2012

April 2011- March 2012
PRICELESS (VAT INCL)

WE'RE ONLINE

Following your favourite fashion Group is just a click away

Attractive growth opportunities ahead

JUMPSTART

Helping SA's youth to gain skills and work experience

THINKING CAP

Stunning new identity!

Our exciting new look

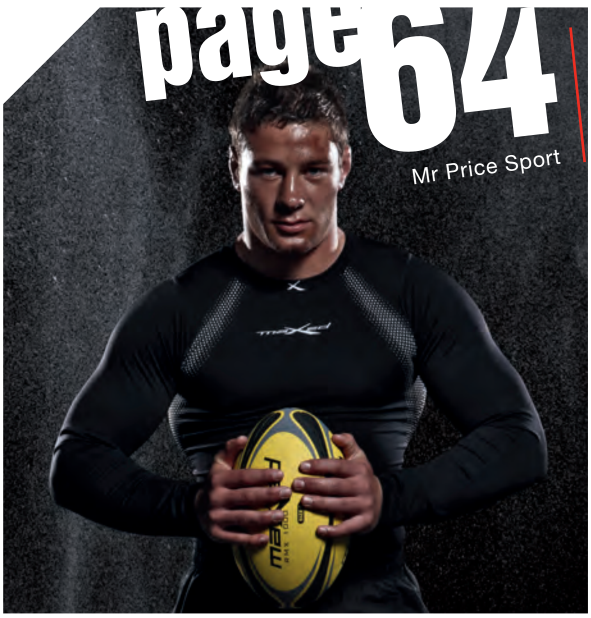
MR PRICE A.I.R. 2012

Mr Price Group Limited

ANNUAL INTEGRATED REPORT
MARCH 2012


世界征服
BLACKOU


page62
Mr Price Apparel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Mr Price Sport

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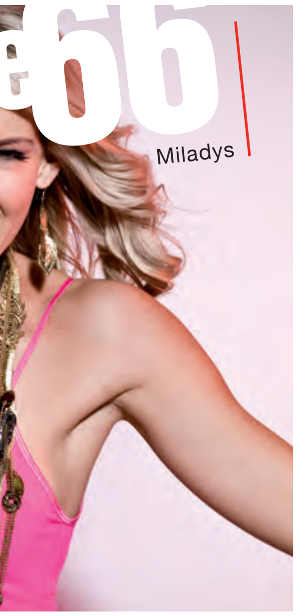


Mr Price Home

SCOPE & BOUNDARY
OF THE ANNUAL INTEGRATED REPORT

About the report
The Group is committed to integrating social, environmental and governance performance with financial performance in accordance with the King Code on Governance for South Africa, 2009 (King III). Issues that have a material impact on the Group have been reported, with links to additional information on the Group's website (www.mrpricegroup.com). This report is centred around stakeholder engagement, as the last year has seen an enhanced level of dynamic and meaningful interaction between the Group and its stakeholders.

This report, for the 52 week trading period ended 31 March 2012, includes the consolidated financial results of Mr Price Group Limited trading in South Africa, its operations in Botswana, Namibia, Lesotho, Swaziland and Nigeria in addition to the income received by the Group from its franchise operations trading elsewhere in Africa.

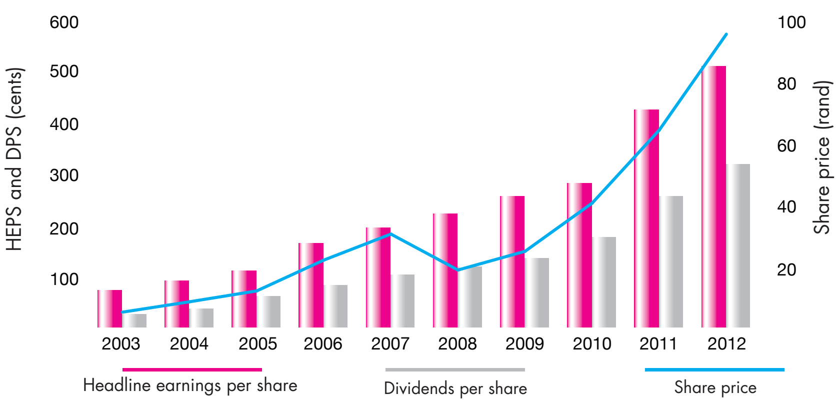
The Group's strategic planning framework and the Global Reporting Initiative (GRI) guided the business on issues material to its long-term sustainability. Relevant disclosures include those pertinent to the Group's own operations, but exclude franchise operations. The Group's social initiatives are focused on South Africa's national priorities.

The Annual Financial Statements have been prepared on the historic cost and going concern bases, except where indicated otherwise in a policy detailed in the Statement of Accounting Policies. The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (71 of 2008) and the JSE Listings Requirements.

Assurance
The Board is satisfied with the progress made both on the sustainability journey and with integrated reporting, but recognises that it is premature to subject the reporting to an external verification at this point. An external verification has, however, been sought for the broad-based black economic empowerment (BBBEE) accreditation level for the March 2012 year. Verification was carried out by a South African National Accreditation System (SANAS) accredited organisation. Group Internal Audit has verified the information contained in the Transformation Committee Report (page 100) and the Report on our People (page 28). The external auditors have verified the information in the Remuneration Report (page 106).

Directors' responsibility
The Board acknowledges its responsibility to ensure the integrity of the integrated report. The Board has applied its mind to the integrated report and confirms that the report addresses all material issues, and presents fairly the integrated performance of the Group.

2012 HIGHLIGHTS



Operating profit (52/53 weeks: +22%) **+26%**

+25% **Headline earnings per share** (52/53 weeks: +20%)

Dividends per share **+25%**

33.1% **10 year CAGR in dividends per share**

CASH RESOURCES **R1.2 BILLION**

ASSOCIATES EMPLOYED **17 894**

R94.34 **YEAR END SHARE PRICE**

2012 UNDER REVIEW

DIVISIONAL MILESTONES

Sheet Street:
R1 billion sales

Financial Services:
R1 billion debtors' book

Mr Price Home and Sheet Street:
Double-digit operating margins

NEW STORE CONCEPT & LOGO

Mr Price

A new generation store concept and brand logo were launched in Sandton City in November 2011, for Mr Price Apparel, Mr Price Home and Mr Price Sport.

JUMPSTART

RedCap JumpStart

THE JOBS FUND

South Africa · Siyasebenza

A R17.5 million grant was awarded to the RedCap Foundation's JumpStart programme by the National Treasury's Jobs Fund. The grant is allocated over a three year period, to assist the RedCap Foundation in scaling up its JumpStart Programme in all nine provinces. The programme is focused on developing targeted skills of unemployed matriculants and offering them work experience.

REDCAP SPORT

RedCap Sport NPC

RedCap Sport was formed during the year. Its main objective is to use sport as a vehicle for the development of social skills, academic support, building self-esteem and a sense of team spirit amongst high school learners from disadvantaged communities in South Africa.

GROUP INTERNAL AUDIT

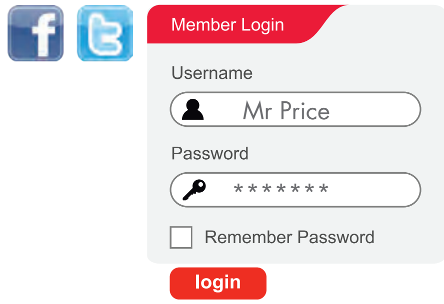
The division remained the only South African Internal Audit function to achieve full conformance to all Standards in an independent, external quality assurance review.

Voted 24th most valuable brand

Source: Brand Finance South Africa

Most loved apparel and homewares retailer in RSA

Source: Nielsen's Brand Health Study and Bateleur Khanya



AWARDS

sagra | SOUTH AFRICAN GRADUATE RECRUITERS ASSOCIATION

South African Graduate Recruiters Association Awards 2011:
The Mr Price Group recruitment team won three medals at the SAGRA awards 2011, for outstanding examples of excellence in graduate recruitment.

Investment Analysts Society Awards 2011:
Mr Price Group won Best Presentation to the Society - companies with market capitalisation between R5 billion and R20 billion.

NIGERIA STORE

The Group opened its first corporate-owned Mr Price store in Nigeria in March 2012.

New Chairman

Nigel Payne was appointed as the Group's independent, non-executive Chairman on 1 January 2012.

FAREWELL

ALASTAIR MCARTHUR

During his 20 years of service, Alastair helped build Mr Price from a factory shop into the most loved apparel and homewares retail brands in South Africa.

It's been an amazing achievement, both as MD of Mr Price Apparel and then from 1997 as CEO of the Group. In 2010 he became executive Chairman, a position he held until his recent retirement.

BERYL ORRELL

The oldest serving employee of the Group, Beryl Orrell, was employed by John Orrs in March 1970. She retired from the Group at the end of March 2012.

She was a tremendous support to the many executive directors she assisted over her 42 years of service.

CHRIS YUILL

After 34 years of dedicated and loyal service to the Group, Chris Yuill retired in March 2012. A highly respected 'officer and gentlemen' in the business, his presence and wealth of knowledge will be missed by all who had the honour of working with him.

Search Mr Price Business search

	Number of stores	Store details
APPAREL		
Mr Price	353	Average store size 625m²
Mr Price Sport	47	Average store size 1 002m²
MILADYS	188	Average store size 331m²
HOME		
Mr Price Home	140	Average store size 990 m²
sheet•street loving your home!	234	Average store size 202m²
FRANCHISE		
Mr Price / Mr Price Home	28	Franchise stores
FINANCIAL SERVICES		
Mr Price money		Credit and financial services available in all South African and Namibian stores
CENTRAL SERVICES		
Mr Price Group		

* Head office associates only

Refer to page 73 for a summary of all international stores

Number of associates	Product offering	Customers and positioning
9 336	Clothing, footwear, accessories, underwear and maternitywear	Marketing is pitched at 15 to 24 year olds who want to keep abreast of the latest international trends at exceptional prices. LSM range six to 10
1 180	Sporting apparel, equipment, footwear and accessories	Value-minded sporting families who enjoy performance, quality, comfort and fit, whether they are participants or spectators. LSM range six to 10
1 910	Classic and updated women's clothing, footwear, intimatewear, cosmetics and accessories	Family orientated women aged 40+ years who have fashion sensibility and require differentiated, trend appropriate garments that offer style and co-ordination. LSM range six to 10
3 218	Home textiles, homewares, furniture and kids merchandise	Contemporary lifestyle customers, aged 18 and upwards, all with a young-at-heart attitude. LSM range six to 10
1 426	Bedroom, livingroom and bathroomware	Middle income consumers looking to co-ordinate their homes tastefully but responsibly. LSM range five to eight
5*	Clothing, footwear, accessories, underwear and maternitywear. Home textiles, homewares and furniture	The franchise stores operate the same business model as the owned stores
312	Granting of credit, management and collection of debtors' books and marketing of financial services products	Customers of the respective trading divisions. Cards available are as follows: • Mr Pricemoney (Mr Price Apparel, Mr Price Home, Mr Price Sport) • Miladys • Sheet Street
507	Provides services to the trading divisions including information technology, internal audit, human resources, group real estate and finance	
17 894		

ANNUAL INTEGRATED REPORT OVERVIEW

"We add value to our customers' lives and worth to our partners' lives, while caring for the communities and the environments in which we operate."

How does the Group create value and make decisions?

The Group is a fashion-value retailer that sells predominantly for cash.

Fashion

The merchandise teams build fashion assortments within clear financial and performance guidelines.

Fashion research is essential to keeping the merchandise on trend. A specialist trend team and frequent international travel guide the fashion trending process. Websites, blogs and cellular technology enable active dialogues with customers and the feedback plays a vital role in keeping in touch with social and fashion trends. Buying and planning teams respond instantly to customers' changing fashion needs.

Merchandise commitments are only made after careful consideration of customer needs and product testing programmes have been completed.

Value

Value is at the very core of the Group's existence. The customer's perception of value is high if they are satisfied with the level of fashion, as well as the quality and price of the merchandise. Being a value retailer means lower mark-ups, in order to offer 'everyday low prices', which requires higher volumes of sales. Large order volumes keep input prices low. An example of this is the Mr Price Apparel division, which sold approximately 7.9 million pairs of jeans and 22.1 million t-shirts in the year under review.

Furthermore, maintaining a low overhead structure is imperative to delivering acceptable operating margins. The Group continues to identify opportunities in information technology, supply chain and product sourcing, to further increase efficiencies and to support future growth plans.

Cash

The Group is focused on remaining a cash-driven retailer (an internal benchmark is that the cash sales contribution of at least 75% is maintained in the medium to long term). This year cash sales constituted 81.4% (2011: 83.8%) of total sales.

This level of cash generation continues to differentiate the Group from its competitors in that:

- It is less impacted by the cyclical nature of retail. In good times, generally all retailers benefit, however in poor economic times, shoppers tend to 'shop for value' and are more likely to buy for cash for fear of building up credit that they may later be unable to service. The Group therefore tends to increase its market share during poor economic times. Furthermore, history has shown that when better economic times return, these new customers are retained;
- In poor economic times the Group:
  - is less exposed to increased bad debt as it does not have the challenge of collecting a large debtors' book;
  - does not have to depend on releasing more credit into the market in order to drive turnover; and
- Strong cash flows fund future growth without gearing, further boosting the investment proposition.

Governance

Good governance is important to the Group. The Board has created sub-committees to facilitate good governance and a separate section on each committee highlights its commitment, composition, role and activities during this period. In addition, the Group's Internal Audit division was again rated as the first function in South Africa to achieve full conformance to all Standards in an independent external quality assurance review, and was placed in the top 8% of all quality reviews globally. Refer to page 94 for more details.

The Group's overall governance structure is detailed on pages 82 to 90.

What are the circumstances under which the Group operates?

The sustainability journey

The sustainability journey has resulted in the Group gaining an even greater understanding of its environment and thereby developing appropriate competencies and capabilities to address the specific internal and external issues most critical to its long-term prosperity.

The alignment between the Group investing in a manner that will set the foundation for long-term sustainable growth and financial return for shareholders is critical. Although the sustainability journey has resulted in fresh thinking, it has confirmed that a long-term focus is well entrenched in the business. The Group's strategic planning process identifies key imperatives that must be successfully addressed for the Group to achieve its goals.

The Group is aware of its risks and opportunities

The Group has reviewed its environment within the global, South African and industry contexts, as well as engaged with key stakeholders in order to identify and assess its key business risks and opportunities.

Global context

Social media has become critical to the success of a business and this is no different in the retail environment. Real-time mass communication can be leveraged as an advantage, for example to gauge consumer opinion on an issue or on merchandise, but it can also have the opposite impact in the event of poor quality or an unpleasant shopping experience. The Group recognises this importance, in particular the link between new technologies and the age profile of its target market. The international trend is for an integrated omni-channel approach to communicating with customers, presenting a consistent look and feel, as well as experience. Several new and exciting initiatives are underway, including the mid-year launch of an e-commerce sales platform.

The Group's ability to drive value, which is fundamental to its business model, is impacted by the global markets of cotton, wood, leather, oil, fuel and currency exchange rates which are critical inputs affecting product prices. The Group ensures that these risks are mitigated as much as possible, by hedging or taking appropriate action ahead of time, thereby limiting the potential impact.

Businesses across the globe have seen the need to identify the impacts of climate change and how resources can be more efficiently and effectively utilised. This better utilisation of resources, such as energy, water and fuel, enables mitigation of rising costs as well as a reduction in carbon footprint and overall impact on the environment. The Group's usage of these resources is under scrutiny, through energy and supply chain initiatives.

The Group sources merchandise from local manufacturers and suppliers who, in turn, may source offshore, as well as from international suppliers, particularly from China, Pakistan, Vietnam and India. Sourcing from the East, however, is not ideal as the need for faster fashion and shorter delivery times would support more local sourcing.

On the African continent, a third of the population (over 300 million people) can now be considered middle class. There are significant opportunities for retail in developing economies, and the Group will focus on these, initially in Africa. Demand for retail outlets in Africa's most densely populated country, Nigeria, has increased significantly over recent years, driven by rising urbanisation and consumerism, as well as the swelling middle class. The lifting of the ban on imported goods in Nigeria last year, provided the opportunity to trade in this growing economy and the Group's first test store in Lagos opened in March 2012. The Group will open its first corporate-owned store in Accra, Ghana, in June 2012.

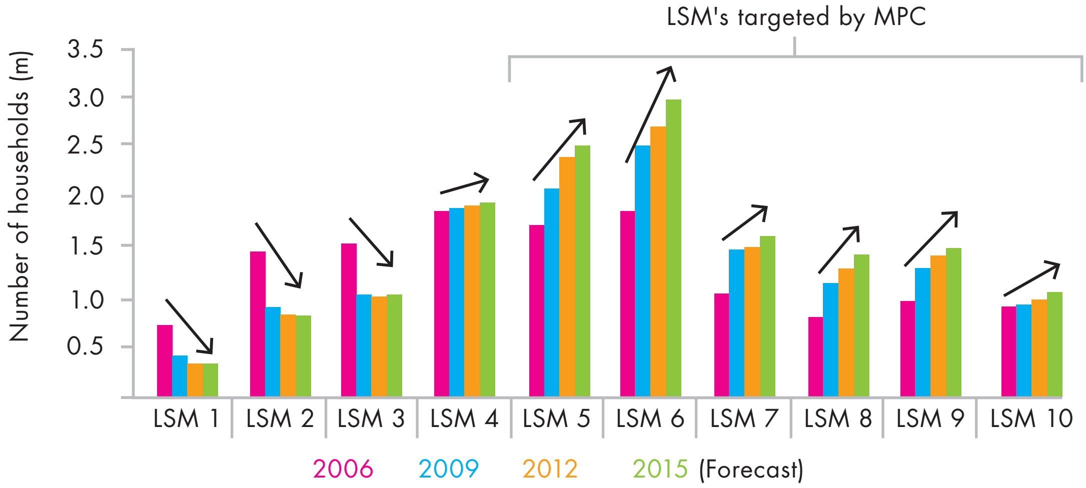
South African context

South Africa is a developing nation with complex economic, social and political considerations.

Economic considerations

South African retailers have, in general, experienced a decade of remarkable growth. The retail sector has managed to overcome the worst of the recession thanks to sound fiscal policy, the resilience of the South African consumer and the increased spending of the emerging middle class. Consumer confidence has been further boosted by the low repo rate. The South African economy is well regulated and remains reasonably insulated from global economic conditions. Key factors that forecast positive growth for the South African retail industry include economic growth, rising disposable income and increasing urbanisation. Government and business have joined forces to tackle the unemployment challenge. South Africa has inflexible labour laws and the Group is currently reviewing the impact that proposed new legislation will have on operations and how the potential increased costs can be minimised.

The graph below depicts the movement of consumers through the various Living Standard Measures (LSM) levels and in South Africa this trend is expected to continue. In addition, this phenomenon is also expected to play out in Nigeria and Ghana as those economies prosper from increased foreign investment. The Group is well placed in the demographic 'sweet spot' in the LSM five to 10 range, where the growth has been significant.



Source: SBG Securities/BER

The economic concern though is that the wealth effect is not yet broad-based and remains limited to those who are employed and who own assets. The Group supports BBBEE empowerment initiatives to address economic disparities and encourages meaningful economic development. The Group's Level 6 compliance was maintained this year. The proposed changes to the BEE Codes of Good Practice however, may impact on the future rating. Refer to pages 100 to 102 for the detailed scorecard.

The Group's success to date has benefited associates, investors and South Africa at large as follows:

Associates:

- the Group pays above minimum wage and paid R1.3 billion in salaries, wages and other benefits to its valued associates during the year;
- all permanent staff take part in short-term incentive schemes, which can form a material part of their total remuneration;
- permanent associates qualify to participate in the long-term share schemes after one year's service, and have benefited from the rising share price. In the case of the Partners Share Scheme, dividends totaling R43 million have been distributed to participants to date; and
- the Group employs almost 18 000 associates and favourably impacts the lives of their extended families.

Investors:

- total shareholder returns have increased by a compound annual growth rate of 37.3% over the last 10 years. Refer to page 51.

South Africa:

- the Group has assisted in creating jobs by growing the number of stores by 33.8% (250 stores) over the last 10 years;
- growth has an effect on allied industries;
- various activities carried out by the RedCap Foundation concentrate on sustainable interventions focused on national priorities. This has resulted in external recognition and funding. Refer to page 103; and
- the Group has purchased R1.5 billion from local manufacturers and service providers and paid in excess of R1 billion in all forms of taxation to the Fiscus in the current financial year.

There are an increasing number of international retailers who have established a presence in South Africa, or are considering doing so. The Group will continue to monitor events closely, however it does not feel at this stage that this will have a significant impact. The Red Cap brands are well entrenched in the hearts and minds of South African consumers and the Group will seek to ensure that this is sustained by focusing on having the right product, at the right quality at the right price. The majority of new entrants into the local retail landscape do not operate at the value end of the spectrum and are not planning a significant store footprint in South Africa.

Social and political considerations
South Africa is currently an evolving landscape with new world class legislation and governance, volatile labour and political dynamics, which all impact on customers' propensity to spend and the Group's ability to do business. The cost of doing business in South Africa is reported to be one of the highest in the developing world and the Group welcomes President Zuma's commitment to lowering the cost of doing business in South Africa when he addressed the nation during his fourth State of the Nation speech on 9 February 2012.

The government is under pressure to improve its service delivery in respect of basic human needs that impact the lives of many South Africans (such as housing, health and safety) and supports almost a third of South Africa's population under the age of 15 on social grants.

Poor education levels contribute to the lack of skills, which hampers business growth. The poor numeracy and literacy levels of school leavers impact negatively on the Group's recruitment, while tertiary education is not supporting a stream of learners into critical retail roles such as buying, planning and logistics. These challenges strain the business, both operationally and from a cost perspective as South Africa's pool of skilled resources becomes increasingly limited.

Talent and management development programmes support the development of black managers and grow the leadership in the Group. Through its Red Cap Academy, the Group increases retail skills in South Africa and has developed electronic retail-specific training programmes to train associates for a career in retail. Refer to Report on our People on pages 28 to 33. The Group's corporate social investment initiatives support education and sport for development. Refer to the Transformation Committee Report on pages 100 to 105.

External pressures from government, consumers, investors, the JSE Limited and the media all play key roles in the increasing demands on organisations from a corporate responsibility perspective. The Group is committed to acting responsibly and to considering the interests of its stakeholders – in short, being a good corporate citizen. In doing so, the Group abides by the laws of the territories in which it transacts and expects its associates, suppliers and stakeholders to adopt and maintain these high ethical standards.

