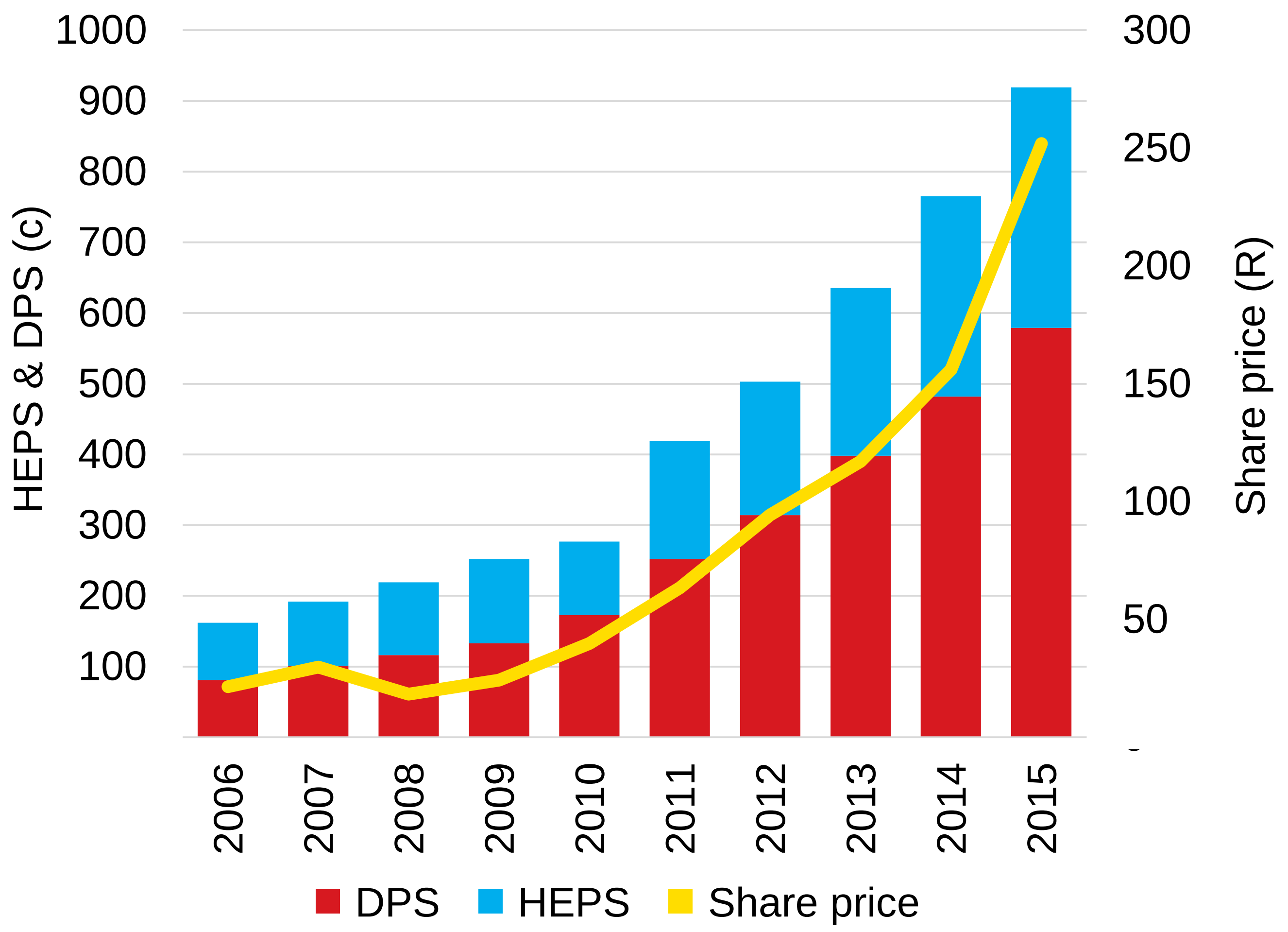
Annual Results
March 2015

mr price group limited

performance highlights

Revenue	R18.1bn	↑ 13.9%
Operating profit	R3.1bn	↑ 21.3%
Operating margin	17.1%	↑ 110bps
Profit attributable to shareholders	R2.3bn	↑ 22.8%
Diluted HEPS	865.1c	↑ 21.0%
Dividends per share	580.0c	↑20.3%

29 YEAR CAGR – HEPS: 23.3% & DPS: 25.0%



performance overview

Strong performance relative to the sector:

- Business & consumer confidence levels low
- Poor retail environment which impacts higher margin business (Miladys) & discretionary buys (homewares)
- Continued lower level of credit sales growth
- MPC sales growth ahead of the market
- Two largest divisions (78% of Group sales) gained market share
- RSOI[1] growth slowed in Q4 in line with Stats SA trend
  - disruption to trade due to load shedding
  - merchandise errors affected sales performance & GP%
- Impact offset by good cost control & higher interest
- Start up losses in online & mrpMobile

Similar growth in profit attributable to shareholders[2] in both reporting periods

1: Retail sales & other income
2: Net of outside shareholders interest in mrpMobile

group income statement

	2015	2014	% change Annual	% change H2
Retail sales & other income (pg 6)	18 011	15 829	13.8%	13.0%
Cost of sales	10 186	8 907	14.4%	14.1%
Selling expenses	3 602	3 354	7.4%	5.3%
Administrative expenses	1 147	1 031	11.3%	7.7%
Profit from operating activities	3 076	2 537	21.3%	20.2%
Net finance income	87	63	38.5%	52.0%
Profit before taxation	3 163	2 600	21.6%	20.9%
Taxation	878	733	19.7%	18.1%
Profit after taxation	2 285	1 867	22.4%	22.0%
Loss attributable to minorities (mrpMobile)	8	1		
Profit attributable to shareholders	2 293	1 868	22.8%	22.4%
EBITDA	3 292	2 729	20.6%	20.0%

- Includes consolidation of mrpFoundation & 100% of mrpMobile
- Minor reclassification between H1 selling & administrative expenses

earnings & dividends per share

	2015	2014	% change
Earnings per share			
- Basic	917.3c	757.1c	21.2%
- Headline	919.7c	765.1c	20.2%
- Diluted headline	865.1c	715.1c	21.0%
Consensus estimates			
- i-Net	867.0c		
- Bloomberg	874.6c		
Dividends per share			
- Interim	211.5c	168.0c	25.9%
- Final	368.5c	314.0c	17.4%
- Annual	580.0c	482.0c	20.3%
Payout ratio	63.1%	63.0%	

- More closely aligned interim & annual dividend payout ratios:
  - interim ratio increased from 55% to 57%
  - final dividend growth therefore lower than H2 HEPS growth
- No change to annual payout ratio expected in the medium term
- Since the change in control in 1986 dividends have never decreased

earnings growth

Analysis of growth in profit attributable to shareholders (PAS) & diluted HEPS

	Growth % H1	Growth % H2	% variance	
PAS	23.3%	22.4%	0.9%	
Basic EPS	21.9%	20.7%	1.2%	■ Higher w. avg number of shares - vested LTI's* exceeded shares purchased
HEPS	21.7%	19.2%	2.5%	■ Higher shares per above ■ Non-recurring impairment add-backs in H2 base
Diluted HEPS	23.0%	19.7%	3.3%	■ Reduction in options o/s but higher w. avg share price

- Employee share schemes
  - 5.5m shares vest in the new year (75% in H2) - will go into the market if exercised
  - impact will be partly offset by any shares purchased to satisfy future obligations
  - in FY15 new number of LTI awards represented 43% of those vesting
  - vesting timeframes disclosed in Annual Integrated Report

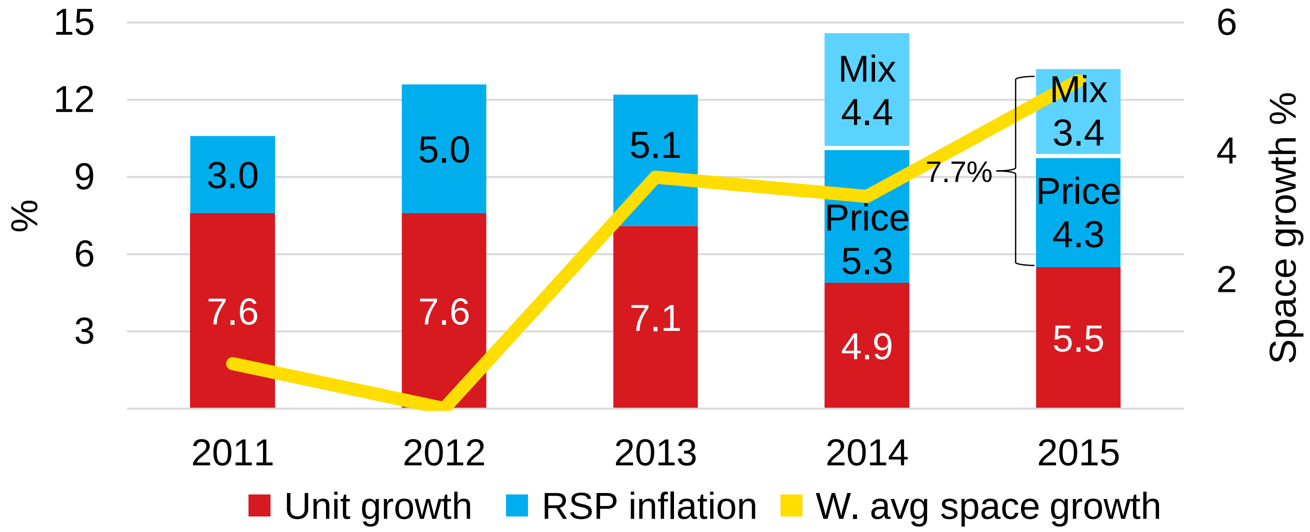
* Long term incentives (options & shares)

