982
Net cash outflows from investing activities	(56 734)	(113 831)	(219 246)
Cash flows from financing activities			
Proceeds from disposal of investments by staff share trust	16	20	40
Decrease in lease obligations	(3 412)	(2 373)	(5 054)
Purchase of shares by staff share trusts	-	-	(34 255)
Deficit on treasury share transactions	(37 199)	(11 929)	(28 631)
Distributions to shareholders	(233 024)	(198 759)	(299 235)
Net cash outflows from financing activities	(273 619)	(213 041)	(367 135)
Change in cash and cash equivalents	(19 462)	(98 837)	196 772
Cash and cash equivalents at beginning of the period	660 787	465 277	465 277
Exchange losses	(6 111)	(945)	(1 262)
Cash and cash equivalents at end of the period	635 214	365 495	660 787

consolidated statement of comprehensive income

R'000	2009 September	2008 September	2009 March
Profit attributable to shareholders	247 127	216 279	615 723
Treasury share transactions	(30 908)	(5 211)	(50 381)
Recognition of share-based payments	15 125	13 967	28 865
Currency translation adjustments	(6 251)	(973)	(1 190)
Defined benefit fund net actuarial loss	-	-	(8 926)
Total comprehensive income for the period, net of taxation	225 093	224 062	584 091



Highlights

- Retail sales **+11%**
- Continued growth in market share
- Improvement in operating margin
- Cash generated from operations **+36%**
- Headline earnings per share **+15%**
- Interim dividend per share **+15%**

statement of changes in equity

R'000	2009 September	2008 September	2009 March
Total equity attributable to shareholders at 1 April	1 764 187	1 479 331	1 479 331
Total comprehensive income for the period	225 093	224 062	584 091
Distributions to shareholders	(233 024)	(198 759)	(299 235)
Total equity attributable to shareholders	1 756 256	1 504 634	1 764 187

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'000	2009 September 26 weeks	2008 September 26 weeks	% change	2009 March 52 weeks
Retail sales* and other income				
Apparel	3 144 075	2 725 234	15	6 081 677
Home	1 252 511	1 239 894	1	2 688 976
Central services	25 496	21 756		73 747
Eliminations	(19 748)	(16 809)		(63 013)
Total	4 402 334	3 970 075	11	8 781 387
Profit from operating activities				
Apparel	385 154	323 437	19	828 633
Home	4 400	22 917	(81)	83 275
Central services	(47 257)	(46 860)		(85 905)
Eliminations	-	890		1 185
Total	342 297	300 384	14	827 188
Segment assets				
Apparel	1 476 651	1 314 558	12	1 429 953
Home	699 326	717 866	(3)	750 987
Central services	1 075 583	795 750		1 089 738
Eliminations	-	192		192
Total	3 251 560	2 828 366	15	3 270 870

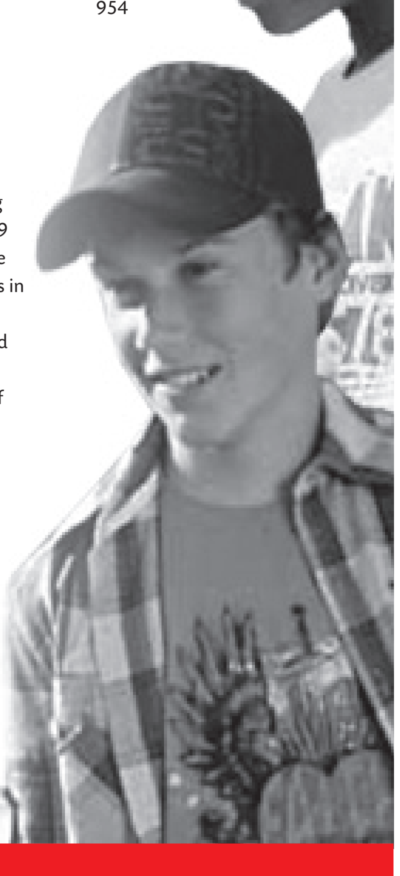
* Includes franchise sales

supplementary information

	2009 September	2008 September	2009 March
Number of shares in issue (net of shares held by staff share trusts) (000)	245 990	247 292	245 946
Net asset value per share (cents)	714	608	717
Reconciliation of headline earnings (R'000)			
Attributable profit	247 127	216 279	615 723
Loss on disposal and impairment of property, plant and equipment	3 379	2 514	9 441
Taxation adjustment	(946)	(704)	(2 440)
Headline earnings	249 560	218 089	622 724
Capital expenditure (R'000)			
- expended during the period	78 748	115 427	234 370
- authorised or committed at period end	139 228	184 201	193 034
Number of stores	951	925	954

Notes:

1. The September results are unaudited. The results at March 2009 were audited by Ernst & Young Inc.
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 2009 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. As noted in the 2009 annual financial statements, the company and other interested parties are exploring the potential of unbundling the export partnership structures. These negotiations are still in progress and, if implemented, may result in a once-off impairment to the carrying value of the long-term receivable.
4. There have been no material changes to the contingent liabilities and guarantees provided by the company as disclosed in the 2009 annual financial statements.



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