Industry context
The local manufacturing industry is impacted by the fact that the majority of fabrics are imported and therefore attract import duties. The CMT (cut, make and trim) process is further hampered by a lack of investment in new technology and high wages without corresponding high productivity. These factors combined result in the high local costs of manufacturing in South Africa.

While the Company gives preference to, and sources a material proportion of its merchandise from local suppliers, its efforts are hampered by the lack of competitiveness of the local manufacturing industry. In response to the opportunity to assist local manufacturers, an Enterprise Development Strategy was developed. The Group has already entered into a strategic relationship with a local footwear manufacturer to increase their production capacity and supply to the Group, and will identify further opportunities to assist local suppliers in the year ahead. In the last year, merchandise aquired from South African manufacturers increased by 17%.

The retail industry is considered to have a medium impact on the environment. In response to the opportunity to improve on resource utilisation, the Group's environmental impacts are being assessed and appropriate action plans devised. Due to increasing electricity tariffs, energy efficiency has already been identified as such an opportunity and a Utilities Management Committee has been established to focus on the energy usage in the Group. Refer to the Risk and Sustainability Committee Report on page 98 for further details.

The Group continues to positively contribute to the economy by selling merchandise at unbelievable value, creating employment and improving the lives of its associates and the communities in which it operates.

Stakeholder engagement

The Group recognises that there are many people and organisations interested in its economic, social and environmental performance. While the communication with key stakeholders is ongoing, the Group has acknowledged that an enhanced level of engagement is required if it is to build dynamic and meaningful relationships between itself and its relevant stakeholders.

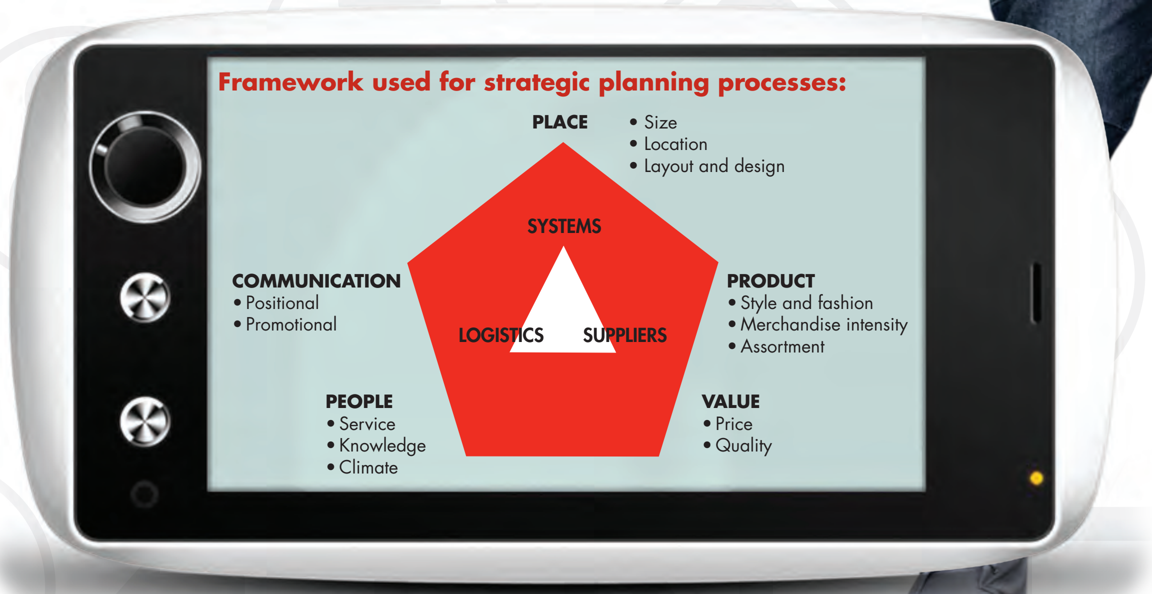
Refer to pages 27 to 41 for a description of the Group's key stakeholders and the activities that have been undertaken in the current year regarding these important relationships.

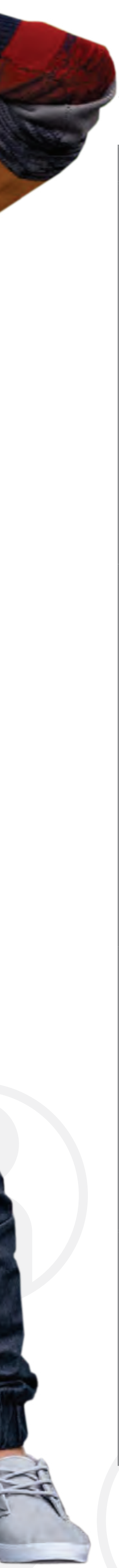
Risk appetite

The Group's entrepreneurial spirit is evidenced by its rapid growth over the last 26 years. This has been achieved by exploring new opportunities and taking calculated risks. The ability to maintain this distinctive culture of entrepreneurship and innovation, while simultaneously enhancing further accountability and solid integrated performance, is critical to the Group's future prosperity. The values of "Passion, Value and Partnership" are embedded in the Group's culture.

The Board recognises that taking risks in search of future return is both necessary and unavoidable. Risk management and the strategic planning process ensures that appropriate checks and balances are in place to mitigate any significant downside risk, and thorough upfront risk identification and assessments are carried out prior to exploring new business opportunities.

The Group has a well defined risk appetite and tolerence levels that are cascaded through the devisions.





The Group's key risks and opportunities are detailed in the table below:

Context	Why this is so important	What we are doing
Value	The Group is a value retailer. Customers' perception of value will be high if they are satisfied with the level of fashion, the quality and the price of the merchandise. Being a value retailer means lower mark-ups in order to offer 'everyday low prices' and selling high volumes.	To sustain the value-focused business model and improve margins, the Group must ensure that costs are contained, while continually improving operational efficiencies through innovation, improved systems and supplier engagement. The Group sources its product at the best possible price, aided by the large order volumes placed with suppliers, and maintains low overhead structures. Associates are incentivised on profit performance, so have an interest in cost containment and improved efficiencies. The Group will continue to identify efficiencies to improve margins and maintain the low cost structure, while making the necessary investments to support the Group's growth plans.
Product	The Group is a fashion retailer. Repeated significant and correct merchandise calls build the brand's reputation and positioning. Any misinterpretations of fashion trends could result in inappropriate procurement of merchandise, increased markdowns, compromised long-term financial performance and loss of competitive brand positioning. Appropriate product assortments and correct allocations of the merchandise to stores is critical to maximise sales and profitability.	Product calls are informed by extensive international research of fashion trends, sophisticated in-house design capabilities and analysis, market research and testing. Senior divisional executives are involved in evaluating all major merchandise commitments. Improved planning processes and trained merchandise planners reduce product markdowns and improve inventory management.
Logistics	An efficient and effective supply chain is critical to enabling new sales channels and is important due to rising fuel prices and transportation costs.	While the current supply chain serves the existing market well, there is a need to ensure that the Group is able to efficiently service new markets and territories. A supply chain project is underway that will result in an updated blueprint for both local and international operations. A new, single facility distribution centre in Durban is being planned to commence operation in the 2015 financial year, and will have the capacity to be further expanded to support long-term growth. Refer to Group Logistics and Distribution on page 78.
Systems	An effective information technology (IT) system is essential to support business growth and achieve future efficiencies. The proper alignment of IT systems and capabilities to support business needs and strategies is critical to operational efficiencies and the ability to meet stakeholder requirements.	While the existing IT systems serve the current business well, there is a need to ensure that the Group is able to service international markets and new territories. Projects are in place to examine information technology systems and business processes in pursuit of better ways of working. A strategic IT capability assessment is currently underway.

Context	Why this is so important	What we are doing
Suppliers	Large order volumes keep input prices low. Appropriate balance between price and quality. Spread country risk and risk of supplier dependency. Improve on-time delivery. Shorten lead times.	The Group is reviewing its resourcing strategy in pursuit of its desired business outcomes which, inter alia, involves building strategic relationships with certain key suppliers and working closer with certain local suppliers to improve speed to market for higher fashion turnaround time.
Growth	Having experienced strong growth over many years, the Group is focused on identifying opportunities in order to sustain this performance.	The search for new opportunities, channels, concepts, products and markets is an ongoing focus of the Group, supported by an innovative and passionate entrepreneurial culture. Associates are incentivised on both short-term and long-term business performance so have a key interest in furthering business opportunities that meet the business criteria. Continue to sustain the sales growth through: • Maximising local opportunities - new locations, products and markets; • New channels (such as e-commerce); • International research and testing (corporate owned store model in Nigeria and Ghana); and • Researching other new markets that hold potential.
People	The Group recognises that it has highly passionate and committed people that drive the successful business model. There is a need to work even harder to maintain and promote the corporate 'DNA', as the business becomes more diverse as it grows in size and geography. The ability of Group leadership to maintain the business model and respond favourably to opportunities and threats will impact significantly on its fortunes. There is a scarcity of retail specific skills.	Keep the culture alive via the 'Dreams and Beliefs' programme. The Group supports retail skills development through e-learning and continues to improve programmes for specialised buyer and planner skills, which are critical skill areas to the business. The Group's share schemes, variable remuneration to incentivise targeted achievements, and merchandise and emerging leadership development through the Red Cap Academy, all contribute to retaining and growing the human capital. Focused development of black associates for middle and senior management succession. 69% of total associates hired during the year were black. Robust processes exist for reviewing operating results and business strategies.
Place	Robust market research and feasibility processes ensure good location selections and store sizing, which positively impact trading densities and store profitability. Shoppers must enjoy a pleasant shopping environment that does justice to the brand.	A rigorous store feasibility process ensures that store placement is optimised. The business responds quickly to real estate opportunities and carefully monitors stores that are not achieving the required standards. Right-sizing or closing unproductive stores this year has increased trading densities and significantly increased store profitability, as the Group is overspaced, particularly in the Mr Price Home and the Mr Price Sport chains. Right-sizing will continue to positively influence operating margins in the years ahead.

Context	Why this is so important	What we are doing
Place (cont.)		Store layouts and designs are periodically reviewed by leading consultants. The new store design, which was launched in Sandton City in November 2011, is in the roll-out phase, providing an enhanced shopping experience. These stores are trading ahead of expectations. Opportunities exist to expand high performing stores, where trading densities are hindering the shopping experience. Total space growth of 5% is being targeted in the new year.
Financial	The ability of leadership to maintain control and respond to any emerging financial risks, positively impacts on the Group's financial performance.	**Financial** The Group's approach to financial risk management is fully detailed in the Annual Financial Statements on page 166. The Group has a strong internal audit division. Refer to pages 94 to 97. **Insurance** Given the Group's growth, business practice changes and emerging risks, insurance cover is reviewed annually for appropriateness. The review includes: uninsured and uninsurable risks, deductibles, exclusions, indemnity limits, credit rating, and the stability and sustainability of the underwriter. The insurance renewal process is reviewed annually by the Risk and Sustainability Committee which believes that the process is robust and that the level of cover is adequate and appropriate. Claims by peril are assessed quarterly for trends. **Credit** The Group provides credit facilities to customers as a payment option. Credit is granted in a responsible manner and in accordance with risk scorecards and legal affordability requirements, thereby protecting the customer and the Group. Refer to pages 74 and 75.
Legislation	The Group's ability to identify, manage and monitor compliance with all relevant legislation impacts on the Group's reputation and financial performance.	Legislative compliance is carefully controlled by the relevant business unit executives. A Group legal and compliance officer has been appointed to further enhance the legal compliance framework adopted by the business.

Where do we want to go?
The Group aims to be a top performing retailer. Sales and earnings growth will translate into an improved operating margin, while dividend and share price growth will result in improved total returns to shareholders. Senior management, executive and non-executive Directors take part in the annual strategic planning process, which includes five year financial forecasts. This process is intended to challenge management to ascertain the maximum potential of each individual business and to identify other potential growth drivers. In so doing, the Group is mindful of the risks involved and is aware of opportunities that exist so that these may be explored. The overall aim is to ensure that the Group continues to deliver superior results over the long term.

How do we intend to get there?
In business, winning once is not enough. The Group has been very successful over the last 10 years, recording a compound annual growth rate in HEPS of 23.8% and 37.3% in total shareholder returns.

This growth has been achieved through a combination of:
- Organic growth through an extension of product assortments;
- Additional space (at its peak increasing by 20% in 2008);
- New concepts;
- Operational excellence and efficiency targeting;
- Maintaining our fashion-value model; and
- Having the best possible people, particularly merchants.

This all resulted in the Group improving its operating margin, over the last 10 years, as follows:

	Rand growth R'm	Change in % of sales
Retail sales	9 041	
Costs and expenses	7 502	7.6
Cost of sales	4 944	6.1
Selling expenses	1 919	2.1
Administrative and other operating expenses	639	(0.6)
Profit from operating activities	1 539	8.0
Net finance income	54	0.7
Profit before taxation	1 593	8.7
Taxation	515	(3.0)
Profit attributable to shareholders	1 078	5.7

Operating margin has increased from 6.8% to 14.8%

Targeting world class performance
To achieve the vision of being a top performing retailer, the Group needs a clinical execution of its domestic business strategies, with all divisions delivering optimal performance. Together with this, a highly focused and well executed international strategy will be critical.

To support this strategy, world class logistics and enhanced IT capabilities will be required that not only support, but pre-empt business needs. This will only be possible with the very best people leading from the front in order to focus and inspire the Group's partners.

The Group's growth strategies are detailed in the CFO's Report on page 53.

How have we fared over the reporting period?

Key indicators have been identified to measure the Group's economic, social and environmental progress.

	Unit	2012	2011	2010
Economic				
Retail sales	R'm	11 767	10 673	9 454
Core HEPS	cents	503.0	420.6	285.7
Operating margin	%	14.8	13.4	10.5
Dividends per share	cents	314.0	252.0	173.0
Share price (closing)	Rand	94.34	63.38	39.80
Return on net worth	%	43.8	42.2	32.5
Cash sales as a percentage of total sales	%	81.4	83.8	83.9
Social				
Total number of people employed		17 894	17 887	17 300
Investment in people learning and development*	R'm	25.1	9.9	7.0
BBBEE rating		Level 6	Level 6	Not measured
Corporate social investment	R'm	13.0	11.4	7.4
Enterprise development investment	R'm	21.4	1.5	Not measured
Environmental				
Carbon emissions	CO_2e tonnes	141 485	147 592	Not measured

*2012 included capital expenditure as per BEE recognition criteria

VALUE ADDED STATEMENT

Economic value added

The Group annually measures the value added to the key stakeholder groups by the activities of purchasing and selling merchandise. The trend of value-add over time provides an indication of the Group's sustainability process.

	Note	2012 R'000	%	2011 R'000	%
Retail sales		**11 766 765**		10 673 364	
Other revenue	2	**340 074**		294 392	
Cost of merchandise and services		**(8 718 991)**		(8 006 552)	
Value added		**3 387 848**	100	2 961 204	100
Applied as follows:					
Associates' costs					
- salaries and wages		**1 264 281**	37	1 153 872	39
- other benefits including training		**147 709**	4	128 909	4
Depreciation and amortisation		**190 010**	6	195 001	7
Taxation		**569 114**	17	473 950	16
Dividends to shareholders		**670 381**	20	512 308	17
Net earnings retained		**546 353**	16	497 164	17
		3 387 848	100	2 961 204	100

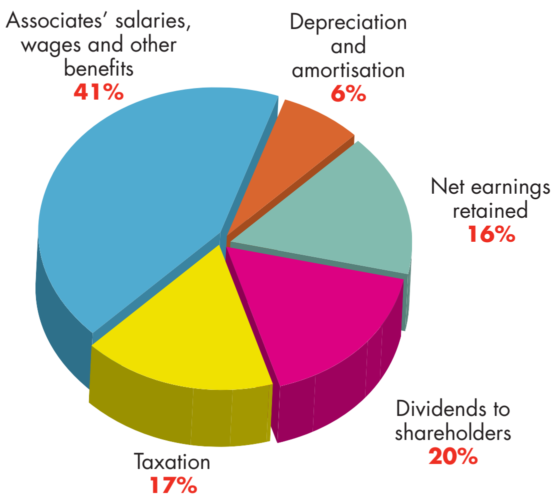
Notes to the value added statement:

1. Value added

Value added is the wealth that the Group has created by purchasing, manufacturing and selling its merchandise and services. The above statement shows how this wealth created has been applied among the Group's stakeholders leaving an amount to fund the replacement of assets and facilitate future growth.

2. Other revenue

	2012 R'000	2011 R'000
Interest on trade receivables	**197 194**	163 965
Net finance income	**44 392**	54 662
Club fees	**12 412**	12 092
Service fee revenue	**8 232**	7 091
Premium income	**70 544**	47 714
Other income	**7 300**	8 868
	340 074	294 392




KIDS
LIKE
US...
know summer
never gets
old
Product available in store from 28 November
Shoes & accessories available in selected stores
Dancing
QUEEN
DAZZLING
princess
Mr Price
www.mrprice.co.za

Activities carried out in relation to the strategic framework and strategic profit model:

Measure	Goals
Margin management	
Place	Expand stores where trading density exceeds optimal level
	Identify areas where smaller format stores can be opened
	Exit from unproductive space
	Ensure rental costs are minimised and within store feasibility parameters
	Maintain freshness of the brand via store design and layout
	Ensure appropriate level and allocation of capital expenditure to maintain brand appeal
	Research and conduct tests to support the internationalisation of the business
Product	Allocate appropriate trading areas to high performing departments
	Gain market share
	Consider new concepts and strategic alliances or acquisitions
Value	Maintain appropriate mix of fashion, quality and price
	Keep cost structures low
People	Ensure adequate retail training
	Focus on executive development to increase leadership skills
	Align incentive structures to attain targets that will drive long-term sustainability
	Robust succession plan to be in place
	Use technology to support strategic initiatives
Communication	Ensure focused and appropriate communication to target market
Systems	Technology to support business processes and add value
Suppliers	Enhance supplier interaction
	Expand resource base
Logistics	Improve supply chain capacity and cost efficiencies
Asset turn	
Increase sales	Detailed under margin management above
Minimise assets	Maintain optimum inventory levels
	Effective use of cash resources
Financial leverage	Reduce dividend cover
	Purchase shares to satisfy share schemes

Activity
Mr Price Apparel expanded 27 stores by a total of 8 420m^2. Monthly assessment of trading density by store is performed.
Mr Price Apparel, Mr Price Home and Mr Price Sport have all identified and tested smaller format stores, which will significantly contribute to future growth. The majority of these stores are trading ahead of forecast.
The Group has exited from 10 462m^2 of unproductive space. Further progress is still required. Monthly assessment of store performance is undertaken.
Rental costs as a percentage of retail sales amounts to 7.5% (2011: 8.0%). Where rentals could not be negotiated in line with store feasibilities, the Group considered not renewing the lease or opening the store.
New generation stores launched in the three Mr Price divisions in November 2011 are trading ahead of expectations.
The budget for the ensuing year and the strategic plans for the next five years reflect capital expenditure allocations to the businesses that generate the highest returns. Consideration is also given to keeping all brands fresh. Mr Price Apparel received 56% of store capital expenditure and in 2013 this is expected to be 61%. An appropriate capital expenditure allocation between new stores and expanded space was made. The split in the current year was 34:66. Capital expenditure was curtailed during the recession and in the 2013 financial year will increase to approximately R311 million (prior to capital expenditure relating to new distribution facility).
Keeping in line with investing in major African markets, the first corporate-owned test store in Lagos, Nigeria, was opened in March 2012. A store is also scheduled to open in Accra, Ghana, in June 2012.
Allocation is the subject of continual review, from merchandise reviews to strategic planning sessions.
The market share in Mr Price Apparel has increased to 12.7%. In the second half of the year three divisions increased market share and one maintained market share.
Potential acquisitions and strategic alliances were investigated during the year, none of which were pursued beyond initial discussions.
Appropriate mix maintained.
Total overheads reduced from 30.7% of sales to 29.6%.
Significant improvement in the training format in the organisation has been made. Refer to pages 30 and 31.
People development practices have been significantly enhanced. Refer to pages 30 and 31.
Incentive structures are tailored annually and aligned to short-term financial results and the attainment of key imperatives per the strategic plans. Refer to pages 108 to 109. Share options are granted to associates to incentivise long-term performance.
A succession plan is in place.
A best-of-breed human capital management system including learning management, recruitment, payroll and time and attendance is being implemented. This will also present an opportunity to re-engineer certain of the Group's business practices and processes.
The marketing team ensures alignment of marketing initiatives with the target market and campaigns are measured against sales achieved. Print and TV campaigns are to be supported by increased social media communication.
Although the capital cost will initially be higher, the benefits of acquiring best-of-breed systems will result in fewer 'school fees' being paid. An appropriate balance between the two alternatives will be maintained. The two most significant systems changes this year were the purchase of an e-commerce system and an internally generated point-of-sale system. Refer to page 77. A strategic IT capability assessment is currently underway.
Supply chain processes were enhanced with costing models being developed. Refer to page 78.
Divisions are continually reviewing their supply base to ensure the optimal mix of price, quality and lead times.
A study was completed by international consultants to define the long-term supply chain blueprint. Refer to page 78. A new distribution centre is expected to be completed in the 2015 financial year.
Detailed under margin management above.
Project Redgold is an ongoing initiative and is delivering on its objectives of ultimately increasing full priced sales and releasing working capital. Improved markdowns have had a significant impact on results in the current year, and in the last five years inventory levels have increased by 29% compared to sales, which are up by 63%.
Strategic plans support the view that cash generated by the business can finance the Group's future growth, the acquisition of shares for share schemes and maintaining an attractive dividend cover.
Dividend cover has reduced from 3.3 times in 2002 to the current level of 1.6 times.
The Group makes grants to the share trusts which utilise these to acquire shares on the open market to cover options awarded. Any purchase of shares will be effected after reviewing market conditions. In the current year, 3 853 889 treasury shares were purchased at an average price of R67.52.


Mr Price

STAKEHOLDER ENGAGEMENT

The Group recognises that there are many people and organisations (stakeholders) interested in its financial, social and environmental performance. Stakeholder engagement is crucial as it enables continual adaptation to changing needs and will sustain the business into the future. The Group's stakeholder engagement process is guided by the principles set out in the AA1000 Stakeholder Engagement Standard (2011) published by AccountAbility.