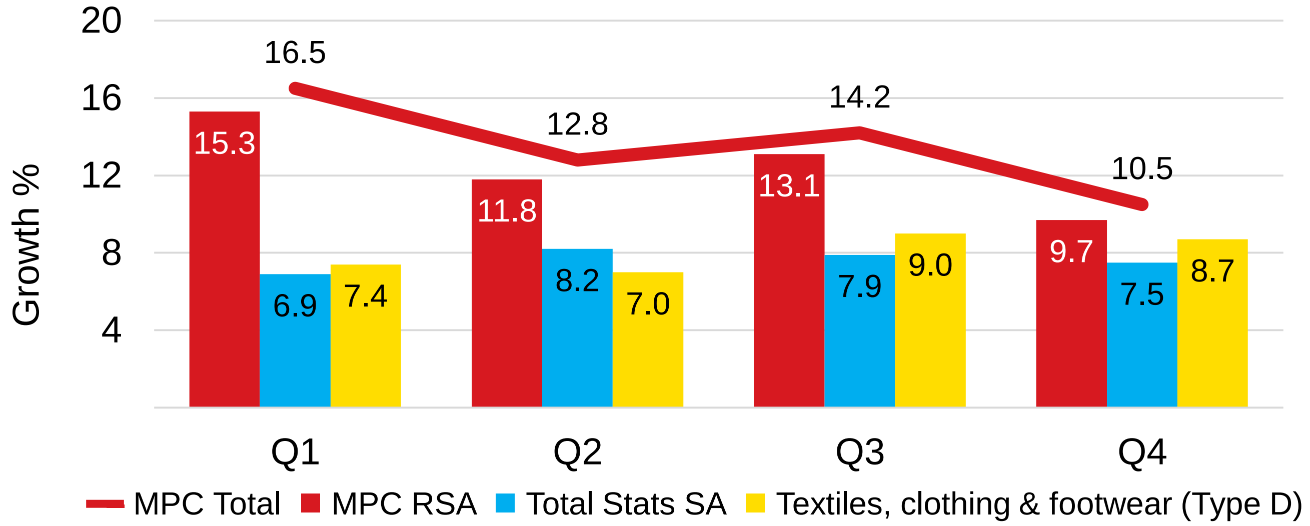
revenue analysis

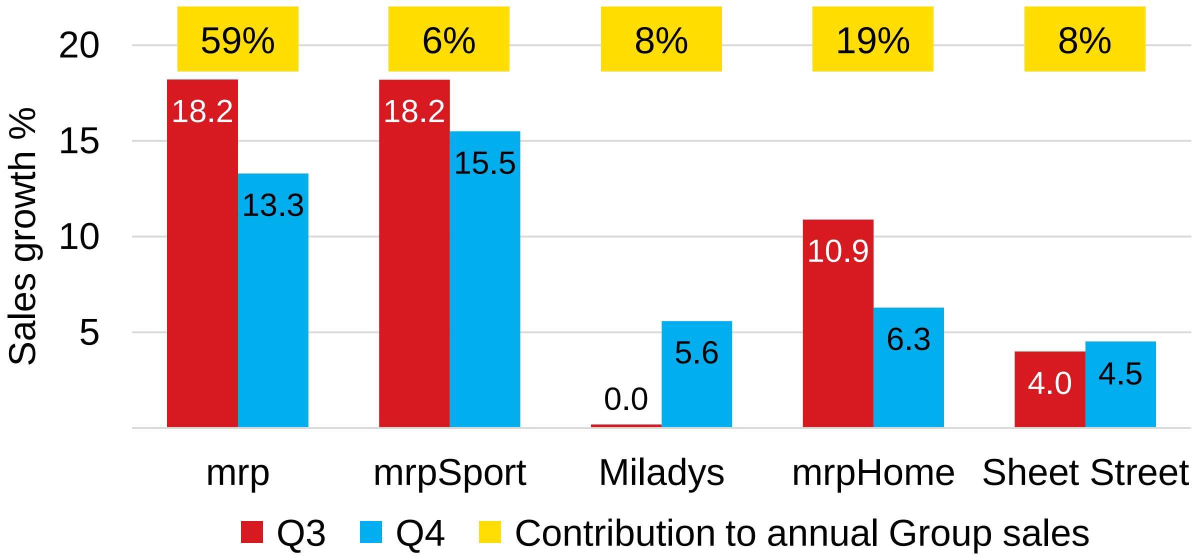
	2015	2014	% change Annual	% change H2
SA - bricks	15 695	13 985	12.2%	11.6%
SA - online	96	45	110.6%	68.4%
Non-SA - bricks - corporate owned (pg 28)	1 377	1 085	26.9%	24.0%
Non-SA - bricks - franchise (pg 28)	100	103	(2.8%)	(2.4%)
Non-SA - online	17	9	90.1%	54.2%
Retail sales (comp growth: 9.2%)	17 285	15 227	13.5%	12.8%
Financial services (pg 16)	703	585	20.1%	18.8%
Other	23	17	33.2%	30.1%
Other income	726	602	20.7%	18.5%
Total retail sales & other income	18 011	15 829	13.8%	13.0%
Finance income (bank interest)	88	63	39.5%	52.0%
Total revenue	18 099	15 892	13.9%	13.2%

- Retail sales growth excluding SA bricks was 27.9%
- Non-SA sales grew by 24.8% & constitute 8.6% of total sales
- Total online sales grew by 107.3%
- Other constitutes club fees & external donations to mrpFoundation

sales growth analysis



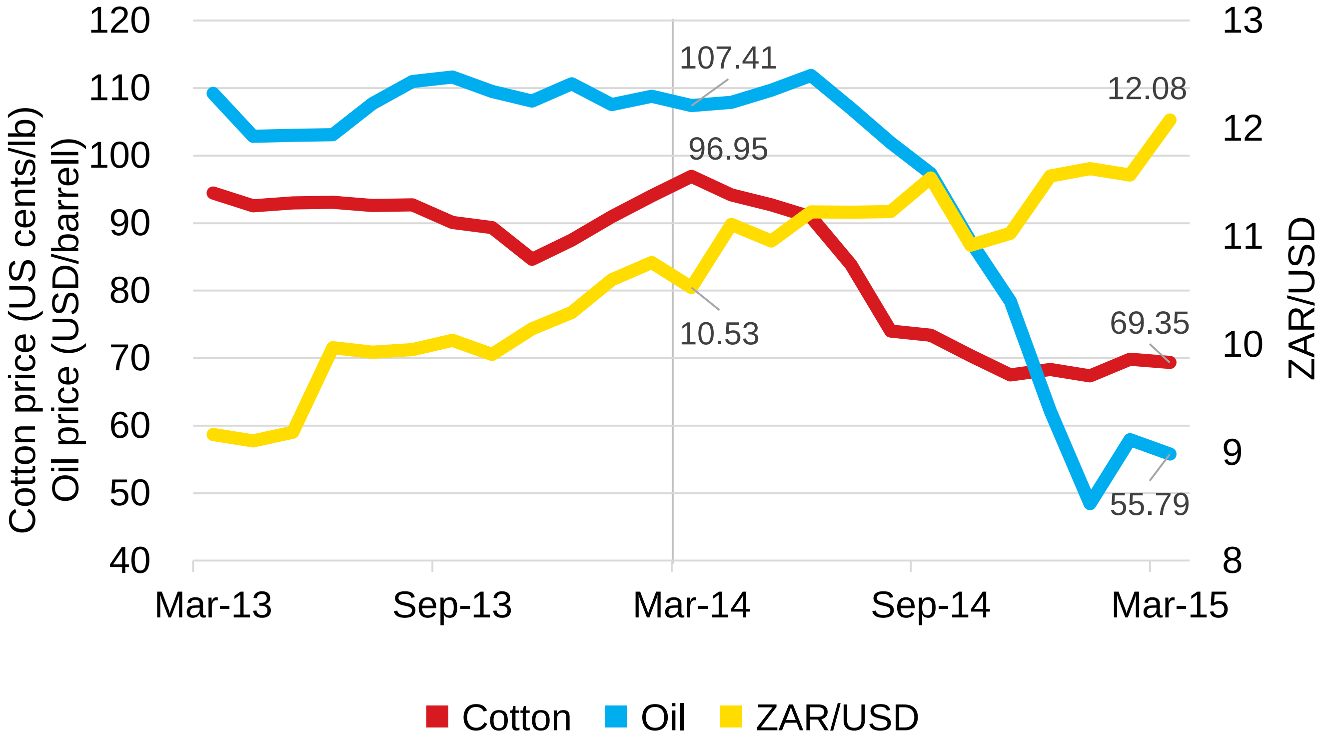




- Previously advised sales growth in H2 base was high, particularly Q4 (Group: 15.6%, mrp: 21.7%)
- Good Q1 - Q3. Feb & Mar of Q4 was disappointing
- Type D sales trend Jan-Mar 12.6%, 7.7%, 5.6%