This year has seen the continued meaningful development of the following stakeholder relationships:

- Associates (our people) – The Group responds to its peoples' concerns and expectations both formally and on an ongoing basis during the year. Harnessing passion and going the extra mile is part of the Group's successful performance (entrepreneurial 'DNA') and must be retained in a performance driven business. Further information can be found in the Report on our People on pages 28 to 33.
- Customers – The Group started to engage with its customers on a new level via social media, resulting in the ability to start obtaining opinions with regard to product and responsible company behaviour. A strong bond with customers, by truly understanding and satisfying their needs, is critical to long-term sustainability. In addition, market research surveys are undertaken regularly to understand the Group's customer behaviours. This key stakeholder group is discussed in more detail on pages 34 to 37.
- Suppliers – Strategic relationships with key suppliers to promote transparency and partnership were formed. Refer to page 38 for more information.
- Investors – An increased level of engagement has been acknowledged with regard to investor expectations and the business principles to which they subscribe. Further detail on this key stakeholder is discussed on page 40.

REPORT ON OUR PEOPLE

Employee engagement

Mr Price Group strives to be a sought-after Company to work for by offering leading career opportunities in fashion-value retailing, in energetic and entrepreneurial working environments. The Group beneficially impacts the lives of not only its 17 894 employees, but also their families and the communities in which they reside, being actively involved in these communities through the RedCap Foundation.

Inspired by the Group's core founding values of Passion, Value and Partnership as articulated through the 'Dreams and Beliefs' philosophy, the culture and climate of the working environment is constantly surveyed to ensure that the needs of associates are heard, that actions are taken to enrich their working lives and to protect the core values.

While direct communication and engagement is preferred, social media technologies are being increasingly explored to find creative and effective ways to engage all associates. A 'Th!nk' campaign was run throughout the year, inviting "participation through innovation" with the aim of improving many aspects of the business.

Performance recognition and reward

A core theme running through the Group culture is to actively encourage, recognise and reward exceptional performance and the achievement of personal goals. Performance is measured against well-defined incentive targets and performance discussions are conducted at year end or as required through the year. This culminates in generous financial rewards for outstanding performance in terms of the incentive programme indicated in the Remuneration Report on page 106.

Regular management communication sessions are held to present business results, celebrate team or personal achievements, and re-inforce the spirit of performance. Associates who have delivered outstanding performance or are responsible for exceptional innovation, are acknowledged annually by receiving the Mr Price Group medallion. The Mr Price Group 'Running Man' statue is presented to associates who have contributed consistently to the Group's progress over an extended period. Recipients wholly embody the business culture and are committed to the core beliefs. The Group also recognises associates for long service.

Talent acquisition

While developing homegrown talent is a high priority, attracting the right skills externally is equally important to cater for growth. During the past year, a campaign to creatively profile the Group's employment proposition was conducted directly to potential employees through the Company's social networking platform and through active involvement with schools, colleges and universities. For this campaign, the Group won top national awards from the SA Graduate Recruitment Association for best print media (bronze), best graduate website (gold), best integrated campaign (silver) and top company overall. Continued improvement in systems to administer and store applicants' data has allowed more proactive management of talent pools.

All new associates attend induction programmes introducing their job specific requirements, working environment and the core values contained in 'Dreams and Beliefs'. Considerable improvement to induction processes is planned for the forthcoming year, to cater for the increasingly geographic spread of associates.

The Company has a staff turnover of 24.4% per annum in stores and 11.3% per annum at head office, including support services (permanent associates only). These statistics are within industry norms. Vacancies are preferably filled in-house or with applicants drawn from the local communities with exceptions occurring when associates apply for more senior positions that may require relocation. Stringent pre-employment assessments are conducted for all store positions, including numeracy and behavioural attributes, to ensure that the required levels of skill are achieved.

Employment equity

The Group's philosophy is to encourage associates to achieve their full potential, irrespective of race or gender. In line with this philosophy, associates are encouraged to apply for and secure growth opportunities in the Group as these arise.

The Group recognises the need for its workforce to be fully representative of national demographics and continues attracting, employing and developing people from previously-disadvantaged groups. Special attention is given to taking in graduates from previously-disadvantaged backgrounds and preparing them for future management and specialist retail positions. Pre-employment internships are offered as a way of evaluating young prospective employees, while the RedCap Foundation's JumpStart programme provides soft skills training and work experience for unemployed matriculants in a Mr Price Group store or distribution centre.

With its preferred "appoint from within" philosophy, the Group identifies and develops associates from previously-disadvantaged backgrounds who have the potential to attain top management positions and, accordingly, meet succession plan needs. Attendance at internal and external leadership programmes provides business exposure for these individuals, facilitates feedback on development areas, and assists the Group in attaining the employment equity goals set for the Senior Management and Middle Management categories.

The Executive Transformation Committee reviews and assesses, and the Board ratifies, appropriate employment equity targets in line with the Group's broad-based black economic empowerment plans (BBBEE). Goals have been set to 2017 with action plans to address representation requirements at senior levels. Regular reporting will monitor progress made.

Total Employment Equity Representation at Occupational Levels

Total African, Coloured and Indian representation across occupational levels	Female Goal 2012 %	Female Actual 2012 %	Total Goal 2012 %	Total Actual 2012 %
Top management	3.0	2.8	3.5	2.8
Senior management	14.5	11.3	24.5	18.6
Middle management	20.0	20.4	37.1	35.9
Junior management	57.9	58.5	79.4	79.2
Semi-skilled	69.4	70.6	97.0	97.0
Unskilled	42.0	47.0	99.0	100.0

An employment equity and skills development forum, fully representative of the Group's associates, meets regularly to discuss progress in employment equity, identify and recommend steps to overcome barriers to affirmative action and to ensure adherence to relevant legislation.

Career and personal development

The Group offers outstanding career opportunities and actively encourages associates to pursue their ambitions within the Group. Development discussions are held with associates at least annually to discuss personal growth and career development, with line managers responsible for ensuring that these discussions are conducted properly and give rise to meaningful personalised development plans.

During the year, an organisational psychologist was appointed, offering line managers and associates a specialist capability for assessing, evaluating and identifying areas of potential performance improvement through personal development.

Management and leadership development

The Group has a history of successful leadership growth, attributable to appropriate succession planning and the application of innovative programmes. Given the hands-on nature of retail, the Group's approach to leadership development is to encourage managers to take direct ownership for their particular area of responsibility and to use the programmes provided to build their own entrepreneurial leadership style. During the year, the Group continued to partner with the Gordon Institute of Business Science to provide creative and highly developmental leadership programmes for designated individuals. These programmes are designed flexibly to cater for unique peer group needs, taking into account the day-to-day time and scheduling demands of the busy retail working environment and include:

- The Emerging Leaders Development Programme for entry level leaders who display high potential for future leadership positions;
- The Advanced Leaders Development Programme available to individuals already in positions of influence and who are candidates for growth into higher levels of leadership; and
- Executive Development opportunities designed for incumbent senior executives who have specific developmental requirements in line with the demands of their positions and/or current Group strategic priorities.

Programmes with more direct skills development objectives continue to be offered to managers and leaders, either to facilitate individual growth or to promote the development of a collective group capability. These include:

- The internationally facilitated programme in Strategic Planning and Management in Retailing focused on productivity measures and key retail performance indicators;
- The Area Manager Development Programme that develops retail operational management skills; and
- The Management Development Programme that measures and develops high-potential managers against international leadership competencies.

During the year new leadership development initiatives were identified and implemented, including programmes secured through the Group's relationship with the Wholesale and Retail SETA. This included placement of five candidates on the SETA's International Leadership Development Programme, as well as 14 middle managers on the Retail Management Development Program which commenced in February 2012.

Ongoing partnerships with leading international universities have proved highly beneficial. A major achievement was to secure a preferential relationship with the Centre for Retailing Excellence (CRE) at the Sam M. Walton College of Business, University of Arkansas. The Group has gained international exposure through the talent exchange programme by participating in the CRE, and has been invited to participate on the CRE Board. This relationship provides direct access to top international academic and training experts in retail, supply chain and logistics.

The personal growth and development of leaders is supplemented by personal and career development discussions, comprehensive leadership assessments, development of personal development plans and regular feedback on performance. Mentoring and coaching are offered on-the-job, or more specifically as required.

Talent development

The Board and top management recognise the importance of attracting, developing and retaining world-class skilled retailers and managers in all disciplines to ensure competitiveness and sustainability. This is reflected in the allocation of a longer term budget to the development of talent and has seen a 153% increase in investment compared to last year. This increased investment has been in developing cutting edge methodologies using modern technology in order for there to be greater reach in the number of associates developed regardless of where they are geographically located.

The constantly increasing demand for scarce skills among competing Southern African retail organisations and the need to retain this talent necessitated increased attention on succession planning and career development and further improving the quality and delivery of training and development during the year. The Red Cap Academy

(RCA), as the in-house institution through which all learning and development programmes are facilitated, continued to grow its expertise, improve its delivery capability and meet its longer term objective to be a top retailing academy. The RCA employs innovative training practices including online, on-the-job and classroom-based learning, drawing on internal subject matter experts, top external faculty and carefully selected service providers.

Precise job and competency profiling is at the core of the design and development of training material and the introduction of a specialist psychometric assessment capability has enabled more accurate evaluation of the outcomes of training received. This capability will also ensure more effective identification of individual training needs of core associates.

A major achievement remains accreditation of the RCA, allowing associates to obtain credits towards qualifications and secure recognition for training received. Merchandise skills continue to be the Academy's primary focus in accordance with the Group's merchandise standards, as well as frontline operations management development. Based on the demands of the business, intern development programmes in merchandise and store operations ensure a feed of externally selected trainees into areas of need, while internal trainees are provided with meaningful work under the guidance of allocated mentors and trained according to an individually paced hierarchy of learning.

The e-learning methodology continues to provide an effective training solution to the geographically widespread store locations. This method has made learning and development initiatives available to thousands of associates at store level, providing access to learning at point-of-sale terminals on a daily basis and new modules are continually being developed. Participation is actively encouraged as a way to progress careers and promote job security. The effectiveness of the medium is highlighted by the 9 096 associates who have completed one or more of the available e-learning modules, such as an overview of point-of-sale, stock control, credit and business administration, customer service or a specific module on product knowledge.

The Group supports the national skills initiative through learnerships. These are available across various disciplines such as logistics and store management and enable associates to receive a nationally recognised qualification. During the year, 80 associates were actively involved in the learnership programme, 87% of whom are previously-disadvantaged individuals.

Key achievements in talent development	2012	2011
Number of off-the-job learning and development programmes completed	**10 610**	15 244
Number of programmes in various skills and compliance completed (inclusive of e-learning)	**28 255**	23 515
Associates who have completed various leadership development programmes	**3 241**	1 203
Investment in learning and development	**R25 160 637***	R9 963 796
Average learning and development days per person	**3.7**	3.1
Percentage of previously-disadvantaged individuals participating in learning and development programmes	**87%**	83%
Percentage of females participating in learning and development programmes	**70%**	73%

* 2012 included capital expenditure as per BEE recognition criteria

Employee relations

All associates with more than 12 months' full-time service are invited to participate in the Mr Price Group share or share option schemes, detailed on pages 110 to 113. As these employees are therefore part-owners in the Company, they are referred to as partners.

Maintaining good working relationships is of utmost importance to the Group. Developing and maintaining one-on-one relationships with associates opens communication channels with management. Frequent communication sessions are held within divisions to update associates on business progress, celebrate achievements and introduce new associates. General employee communication and information sharing is conducted through Red Cap TV with informative broadcasts delivered twice monthly to associates through intranet or point-of-sale technologies. A social media policy has been developed to provide guidelines for new and innovative ways of communicating internally using social networking technologies.

The regularly conducted climate and culture surveys across all divisions allow associates to confidentially highlight areas of concern and thereafter to discuss these in facilitated focus groups, thus contributing to improving the workplace.

The review, upgrade and re-documentation of human resources policies has been completed and the policies standardised across the divisions. Tight control, communication and monitoring of best practise policies ensure that the Group retains its status as a leading destination for career retailers.

The Group complies with all relevant labour legislation including the Labour Relations Act, the Basic Conditions of Employment Act, the Sectoral Determination Act No 9, the Skills Development Levy Act, the Skills Development Act, the Employment Equity Act, the Unemployment Insurance Fund Act and the Occupational Health and Safety Act. Line management is supported by well trained employee relations practitioners.

Proposed amendments to national labour legislation during the forthcoming year may pose challenges to the Group, however these changes have been anticipated and preparatory work conducted to mitigate risks that may arise.

During the year, 21% of dismissals were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA). Of those referred, 51% were settled at either conciliation or arbitration. From the cases arbitrated at the CCMA, 70% were determined in favour of the Group.

Ethical behaviour

The Group has partnered with an independent organisation to provide a confidential toll-free number for reporting suspected fraudulent activity or unacceptable behaviour. Associates are encouraged to be alert to

fraudulent or unacceptable activity and immediately report instances to the Whistle Blowers' fraud hotline. Internal Audit confidentially investigates reported incidents.

Each associate acknowledges receipt of a detailed Business Code of Conduct upon joining the Group. Senior and other selected associates complete annual declarations in which compliance with the Code is confirmed and any external interests or relationships that could potentially give rise to a conflict of interest are disclosed. A Social and Ethics Committee has been established and held its first meeting in May 2012.

Wellness

Full-time associates are offered membership to the subsidised Group medical aid, while the cost-effective medical aid product Discovery Keycare Plus offers associates access to affordable medical aid benefits. Currently 3 959 associates, representing 30.0% of permanent associates, have cover for themselves and their families through one of the medical aid options.

The Group encourages associates to make healthy lifestyle choices. This philosophy is promoted annually through the Wellness Week and via regular Red Cap TV broadcasts. Through both the medical aid programmes and Wellness Week, associates have access to health counselling and prevention and risk-control programmes to assist with information and treatment regarding serious diseases.

Occupational health and safety

The Group encourages safe working practices and 9.5% of permanent associates have been trained as health, safety and/or fire marshals. This includes those who have completed a first aid course. Regular attention is paid to workplace health and safety with the required practice drills and safety reviews being conducted.

In the year under review, three serious work-related accidents were reported, while the number of minor injuries on duty increased from 63 to 92.

Human Capital Management systems

In order to transform human resources management practices to a world class standard, investment in leading edge information systems and technologies is required. Comprehensive and in-depth research and analysis was conducted during the year, identifying the best possible solutions available. Proposals specifying the highest value-add and most cost-effective options for workforce management, learning management and payroll systems implementations were evaluated, whereafter the successful service providers were appointed. A core Human Resources system will follow at a later date.

CUSTOMER & BRAND INTERACTION ON A WHOLE NEW LEVEL

Social media, when used to its fullest potential and executed correctly, will become one of our most effective marketing assets. No longer is communication and broadcasting a one-way street - our customers now have a voice and as much as we can educate them, social media allows them to educate us too. It's now a two-way information highway, the traffic flow is fast and there's no turning back!

COMMUNITY OF BRAND CHAMPIONS

ENGAGE WITH YOUR CUSTOMERS, KEEP THEM ENTERTAINED, AND THEY'RE FANS FOREVER.

Social media creates an ever-growing world where our brand and fans can live, learn and experience each other together; through competitions, giveaways, open discussion and image sharing, to name a few. This interaction and feedback is invaluable to brand strategy. LET'S CALL IT THE THREE I'S.

> "IF YOU DON'T KNOW WHO YOUR FANS ARE, YOU JUST HAVE CUSTOMERS"

♥INCLUSION

We love offering our fans the opportunity to show off their individual style. We do this by capturing them on the street or in-store, and then featuring them in our MRP Magazine and on our Facebook page. The more we include them, the more they "share" us.

OUR MAGAZINE

MXO 26
multi media designer

TRACY 20
graphic designer

♥ INCENTIVE

Experiences rather than product prizes also prove invaluable to building brand loyalty. We've offered everything from a trip to London, VIP treatment at the 031 Fashion Show, a style make-over, a girls pamper party and even a day on the set of one of our shoots. Who wouldn't want to get involved?

WIN AN EXCLUSIVE
VIP EVENING
AT THE 031 COLLECTION - DURBAN'S PREMIER FASHION EVENT
ON THE 21ST MAY
FOR YOU AND 3 FRIENDS

♥ IN LOVE

Customer feedback really helps us to improve on our fans' shopping experience as well as our fashion offering. We can find out almost immediately what is working and what isn't. This information we get from our fans can be channelled almost immediately to our buyers for them to act upon.

MR PRICE AND 95 697 OTHERS LIKE THIS

Simônè Stephens Love MR PRICE :-) my wholeeeee wardrobe is filled with ur brand!! and love the fact every season new trends r being set n ur collaborations with upcoming designers r awsome!! keep it up! #hugeMrPricefan"

Alessia Pinna Got the most amazing stuff yesterday, totally broke but at least ill be broke in style"

Athena 'Karamelitsa' DeligatosI hope u guys are number 1 in the country again! Reason being u guys are probably the only store in Sa that properly keeps up with fashion and all types of fashion that caters to different tastes ! Also u make it affordable for evryone ! Doubt I'd be stylish as a student if it weren't for u guys ! Anyone I know comes to u guys,all classes of financial backrounds ! As soon as I get paid I usually blow it at u guys ! But yeah def worth it ! To ur designers, I bow down to u guys ! Thnx for bein fashion forward ,makin Sa a fashionable country

Melissa Wright new ads are amazing! really loving the new style of Mr Price. definately becoming a brand that stands out for style!the new look and feel are wicked cool!well done!

Siyenama Ncinci MashizaI'm obsessed with Mr Price...i love the bold colours, slouchy tops, shorts, shoes, sunnies you name it!! its like you're being my own brand ambassador!! keep up the amazing work... Crazy Love for you Guys!!

Charis Kb love all the colours in store sooo fresh and happy!

ORIGINAL AND INNOVATIVE

CONSTANTLY PUSHING BOUNDARIES TO KEEP OUR FANS EXCITED.

Simple gaming and competition mechanics, fun marketing tactics, all integrated with social media platforms, are just a few ways where we can continue to "wow" and delight our fans. Social media is all about inclusion, and as soon as a fan feels a part of something cool and street credible, they will tell friends, encourage "sharing", and continue to push the love forward.

PAPER DOLL APP

Fans could use all the products from our RT catalogue to 'dress up' a paper doll with their own looks and get friends to vote. Simple, fun and super effective.

FASHION MOVING FORWARD

To launch our new generation store and new brand evolution, our "Fashion Moving Forward" campaign took the brand to the streets in a sort of giant "moving catwalk" or "Fashion Wagon". Fans followed us around the country and engagement levels increased dramatically as we uploaded all activity onto our social media platforms.

031 COLLECTION AND AGYNESS DEYN

Young designers got a chance to showcase their talents with an opportunity to have their range produced and sold in selected Mr Price stores. International model Agyness Deyn was brought out to judge the event as well as style one of our ladies ranges. She also got involved in some RedCap Foundation work while she was over here. We love Aggy!

We love to connect, follow us.

BROADCASTING, LISTENING AND RESPONDING

GIVE FANS A VOICE AND LISTEN UP...GOOD.

Social media now enables brands to interact and communicate with their fans on a personal level like never before. It gives them an instant voice, which in turn, forces brands to constantly check themselves. Online reputation management tools allow us to listen to online conversations, monitor brand sentiment and integrate the findings into our product offering and brand experience. It is our key to healthier customer engagement and risk mitigation as well as being imperative to improving the shopping experience and delighting our fans every day!

SOCIAL MEDIA STATS

GROWTH

APRIL 2011 - MARCH 2012

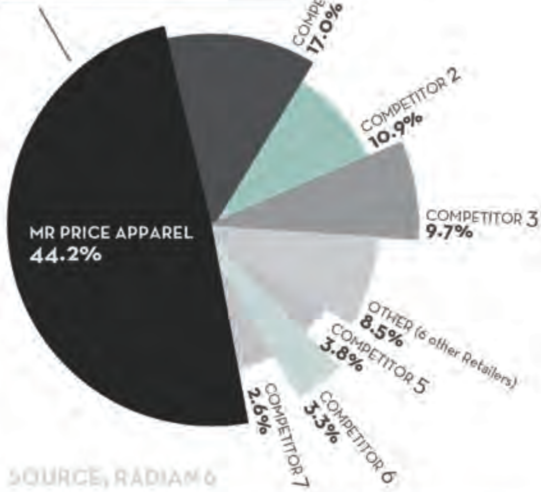
138% FACEBOOK FANS

98% E-MAIL DATABASE

516% TWITTER FOLLOWERS

0 → 97 000 MXIT SUBSCRIBERS

SHARE OF ONLINE SOCIAL MEDIA VOICE AMONGST COMPETITORS



SOURCE: RADIAN6

MR PRICE IS CURRENTLY THE 5TH LARGEST FACEBOOK GROUP IN SOUTH AFRICA

SOURCE: SOCIALBAKERS

OUR BLOG: inthefashionloop.com
www.mrp.co.za

SUPPLIER ENGAGEMENT

Supplier engagement and sourcing are not simply about buying at a lower price - a good sourcing strategy should be in a constant state of flux, shifting to take account of changing markets, competition, costs, risks and opportunities. Its foundations must fit with the Group's overall culture, corporate objectives and brand positioning. The Group's supply chain strategy is aimed at providing an essential framework to make Mr Price's sourcing practices a competitive advantage and a strong driver of increased shareholder value.

	Sourcing	
	Retail market	• Understand market needs on margin, quality, cost and time. • Keep a close eye on increased competition, falling margins and consumer demand for newness.
GREAT VALUE Focus on fashion, quality and cost.	**Brand positioning**	
	Cost factors	• Cost model will compare suppliers and countries of origin. • Costs to consider include sampling, production costs, cost of raw materials, freight, logistics, customs duties, quality control, disposal and rework, loss of sales (due to quality or delivery problems) and markdowns.
	Non-cost factors	• A focus on cost should not be at the exclusion of non-cost elements. These include local knowledge on a specific product category, the availability of raw materials, sufficient production capacity, ethical and social standards, geo-political risks and quality. • Risk and non-cost factors should be scored against the cost benefit of switching to any region.
Set optimal mix of local manufacturers and suppliers and overseas factory direct relationships.	**Sourcing channels**	
	Sourcing areas	Consideration is given to lead times, visibility, delivery reliability, political stability, size and flexibility of production capacities, product quality, social conditions of production, buying price, duties, inbound logistics, product design, and technical skills.
Chosen channel must match the overall supply chain strategy.	**Selecting and optimising channels**	
	Balanced portfolio of suppliers	These include strategic partners who work collaboratively with the Group, core suppliers who may only work on certain product groups and additional suppliers, who are often a back-up or new supplier. All categories of suppliers have an important role to play.
	Sourcing strategy in practice	The foundations of a sourcing strategy must fit in with the overall corporate strategy.

Having the right product, at the right place, at the right time and at the right price is what makes or breaks a fashion-value retailer. The Group's ability to perform well is aligned with its ability to partner with its key suppliers. In the last 18 months, a number of changes have taken place worldwide which have significantly impacted the apparel industry (refer to pages 13 to 15 for more detail). These factors have influenced both developed and developing regions. As a result, the Group has further enhanced its sourcing and supply chain strategy which is intended to provide existing suppliers, through improved communication, with its merchandise related requirements and expectations. In certain instances, this has led to a reduction in lead-times from four to three months and an improvement in on time and in full deliveries. There is also a commitment for building strategic business relationships with the Group's best suppliers.

The overall sourcing strategy is to achieve an optimum balance between local and overseas manufacturers and suppliers, and will entail both direct imports and working with third parties. A long-term project is underway to reduce country risk and dependence on China in favour of other countries, including South Africa.

During the year the Group:

- strengthened its relationship with and increased merchandise acquired from local manufacturers by 17%; and
- provided an enterprise development loan to a key supplier to expand local operations.

Refer to Group Logistics and Distribution on page 78 for more information.

PMO (price mark on) - Prices

The Group will continue to provide its customers with amazing value.
The aim is to always exceed expectations and this will be achieved by continuing to be creative and innovative and by constantly developing in all areas. Suppliers are a significant part of this strategy and are encouraged to find smarter technical solutions and/or to offer other possible price alternatives for quality, manufacturing and trims.

ON TIME - On time delivery

The Group's suppliers need to meet their committed delivery schedules which is key to offering customers updated fashionable merchandise. However, suppliers should also have the flexibility, when required, to react to how a specific product is trading - supplier's ability to hold back or accelerate the delivery of stock to the Group.

LEAD TIME - Shorten lead times

This is the Group's top priority in relation to suppliers as the merchandise in-store must always be up-to-date and fashionable. Both first development sample and production lead times are crucial. Focus will be on sample lead time improvement because it's important to get correct samples made within the right time and keep enough time in production in order to secure the bulk quantity with the appropriate quality levels.

Enterprise Development

Refer to page 102 for details on developments that have been made in relation to local suppliers.

INVESTOR ENGAGEMENT

Investor engagement has received increased focus in recent times. The following activities have taken place during the current year:

- Frequent meetings with local and international analysts and investors have been held at the Group's corporate headquarters;
- Attendance at lunches, dinners and store visits with the investment community;
- Half year and year end presentations to the Investment Analyst Society (IAS) in both Cape Town and Jhb;
- Invitations were extended to the major institutions and shareholders for one-on-one meetings immediately after the IAS results presentations;
- In recognition of the increasing international shareholding (36.4% at year end), the Group embarked upon its inaugural international roadshow to London in November 2011. This proved very successful, with approximately half the investors visited either acquiring equity in the Company for the first time, or increasing their stake. The London roadshow will now be a permanent feature on the investor relations calendar and has paved the way for a planned USA roadshow in June 2013 with RMB Morgan Stanley;
- The Group, in conjunction with its external public relations partner, Corporate Image, embarked upon a market survey with the investment community, during which their opinion on a host of communication matters and disclosure of information was sought. The questionnaire, together with summarised results, is posted on the Group website (www.mrpricegroup.com). The Company recognises that improvements can always be made, but was very satisfied with the results obtained; and
- Partnering with Bank of New York Mellon, the Group undertook the necessary research and completion of the documentation requirements for the establishment of a sponsored level 1 American Depositary Receipts (ADR) programme. This will facilitate the acquisition of the Company's ordinary shares by certain US investors. It is expected that all necessary registrations and formalities will be finalised early in the new financial year and that the programme should be in operation by June 2012.

In recognition of the increased focus given to improved communication, the Group received the following recognition, which was determined by votes by the members of the Investment Analysts Society:

- Best presentation to the IAS – Companies with a market capitalisation between R5 billion and R20 billion (June 2011); and
- Best reporting and communication in the Consumer Services sector (June 2012).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CHAIRMAN'S REPORT

Nigel Payne

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I am privileged to report to our shareowners, our people, our business partners and all other stakeholders on behalf of the Board. The very pleasing operational and financial performance reported on by the CEO, Stuart Bird, and CFO, Mark Blair, reflect the efforts of thousands of people over the past number of years, and establish both the foundations of and the momentum for the next few years.

The past year has seen a significant increase in the percentage of the Company owned by shareholders resident outside South Africa. We welcome you and appreciate your confidence in us. As detailed in the Remuneration Report, we are pleased that the vast majority of our management and staff have a beneficial stake in the Company. This model has proved itself over a number of years to add value not only to our people, but also to the Company and its shareholders, whilst simultaneously contributing to our black economic empowerment initiatives.

Our current market share, profitability, capitalisation and reputation are a result of:

- The vision and values of the founders, as defined by our 'Dreams and Beliefs'. The Board has recently reviewed these foundations and confirmed them as the bedrock upon which the Company will continue to be built;
- A coherent strategy, implemented consistently over a number of years; and
- Excellent operational implementation by our passionate leadership and their teams.

The Board devotes a significant portion of its time and effort to ensuring that these foundations remain robust in support of our operational plans, budgets and five year targets.

The increasing polarisation of the global economy, accompanied by significant volatility, but also reflective of a shift towards emerging economies and younger, more demanding consumers, provides the Group with significant opportunities to expand its fashion-value offering. As in the past, these will be undertaken only after careful consideration, detailed market testing, and supported by robust competencies and systems. We believe that there is no substitute for excellence, and thus welcome the arrival in our home market of a number of other top retailers – competition will make us stronger, to the benefit of our customers.

As indicated in the CEO's Report, we have embarked upon a number of strategic initiatives, including internationalisation, expansion of our channels to market, further improving our merchandising, supply chain and logistics capabilities, launching new format stores, upgrading our IT systems whilst continuing to be responsible corporate citizens. The fact that the Board has approved so many significant initiatives

simultaneously is reflective of our confidence in the leadership teams, the capacity of our divisional executives and the passion of all in the Mr Price Group family.

The Group has significant financial capacity to invest in these initiatives, which will in due course appear as assets on our balance sheet. In a quirk of accounting however, our biggest investment, namely in our people, is expensed on an annual basis. The effectiveness of such investment is probably best reflected in our cumulative growth in earnings and dividends, as well as in the culture and passion that pervades our business.

The Board has devoted a significant amount of its time to ensuring that we remain true to our values, have an appropriate strategy and the best possible leadership team to implement it. Our recruitment, development and reward mechanisms are all tailored to this end. The success of these initiatives is reflected in the diversity of awards bestowed on the Company recently, including for fashionability, multi-media, recruitment and development of talent, corporate social investment, financial reporting and the like. Financial markets have expressed their approval via a succession of record share prices.

The governance of the Group has evolved over the past few years and will continue to do so. The Board comprises a good mix of retail expertise, not only amongst the executives but also in the continued service of our founders, Laurie Chiappini and Stewart Cohen. The non-executives bring a good mix of specialist expertise as well as a blend of new blood and significant experience in the Group. The Board is developing a board skills matrix which, together with a robust annual Board and Director evaluation process, will form the basis for the structure and composition of the Board, as well as defining steps towards further enhancing our corporate governance and the role of the Board.

I believe that the Board, and each individual Director, have functioned effectively during the year, have made a valuable contribution to the Group, and have certainly earned their Directors' fees. The culture in the boardroom is robust, based upon transparency and mutual respect, but with significant space for challenge and independent thinking. I thank my fellow Directors for your confidence in appointing me as Chairman, and my predecessors Alastair McArthur, Stewart Cohen and Laurie Chiappini and Lead Director, Bobby Johnston for the quality board and governance structures that I have inherited.

On behalf of the Board and the entire Mr Price Group family, I acknowledge and thank Alastair McArthur and Chris Yuill for their extensive contributions over many years and wish them well for the future. We will miss you. We welcome Daisy Naidoo to the Board and reluctantly accept the decision by Sonja Sebotsa not to make herself available for re-election due to the pressures of her increased business commitments. We hope to welcome her back in future.

While there is much to be done to prepare ourselves for the future, we take comfort that we have the benefit of doing so while being propelled by the tailwinds of past initiatives. Momentum is our friend.

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CEO'S REPORT

Stuart Bird

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Whilst the past year presented some challenges, our formula of great fashion and quality at excellent prices proved to be a robust one and again produced pleasing results.

These results are a direct consequence of all the outstanding people in the Mr Price family who, guided by our values of Passion, Value and Partnership, constantly provide innovative ways of delighting our many customers.

Through presenting their customers with another year of great fashion and value, Mr Price Apparel further grew market share. Despite the resourcing challenges that occurred during the year, being the overhang of the cotton crisis in the first half, the termination of Duty Credit Certificates in September and the currency volatility in the second half, the division again managed to improve its operating margin.

During the year a number of very successful merchandise range collaborations were undertaken with certain notable individuals. The first being with international super model Agyness Deyn and others with local designers Holmes Bros, Cleo Droomer and Amber Jones.

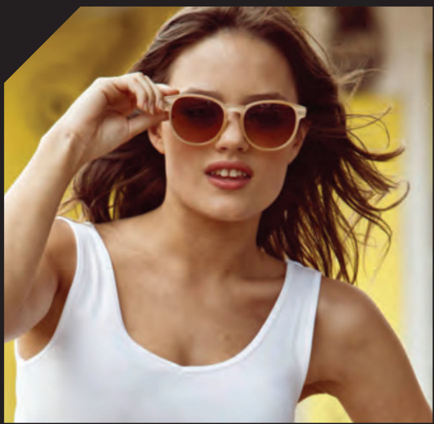
A key criteria in selecting personalities to collaborate with in developing these ranges, is their authenticity and alignment with the values of our brand. They are not just fashion mercenaries.

Another area that has had very good success is that of our social media platform. At the initial stages of planning we wanted to ensure that our interaction with our customers and any other interested parties was a positive one and that our sites were not dominated by negative issues. This has been achieved by frequently posting relevant, exciting material about fashion and our business, as well as dealing with any negative issues promptly and sincerely. We are very pleased that our Facebook page has the fifth largest following in South Africa in the survey done in April 2012 by the global social media and digital analytical company, Socialbakers.

Our Mr Price Apparel store in Lagos, Nigeria, was opened with much anticipation on 29 March 2012. This was our first corporate-owned store outside the SADC region and the first step to fulfilling our strategy to own and control our stores in new markets wherever possible. Although the store has not been open very long, the early results are very encouraging. We are planning to open our first corporate-owned store in Ghana in June 2012 and anticipate good results as the previous franchise store, when stocked, performed very well.

After successfully executing turnaround strategies the previous year, Mr Price Home, Mr Price Sport and Sheet Street have all grown their contributions and operating margins strongly from these bases, with Mr Price Home and Sheet Street achieving double-digit operating margins for the first time.

In addition, Miladys has performed significantly better since the half year and continues to do so. We are encouraged by the progress the division has made, as are their customers, with Miladys market share per the Retailers Liaison Committee (RLC) growing solidly in every month since September 2011.



As a Group, we continue to invest in our people. Over the past year we trained 9 096 of our associates, of which 87% were black, completing 28 255 training courses. Our training and development programmes are designed to not only educate our people on retail skills, but to also entrench our culture, develop future leaders and to ensure that areas of skills scarcity are addressed. This is critical to ensure that we have a sustainable retail business.

In addition to opening 46 new stores across the Group, good progress was made in our store right-sizing programme, with 10 464 m^2 of expansion space brought on stream during the year and 16 132m^2 of redundant space vacated. The expansion space is typically acquired in store locations where turnover and efficiencies are compromised by excessive trading densities. Some of the significant expansions this last year were the Mr Price Apparel stores in Sandton City, Eastgate, Tygervalley and Church Street, Pretoria, all of which have delivered outstanding results.

We also launched Mr Price Apparel, Mr Price Home and Mr Price Sport's new generation stores in Sandton City in November 2011. Our customers' response to these new generation stores has been most pleasing and after some minor fine tuning, we are now rolling it out for all new stores, expansions and as revamps to certain high profile stores.

In July 2012 we plan to launch our online retail offer. This will start with the full Mr Price Apparel range with the intention of the other divisions to follow in due course. The successful implementation of this platform will provide future opportunities not only in our existing markets, but in other markets where we are not currently present.

The work on merchandise planning and supply chain, started as Project Redgold some years ago, has continued. Part of the success of this was evidenced by our distribution centres having their smoothest peak season ever, despite handling record volumes. The major projects currently in progress are Location Planning and Consolidation and Shipping from Source.

A project to scope out our future distribution centre requirements was recently completed and the outcome is that we will build and commission a new distribution centre in 2014, with the site selection process currently underway.

In addition to this, we are also evaluating our current IT architecture in relation to the future business requirements. Our existing in-house developed core systems have served the Group exceptionally well, providing bespoke solutions at low costs. However, with the rapidly developing technologies and changing business requirements, we believe that an in-depth review is required to give guidance on the way ahead. This is currently underway.

As we look ahead we recognise that there remain many economic challenges, however, we believe that by continuing to invest in our ability to improve what we do, we will not only continue to grow in our existing markets, but be able to take advantage of opportunities in new markets.

CFO'S REPORT

Mark Blair

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Highlights

The current reporting period included 52 trading weeks, while the prior year contained 53 weeks. In order to aid comparison, the impact of the 53rd week in the base period is detailed below.

		2012	2011		% change	
		52 weeks	53 weeks	52 weeks	53 weeks	52 weeks
Retail sales	R'million	11 767	10 673	10 452	10.2	12.6
Gross profit	%	41.8	41.9	41.9		
Stock turn	times	6.5	6.6			
Profit from operating activities	R'million	1 742	1 430	1 376	21.8	26.5
Core headline earnings per share	cents	503.0	420.6	405.0	20.1	24.7
Group operating margin	%	14.8	13.4	13.2		
EBITDA margin	%	16.4	15.2			
Net bad debts to book	%	3.9	4.5			
Dividends per share	cents	314.0	252.0		24.6	
- interim	cents	93.6	76.7		22.0	
- final	cents	220.4	175.3		25.7	
Dividend cover	times	1.6	1.6			
Cash and cash equivalents	R'million	1 201	1 369		(12.3)	
Return on net worth	%	43.8	42.2			
Return on average shareholders' equity	%	47.2	46.0			

Changes in accounting policies

The Board believes that appropriate accounting policies, supported by sound, prudent management judgments and estimates, have been consistently applied. During the year, the Group adopted new or amended accounting Standards and Interpretations, as detailed on pages 146 and 147 of this report, which did not materially impact results.

Economic and retail environment

Although still net positive at +5 index points, consumer confidence has been in a general decline. This appears to be at odds with the total retail sales in South Africa, as reported by Statistics South Africa, which has reported double-digit growth (or very close thereto) for each of the last three quarters. There is no doubt however, that

the demand for, and resultant increase in unsecured credit balances in South Africa, has positively impacted sales growth, particularly in the second half of the year.

In contrast, business confidence improved in all five sectors surveyed in the first quarter of 2012, and it is the first time in more than a year that more than 50% of businesses are happy with prevailing conditions in the economy. In particular, retail business confidence improved to 61 index points, which is well above the general business confidence level of 52 index points.

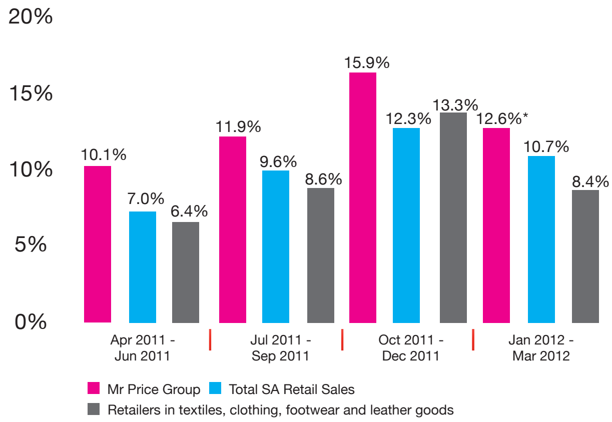
Other positives are:

- Although the unemployment rate has increased from 25.0% to 25.2%, the number of people employed has shown an increase of 304 000 jobs in the last quarter to March 2012, mainly driven by the formal sector;
- CPI has been increasing since September 2010, however peaked at 6.3% in January 2012 and has reduced in each of the following two months to 6.0% in March; and
- GDP has increased for 11 consecutive quarters to March 2012, growing by 2.7% in the last quarter reported.

Financial commentary

The Group continued to gain market share as measured by the Retailers' Liaison Committee (RLC) and increased sales by 10.2% to R11.7 billion (52 week base: 12.6% increase). This compares favourably with the total retail sector, which, as reported by Statistics South Africa, grew by 10.0% for the 12 months to March 2012. Comparable sales rose by 8.2% (52 week base: 10.3%) and 193.1 million units were sold, an increase of 7.6% over a comparable base. Mr Price Group outperformed the market in all four quarters of the year.

Mr Price Group sales growth vs. SA retail sales quarterly sales analysis



*Mr Price Group fourth quarter adjusted to exclude 53rd week in base period

Source: Stats SA

The impact of the 53rd week in 2011 on sales growth was as follows:

	2012	2011		Total sales growth		Comparable sales growth	
	52 weeks R'm	53 weeks R'm	52 weeks R'm	53 week base %	52 week base %	53 week base %	52 week base %
Mr Price Apparel	6 607	5 991	5 867	10.3	12.6	7.6	9.8
Miladys	1 145	1 049	1 030	9.1	11.2	12.1	14.0
Mr Price Sport	686	555	542	23.6	26.6	9.2	11.7
Total Apparel	**8 438**	**7 595**	**7 439**	**11.1**	**13.4**	**8.4**	**10.6**
Mr Price Home	2 281	2 123	2 080	7.5	9.7	6.7	8.4
Sheet Street	1 048	955	933	9.7	12.3	9.3	12.0
Total Home	**3 329**	**3 078**	**3 013**	**8.2**	**10.5**	**7.5**	**9.5**
Total Group	**11 767**	**10 673**	**10 452**	**10.2**	**12.6**	**8.2**	**10.3**

New store openings totaled 46, however weighted average trading space remained flat on last year, as a consequence of store closures and size reductions offsetting expansions and store openings. The Group has been giving the improvement of its trading densities a high priority in recent years. While trading densities have shown meaningful improvement, there is still work to be done and the Group is targeting further improvement in the years ahead.

There were 962 corporate-owned and 28 franchise stores at year end. Details of stores and trading space movements are contained in the divisional performance indicators on page 61.

The Apparel chains increased sales by 13.9% to R8.4 billion with comparable sales up by 10.6% and retail selling price inflation of 4.6%. Operating profit grew by 21.7% to R1.5 billion and the operating margin increased from 17.1% to 18.0% of retail sales.

The Home chains increased sales by 10.6% to R3.3 billion with comparable sales up 9.5% and retail selling price inflation of 5.9%. Operating profit rose by 45.6% to R373.6 million and the operating margin increased from 8.8% to 11.2% of retail sales.

Other income grew by 23.3%, largely due to a 47.8% increase in premium income relating to the sale of financial services products and a 20.3% increase in interest on trade receivables.

The gross profit percentage decreased marginally to 41.8% (2011: 41.9%), however the performance in the second half of the financial year was better than anticipated at the half year stage.

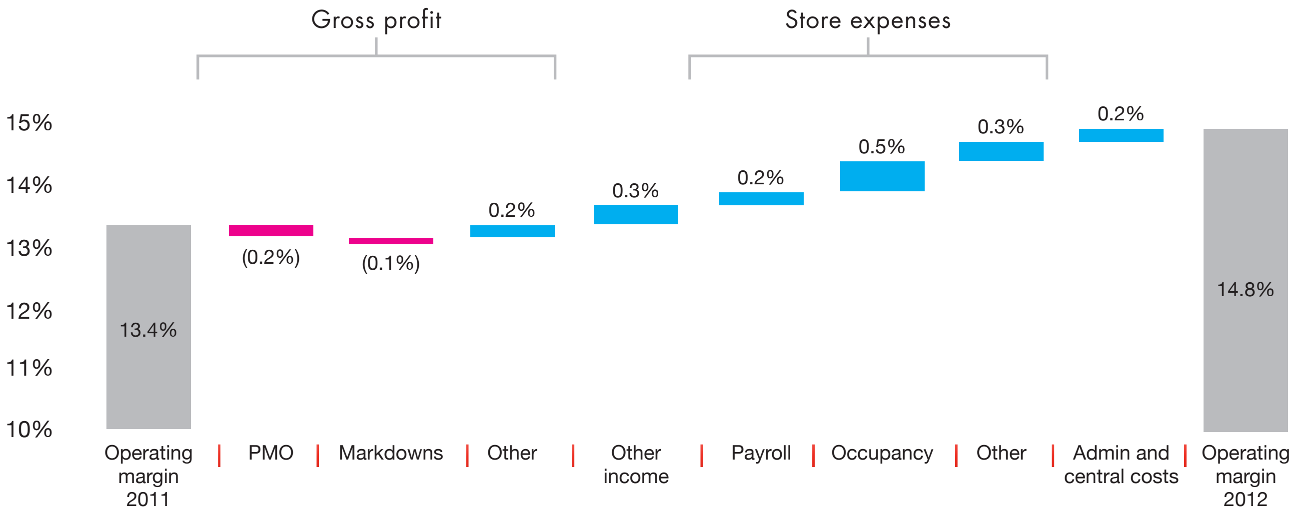
Selling expenses were tightly controlled and increased by 5.6% (52 week base: 6.7%) and constituted 22.5% of retail sales, an improvement on last year's 23.5%. Electricity and water costs increased by 16.0%, which was largely offset by the 3.7% increase in operating lease rentals, which constitutes one of the Company's biggest expenses. Although net bad debt as a percentage of book reduced to 3.9%, the actual write off was significantly higher than the prior year due to the increase in trade debtors of 47.3%. Loss on disposal of property, plant and equipment was lower than the prior year, as a result of the higher number of store closures and size reductions that took place in that period.

Administrative expenses increased by 7.2% (52 week base: 9.5%) a rate marginally higher than inflation and comprised 7.1% of retail sales, an improvement on last year's 7.3%.

Total expenses as a percentage of sales decreased from 30.7% to 29.6%.

Operating profit increased by 21.8% (52 week base: 26.5%) and the operating margin increased to 14.8% of retail sales, compared with last year's 13.4%.