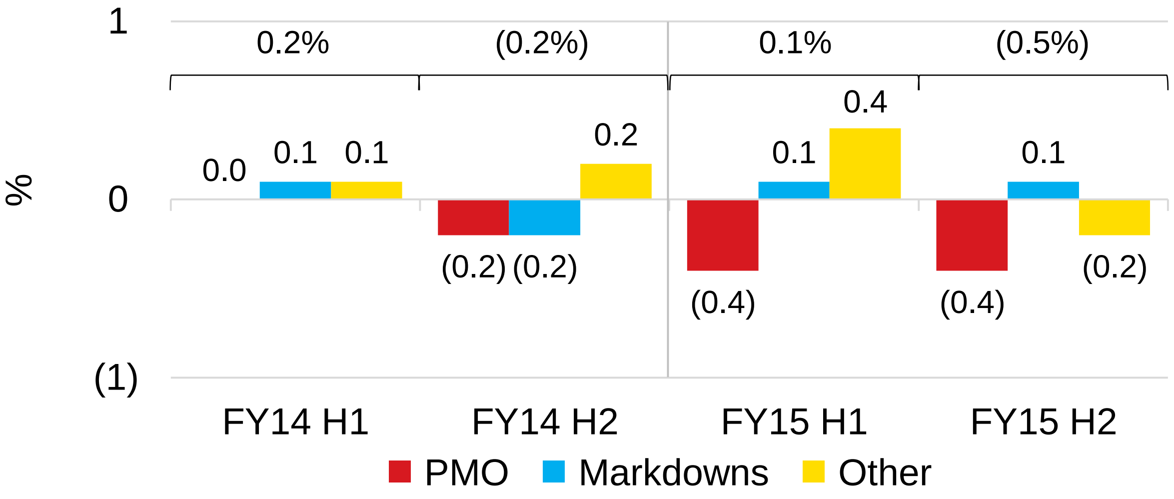
costs & expenses

Cotton price, oil price & currency movements

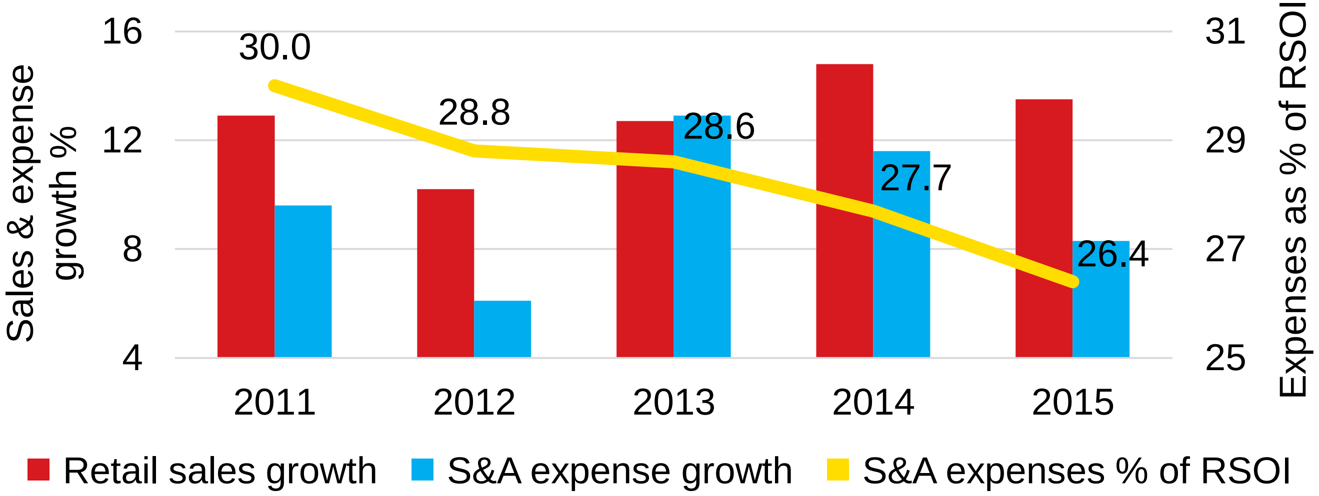


- Impact of exchange rate not fully recovered in RSP's:
  - actual rates were higher than economists' forecast
  - protected value & strategic price points
- Impact on PMO (ingoing margin) & forex loss partially offset by lower markdowns & carriage costs

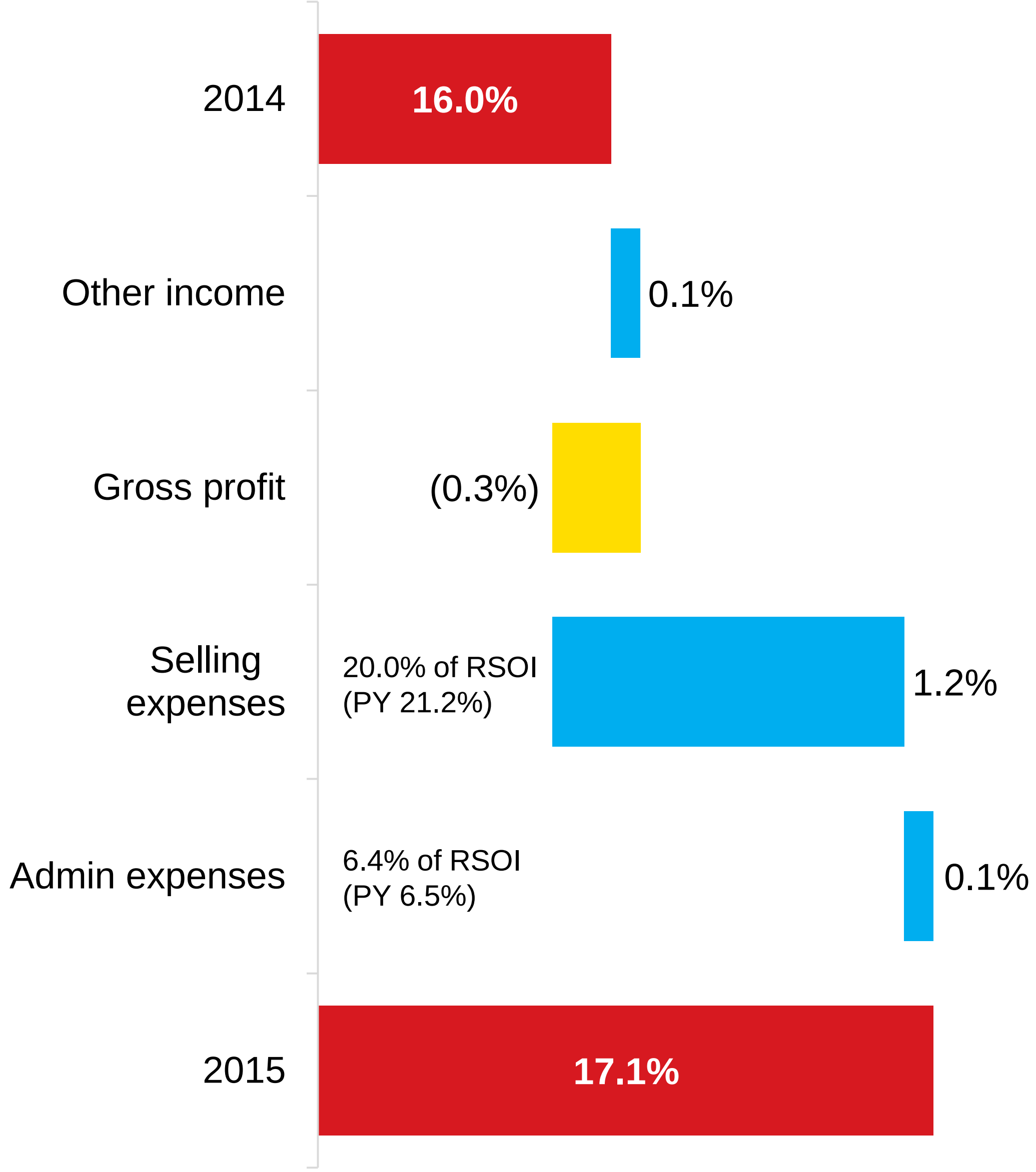
Merchandise GP% movements



Focus on operating leverage



continued improvement in operating margin



- Changed basis of measurement to operating profit/RSOI
- Per analysis pg 6
- Merchandise GP 42.0%, down 0.2% on LY
- Group GP% including cellular of 41.6% up on H1, but lower than PY (42.0%)
- Employment costs up 5.6% (11.1% prior to employment tax incentive)
- Rental costs up 11.9% on space growth of 5.1%
- Improvements in debtors book continued into second half (pg 17)
- Employment costs up 11.2% (including incentives)
- IT expenses to improve existing network & mrpWorld project
- Impairment IT software R11.2m in PY, non-recurring
- Improvement in both Apparel & Home segments (pg 15)

financial position

R'm	2015	2014
Non-current assets		
Property, plant & equipment	838	718
Intangible assets	328	215
Other non-current assets	198	204
Current assets		
Inventories	1 741	1 403
Trade & other receivables	1 874	1 673
Reinsurance assets (mainly cash)	124	98
Cash & cash equivalents	2 764	2 252
	7 867	6 563
Equity attributable to shareholders	5 021	3 922
Non-current liabilities	213	220
Current liabilities	2 633	2 421
	7 867	6 563

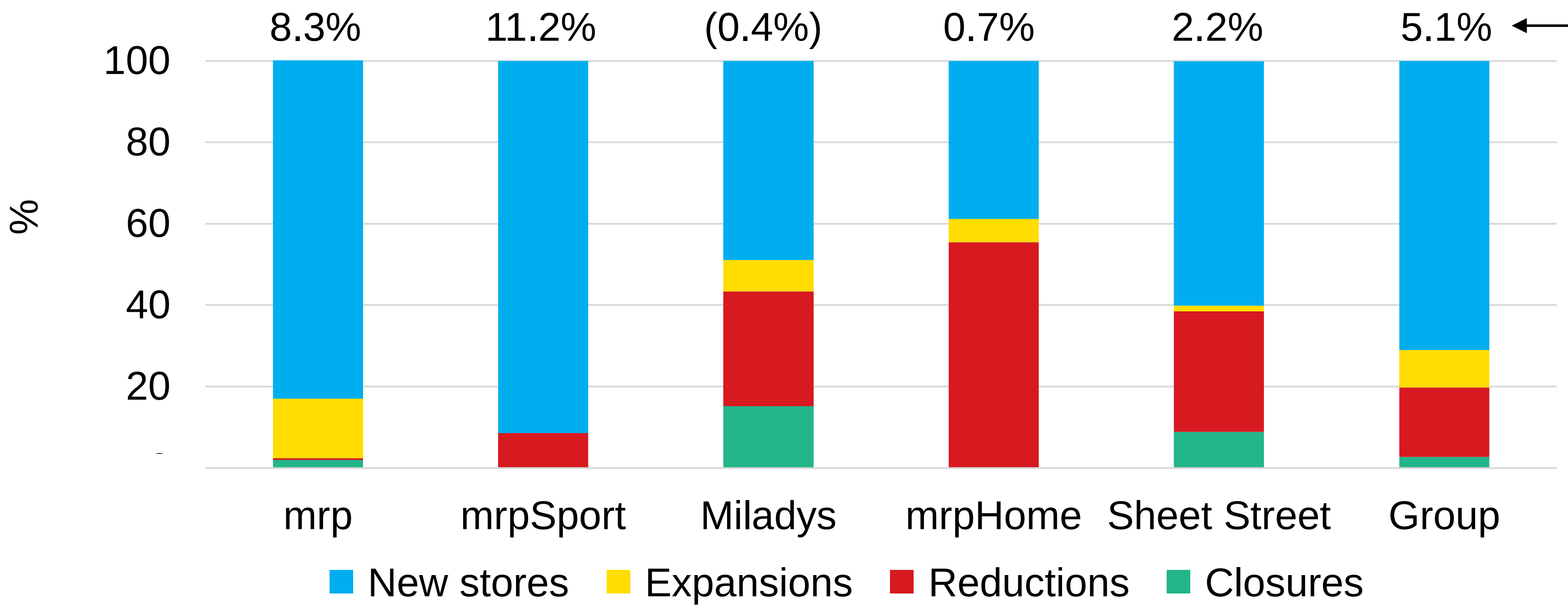
Return on equity 51.4% (PY: 52.2%)

ppe & intangibles

R'm	Total	PPE	Intangibles
Opening	933	718	215
Additions	457	312	145
Disposals/impairments	(16)	(11)	(5)
Depreciation/amortisation	(208)	(181)	(27)
Closing	1 166	838	328