The increase in operating margin can be explained as follows:



The sales and operating profit percentage growth splits are as follows:

	First Half 26 weeks %	Second Half 26 weeks %	Full year 52 weeks %
Sales			
Apparel	11.1	15.4	13.4
Home	9.7	11.2	10.5
Total	**10.7**	**14.2**	**12.6**
Operating profit			
Apparel	21.1	22.1	21.7
Home	57.3	40.0	45.6
Total	**27.4**	**25.9**	**26.5**

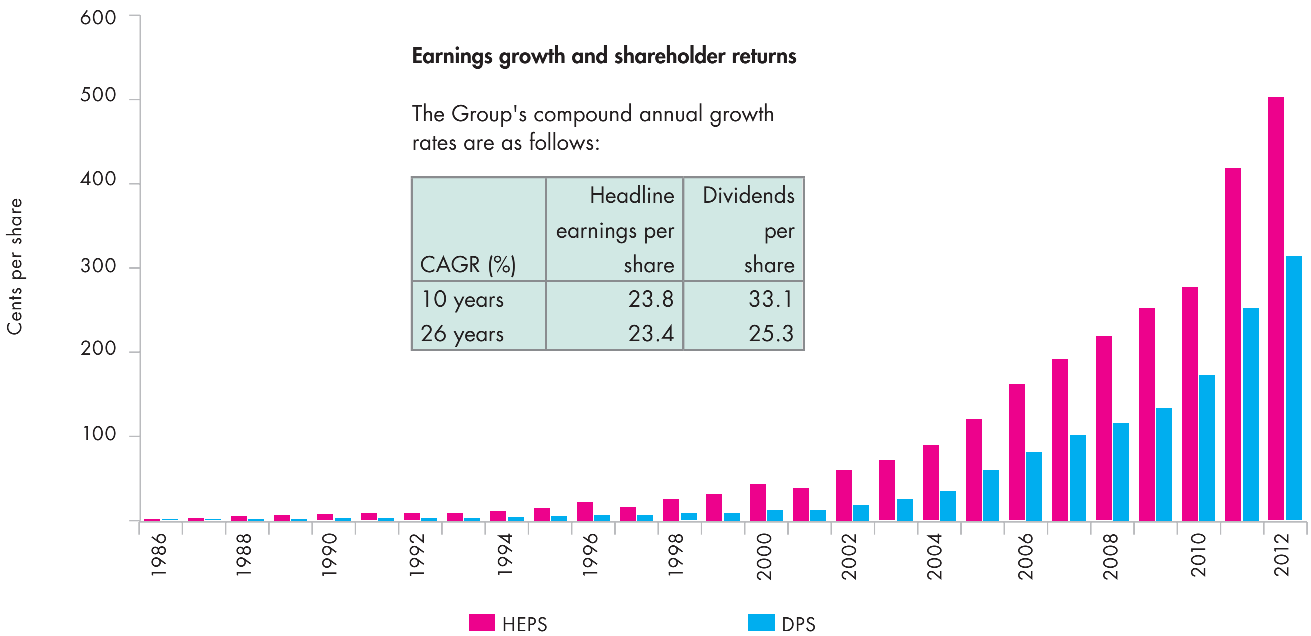
Net finance income was lower than the comparable period as a result of lower average cash balances and lower average interest rates. Net profit after net finance income increased by 20.3% (52 week base: 24.5%) to R1.8 billion. The effective taxation rate for the year was 31.9%, consistent with the prior year. Excluding secondary taxation on companies (STC), the effective taxation rate in the current year was 28.3% (2011: 28.3%).

The number of shares in issue at year end decreased by 0.9 million due to the increased number of treasury shares held. Treasury share purchases during the year (3 853 889 shares at an average cost of R67.52 per share totaling R260.2 million) exceeded treasury shares sold (2 956 416 shares), as a result of share options vesting. Treasury shares held all relate to covering shares or share options granted under the Group's various share schemes.

Headline earnings per share increased by 20.1% (52 week base: 24.7%) to 503.0 cents. The increase in the weighted average share price for the year to R75.68 (2011: R53.95) is the main driver for the difference between headline and diluted headline earnings per share. The higher weighted average share price resulted in a higher number of shares deemed to be issued for no consideration, and consequently a larger dilution effect. One of the primary ratios used by the Company for assessing its performance and for benchmarking against its competitors, is return on net worth. In the current year, the primary drivers of the increase from 42.2% to 43.8% were:

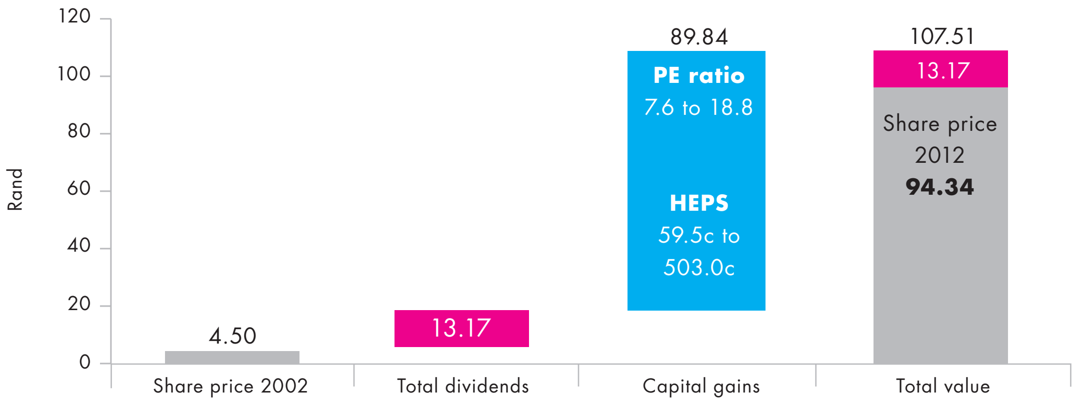
	2012	**2011**
Net profit margin (%)	10.3	9.5
x		
Asset turnover (times)	2.7	2.8
=		
Return on assets (%)	**27.8**	**26.2**
x		
Financial leverage (times)	1.6	1.6
=		
Return on net worth (%)	**43.8**	**42.2**

The Group has a proud track record of growth, as evidenced by the graph below:



CAGR (%)	Headline earnings per share	Dividends per share
10 years	23.8	33.1
26 years	23.4	25.3

Total shareholder returns:



Over the last 10 years:

- Total shareholder returns have increased by a CAGR of 37.3%.
- In a recent Sunday Times survey, Mr Price Group was the top ranked company on the JSE for shareholder returns.

Financial position

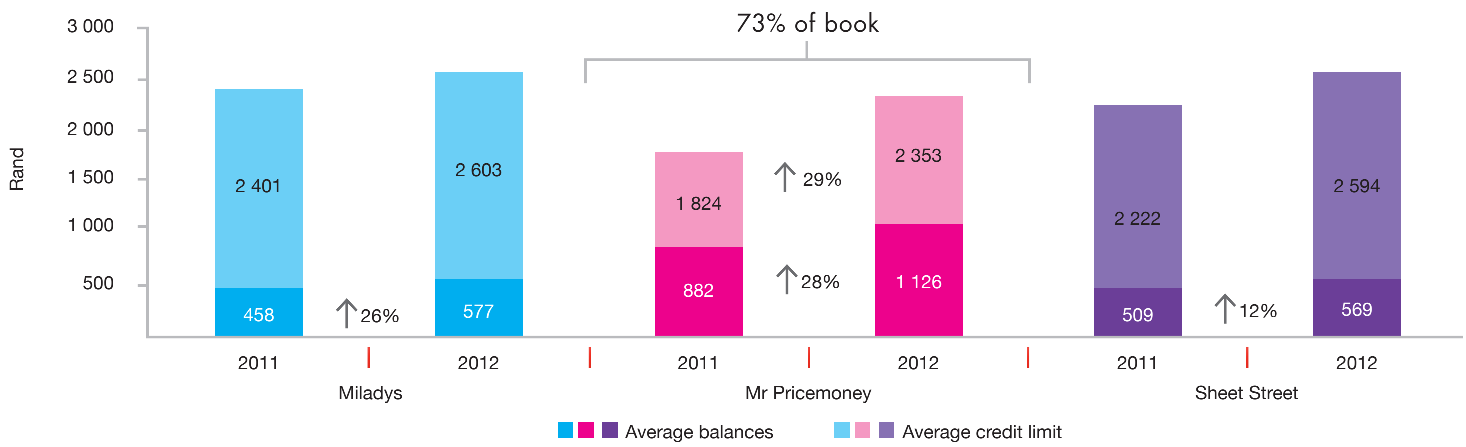
Additions to property, plant and equipment for the year amounted to R252.2 million, of which furniture, fittings, equipment and vehicles constituted 72% (2011: 87%) and computer equipment 10% (2011: 11%). Land and buildings to the value of R39.2 million were acquired in the wind-up of the export partnerships. The depreciation charge for the year was R164.5 million (2011: R170.8 million).

Disposals of property, plant and equipment totaling R7.6 million (2011: R19.4 million) occurred due to the closure of non-performing stores and planned space reductions. Additions to intangible assets amounted to R49.2 million and related primarily to IT spend on e-commerce (R16.2 million) and e-learning (R7.6 million). The amortisation charge for the year amounted to R25.5 million (2011: R24.2 million).

Net inventories increased by 22.5%, as a result of a low base, where the Group was understocked, and the timing of holidays in April, which were earlier in the month than in the prior year. Group stock turn decreased from 6.6 to 6.5 times. This increase in inventory positioned the Group well and sales for the first month of the new financial year increased by 13.2% (comparable 9.5%).

Trade and other receivables increased by 27.0% to R1.2 billion. Gross trade receivables increased by 47.3% to R1.2 billion. This growth is in line with the increase in unsecured credit balances in the South African market in the year to December 2011, as reported by the National Credit Regulator.

The Company has historically applied very stringent credit granting criteria. In the current year, increased credit limits were granted to high performing account holders and the number of new account applications increased as a result of demand. This co-incided with a surge in demand for unsecured credit in the South African marketplace and resulted in credit sales growing by 26.2% in the current year, constituting 18.6% of total sales. The Group is strongly committed to ensuring that the cash sales ratio is maintained at a minimum level of 75% in the future. Average credit limits and average balances increased as follows:



Net bad debt as a percentage of the debtors' book reduced from 4.5% to 3.9%. This was due to the continued focus on credit management and risk processes, an improved collections strategy and consumers' increased level of disposable income. Independent benchmarking has once again confirmed that the Company continues to lead the industry in terms of the health of its book. The provision for impairment has been set at 9.3% of trade receivables.

Prepayments decreased from R95.2 million to R37.3 million, primarily as a consequence of the timing of April store operating lease rentals. The Group continues to reflect a healthy financial position. The cash sales component remained high at 81.4%. Despite dividends paid to shareholders increasing by 30.9% to R670.4 million and the purchase of treasury shares to the value of R260.2 million, cash balances at year end were R1.2 billion. The Group is focused on maintaining a high cash sales component in the future and does not plan for this to reduce to less than 75% of total sales.

Equity attributable to shareholders increased by R385.3 million to R2.8 billion. The movement is made up as follows (R'000):

Opening balance	2 394 184
Total comprehensive income for the year	1 208 526
Treasury share transactions	(201 136)
Recognition of share-based payments	48 323
Dividends to shareholders	(670 381)
Closing balance	2 779 516

Treasury share transactions include:
- the purchase of treasury shares to partially cover options granted (R260.2 million);
- a deficit on treasury share transactions (R80.6 million) that resulted from the take-up of options under the old and new option schemes;
- the sale of treasury shares due to options vesting during the year (R107.5 million); and
- taxation relating to grants from the Company to the share trusts (R32.2 million).

Long-term lease obligations comprise the long-term portion of straight line lease liabilities.

Trade and other payables decreased by 0.5% to R1.2 billion. Trade payables increased by 3.5%, while other payables decreased by 4.6% to R587.3 million (2011: R615.9 million).

Prospects

The year ahead is expected to be challenging due to a variety of well documented potential threats to consumer spending, which include inflation at the high end of the targeted range, the interest rate cycle potentially changing later in the 2013 financial year, rising fuel and electricity costs and the previous high level of real wage inflation decreasing. Despite this, the Group is well placed as a fashion-value retailer to capture further market share. Recent research undertaken by SBG Securities and the Bureau for Economic Research has highlighted that the strong growth in Mr Price Group's targeted customer base in recent years, as a result of the emergence of the middle class, is expected to continue. Refer to page 14 for more information.

The Group has many reasons to look to the future with confidence:

- Although Mr Price Home, Sheet Street and Miladys have delivered pleasing results over the last two years, the divisions' operating margins are still below expectation. The Group is satisfied that the initiatives undertaken to improve performance are working, thereby providing the impetus for future improvement in sales growth and operating margins;
- Mr Price Sport, which started in 2006, was profitable for the first time in 2010, once critical mass had been achieved. Since then performance has been improving steadily and the division is also targeting operating margins well above 10%;
- Mr Price Apparel is a world class performer, has a strong management team and a clear strategy. It is the recipient of the bulk of retail capital expenditure and plans to gain further market share and improve operating margins;
- Space growth of 5% is being targeted in 2013, which will be a mix of approximately 70 new stores being opened, high performance stores being expanded and poor performing stores being reduced in size or closed. Although space rationalisation in stores that are too large for requirements will continue, the relatively high number of store closures experienced over the last few years will not, and all trading divisions are focused on identifying attractive new trading locations;
- The divisions launched exciting new generation stores which are trading well and will be further rolled out;
- Mr Price Apparel will launch an online selling capability mid year that will provide further opportunity to grow market share by making the whole product range available to all South Africans. Currently certain geographic locations may not have stores, or may have smaller format stores which only carry limited ranges. Mr Price Home and Mr Price Sport will follow with online offers next year; and
- Following a period of research, the Group opened a corporate-owned test store in Lagos, Nigeria in March and will open a store in Accra, Ghana in June. Africa presents a significant growth opportunity for the Group, and although additional test stores may be opened, a meaningful roll-out will only commence once the test stores have delivered sustained, positive trading results. In addition, it is essential that capabilities are built before scaling the business.

The Group will retain its intense focus on the local retail market by continuing to offer fashionable merchandise at everyday low prices, while testing exciting opportunities in new markets. This will require supply chain and information technology capabilities to match the more complex needs of a business which is growing in size and geography, as well as ongoing investment in people practices.

To this end:
- The Group's resourcing strategy is being reviewed to improve visibility of product, ensure sustainable supply, enhance merchandise flexibility and reduce lead times. Being able to respond quickly to merchandise opportunities will result in more on-time deliveries and selling more full-priced merchandise, thereby impacting sales growth and providing the potential for gross margin improvement;
- A new distribution centre will be commissioned this year, for completion in the 2015 financial year;
- IT systems are currently being reviewed to ascertain their ability to match the business strategy; and
- The research and selection of a human capital management system has been completed. Key features of the proposed systems are learning and development modules, recruitment, time and attendance and labour scheduling, which is expected to lower employment costs.

Increased investment will therefore be required over the next few years, however a key consideration is the identification of efficiencies through improved business processes. In addition, management is focused on identifying cost savings in other areas in order to offset the financial impact.

The end result will be a world class 'backbone' to the business which will support the Group's long-term growth plans.

Dividend policy and final cash dividend

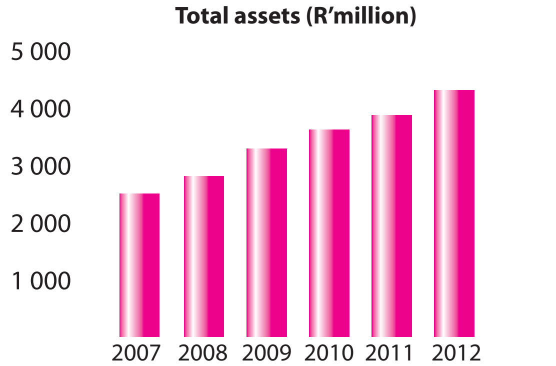
The Group seeks to maintain a balance between:
- maintaining a strong balance sheet by having adequate cash resources;
- returning funds to shareholders in the form of dividends; and
- funding the required level of capital expenditure to maintain and expand its operations.

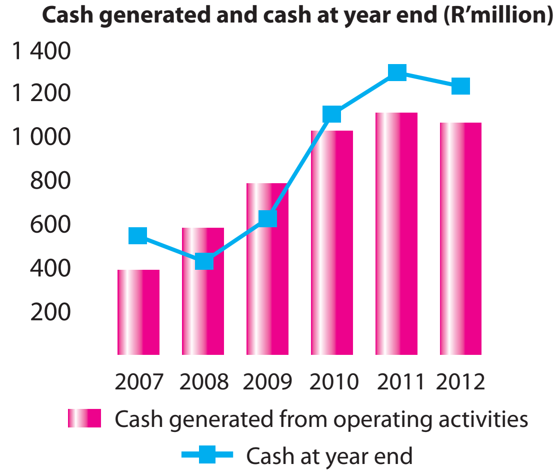
The Group business model is cash generative, however after taking into consideration the increased investments detailed above, the dividend cover of 1.6 times (or alternatively the dividend payout ratio of 62.5%) has been maintained. This will be evaluated at least annually. The final dividend has increased by 25.7% to 220.4 cents per share and total dividends for the year by 24.6% to 314.0 cents per share.

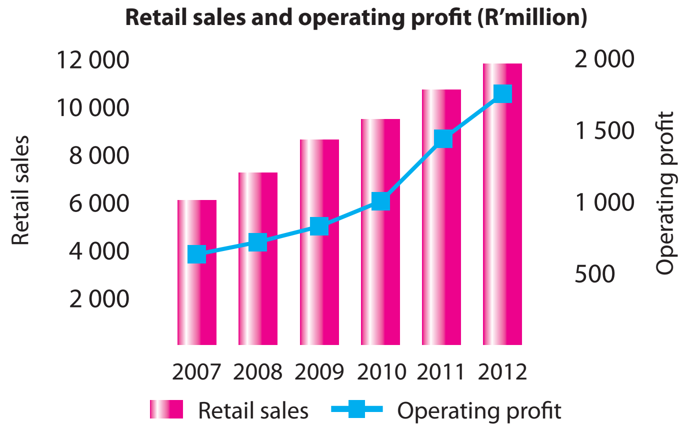
Abridged statements of financial position, cash flows and income

(R'000)	26 year compound growth %	Five year compound growth %	2012	2011	2010
Statement of financial position					
Assets					
Non-current assets			**743 404**	607 681	686 475
Property, plant and equipment			**539 463**	459 634	530 407
Export partnerships			**-**	-	-
Other			**203 941**	148 047	156 068
Current assets			**3 551 664**	3 253 456	2 923 769
Inventories			**1 168 191**	953 666	934 671
Trade and other receivables			**1 182 895**	931 278	818 355
Cash			**1 200 578**	1 368 512	1 170 743
			4 295 068	3 861 137	3 610 244
Equity and liabilities					
Equity attributable to shareholders			**2 779 516**	2 394 184	2 070 823
Non-current liabilities			**194 474**	179 010	200 966
Current liabilities			**1 321 078**	1 287 943	1 338 455
Trade and other payables			**1 234 918**	1 241 624	1 310 170
Other			**86 160**	46 319	28 285
			4 295 068	3 861 137	3 610 244
Statement of cash flows					
Cash flows from operating activities			**1 059 002**	1 104 698	1 021 444
Cash flows from investing activities			**(310 244)**	(155 043)	(100 924)
Cash flows from financing activities			**(913 375)**	(748 026)	(401 799)
Net (decrease)/increase in cash and cash equivalents			**(164 617)**	201 629	518 721
Cash and cash equivalents at beginning of the year			**1 368 512**	1 170 743	660 787
Exchange (losses)/gains			**(3 317)**	(3 860)	(8 765)
Cash and cash equivalents at end of the year			**1 200 578**	1 368 512	1 170 743
Income statement					
Retail sales	21.1%	14.2%	**11 766 765**	10 673 364	9 454 130
Profit from operating activities	24.0%	23.2%	**1 741 823**	1 433 768	991 518
Profit attributable to shareholders	27.5%	20.5%	**1 217 101**	1 010 254	673 568
Headline earnings attributable to shareholders	27.5%	20.5%	**1 222 375**	1 026 399	682 135

	2009	2008	2007
	893 460	846 334	712 485
	603 299	566 176	464 082
	220 254	220 310	201 688
	69 907	59 848	46 715
	2 377 410	1 945 182	1 781 177
	1 002 456	909 094	741 229
	714 167	570 811	469 003
	660 787	465 277	570 945
	3 270 870	2 791 516	2 493 662
	1 764 187	1 479 331	1 316 808
	225 673	241 142	231 263
	1 281 010	1 071 043	945 591
	1 208 450	1 034 118	821 139
	72 560	36 925	124 452
	3 270 870	2 791 516	2 493 662
	783 153	578 774	387 945
	(219 246)	(255 020)	(237 381)
	(367 135)	(429 598)	(203 691)
	196 772	(105 844)	(53 127)
	465 277	570 945	624 523
	(1 262)	176	(451)
	660 787	465 277	570 945
	8 591 258	7 203 640	6 056 757
	827 188	716 180	612 685
	615 723	550 943	479 164
	622 724	553 165	480 644







Notes:

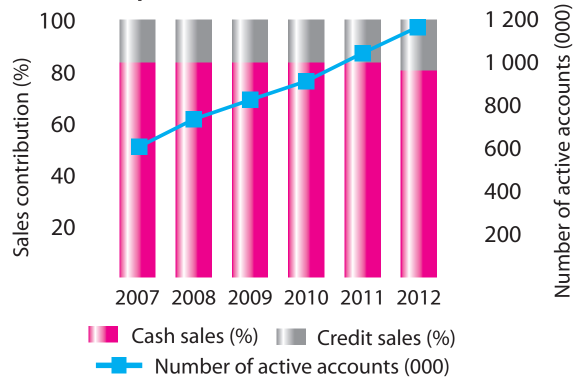
1. 2011 was a 53 week period.
2. The 26 year compound growth rates, reflected on pages 54 to 59, are calculated from the date of acquiring joint control in 1986.
3. Definitions are found on page 179.