	R'm	Amortisation
IT	35	10 yrs
ERP	66	15 yrs, Rnil FY16
Goodwill	28	Nil
Other	16	2-5yrs
	145	

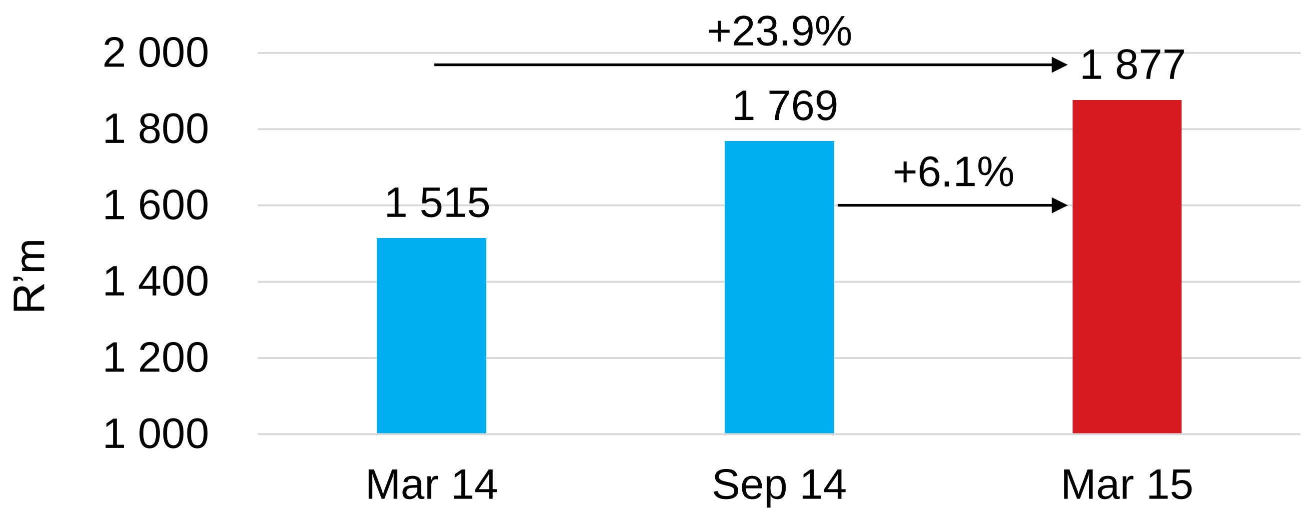
Space worked per format



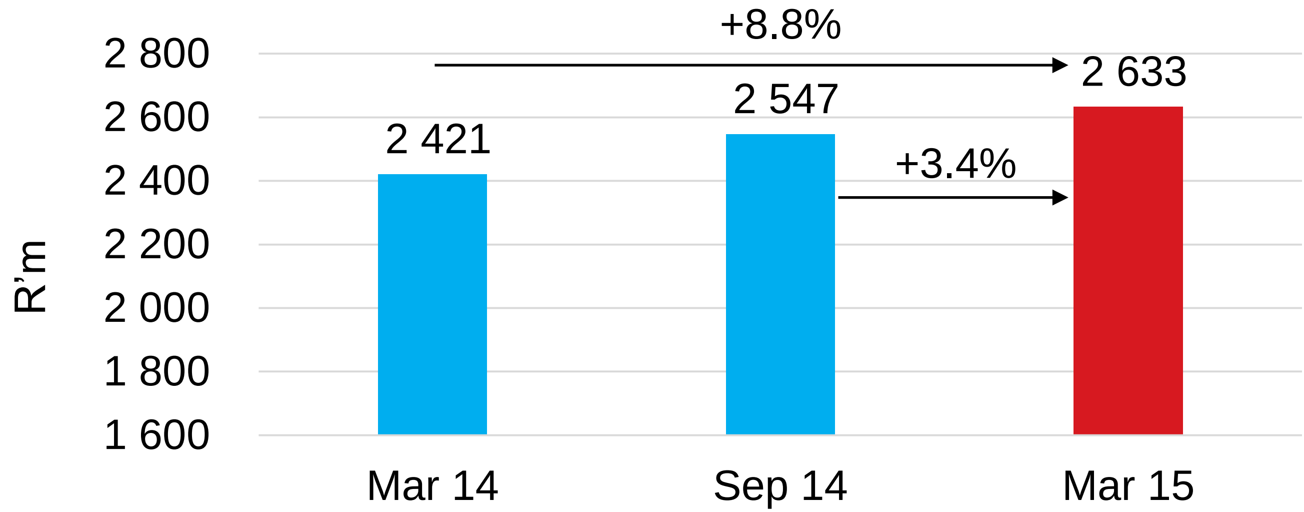
	Stores	w. average space growth
New stores	76	5.5%
Expansions	27	0.6%
		6.1%
Reductions	26	(0.8%)
Closures	5	(0.2%)
		5.1%

significant balance sheet items

Gross inventories



Current liabilities

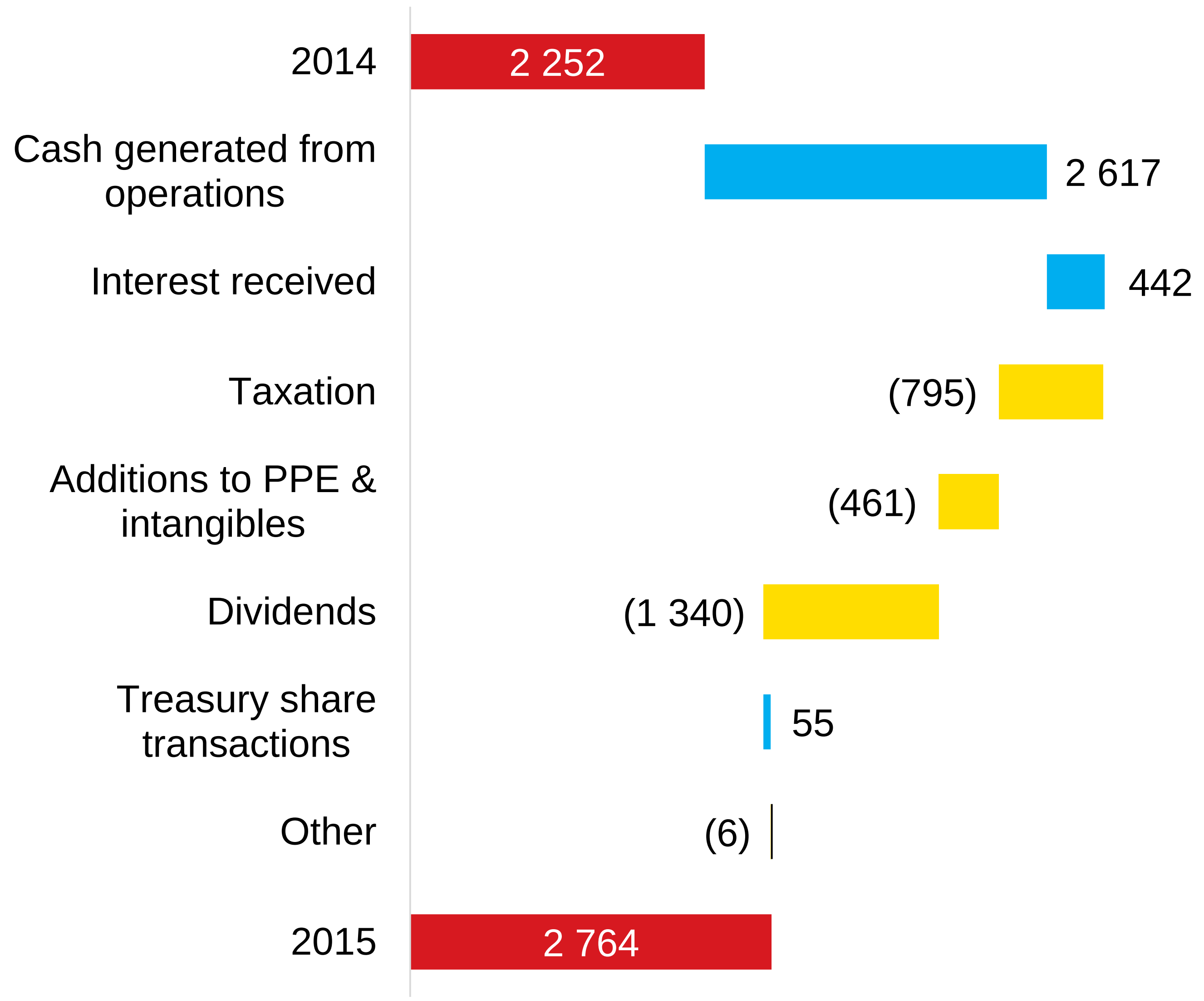


- Transition of sourcing model to direct importing:
  - earlier ownership of stock
  - higher stock in transit (on water)
- Inventory growth y/y excluding GIT 12.5%
- Inventory ageing profile similar to last year

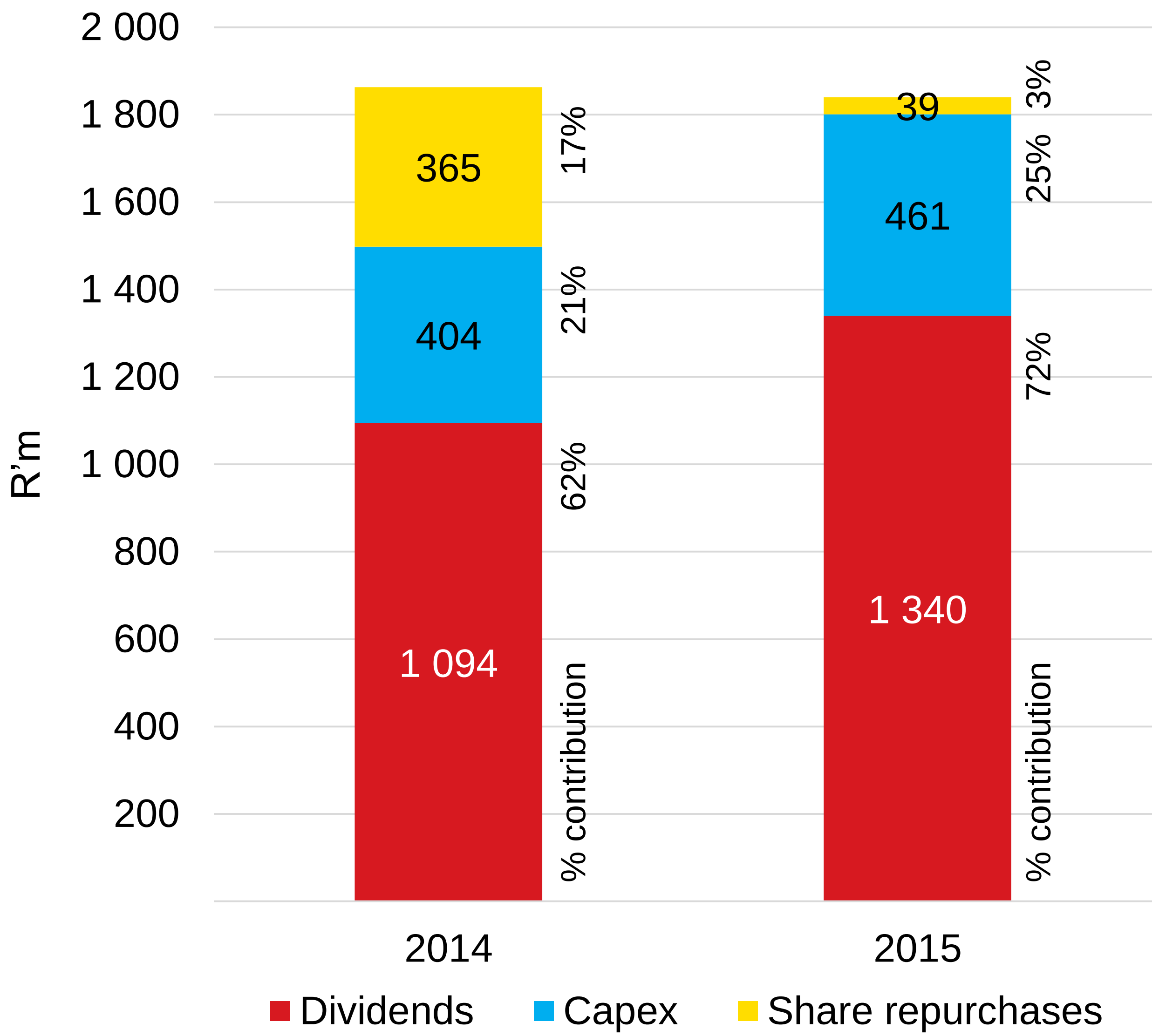
- Trade & other payables up 6.8% y/y:
  - trade up 1.2%, lower than inventory
  - other up 15.0% (accruals & provisions)
- SARS liability up due to higher taxable income
- Reinsurance liabilities up 35.1%
- Current portion of lease obligations up 19.1%

cash generated & capital allocation

Cashflow movements



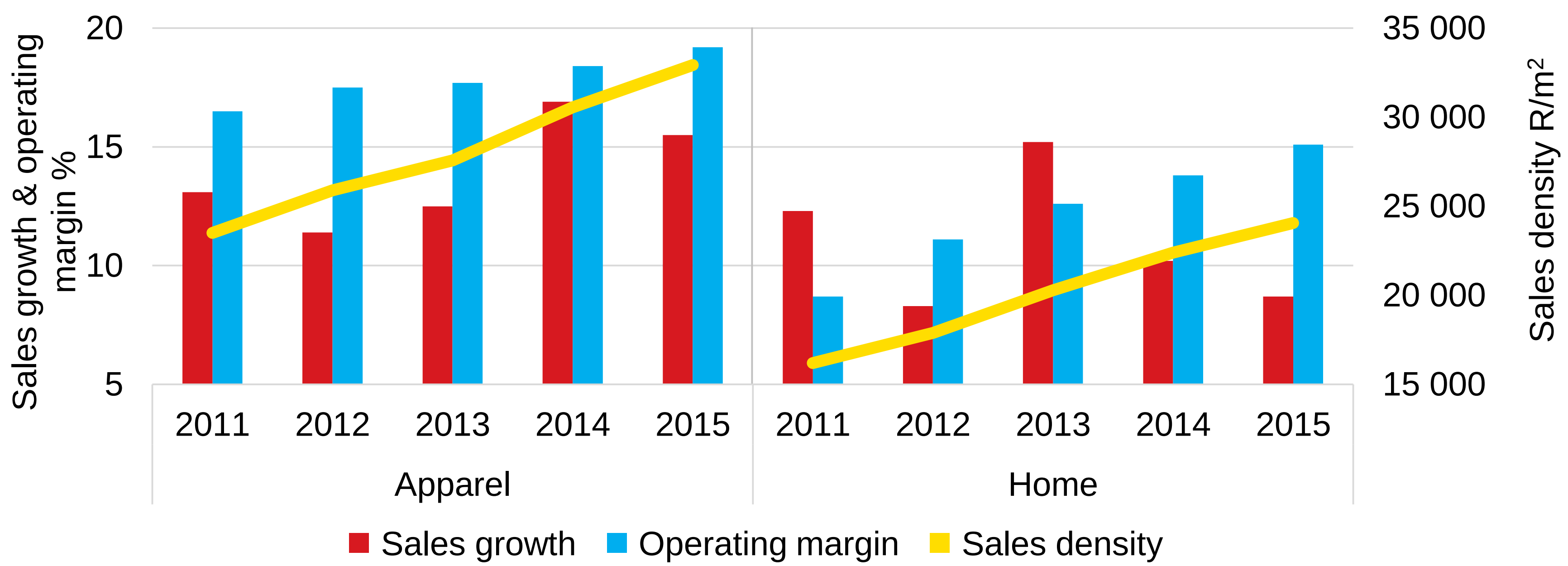
Capital allocation



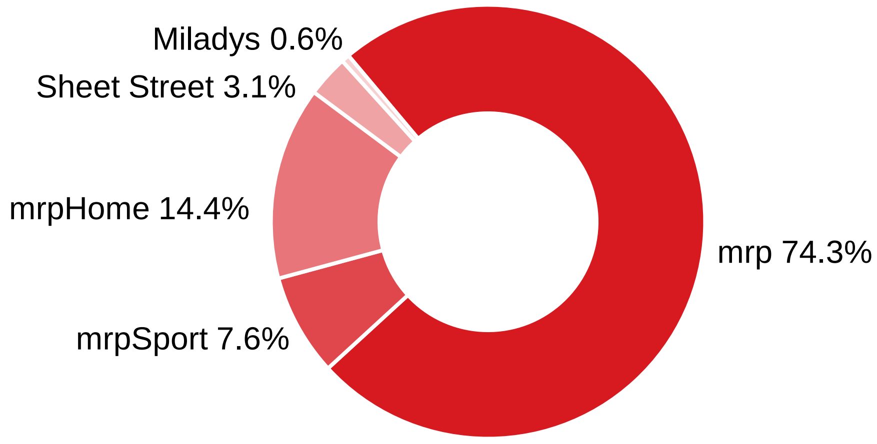
Segmental & Divisional Review

segmental performance

	Annual	H1	H2
Retail sales & other income			
- Apparel	15.4%	16.4%	14.6%
- Home	8.7%	9.9%	7.8%
Operating profit			
- Apparel	20.6%	21.6%	19.9%
- Home	19.4%	19.5%	19.4%



Contribution to increase in sales



The mrp divisions represent 84% of Group sales & contributed 96% of annual sales growth

mrpmoney

	2015	2014	% change
Interest on trade receivables	355	311	14.0%
Insurance premiums	177	147	20.5%
Other	8	5	59.9%
Airtime/mrpMobile	163	122	33.4%
Commission	2	2	(23.4%)
Airtime sales[1, 2]	132	120	10.2%
Cellular - mrpMobile MVNO[1, 3]	29	-	
Total revenue	703	585	20.1%

- Extended cover & new products planned to maintain insurance growth
- [1] Cost of sales included in GP% calculation
- [2] Reduced focus in H2 due to lower margins & launch of mrpMobile
- [3] Represents handset, post-paid airtime, data & VAS revenue
  - GP positive in H2 of 1st year of contract (write-off of acquisition costs)
  - loss of R17m incurred (MPC share R9m)
  - planning to launch pre-paid offer in Q2 FY16

mrpmoney credit performance

	2015	2014	% change
Gross trade receivables	R1 914m	R1 754m	9.1%
Active accounts	1 413k	1 375k	2.7%
Credit sales	R3 137m	R2 918m	7.5%
Credit sales %	18.1%	19.2%	
Percentage able to purchase	89.2%	88.4%	
Net bad debt - % of debtors	6.2%	7.6%	
Impairment provision	8.9%	9.8%	
Proportion of book interest bearing	97.7%	96.6%	