Stores and productivity measures

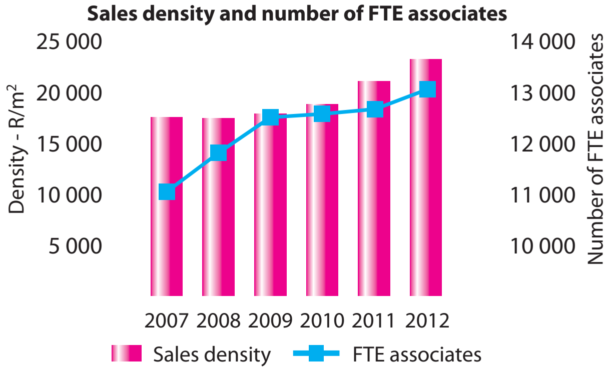
Ratios/indicators	26 year compound growth %	Five year compound growth %	**2012**	2011	2010
Operating statistics					
Depreciation as a % sales [a]			**1.4**	1.6	1.7
Employment costs as a % sales [b]			**11.9**	11.9	11.8
Occupancy costs as a % sales [c]			**7.5**	8.0	8.3
Total expenses as a % sales			**29.6**	30.7	31.6
Number of stores					
Mr Price Apparel			**353**	340	338
Mr Price Sport			**47**	40	36
Miladys			**188**	198	214
Total Apparel stores			**588**	578	588
Mr Price Home			**140**	130	136
Sheet Street			**234**	229	238
Total Home stores			**374**	359	374
Franchise			**28**	24	27
Total stores	8.8%	3.6%	**990**	961	989
FTE associates [d]			**12 994**	12 585	12 536
Trading area					
- weighted average net m²			**508 390**	508 316	504 707
- closing net m²	11.0%	6.4%	**515 833**	501 497	513 347
Retail sales (R'000)	21.1%	14.2%	**11 766 765**	10 673 364	9 454 130
Traditional comparable sales growth %			**8.2**	10.2	6.5
Retail selling price inflation %			**5.0**	3.0	5.6
Cash sales %			**81.4**	83.8	83.9
Credit sales %			**18.6**	16.2	16.1
Sales per store excluding Franchise stores (R'000)			**12 232**	11 391	9 828
Sales per FTE associates (Rand)			**905 560**	848 102	754 170
Sales density excluding sales to Franchises (Rand per weighted average net m²)			**22 979**	20 787	18 492

2009	2008	2007
1.8	1.8	1.7
11.9	12.3	12.7
8.3	8.0	7.7
31.6	31.5	31.5
326	315	305
31	23	8
215	196	184
572	534	497
138	140	136
244	222	196
382	362	332
17	7	1
971	903	830
12 472	11 884	11 036
483 141	414 773	347 060
498 884	439 901	377 813
8 591 258	7 203 640	6 056 757
7.8	6.4	8.0
5.0	11.5	6.9
84.0	84.2	84.1
16.0	15.8	15.9
9 006	8 040	7 306
688 854	606 170	548 804
17 445	17 256	17 436

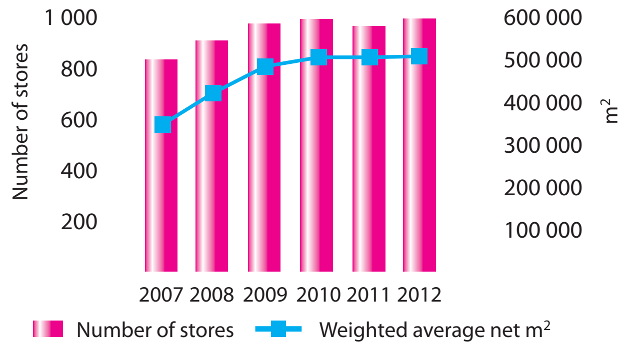
Sales split and number of active accounts



Sales density and number of FTE associates



Number of stores and trading area



Notes:
1. 2011 was a 53 week period.
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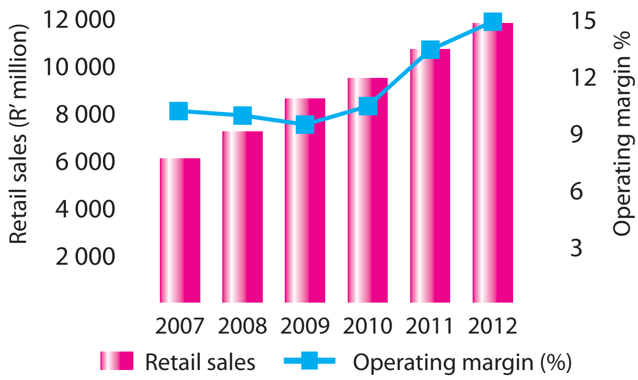
3. Definitions are found on page 179.
   - [a] Depreciation on property, plant and equipment only.
   - [b] Employment costs include salaries, wages and other benefits, incentives, share-based payments, restraint of trade expenses, defined contribution pension fund expense, defined benefit pension fund net expense and post retirement medical aid benefits.
   - [c] Occupancy costs include land and building lease expenses, including straight line lease adjustments.
   - [d] FTE: Full-time equivalent.

Returns, profitability and share information

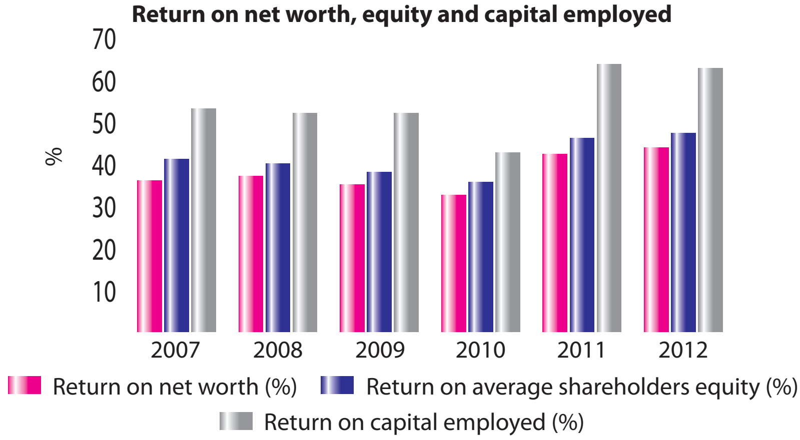
Ratios/indicators	26 year compound growth %	Five year compound growth %	**2012**	2011	2010
Productivity ratios					
Net asset turn			**4.2**	4.5	4.5
Gross margin (%)			**41.8**	41.9	39.9
Operating margin (%)			**14.8**	13.4	10.5
EBITDA margin (%)			**16.4**	15.2	10.7
Profitability and gearing ratios (%)					
Return on net worth			**43.8**	42.2	32.5
Return on average shareholders equity			**47.2**	46.0	35.6
Return on capital employed			**62.7**	63.6	42.6
Return on operating assets			**67.2**	63.8	52.4
Solvency and liquidity ratios					
Current ratio			**2.7**	2.5	2.2
Quick ratio			**1.8**	1.8	1.5
Inventory turn			**6.5**	6.6	5.9
Total liabilities to total shareholders equity			**0.5**	0.6	0.7
Per share performance (cents)					
Headline earnings	23.4%	21.3%	**503.0**	418.9	276.9
Diluted headline earnings	23.0%	20.4%	**464.5**	388.8	263.0
Dividends	25.3%	25.5%	**314.0**	252.0	173.0
Operating cash flow			**436**	451	415
Net worth			**1 140**	978	837
Stock exchange information					
Number of shares in issue net of shares held by staff trusts (000)			**243 922**	244 845	247 298
Number of shares on which earnings based (000)			**242 996**	245 024	246 320
Shares traded (000)			**287 699**	284 749	251 912
Percentage of shares traded (%)			**118.4**	116.2	102.3
Earnings yield (%)			**5.3**	6.6	7.0
Dividend yield (%)			**3.5**	4.0	4.3
Dividend cover			**1.6**	1.6	1.6
P:E ratio			**18.8**	15.1	14.4
Market capitalisation (R'm)			**23 561**	15 744	9 837
Share price (cents)					
- high			**9 434**	6 908	4 318
- low			**6 190**	4 026	2 435
- closing	27.0%	25.9%	**9 434**	6 338	3 980
Foreign shareholding at year end (%)			**36.4**	29.2	16.7

2009	2008	2007
4.8	4.8	4.5
39.0	39.4	40.0
9.6	9.9	10.1
12.0	12.2	12.3
34.9	37.2	36.4
38.4	39.6	41.0
52.5	52.1	53.0
52.9	52.5	51.5
1.9	1.8	1.9
1.1	1.0	1.1
5.5	5.3	5.7
0.9	0.9	0.9
251.9	219.0	191.8
244.6	210.8	183.6
133.0	116.0	101.0
317	229	155
717	598	523
245 946	247 332	251 882
247 175	252 599	250 553
308 975	271 233	238 286
125.0	109.7	101.5
10.4	12.0	6.4
5.5	6.4	3.4
1.9	1.9	1.9
9.6	8.3	15.5
5 994	4 498	6 995
2 651	3 340	3 189
1 440	1 719	1 600
2 425	1 820	2 980
20.3	12.1	18.1

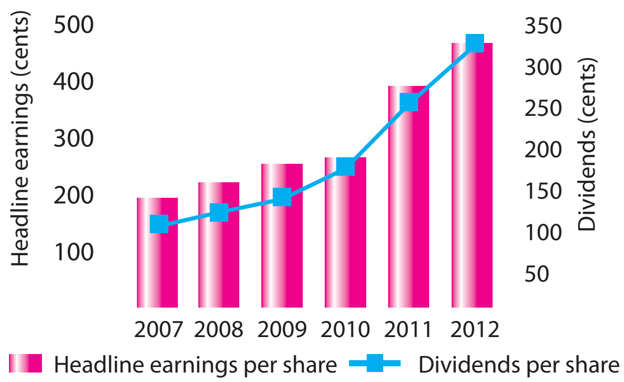
Retail sales and operating margin



Return on net worth, equity and capital employed



Headline earnings and dividends per share



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SEGMENTAL ANALYSIS

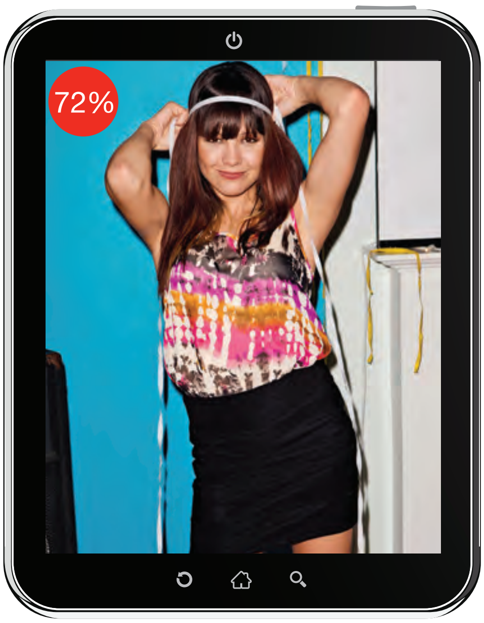
The Group's retail operations are organised into two segments for operational and management purposes, namely:

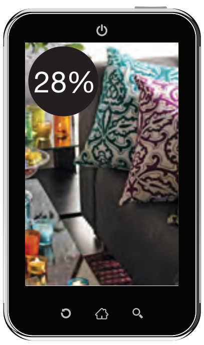
- the Apparel chains comprising Mr Price Apparel, Mr Price Sport and Miladys; and
- the Home chains comprising Mr Price Home and Sheet Street.

	2012 R'000	2011 R'000	% change
Retail sales and other revenue			
Apparel	**8 672 866**	7 782 964	11
Home	**3 379 054**	3 119 944	8
Central Services	**10 527**	10 186	
Total	**12 062 447**	10 913 094	11
Operating profit			
Apparel	**1 515 330**	1 302 340	16
Home	**373 583**	271 218	38
Central Services	**(147 090)**	(144 016)	
Total	**1 741 823**	1 429 542	22

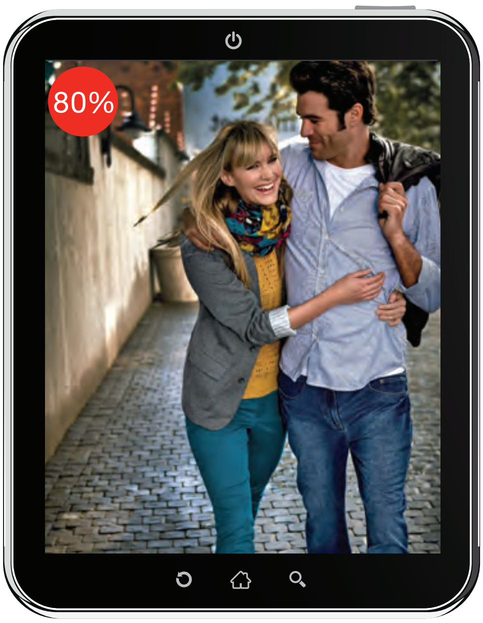
Contribution 2012

Retail sales and other revenue





Operating profit



DIVISIONAL PERFORMANCE INDICATORS

	Mr Price Apparel	Miladys	Mr Price Sport	Total Apparel	Mr Price Home	Sheet Street	Total Home	Total Group
Retail sales (R'm)*								
March 2012	6 607	1 145	686	8 438	2 281	1 048	3 329	11 767
March 2011	5 867	1 030	542	7 439	2 080	933	3 013	10 452
% change	12.6	11.2	26.5	13.4	9.7	12.4	10.5	12.6
Retail sales (R'm)^								
March 2012	6 539	1 145	686	8 370	2 264	1 048	3 312	11 682
March 2011	5 779	1 030	542	7 351	2 061	933	2 994	10 345
% change	13.2	11.2	26.5	13.9	9.9	12.4	10.6	12.9
Comparable sales growth (%)								
March 2012	9.8	14.0	11.7	10.6	8.4	12.0	9.5	10.3
March 2011	7.5	0.9	7.1	6.3	11.2	11.1	11.2	7.8
Number of stores (year end)								
Opening	340	198	40	578	130	229	359	937
New stores	16	1	7	24	12	10	22	46
Closures	(3)	(11)	-	(14)	(2)	(5)	(7)	(21)
Closing	353	188	47	588	140	234	374	962
Trading area - weighted average net m²								
March 2012	213 605	63 784	45 848	323 237	137 845	47 308	185 153	508 390
March 2011	205 690	69 407	44 298	319 395	139 937	48 984	188 921	508 316
% change	3.8	(8.1)	3.5	1.2	(1.5)	(3.4)	(2.0)	0.0
Trading area - year end net m²								
Opening	206 575	66 189	44 841	317 605	136 281	47 611	183 892	501 497
New stores	8 990	456	4 756	14 202	4 423	1 508	5 931	20 133
Expansions (reductions)	6 925	(974)	(1 494)	4 457	(402)	(958)	(1 360)	3 097
Closures	(1 740)	(3 431)	(1 012)	(6 183)	(1 731)	(980)	(2 711)	(8 894)
Closing	220 750	62 240	47 091	330 081	138 571	47 181	185 752	515 833
Sales densities (Rand per weighted average net m²)								
March 2012	30 614	17 950	14 963	25 895	16 426	22 149	17 888	22 979
March 2011	28 094	14 834	12 241	23 017	14 729	19 040	15 847	20 352
% change	9.0	21.0	22.2	12.5	11.5	16.3	12.9	12.9
Units (000)								
March 2012	120 034	7 950	9 074	137 058	38 596	17 417	56 013	193 071
March 2011	110 859	7 508	7 543	125 910	36 908	16 650	53 558	179 468
% change	8.3	5.9	20.3	8.9	4.6	4.6	4.6	7.6

Information above is based on 52 weeks for both reporting periods

*Including sales to franchisees ^ Excluding sales to franchisees

OK I'm going to be frank now.
I AM IN LOVE WITH MR PRICE!!! I would so marry Mr Price - if one was allowed to marry shops of course - hahaha.
Martelle

Apparel

Love MR PRICE :-) my wholeeeee wardrobe is filled with ur brand!! and love the fact every season new trends r being set n ur collaborations with upcoming designers r awsome!! keep it up!
#hugeMrPricefan - Simone

Who we are:

Mr Price Apparel is a clothing, footwear and accessories retailer that sells a range of differentiated on-trend merchandise at exceptional prices across ladies, men's and children's wear. Customers are fashion-conscious and of all ages, but the primary marketing pitch is aimed at the 15 to 24 year old, LSM six to 10.

What we did:

The division had another good year and, for the seventh year in a row, has grown market share in both clothing and footwear as per the RLC. Retail sales growth of 13.2% to R6.5 billion was achieved with comparable sales growth of 9.8%. In addition, sales density grew by 9.0% to R30 614 per square metre.

AMPS (measure of through-the-door shoppers) statistics revealed that the division increased its number of shoppers by 7% compared with the AMPS universe which was flat. Closing gross trading space grew by 6.9% (weighted average space by 3.8%) as the division opened 16 and closed three stores. A total of 8 420 square metres were expanded. Included in the above is the division's first test store in Nigeria, located in the Ikeja Mall, Lagos.

A new generation store was launched in November 2011 in Sandton City and a further five such stores have since been rolled out. Sandton City was a significant milestone as the division was able to showcase its new store look in one of the most prestigious and innovative shopping centres in South Africa. The core focus is always on the customer and the division strives to exceed their expectations at all times. The aim was to create a high-fashion feel with sustainable interiors that would result in an enhanced customer shopping experience.

Another milestone for the year was the sale of more than 120 million units of merchandise. This included more than 15 million pairs of shoes, which translates to almost 43 000 pairs a day.

Where are we going:

The strategy remains focused on aggressively pursuing market share and further improving profitability. Focus will be on enhancing product development, resourcing and merchandise processes, the launching of an online sales capability in South Africa and continuing to capitalise on the momentum established in corporate-owned stores in extended Africa.

Given its proven track record, the division plans to open the most stores in the Group, 33 in 2013, and will be the format used to test foreign markets.

Research into other possible markets that have the potential to accept the product offering, will continue.

Mr Price
SPORT

WOW!
Great work out gear!
Must Shop!
Salome

I love Mr Price Sport ...
Just love the Maxed range for running
and looking sporty, and the Trail range is
so relaxed and comfy... Just wanna buy
everything in the shop!
Angela

Who we are:
The division retails sporting and outdoor apparel, equipment, footwear and accessories. The target market comprises value-minded sporting and outdoor enthusiasts, aged eight and upwards, within the six to 10 LSM range.

What we did:
Mr Price Sport grew sales by 26.5% with comparable sales growing by 11.7%. Weighted average trading space grew by 3.5% as the division opened seven new stores, ending the year with 47 stores. Continuing with its strategy to right-size certain locations, the business reduced a further two stores (total of five over the past 18 months). With the space being cut by an average of 55%, these stores have exceeded expectations, delivering good sales growths and have contributed to the 22.2% improvement in sales density from R12 241 to R14 963 per square metre. The gross profit margin was in line with last year and this, together with total costs growing at a rate below sales growth, resulted in a pleasing growth in operating profit.

Following the successful test of smaller format stores last year, a further four stores (average 648 square metres) were opened in the current year. Located in less expensive, secondary locations or in smaller demographic nodes, the smaller format store allows the business to target locations not previously available to 'big box' retailers and significantly improves the potential national roll-out. Leveraging off proven working capital strategies and tight control over terminal stocks, these stores will also provide a framework for potential future expansion beyond South African borders.

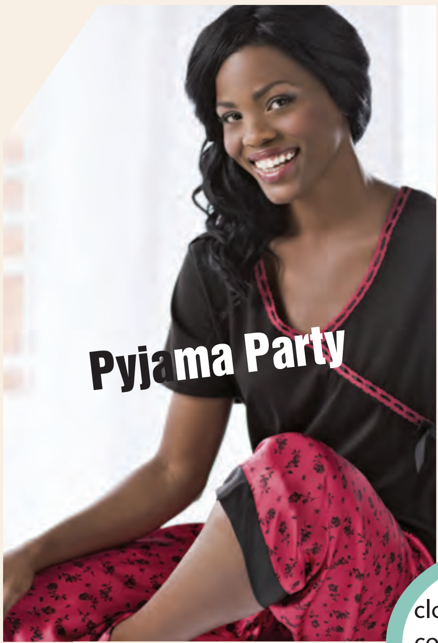
Market research shows the established acceptance of homegrown brands Maxed, Trail and Promaster.

Continued product development and strategic growth in factory direct relationships has seen the successful testing of higher-end technical and performance products under the Maxed Elite and Trail Tech brands, while still offering great value with like-for-like product. The contribution of international brands in the business has grown, with brands looking to extend their offer of top-end products. In addition, new international partners including Gunn & Moore, Oakley, Bushnell, huffy, Razor, Summit, unicorn, Casio, and Timex have been added to the mix, and the strategy is to continually seek to add 'wanted' international brands into the fold.

A new generation store and brand logo were launched in November 2011. Results to date have been pleasing.

Where we are going:
The division continues to improve profitability and remains on track to deliver its strategic targets with a national footprint of between 80 and 100 stores, with potential for further international expansion.

MILADYS


Pyjama Party


Miladys


I love Miladys
clothing, they make me feel
comfortable and confident,
I'm a full figured woman
and I love it!
Charlotte
STYLISH
My No.1 choice
for buying clothes!
Ingid

Who we are:

Miladys retails moderately-priced, authentic women's fashion, specifically a focused assortment of women's clothing, lingerie, shoes, bags and accessories that are on-trend, differentiated, affordable, of good quality and have a comfortable fit. Miladys is customer-centric, and has the vision to inspire women to look and feel wonderful. The target market comprises family orientated women aged 40 years and older who are not fashion risk-takers, but have fashion sensibility and aspire to looking trend right. She requires differentiated, trend-appropriate garments offering her style, with a degree of co-ordination. Comfortably-fitting garments are important and she demands value and above average in-store service. She is typically in the LSM six to 10 range.

What we did:

Miladys had a year of consolidation during which it addressed product pitch, source of supply and the timely flow of merchandise into the business. Eleven unprofitable stores were closed, one new store was opened, three stores were relocated and two were downsized. A new generation store was launched in the Pavilion shopping centre in November 2011, and is trading well. Despite the overall reduction in weighted average trading space of 8.1%, sales increased by 11.2%, with a comparable sales growth of 14.0%. Sales density increased by 21.0% as a consequence of the increased sales and reduced space. Retail selling price inflation at 6.2% was lower than the prior year, due to changes in price point mix. Overheads were tightly controlled (growing at a rate lower than inflation) and operating profit increased by 36%. The performance in the second half of the financial year was particularly pleasing with sales growth of 15.4%, unit sales growth of 11.9%, expense growth of 5.9% and operating profit growth of 42.7%.

Where we are going:

This year has seen some significant successes, including the regaining of market share in both smart and casualwear in the summer 2011 season. In addition, further opportunities to improve the fashion and value offering have been identified in specific merchandise categories and have been incorporated into the winter 2012 assortment. Focus on supply chain management will continue in order to shorten the lead time from production to store and improve reaction speed to good selling product, ensuring that the in-stock position by size and colour improves. The roll-out of the new generation stores will continue, with an additional three stores planned for the new financial year. These measures will assist in consolidating the new market position and should result in the recapturing of market share within the short-term.

Mr Price
HOME

Mr Price
...... my style....my inspiration
.....my price.....my home!
I love Mr Price Home! :-)
- Marietjie

I Love Mr Price Home.
Could spend my whole salary there!!
Such great bargains and so much to
choose from....love it!!!
- Michelle

Who we are:

Mr Price Home retails contemporary designed homewares and furniture to value-minded customers, aged 18 years and older (LSM six to 10), who have a young-at-heart attitude. The vision is to be South Africa's top-performing homewares and furniture retailer, and the division continually aims to delight its customers with innovative products at everyday low prices.

What we did:

The division has achieved a 9.9% sales growth to R2.3 billion. Like-for-like sales grew by 8.4%, reflecting an acceptable performance against the RLC. Growth was fairly consistent across merchandise categories with above average growth in furniture.

AMPS figures (measure of through-the-door shoppers) in the 12 months to December 2011, reflected a 16% growth in customers (to 571 000) in the target market against a stable total AMPS population. In line with strategy, there was higher than average growth in LSMs six and seven as the division increased its store footprint in areas previously not traded.

Trading density growth exceeded sales growth as a consequence of planned space reductions. Stock levels were slightly higher than last year, reflecting sound inventory management. The quality of stock and the resultant freshness factor is consistent with last year, providing a good platform for the year ahead. Gross margins were in line with the previous year and this, together with continued tight cost control and a focus on productivity, enabled a meaningful increase in operating profit. The division achieved a double-digit operating margin for the first time.

Independent research conducted by Bateleur Khanya again reflected Mr Price Home as the most loved and frequented homewares retailer in South Africa. The division was also the winner of the Orange index for customer service in homewares.

Where we are going:

The division remains committed to cementing its position as a leading fashion-value retailer of homewares and furniture. It will continue to enhance customers' shopping experiences, through improved interpretation of fashion trends, the use of historical data, better product selection and continued disciplined inventory management. The division will also focus on improved resourcing and supply chain initiatives in the year ahead.

Mr Price Home aims to grow market penetration across its current assortments and will continue to expand its store footprint, particularly in underpenetrated areas. The division is well positioned to enjoy market share growth in the semi-durable homewares and furniture markets. Although the division has certain under-performing space it wishes to reduce or exit, it will continue to seek new space opportunities, both of which will lead to an overall favourable impact on operating margins.

A new generation store was introduced in November 2011, and stores with the new look are trading ahead of feasibility.

sheet street
loving your home!

APPAREL SPORT MILADYS HOM

Who we are:

Sheet Street concentrates on the LSM five to eight target market for their home textile needs in the bedroom, livingroom and bathroom. Convenience is offered through easy-to-shop and accessible stores in Southern Africa including Swaziland, Botswana, Namibia and Lesotho. As a value retailer, Sheet Street strives to offer exceptional value to its customers of tasteful homewares products. The 234 stores are small format stores and average 200 square metres in size.

What we did:

Sales exceeded R1 billion in a financial year for the first time, increasing by 12.4%, with comparable sales growth of 12.0%.

Although a net five stores were opened during the year, weighted average trading space decreased by 3.4% due to planned space reductions. The market sales growth per the RLC was more buoyant than expected, but the division gained an additional 0.2% market share.

Trading density increased by 16.3% to R22 149 per square metre, as a consequence of the increased sales and reduced space. The gross profit margin was slightly lower than last year due to a change in product mix and increased carriage costs. However, excellent cost control resulted in the operating profit being substantially higher than the prior year.

Sheet Street achieved second most loved and second most shopped home textiles retailer as per the Bataleur Khanya Landscape Survey 2011 and was once again voted the best linen store in the KwaZulu-Natal "Sunday Tribune Your Choice" reader awards. AMPS (measure of through-the-door shoppers) show that Sheet Street has increased its number of customers by 14.3%, with this growth coming from its core target market.

Where we are going:

The division expects performance to improve in the coming year, through a combination of sales growth initiatives (new fabrications and improvements to the product range) and further improvements in operational efficiencies. Twenty new stores are budgeted to open in the new financial year, with 10 major revamps expected to further improve the in-store experience.

Mr Price GROUP

International

Ikeja Mall, Lagos, Nigeria

Who we are:
Working very closely with the trading divisions, the international division identifies new markets that appear to have attractive trading potential for the Group's brands. Extensive research is undertaken, country visits conducted, pricing comparisons performed, competitor analysis detailed, external resources engaged and financial feasibilities developed and analysed. The attractiveness and ease of doing business in each market is evaluated against ruling legislation and risks.

The division also works with the service divisions within the Group to register companies in new markets, apply for relevant licenses and permits, develop relationships with third party service providers, understand and apply the HR policies of that market, recruit management and staff, train appointed associates, and assist in facilitating the opening of the first stores in any new market.

What we did:
The division continued to update its research into identified key African markets. Franchise stores sold 2.4 million units from total gross space of 17 906 square metres. During the past year the currency of franchisee countries weakened against the rand, increasing their input inflation and thus negatively impacting local pricing. Disposable income of these consumers has also been affected by tough economic conditions in these countries.

The first corporate-owned store in the Ikeja Mall, Lagos, Nigeria (1 200 square metres) was opened in March 2012, as planned. Trading results to date have been encouraging and are tracking ahead of forecast. This is part of a detailed test of the Group's potential in Nigeria.

Where we are going:

The division will continue to monitor franchisee performance and assist franchisees to optimise their businesses, including enhancing the supply chain capability in order to deliver merchandise to franchisees at the lowest possible cost in the quickest possible time.

A corporate-owned company in Ghana has been registered and a store is scheduled to open in Accra, Ghana in June 2012.

Research into markets further afield will be continued, and the potential of the various ownership models that best suit market entry into each of these regions, will be evaluated.

Africa's population is expected to grow from one billion to three billion by 2050 (outstripping India and China in the process). As experienced in South Africa, this should result in the emergence of a sizeable middle class which will benefit retailers. Mr Price Group's merchandise offer will position it well in its chosen territories, however overcoming obstacles (power, infrustructure, supply chain and ease of doing business) will be challenging. The Group will conduct 'tests' in chosen key markets, however will only scale up the business once IT and supply chain processes have been improved.

OWNED	Mr Price Apparel	Mr Price Sport	Miladys	Mr Price Home	Sheet Street	Total	Retail sales (R'm)
Neighbouring countries - common customs union							
Namibia	12	1	4	3	4	24	
Botswana	7	-	1	2	2	12	
Lesotho	1	-	-	-	1	2	
Swaziland	2	-	2	-	2	6	
	22	**1**	**7**	**5**	**9**	**44**	
Rest of Africa							
Nigeria	1	-	-	-	-	1	
TOTAL CORPORATE OWNED	**23**	**1**	**7**	**5**	**9**	**45**	**548.4**
FRANCHISE	**Mr Price Apparel**	**Mr Price Sport**	**Miladys**	**Mr Price Home**	**Sheet Street**	**Total**	
Kenya	5	-	-	4	-	9	
Malawi	2	-	-	-	-	2	
Mauritius	3	-	-	1	-	4	
Mozambique	3	-	-	1	-	4	
Rwanda	1	-	-	1	-	2	
Tanzania	1	-	-	1	-	2	
Uganda	1	-	-	-	-	1	
Zambia	3	-	-	1	-	4	
TOTAL FRANCHISE	**19**			**9**		**28**	**84.4**
TOTAL STORES OUTSIDE SA (corporate and franchise)	**42**	**1**	**7**	**14**	**9**	**73**	**632.8**
Percentage of Group retail sales							**5.4**

Financial Services

Who we are:

The division is focused on supporting the trading divisions' profitable growth in retail market share through effective Customer Value Management (CVM) over the consumer's lifecycle. CVM profitability is realised through an appropriate blend of risk, merchandise margin and financial services products, and is the primary tool in acquiring, developing and retaining the Group's most valuable customers.

Limit-granting criteria are aligned to the National Credit Act requirements and are proactively managed along the lifecycle. Risk strategies are underpinned by sound application scorecards, decision engines and customer segmentation rules derived from both credit bureaus and internal data sources.

The bad debt forecast and impairment model applies Markov statistical techniques to determine the recoverability of trade receivables.

The CVM framework has allowed the division to broaden its product offering to include financial services products that augment the Group's core philosophy of offering great value to customers. Insurance products are offered in partnership with selected insurance providers, while underwriting risk is managed through appropriate re-insurance.

What we did:

The number of active accounts increased by 14.7% and the debtors book increased by 47.3% to R1.2 billion. In comparison, unsecured credit growth in South Africa increased to 53.1% in the last year. The strategy to increase credit limits to deserving customers and acquire new accounts resulted in credit sales growth of 26.2%, which surpassed expectations.

This translated to higher credit basket values, frequency of shop and lifted the credit sales percentage contribution to 18.6% of total Group sales.

Account management summary	2012	2011
Trade debtors (gross) (R'000)	**1 207 559**	819 536
Total active accounts	**1 186 896**	1 034 396
Average balance (R)	**1 011**	784
% of debtors able to purchase on credit	**87.4**	88.7
Retail sales analysis (% of total sales)		
Cash	81.4	83.8
Credit	18.6	16.2
Net bad debt (net of recoveries)		
% of credit sales	**2.0**	2.1
% of debtors	**3.9**	4.5
Impairment provision % of debtors	**9.3**	9.1

Independent benchmarking performed by PIC Solutions confirms that the division has maintained the credit portfolio as among the best in the industry.

The testing of second generation insurance products has been completed and these are now being offered to all qualifying credit customers. The rate of growth of these products has exceeded expectations, resulting in the development of an insurance-specific strategy designed to optimise the growth opportunity that is sustainable in the long term.

Where we are going:

The division will continue to develop and refine its CVM strategy whilst maintaining a conservative risk management approach with regard to new business. As a result, the credit scorecard has been tightened to ensure that the pace of credit growth experienced in the second half of the year is slowed.

Growth opportunities:

CVM – leveraging enriched data to enhance profitability:

- Acquisition – enhancing the enterprise decision management solution;
- Customer management – enhancing strategies that focus on limit management, spend stimulation and cross-selling to increase merchandise spend and shopping frequency;
- Delinquency management – further leveraging the decision engine to improve productivity and enhance collections performance; and
- Monitoring and reporting.

Insurance – increasing the profit contribution:

- Strengthening the foundation – quality assurance, legal and compliance and training;
- Improving telemarketing efficiency and capacity; and
- Product enhancement and new product development.

Gross trade receivables per division

R'000	Mr Price Apparel	Mr Price Home	Mr Price Sport	Miladys	Sheet Street	Total 2012	Total 2011
Six months	207 014	53 810	6 446	99 274	31 104	**397 648**	302 038
12 months	488 445	87 015	25 615	153 403	38 190	**792 668**	504 427
24 months		17 243				**17 243**	13 071
Total	695 459	158 068	32 061	252 677	69 294	**1 207 559**	819 536

REAL ESTATE

This service provider to the Group's trading divisions remains true to its central tenet of being a value-driven unit in all its activities. Its reason for being is to efficiently, and in the most cost-effective manner, implement the real estate strategies of the trading divisions and the various support and distribution functions.

Strategies for implementation revolve around:

- Growing space as determined by merchandise and business strategies in the best locations at the lowest cost;
- Rationalising unwanted space due to changes in the market or redundancy;
- Renewing good space at best cost; and
- Reducing utility overheads by enabling reduced consumption and looking to cost effective capital spends particularly in the fields of air-conditioning and electrical reticulation.

The division, with 32 associates mainly located in Durban but with a strong Johannesburg presence, is able to meet its customers' needs whether in South Africa, Southern Africa or West Africa. The division is fully involved in the Utilities Management Committee and is passionate about reducing energy consumption across the Group. A notable achievement was the finalisation and on-time implementation of three new generation stores for Mr Price Apparel, Mr Price Home and Mr Price Sport in Sandton City, as well as the subsequent replica roll-outs thereof to other locations.

See page 61 for changes in trading space.

Statistics for 2012

136 fit outs	**203**	**67**	**1 099**
new/relocation/reduction/ expansion/closure projects	leases renewed	leases renegotiated	leases under administration

SYSTEMS

During the year, the division's 126 information technology associates delivered and implemented key projects that were prioritised in terms of the Group's strategic plans. The major projects undertaken utilised best-of-breed third party software solutions which were integrated into existing applications. The Group will continue striving to implement the most effective and efficient systems and as a result, its previous strategy of mainly focusing on in-house development has changed to focus on third party, best-of-breed solutions.

What we did:

- A best-in-class e-commerce solution was purchased and development commenced early in 2012. Integration of systems and processes to create an omni-channel customer experience is nearing completion. Concurrently, existing websites and their content were enhanced to allow for improved brand and product communication to customers;
- The internally developed point-of-sale system was enhanced to provide a touchscreen version, enhancing the customer shopping experience and improving the speed at which customers are served;
- A new store network design and hardware upgrade was concluded. Once implemented, this will significantly enhance the services offered to customers in store and the quality of information that can be provided to store management;
- The product lifecycle management software roll-out continued through the year, increasing the visibility into the supply chain and improving supplier communication;
- Supply chain processes and costing models are being enhanced and developed to create the capability to source, buy and cost products from any country and deliver to any country in the most efficient manner;
- The customer application process was enhanced, improving the accuracy and speed of customer credit applications; and
- Enhancements to the warehouse management systems allowed for record transactions to be processed through the Group's distribution facilities in the peak period.

Where are we going:

- Leverage the omni-channel platform created to enhance the customer experience at all points of contact;
- Conduct a strategic IT capability assessment to ensure it can support the Group's growth plans;
- Enhance business intelligence to provide a single platform that presents users with a consistent experience and consistent information to drive decision making;
- Location planning will be implemented to allow for planning in multiple geographies;
- A labour scheduling application will be implemented, enabling labour efficiencies at store level, improving customer service levels and reducing overheads; and
- The store network infrastructure will be refreshed during the new financial year.

GROUP LOGISTICS AND DISTRIBUTION

The objectives of Mr Price Group's overall supply chain strategy are to improve visibility, ensure stable supply, enhance product flexibility and reduce lead times and costs. Activities undertaken during the year were aligned with this strategy.

Several new initiatives were undertaken to ensure that distribution centre processes maximised available resources and reduced waste and, at the same time, required courier efficiencies and cycle times to be optimised.

The Distribution division provided the Group with production efficiencies that enabled the processing of record unit volumes (9.3% unit growth on a comparable base) within budgeted expenditure (cost per unit growth of 0.7% on a comparable base). This resulted in the distribution centre experiencing its smoothest peak season ever.

A distribution network study was completed during the year which concluded that the distribution centres and regional cross-dock hubs are optimally located to service store demand. However, in order to support the Group's mid to long-term growth strategies, a new single facility distribution centre would need to be operational in the 2015 financial year. To this end, the Group and its advisors are in the process of designing the layout and identifying and evaluating possible locations for such a facility. A critical component of the Group's distribution strategy will be to acquire enough land to enable further future expansion, when required.

The level of capital expenditure will increase over the next few years in line with the development activities of this new facility. Partnering with internationally renowned industry experts and 'zero-basing' distribution centre practices will result in many efficiencies, a significant portion of which will impact positively on sales growth and an improved gross profit percentage. The Group is focused on ensuring that these additional costs are mitigated, as far as possible, by identifying cost savings in other areas of the business.

The Group recently established a consolidation centre in China, with the aim of being able to ship directly to the end destination without being required to pass through the Durban distribution centre. In time, this will result in the elimination of 'double duties,' relating to merchandise shipped to non-Southern African Development Community (SADC) countries. This will enable the reduction in merchandise selling prices in the key foreign markets of Nigeria and Ghana, further embedding the Group's value offer and driving higher market penetration.

2008 units	2009 units	growth	2010 units	growth	2011 units	growth	2012 units	growth
149 689 615	165 927 742	10.8%	170 661 223	2.9%	187 673 395	10.0%	200 982 862	7.1%

http://www.mrprice.co.za/

people LIKE us...

KNOW PERFECTION WHEN WE SEE IT.

Mix ***SOFT*** accents of colour and subtle feminine detail with a ***DARK*** edge to perfect this season's hottest look.

rt

1) Dress R119.99 2) Corset R89.99 3) Skirt R79.99 4) Hairband R29.99 5) Earrings R29.99
6) Bracelet Set R29.99 7) Pumps R89.99 8) Knitwear R89.99 9) Bag R79.99

Mr Price

SPORTS MARKETING

In 2011 Mr Price was again the proud sponsor of several highly successful national and international sporting events with a number of South Africa's elite athletes, teams and clubs continuing to endorse the Mr Price brand at the highest level.

On the rugby fields, 2011 was another noteworthy year for the Sharks, with the Durban franchise making it to the play-offs of the inaugural "Super 15" competition and to the finals of the Currie Cup.

Although the 2010 Currie Cup champions didn't claim any silverware, they were arguably the most consistent South African team of the year with Patrick Lambie, Bismarck du Plessis and Sibusiso Sithole being crowned among the prize winners at the end-of-year South African Rugby Awards.

Mr Price's longstanding involvement in the annual Kearsney Easter Rugby Festival continued in 2011 with the tournament drawing capacity crowds. The festival has grown in stature over the years and is now considered one of the leading schools rugby festivals in the country. The tournament features 12 of South Africa's top rugby schools including Grey College, Monument, Kearsney College and Paarl Gymnasium.

One of the standout international events of the year was the 2011 edition of the Mr Price Pro, Ballito which will go down as one of the most memorable surfing events on the ASP World Tour. The event, which carried a prize purse of R2 million and featured 96 surfers from 14 nations, produced six days of spectacular waves with American Patrick Gudauskas emerging as the champion.

It was also a memorable year for Mr Price sponsored surfers, with SA team captain Davey Brand leading the South African Junior Surfing team to their first ever runner-up finish at the Quiksilver ISA World Junior Championships in Peru in May. In the same month, Mr Price surfers Greg Emslie and Nikita Robb were crowned open national champions at the 2011 Billabong SA Surfing Champs in Seal Point, with the former also becoming the SA Masters Champion at the national event held at Nahoon Reef in East London in August.

On the athletics front, the Mr Price team made their presence felt at the Comrades Marathon, most notably the Nurgalieva twins, with Elena winning her sixth title, just seconds ahead of sister, Olesya. Earlier in 2011 it was Olesya who came in ahead of her sister to capture her third Old Mutual Two Oceans Marathon title in Cape Town, with fellow Mr Price teammates, Samukeliso Moyo and Riana van Niekerk also finishing in the top 10. In the men's race, Motlhokoa Mkhabutlane claimed a credible runner-up position, while team mates Moeketsi Mosuhli and Mike Fokoroni were also among the top 10 finishers.

Mr Price successfully hosted the 2011 Karkloof Classic which has grown to become one of the biggest and most popular mountain biking festivals in the country. The annual three day cycling festival in April features a night race, a cross country course and various trails for all ages from beginners to professionals.

Plaudits must also go to 30 intrepid cyclists from the Mr Price Cycle Club who successfully completed the 640km Double Triple Charity Challenge (DTCC) at the end of 2011, and in the process, raised in excess of R75 000 for the RedCap Foundation.

At the beginning of 2012, Mr Price Sport was delighted to announce the signing of Cheetahs and Springbok rugby flanker Heinrich Brussow as an ambassador for the Maxed brand. Brussow is a welcome addition to the Heroes team which includes Adrian Hansen (squash), Dominique Mann (gymnastics), Franco van der Merwe (rugby), Siyabonga Ntubeni (rugby), Jacques Botes (rugby), Kelly Madsen (hockey), Morne' van Wyk (cricket) and Cameron Delport (cricket).

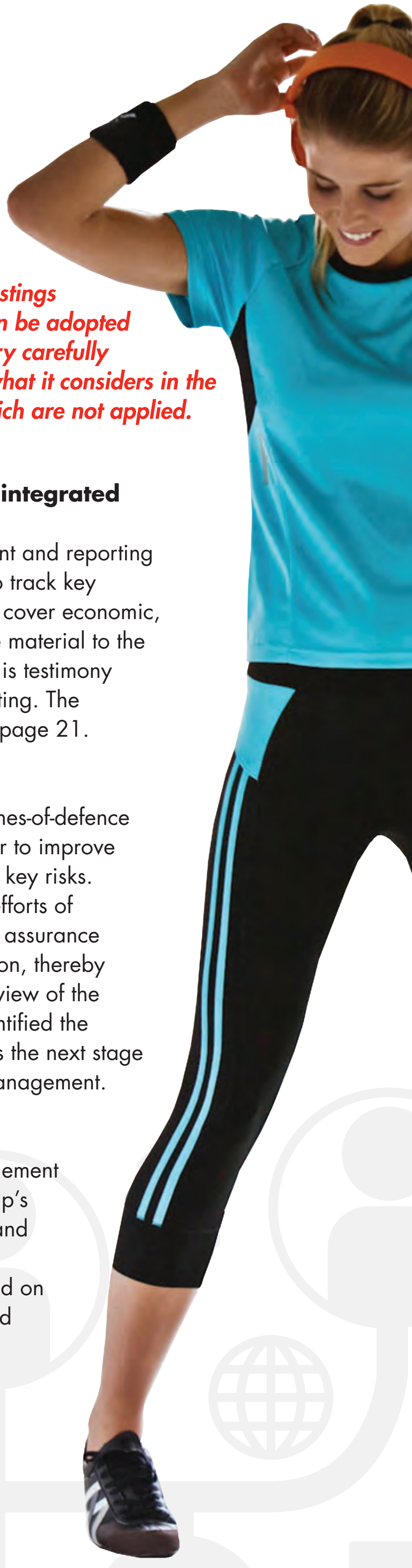
Meanwhile, Mr Price Yamaha motocross rider Richard van der Westhuizen was deservedly crowned the SA National MX1 champion at the end of the 2011 season, securing the MX1 title for the fifth time, after completely dominating in this class.

2011 also saw the successful launch of Heroes TV with 12 episodes airing in prime time on SuperSport featuring Africa's top athletes and events.

GOVERNANCE STRUCTURES

COMMITMENT STATEMENT

The Board subscribes to sound values of good corporate governance, supporting the King Code of Governance for South Africa 2009 (King III) principles and practices and the JSE Listings Requirements. King III is not prescriptive, but rather a series of recommendations which can be adopted on an "apply or explain" basis. As such, the Group does not follow King III blindly, but very carefully considers each and every aspect. The Board then applies or rejects that aspect in light of what it considers in the best interest of all stakeholders. Explanations are provided for those aspects of King III which are not applied.