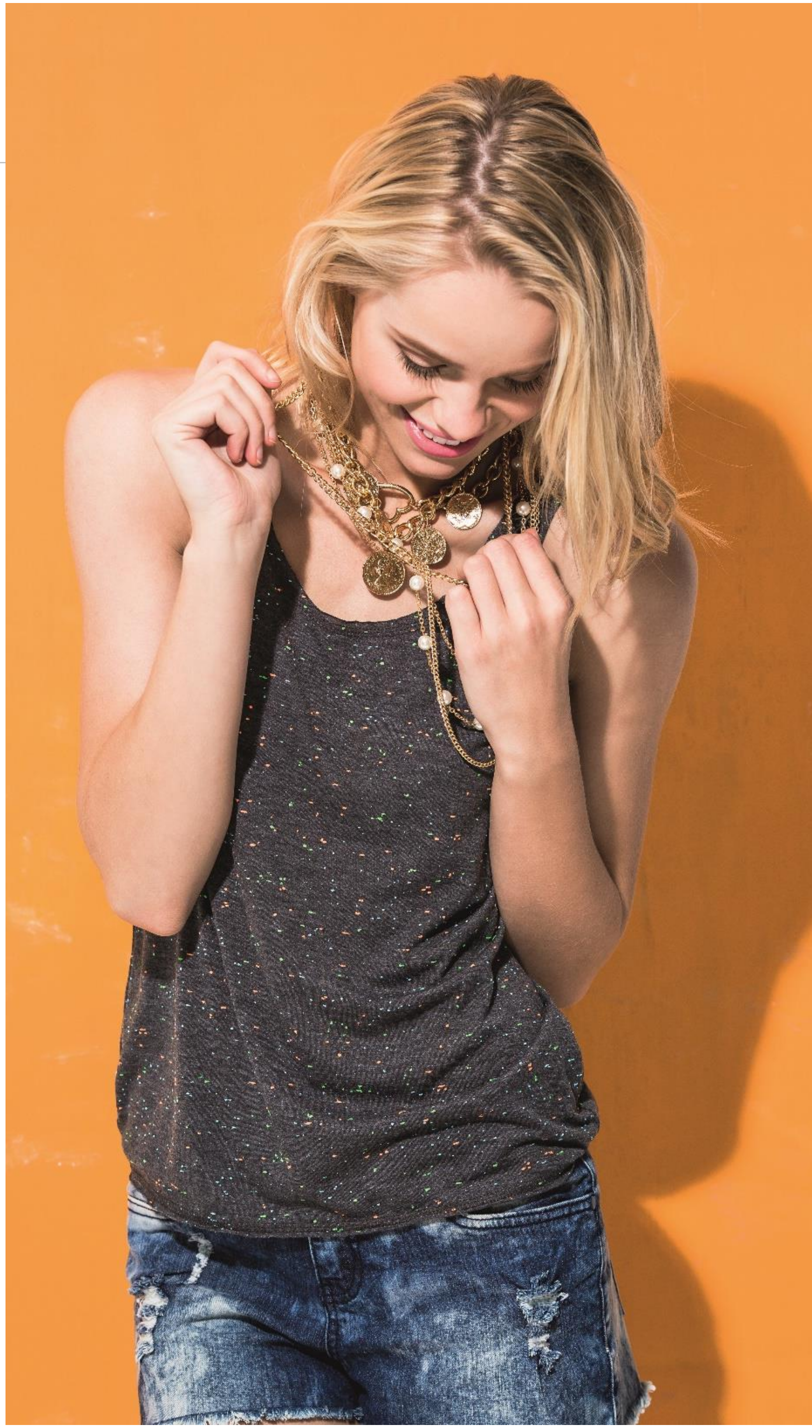
- Credit growth in H2 of 10.8%, lower than cash sales of 13.2%
- Quality of debtors book reflects our cautious approach
- Principa Feb 15 benchmarking confirms profile is industry leading
- Bad debt rate - now in targeted range
  - iro vintage* & origination channel now converging
- Credit limited to SA & Namibia - 19.1% of sales
- Proportion of credit sales expected to decrease - sales in new territories all cash

* months on book

	2015	2014	% change
Retail sales[1]	R10 122m	R8 588m	17.9%
Comparable sales			12.8%
- H1			15.1%
- H2			11.0%
Unit sales	149m	137m	9.0%
RSP inflation (price 3.9%, mix 4.3%)			8.2%
Weighted average space growth			8.3%
Trading density	R37 550m^{-2}	R34 507m^{-2}	8.8%

- Strong double digit sales growth in all major categories
- Grew market share for 21 straight months to Jan 15 (RLC data unavailable thereafter)
- Opened 35 stores (forecast annualised ROGA[2] 92%) & expanded 15 (ROGA 196%)
- Nielsen's research - retained top position for 'top of mind awareness' & 'brand equity'. Held 'value' position & increased 'fashion' perception
- Online sales grew by 59.4% positively impacting store performance - 13m visits, 16m page views & highest number of Facebook fans in competitor set
- Lack of freshness in junior fashion brand RT impacted Feb & Mar sales & margins
- Profit growth in both reporting periods exceeded sales growth

1: Excludes franchise 2: Stores opened since Mar 14, with more than 3 months trade



mrpsport

	2015	2014	% change
Retail sales	R1 118m	R962m	16.2%
Comparable sales			4.5%
- H1			3.5%
- H2			5.3%
Unit sales	12m	11m	8.7%
RSP inflation			6.9%
Weighted average space growth			11.2%
Trading density	R20 928m^{-2}	R20 036m^{-2}	4.5%

- Continued development of private brands, now ~90% of business
- All departments achieved double digit sales growth except footwear, which grew units but at lower price points than the discontinued international brands
- Sales growth in more technical ranges well above divisional average
- Opened 11 stores - average size 683m^2, smaller format allows broader reach
- E-commerce launched Aug 14, created strong platform to engage with customers
- Good year with strong profit growth

MILADYS

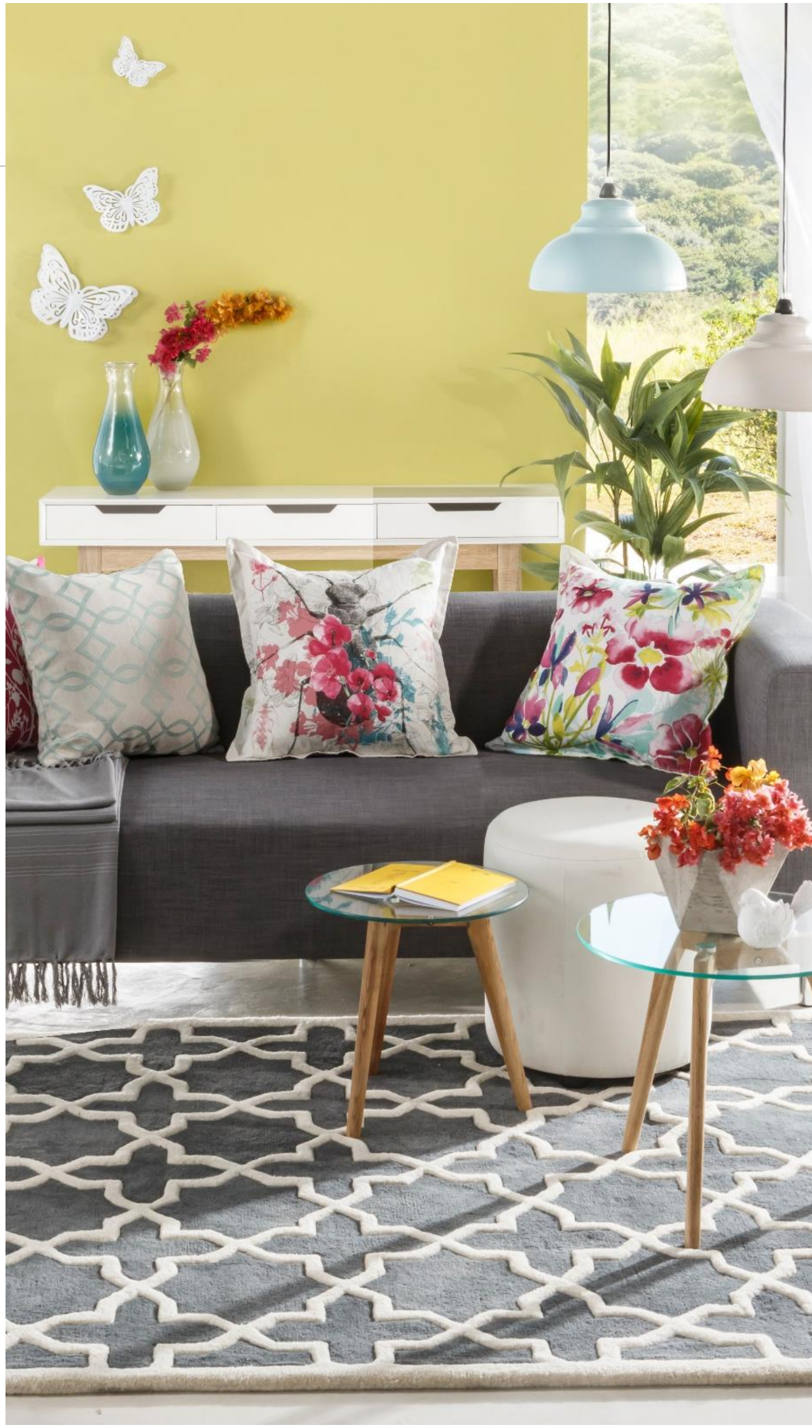
	2015	2014	% change
Retail sales	R1 396m	R1 384m	0.9%
Comparable sales			0.9%
- H1			0.0%
- H2			1.7%
Unit sales	9m	9m	(1.5%)
RSP inflation			2.3%
Weighted average space growth			(0.4%)
Trading density	R22 987m^{-2}	R22 711m^{-2}	1.2%

- Sales performance disappointing, affected by:
  - challenging economic environment & low credit growth
  - merchandise taste levels & disciplines
  - outsizes (20% of business) declined by 6.1%, however gained market share
  - planned exit from cosmetics
- Good performances in intimatewear, accessories & athleisure shows customers will respond to appealing merchandise
- Expenses tightly controlled, but unable to offset sales & GP performance - resulted in a moderate drop in operating profit
- Group resources being leveraged to improve internal processes

mrphome

	2015	2014	Annual
Retail sales	R3 187m	R2 892m	10.2%
Comparable sales			6.6%
- H1			7.5%
- H2			5.7%
Unit sales	40m	41m	(3.1%)
RSP inflation (price 7.6%, mix 6.1%)			13.7%
Weighted average space growth			0.7%
Trading density	R22 937m^{-2}	R20 956m^{-2}	9.5%

- Nielsen's research - highest top of mind awareness & strongest brand health
- Achieved growth in RLC market share to Jan
- Good performance in largest departments (bedroom, livingroom hards & softs). Lower growth in furniture & kids
- Opened 8 new stores, annualised ROGA 74%
- Exited 6 000m^2 unproductive space, improving operating profit by 49%. ~23 000m^2 surplus space remains
- Online sales up 249.5% to R39m, achieved break even in H2
- Strong profit growth in both reporting periods despite lower sales growth in H2



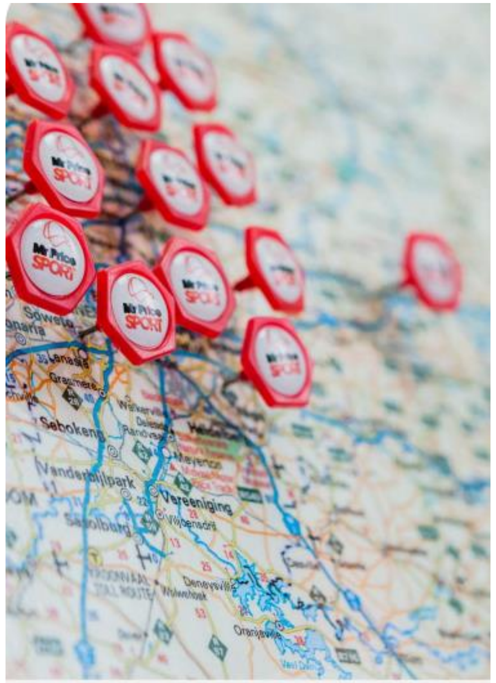
sheet street

	2015	2014	% change
Retail sales	R1 363m	R1 299m	4.9%
Comparable sales			0.9%
- H1			1.5%
- H2			0.4%
Unit sales	19m	19m	0.6%
RSP inflation			4.7%
Weighted average space growth			2.2%
Trading density	R27 136m^{-2}	R26 420m^{-2}	2.7%

- RLC market share dropped marginally by 0.1%
- Sales growth reflective of the target customers' (LSM: 5-8) constrained discretionary spending
- Satisfactory performance in bedroom & bathroom, lower growth in livingroom
- Opened 15 stores, annualised ROGA 64%
- Increased markdowns to promote value impacted GP margin
- Costs controlled, but operating profit slightly lower than prior year

Strategic Review

our vision is to be a top performing international retailer



growth

Extend our earnings track record through local & international growth

customers

Delight our customers with fashionable offering at great value

operations

World class infrastructure to enable the growth strategy

people

Energised environment with empowered & motivated people

sustainability

High standards of ethical behaviour & sustainable business practices

growth - markets

South Africa: consumption-led economy & consumers are struggling. Our fashion value positioning gives us a strong competitive advantage. To reduce concentration risk & maintain long term growth rate, increased focus is being given to growing external earnings.

Africa: well established in Southern Africa - 88 stores performing strongly. Frontier markets (11 stores) have high potential, but are difficult to predict. Good long term growth prospects for mrp.

International: our business model positions us well to enter new markets, ideally where all our proven fashion value brands can exist. Mainly southern hemisphere (mrpHome less constricted), preferably organic.

growth - South Africa

Ramping up investment in our key market

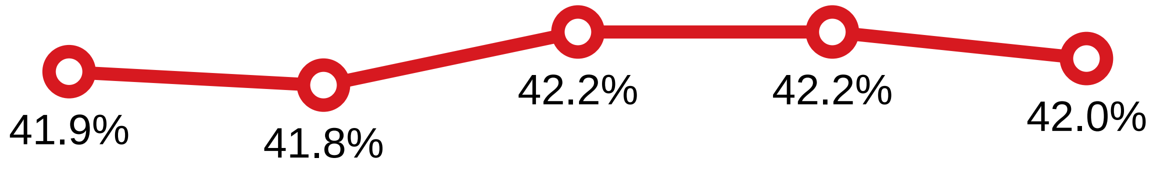
- Investment & innovation will benefit both current & new markets
- Multi faceted space strategy has previously proved successful:
  New stores - open 220 in next 5 years, stringent feasibility requirements
  Expansions - mrp could grow space by ~13% in high density stores
  Reductions - ~50 000m^2 surplus space exists (~ 8% of Group), positive profit effect (pg 21)
- Build on momentum achieved by mrpMoney
- Improve performance of:
  - Miladys & Sheet Street (will only be fully achieved in the medium term)
  - start up businesses which incurred a combined loss of R39m:
    - mrpMobile - targeting profitability in H2 FY16, break even for year
    - Online - testing store fulfillment & reviewing infrastructure costs. Focus confined to omni-channel markets

growth - costs

Profit wedge effect - aim to keep growth in cost of sales & overheads at lower rate than revenue

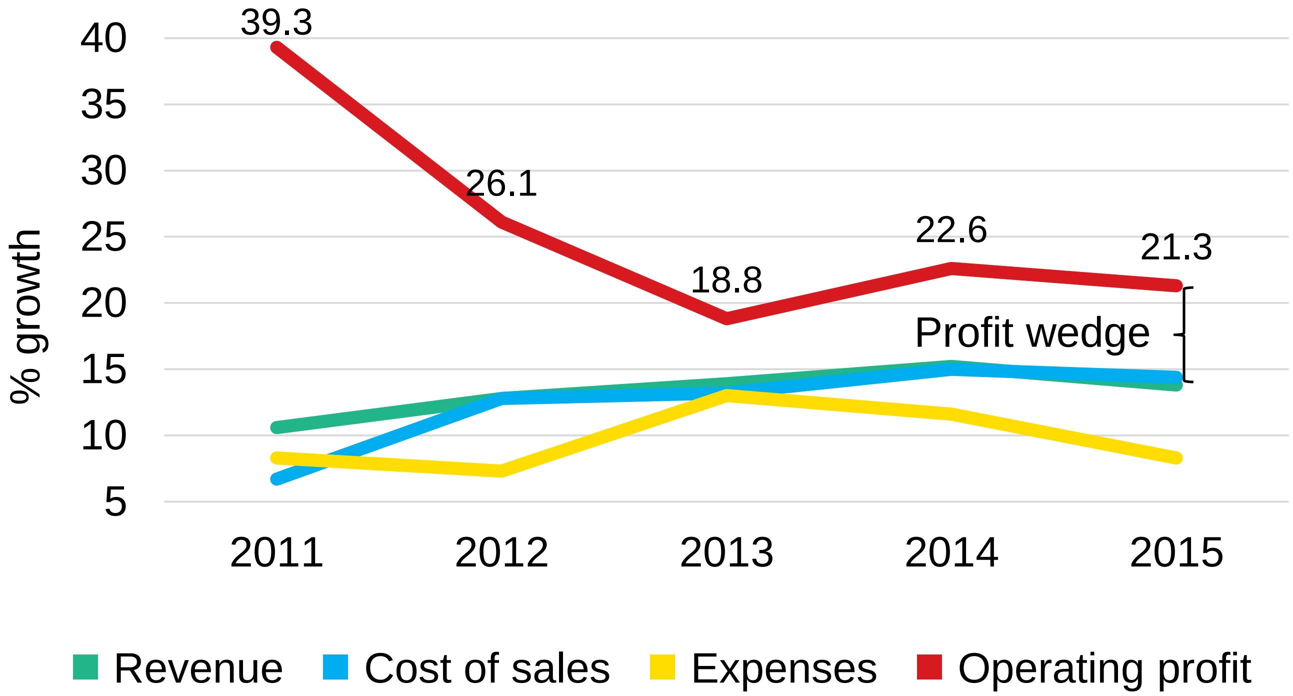
Cost of sales

- Focusing on maintaining ingoing markup % in a period of currency volatility & weakness
- Looking to improve GP% through:
  - process efficiency
  - improved markdowns
- Merchandise GP% has not increased in the last 5 years - key to maintaining our value positioning



Overheads

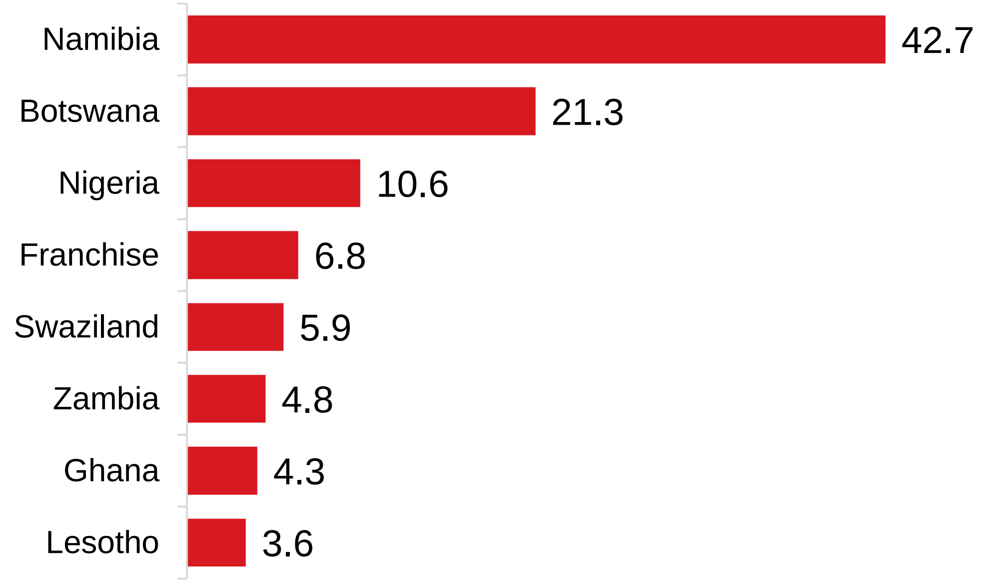
- Maintain profit wedge despite ongoing investment & changing retail cycles
- Targeting all areas for savings & improved ways of working to offset cost of new initiatives



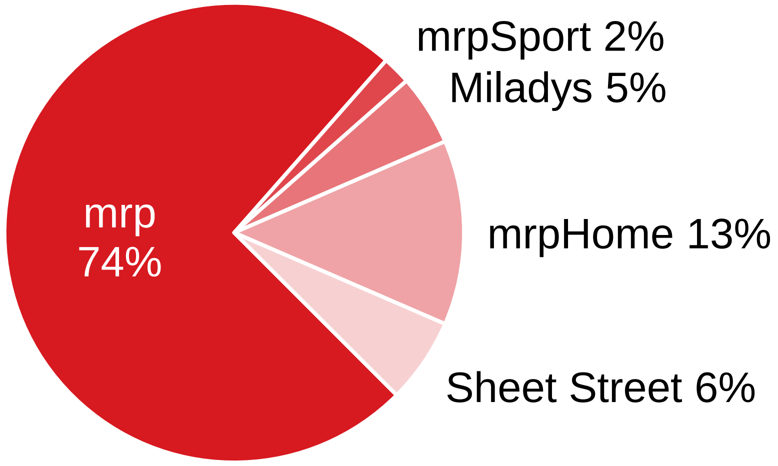
growth - Africa

African sales grew by 24.3% to R1.5bn & constitute 8.5% of Group sales (10.8% of mrp)

Non-SA sales contribution %



	Non-SA sales contribution %	Sales growth Annual	Sales growth H2	Stores Opened	Stores Total
Namibia	42.7	22.1%	17.3%	8	37
Botswana	21.3	16.3%	9.4%	1	20
Nigeria	10.6	32.4%	41.7%	2	6
Franchise	6.8	(2.8%)	(2.4%)	(8)	15
Swaziland	5.9	8.6%	2.2%		7
Zambia	4.8			5	5
Ghana	4.3	27.6%	19.4%	3	5
Lesotho	3.6	14.8%	11.7%		4
					99



- Highest growth markets - Nigeria & Ghana:
  - impacted by weak currencies & inflation
  - affected sales & operating expenses
- All countries trading at double digit operating margins except Ghana in H2
- Franchise
  - acquired Zambia, performing well
  - cancelled Mauritius & plan to open corporate stores
  - annual sales growth in comparable territories 35.8%
  - conversion to corporate owned stores planned in Mozambique & Tanzania in early 2016

growth - mrp Australia

- Online experience identified an opportunity for a fashion value player
- Advantage of being a southern hemisphere retailer ito assortment planning
- Subsequent detailed research supports our initial view
  - desktop studies, validated by on the ground research incorporating executives from all business disciplines & external advisors
  - competitor landscape analysis including assortment width, product pricing & fashion level
  - real estate analysis & meetings with landlords to establish cost structures & potential scalability
- Financial model based on our desired price positioning. Margins will grow with scale & process efficiency (supply chain)
- Entry strategy to commence with two 1 000m^2 mrp test stores in Oct 15, mrpHome strategy well developed
- Review performance & rollout plan after festive season trade
- Overall loss in H2 expected due to marketing launch

customers

- Maintain fashion value positioning:
  Price - pass margin improvements through to customers
  PMO (markup) has decreased 0.1% from 2011
  Quality - substantial improvements made, reinvesting savings from direct sourcing
  Fashion - on trend, own branded merchandise
- Engaging customer experience
  - communication moving towards personalised & digital
  - customer call centre consolidated to one point
  - implementing Interactive Intelligence to enhance customers' entire experience (acquisition, communication, transaction)
- Seamless omni-channel experience
- New store design & layout
- Increasing role of technology
  - further rollout of mobile POS (queue buster)
  - Tap 'n Go card functionality to improve transaction times
  - mrpEmpower initiative to improve wide spectrum of store processes & customer interaction
  - commenced upgrading store communication network

operations

ERP system implementation

- Just Enough replenishment & core Oracle ERP completed
- Next phases are to deliver JE planning modules & commence integration
- Test division planned go live H1 FY17

Resourcing

- Merchandise made in RSA >R3bn, 31% of inputs (39% including SADC)
- Good progress being made in transition to factory direct supplier relationships:
  - now 45% of mrp imported merchandise
  - enhanced visibility right down to mill & trim suppliers
  - with greater clarity, working with suppliers to reduce hidden costs (packaging / warehousing / transport / QC)
  - shorter lead times strengthens our ability to react to merchandise opportunities & risks
- Improved OTIF* deliveries presents a sales opportunity
- Targeting to have direct relationships with +95% of total suppliers by 2020

* on time in full

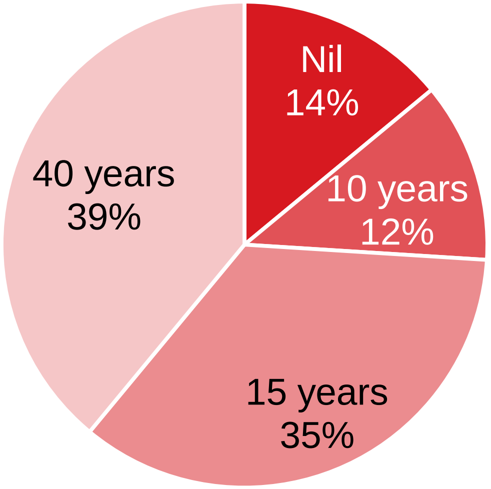
operations

Supply chain

- Improvement in Nigeria & Ghana supply lead time from 109 to 53 days
- Re-engineered shipping business processes to support resourcing strategy

Hammarsdale Distribution Centre

- All necessary approvals obtained
- Construction, engineering & systems workstreams on track for completion by May 17, all divisions operational by Aug 17. Commenced platform building
- Existing DC lease expires Mar 18, planning to minimise period of overlap
- Total cost R1.1bn, average depreciation period of 22 years:



people

- 93% of our associates are from previously disadvantaged backgrounds
- Set base pay at median, ability to earn higher is based on performance
  - comprehensive remuneration benchmarking across all levels has confirmed this intent
  - our philosophy is that incentivisation is applied throughout our business
- Associates acting like owners is a key differentiator
  - LTI’s are broad based & have tangible benefits
  - free shares issued under the Partners’ scheme now worth R147 855 on average. Dividends of R100m paid since inception in 2006
- Conversion of all casual to permanent contracts completed
- Significant increase in learning & development spend
- Innovation & growth of the Group presents outstanding career & skills development opportunities

sustainability

- Founding member of SASTAC* - sustainable value chain, raw material & textile production
  - increased SA cotton production by 68% against 2013 baseline
  - 2nd year target >250%, 2 400 new jobs, incubation of 20 SME's
  - cotton being acquired by mrp & mrpHome local suppliers
- MPC funding to various mrpFoundation activities up 18%
- SEDEX - to provide visibility & risk analysis data on compliance with our supplier code of conduct (aligned to ETI base code)
  - 82% of Group tier 1 suppliers are members
  - risk assessment process advanced (labour, H&S, environment, ethics)
  - planned extension into tier 2 suppliers
- Compliance with Amended BEE Codes will initially not be possible due to penalty points applied to each level, for example:
  - ownership - targets unachievable given current shareholding
  - enterprise development - MPC funded & supported supplier has grown to a level which no longer qualifies

* South African Sustainable Textile & Apparel Cluster

looking ahead to FY16

- Expect the challenging trading conditions to continue
  - sales growth in the new financial year has been impacted by a much warmer start to winter
  - high sales growth in Q1 base (Group 16.5%, mrp 22.0%, mrpHome 14.2%)
- Comparatively well positioned & expect to grow market share as in the past
- Consumers appear to be addressing their debt which will better position them for the anticipated rising (moderate) interest rate cycle
- Much improved labour market outlook compared to last year
- Targeting to increase new space by 5% (weighted average) & exit 9 000m^2 surplus space (up 36%)
- Firmly in the 'invest' phase of our growth strategy
  - greater focus on efficiency & costs
  - capital expenditure of R1.3bn in FY16 (includes R770m for new DC) & R3.5bn over next 5 years
- 53 week trading period

thank you

A post results conference call will take place at 3pm on Monday 8 June 2015. Interested parties may dial in using one of the following numbers or contact the organiser rod.salmon@barclays.com

South Africa	0822994050 or 0800999567	United Kingdom	08009174860		
United States	(800) 706-8249	Other international	+1 706 634-5881	Passcode	56359921

about mr price group

a high growth, omni-channel, fashion-value retailer

- Targeting younger customers in the mid to upper LSM categories
- Retailing predominantly own branded merchandise
- 82% of sales are for cash
- 1 150 stores & online channels offering full product assortments
- 29 year CAGR in HEPS of 23% & DPS of 25%
- Market capitalisation of R64bn, ranked 32nd on JSE
- Included in MSCI Emerging Markets Index
- International shareholding 53%
- 4th in Business Times Top 100 Companies, highest ranked retailer
- Ranked 6th in Financial Mail 2014 Top Companies
- Included in JSE - Top 40 & Socially Responsible Investment (SRI) Index