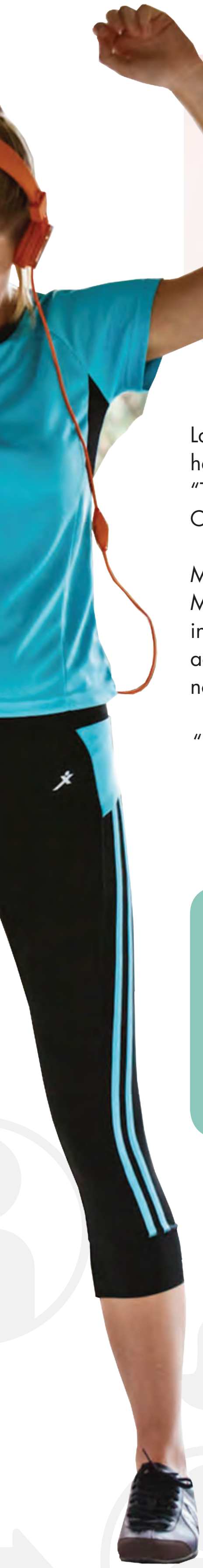
COMPLIANCE

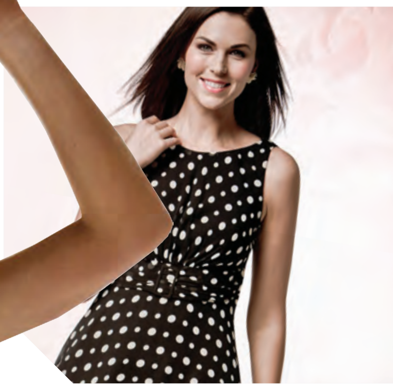
In preparation for the adoption of King III, the Group undertook an externally-facilitated gap analysis exercise and an internal audit review process, the results of which identified five areas requiring attention. Progress in these identified areas was detailed in the 2011 Annual Integrated Report. The areas of risk management and IT governance are overseen by the relevant committees, namely Risk and Sustainability Committee and Audit and Compliance Committee respectively. Progress in the current financial year on the remaining three identified areas requiring further focus can be summarised as follows:

- **Sustainability measurement and integrated reporting systems**
  The Group is developing its measurement and reporting capability in the form of a dashboard to track key business sustainability issues. Indicators cover economic, social and environmental issues that are material to the business. This Annual Integrated Report is testimony to the improvements in integrated reporting. The measurement dashboard is detailed on page 21.

- **Combined assurance model**
  The Group has implemented the three-lines-of-defence combined assurance framework in order to improve and integrate assurance on the Group's key risks. Furthermore, it aims to co-ordinate the efforts of management, internal and independent assurance providers and increase their collaboration, thereby developing a shared and more holistic view of the Group's risk profile. The Group has identified the advancement of combined assurance as the next stage of development within enterprise risk management.

- **Stakeholder communication**
  The overall stakeholder map and engagement strategy was formalised, while the Group's stakeholder owners monitor key issues and respond accordingly. More details on stakeholder communication can be found on pages 27 to 41 of this Annual Integrated Report.





Last year the Group reported that, although it complied with the spirit of corporate governance embodied in King III, it had not adopted Principle 2.16, which provides that:
"The Board should select a Chairman of the Board who is an independent non-executive Director. The CEO of the Company should not also fulfil the role of Chairman of the Board."

Mr AE McArthur elected to take early retirement and resigned from the Board with effect from 31 December 2011. Mr NG Payne was appointed Chairman in his stead. Having served on the Board and various committees as an independent non-executive Director over the past four years, Mr Payne has a sound understanding of the Group's activities. The Group is therefore compliant with the King III recommendation in that it has appointed an independent non-executive Chairman. However, sub-Principle 45 of Principle 2.16 provides as follows:

"45. With regard to the Chairman serving on other committees:
45.1 the Chairman should not be a member of the Audit Committee;
45.2 the Chairman should not chair the Remuneration Committee, but may be a member of it;
45.3 the Chairman should be a member of the Nominations Committee and may also be its Chairman, and
45.4 the Chairman should not chair the Risk Committee but may be a member of it."

Furthermore, sub-Principle 11 of Principle 3.1 provides as follows:
"11. the Chairman of the Board has a strategic and comprehensive role to play in guiding the Board and cannot simultaneously lead and participate objectively in the Audit Committee. The Chairman of the Board should therefore not be eligible for appointment as an Audit Committee member but may attend Audit Committee meetings by invitation."

At the time of his appointment as Chairman of the Board, Mr Payne was Chairman of the Risk and Sustainability Committee and a member of both the Audit and Compliance Committee and the Remuneration and Nominations Committee.

At the Special Corporate Governance meeting held in March 2012, the Board considered the position of Chairman of the Risk and Sustainability Committee and it concluded that Mr Payne, as a recognised industry expert, was the best qualified Director to chair this Committee. Furthermore, the Board resolved that Mr Payne would remain a member of the Remuneration and Nominations Committee but that he would resign as a member of the Audit and Compliance Committee, only attending meetings by invitation. In view of the close relationship between strategy and risk, Mr WJ Swain (Chairman of the Audit and Compliance Committee) is also a member of the Risk and Sustainability Committee.

Despite the Group no longer having an executive Chairman, the Board resolved for Mr MR Johnston to continue his position as Lead Independent Director, thereby ensuring that a balance of power and authority remains on the Board and that no one individual has unfettered power of decision making. The necessity of the position of Lead Independent Director will be reviewed on an annual basis.

In order to comply with the requirements of the new Companies Act (71 of 2008) ("the Companies Act"), which came into operation on 1 May 2011, the following steps have been taken:

- At its meeting on 17 May 2011, the Board reviewed a preliminary assessment of some provisions of the legislation that were of immediate interest to the Group;
- The Company Secretary has attended numerous updates on the Companies Act and endeavours to remain abreast of those matters relevant to the Group;
- A Group Legal Compliance Officer has been appointed from within the Group to build and improve upon the Group's legal compliance framework;
- Shareholders were afforded access to participate, through electronic means, in the Annual General Meeting of the Group held on 25 August 2011;
- At its meeting on 3 November 2011, non-executive Directors Messrs Getz and Payne addressed the Board on the issue of conflict of interest, as outlined in Section 75. The Board then established a procedure for addressing these matters;
- The Board considered and approved the specific persons who should be classified as prescribed officers;
- A Social and Ethics Committee has been established, with membership comprised of Mr K Getz as Chairman, Mr M Tembe and Mrs RM Motanyane as independent non-executive Directors. The charter of the Committee was approved by the Board in March 2012 and the inaugural committee meeting was held in May 2012; and
- The existing Memorandum of Incorporation is to be harmonised with the requirements of the Companies Act. Shareholders will be requested to approve the adoption of the new document at the upcoming Annual General Meeting. (Refer to Special Resolution 2 of the Notice of Meeting on page 194 for further details).

BOARD OF DIRECTORS

Board structure

Mr Price Group Limited has a unitary board structure. Following on the retirement of Mr McArthur, the year end membership of the Board comprised two executive, 10 non-executive and four alternate Directors (one of whom is an executive Director). Subsequent to the year end, Ms Daisy Naidoo was appointed as an additional independent non-executive Director. The Board is satisfied that it is operating at its optimal size, with an appropriate weighting of non-executive to executive Directors. Furthermore, there is a balance of retail and non-retail skills and the age profile, racial and gender demographics have been suitably adjusted over the last few years.

Board charter

The Board operates in terms of a formal charter, the purpose of which is to regulate how it conducts business in accordance with sound corporate governance principles. The objectives of the charter are to ensure that all Board members acting on the Company's behalf are aware of their duties and responsibilities and the legislation and regulations affecting their conduct. Furthermore, it seeks to ensure that sound corporate governance principles are applied in all dealings by Directors in respect of, and on behalf of, the Company. The charter sets out the specific responsibilities to be discharged by the Board members collectively and individually, and was reviewed and updated at the Special Corporate Governance meeting of the Board in March 2012. The full charter can be found on the Group's website www.mrpricegroup.com.

Board appointments

The intention is to maintain a vibrant Board that constructively challenges management's strategies and evaluates performance against established benchmarks. Balance is maintained between executive and non-executive Directors, with the majority of Directors being non-executive, most of whom are independent. It is an objective for there to be good representation of fashion-value retail experience to ensure that the key risks of inappropriate retail and fashion strategies are managed on an ongoing basis. Consideration is also given to the contribution afforded by skills and experience in other disciplines which will strengthen the decision making abilities of the Board.

Executive Directors are ideally homegrown, in that they have spent many years with the Group and are well-versed in the Group's philosophies, strategies, operating practices and culture. Appointments of executives to the Board are generally made when a senior executive has, through his or her performance, demonstrated leadership potential. The appointment recognises both proven performance and future potential. Exposure to the Board deliberations prepares executive Directors for future leadership and allows non-executive Board members to better evaluate the executive's performance and leadership qualities. External appointments are only made when suitable skills do not exist in the Company.

Non-executive Directors are appointed based on the contribution that they can make to the improved performance of the Group. A formal contract, in the form of a letter of appointment, is signed by each non-executive Director. The letter details amongst other things, the Directors' moral and fiduciary duties, their skills and ongoing training requirements, and code of conduct.

Experience of non-executive Directors is sought across various disciplines so that a balanced view can be presented. Financial skills are essential given the needs of the Audit and Compliance Committee and the increasing complexity of financial reporting. Other important skills are legal and banking. Some retail skills among non-executives are regarded as vital. During the current year, a detailed skills matrix for Board members will be finalised so as to identify where possible skills gaps exist, in order for them to be addressed.

The Remuneration and Nominations Committee continuously evaluates the Board composition, taking into account the:

- overall size;
- balance of executive to non-executive and independent to non-independent Directors;
- gender and racial demographics;
- depth of retail skill;
- mix of other skills; and
- age of existing Directors.

In the event that new appointments are sought, the Committee identifies and evaluates potential candidates for Board approval. The process is both formal and transparent.

The Group believes in the application of holistic long-term planning to its succession programmes. The Board holds the view that its current succession plan allows for the scheduled retirement of older Board members and, with the introduction of appropriately skilled and mentored new members, ensures the continuity of a vibrant and knowledgeable Board.

Ongoing training and development

There is an appropriate induction and mentoring programme for new Directors and the Board is committed to brief Directors on changes and trends in the industry, as well as the annual state of the socio-economic environment. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. It seeks to ensure that such information remains relevant and enables it to assess the Company's quantitative performance and consider other qualitative performance issues.

Non-executive Directors are made aware of any relevant developments in the Group affairs and receive comprehensive monthly trading reports and annual strategy and risk management reviews by the trading divisions and support centres. Furthermore, the non-executive Directors are invited to attend at least one merchandise window review per year. To fulfil their responsibilities, Directors have full and unrestricted access to company information and can seek independent professional advice at the Company's cost. All Directors have access to the advice and services of the Company Secretary and unrestricted access to the Chairman.

Independence and rotation

An evaluation of non-executive Directors, in terms of the independence criteria set out in King III and the requirements of the Companies Act, was conducted at the Special Corporate Governance meeting of the Board in March 2012. The following Directors were accepted as being independent:

- Mr MR Johnston
- Mrs RM Motanyane
- Mr NG Payne
- Mr MJD Ruck
- Mrs SEN Sebotsa
- Mr WJ Swain
- Mr M Tembe

It was agreed that the following Directors should not be classified as independent:

- The Honorary Chairmen, Messrs SB Cohen and LJ Chiappini, on account of their material share holdings; and
- Mr K Getz who acts as a professional advisor to the Company.

Sub principle 66 of principle 2.18 of King III states that:
"66 An independent Director should be independent in character and judgement and there should be no relationships or circumstances which are likely to affect, or could appear to affect this independence. Independence is the absence of undue influence and bias which can be affected by the intensity of the relationship between the Director and the Company rather than any particular fact such as length of service or age."

In this regard, the Board agreed that although not classified as independent, Messrs Cohen, Chiappini and Getz do act independently in their service to the Board. Furthermore, the cyclical nature of retail necessitates the need for Directors with long-serving Board experience. It is therefore not practical for Directors with more than nine years service to resign from the Board.

Mr MR Johnston, as the Lead Independent Director, regularly engages with Directors and senior executive management on corporate governance issues and other matters on which management may require guidance. In addition, a separate meeting of Directors specifically addressing corporate governance issues is held annually, under his chairmanship.

The Honorary Chairmen, as founders of the Group, continue to participate in the business and give guidance and direction in general and on strategy, merchandise and Group culture in particular. They attend most Board committee meetings as observers/invitees and offer substantial input. They operate with employment contracts, which were substantially revised in the previous year due to a restructuring of the Board. The succession plan anticipates that their involvement and remuneration will reduce over the next few years but the Board has requested their continued input and support, with one of their key roles being to ensure an orderly leadership transition and the entrenchment of the Group's core beliefs. The Board agreed that their contribution should be financially rewarded at a level commensurate with their effort.

No Directors have fixed-term employment contracts.

One third of the non-executive Directors retire by rotation every year, at which time they may be considered for re-election at the Annual General Meeting. The names of the Directors, accompanied by brief biographical details, are provided on pages 122 and 123.

Directors must disclose their Company shareholdings, other directorships and information regarding any potential conflict of interest. Directors must be recused from discussion on any matters in which they may have a conflict of interest. Non-executive Directors cannot partake in the Group's share incentive schemes. Before dealing in Company shares, Directors are obliged to obtain the written consent of the Chairman or, should the Chairman be involved in a transaction, the Lead Director.

Board review and Director performance assessment

The Board undertakes a full review and assessment of its activities by its members every second year. From this, areas for improvement in performance and goals for the succeeding year are established. Performance against these goals is then monitored by a further questionnaire at the conclusion of that year. The most recent full Board review was conducted in the financial year ended 2 April 2011. The change in chairmanship to Mr AE McArthur in August 2010 and his subsequent retirement in December 2011, resulted in there being insufficient time and focus for the progress against the "Steps to be taken" and "Goals set" to be adequately evaluated by the Chairman and the Board. To that end, a full Board review, under the new chairmanship of Mr NG Payne, shall be conducted during the current financial year. A performance evaluation on the incoming Chairman shall be performed in due course.

Board meetings

The Board meets at least four times annually to conduct its regular business and is responsible for the Group's overall strategic direction and control. An annual Special Corporate Governance meeting is held in March to:

- review and approve the Board charter;
- review and approve the mandates or charters of the various board committees, the Audit and Compliance Committee, the Social and Ethics Comittee, Internal Audit and the IT Steering Committee;
- consider the re-appointment of Directors retiring by rotation;
- confirm the appointment of the Board Chairman;
- propose the Chairman and members of the Audit and Compliance Committee (subject to approval of the membership of this Committee by shareholders at the Annual General Meeting);
- confirm the Chairman and members of each other committee for the forthcoming financial year;
- define levels of materiality, reserving specific powers to the Board and delegating other matters with the necessary written authority to management;
- review and approve the Business Code of Conduct;
- approve the classification of certain associates as prescribed officers; and
- review the level of the Group's compliance with the King III provisions.

In addition to these meetings, all Board members attend annual risk management and strategy presentations by senior divisional and Group executives. In approving the Group's long-term and short-term strategies, the Board ensures a thorough analysis of the appropriate risks has been undertaken.

Generally, all Directors attend the Annual General Meeting and are available to answer shareholders' questions.

Company Secretary

During the year under review, Mr CS Yuill retired from the position of Company Secretary, which he had competently held for 26 years. Mrs HE Grosvenor, who has been with the Company for nine years, and who under the mentorship of Mr Yuill, held the position of Assistant Company Secretary for two and a half of those years, was appointed Company Secretary with effect from 1 September 2011. In compliance with the recommendations of King III, the Board believes that Mrs Grosvenor is a competent, suitably qualified and experienced Company Secretary able to provide the Board with the requisite support for its efficient functioning and discharge of its duties. Mrs Grosvenor is not a Director of the Company.

Prescribed officers

As per the requirements of the Companies Act, the Board determined that the prescribed officers are the CEO, Mr SI Bird and the CFO, Mr MM Blair. These individuals exercise general executive control and management of the business and all divisional heads report directly to them.

STATUTORY, BOARD AND MANAGEMENT COMMITTEES

To assist the Board in discharging its responsibilities for corporate governance, it functioned in the year under review with three board committees and the statutory Audit and Compliance Committee. With effect from March 2012, the Board Transformation Committee was dissolved, with the non-executive Directors from this Committee becoming members of the statutory Social and Ethics Committee, which was constituted with effect from 1 May 2012. The details of the functioning of the Social and Ethics Committee will appear in the 2013 Annual Integrated Report. The Executive Transformation Committee will continue to meet on a bi-annual basis to develop and implement BBBEE strategy and initiatives. It will report both directly to the Board and to the Social and Ethics Committee, who will jointly monitor the progress of transformation initiatives.

Responsibility for running the business and implementing strategies and policies adopted by the Board is devolved to the CEO. The Group has established an operating structure of boards and committees that facilitates cross-divisional co-operation, problem-sharing and identification of opportunities. Each committee operates in terms of a formal mandate or charter that can be viewed on the Group's website www.mrpricegroup.com. The performance of the committees and their members are annually evaluated separately in terms of self-evaluation questionnaires sent to the members for completion. An outline of the current board and management committee structures is as follows:

BOARD
Chairman: NG Payne
Honorary Chairmen: LJ Chiappini and SB Cohen
Lead Independent Director: MR Johnston
Overall composition:
Two executives
11 Non-executives (eight independent)
Four alternates

CEO
SI Bird

BI-MONTHLY MD's MEETING
Chairman: SI Bird
CFO: MM Blair
Group Supply Chain Director
Divisional Managing Directors
Group People Director
Group Risk and Sustainability Director
Group Audit Executive

BI-MONTHLY DIVISIONAL BOARD MEETING
Review results and monitor progress and strategic imperatives
Chairman: SI Bird
CFO: MM Blair
Group Supply Chain Director
Divisional Managing Directors
Group People Director
Group Risk and Sustainability Director
Group Audit Executive
Management team of the trading division being reviewed

AUDIT AND COMPLIANCE COMMITTEE
Chairman: WJ Swain
Members: MR Johnston, MJD Ruck, D Naidoo
Number of meetings: Four

QUARTERLY DIVISIONAL AUDIT COMMITTEE
Chairlady: S Moodley

RISK AND SUSTAINABILITY COMMITTEE
Chairman: NG Payne
Members: WJ Swain, SI Bird, MM Blair, SA Ellis
Number of meetings: Four

QUARTERLY EXECUTIVE RISK COMMITTEE
Chairman: SI Bird

REMUNERATION AND NOMINATIONS COMMITTEE
Chairman: MR Johnston
Members: K Getz, NG Payne, MJD Ruck, WJ Swain
Number of meetings: Four

SOCIAL AND ETHICS COMMITTEE
Chairman: K Getz
Members: RM Motanyane, M Tembe
Number of Meetings: Four

BI-ANNUAL EXECUTIVE TRANSFORMATION COMMITTEE
Chairman: SI Bird
Members: MM Blair
Group People Director
Group Risk and Sustainability Director
Group Audit Executive

Secretarial, taxation, legal and investor relations are handled at Group level and group finance provides support to the trading divisions.

The Board believes that, in respect of the business specifically reserved for its decision, it has satisfactorily discharged its duties and responsibilities during the year under review.

Attendance of Directors at board and committee meetings

Director	Status	Board	Corporate Governance	Audit and Compliance Committee	Risk and Sustainability Committee	Remuneration and Nominations Committee	Board Transformation Committee
N Abrams	Alternate non-executive	2/4	0/1				
SI Bird	Executive	4/4	1/1		4/4		2/2
MM Blair	Executive	4/4	1/1		4/4		2/2
LJ Chiappini	Non-executive	3/4	1/1				
TA Chiappini-Young	Alternate non-executive	4/4	1/1				
SB Cohen	Non-executive	4/4	1/1				
SA Ellis	Alternate executive	4/4	1/1		4/4		
K Getz	Non-executive	4/4	1/1			4/4	
MR Johnston	Independent non-executive	4/4	1/1	4/4		4/4	
AE McArthur [1]	Executive	2/3					1/2
RM Motanyane	Independent non-executive	4/4	1/1			4/4	2/2
NG Payne [2]	Independent non-executive	4/4	1/1	3/3	4/4	4/4	
LJ Ring	Alternate non-executive	1/4	1/1				
MJD Ruck	Independent non-executive	4/4	1/1	4/4		4/4	2/2
SEN Sebotsa	Independent non-executive	3/4	0/1				
WJ Swain	Independent non-executive	4/4	1/1	4/4	4/4	4/4	
M Tembe	Independent non-executive	4/4	1/1				2/2

[1] resigned as executive Director and Chairman on 31 December 2011
[2] appointed as independent non-executive Chairman and resigned from the Audit and Compliance Committee on 1 January 2012

Non-attendance of meetings by Directors

Alternate Directors are not required to attend each meeting. Mr N Abrams (UK) and Professor LJ Ring (US) have attended specific meetings, and were kept updated on Board issues by receiving all Board meeting documentation.

Mrs Sebotsa was unable to attend the May 2011 Board meeting due to a conflicting commitment in her role as a Director of another public company. She was also unable to attend the Special Corporate Governance meeting in March 2012 as she was overseas, but attended the main Board meeting via teleconference.

Messrs McArthur and Chiappini were unable to attend the November Board meeting, both due to personal commitments.

The Board has always felt that Directors contribute as much outside of meetings as they contribute within the meetings, and the most important criterion for selection is skill. In addition, non-executive Directors are available to provide assistance to executive Directors throughout the year. For these reasons, remuneration is solely in the form of a retainer and no attendance fee per meeting is paid.

Financial reporting

The Directors are responsible for preparing the financial statements and other information contained in this Annual Integrated Report which, in their opinion, fairly presents the state of affairs and results of the Group's operations. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards including IAS 34 Interim Financial Reporting and are based on appropriate accounting policies consistently applied and supported by reasonable and appropriate judgements and estimates. The Board accepts its duty to present a balanced and understandable assessment of the Company's position in reporting to shareholders. The Group's external auditor is responsible for reporting on whether the Annual Financial Statements are fairly presented.

Having due regard to the Group's current financial position and resources, together with its forecast results, cash flows and financial position in the coming year, the Directors and the external auditor confirm that the Group is a going concern.

Business code of conduct

Directors and associates are required to maintain the highest ethical standards. A Code of Conduct has been issued to every associate of the Group and its provisions are annually re-inforced under the guidance of a senior officer. During the year all senior associates of the Group were required to submit a declaration testifying to their compliance with various aspects of the Code. The Board believes that the ethical standards embodied in the Code are effectively observed within the business. Appropriate disciplinary action is applied where necessary in the event of any breach. The Code, revised to embody current best practice and governance principles, was approved at the Special Corporate Governance meeting in March 2012. A further code, setting standards and practices to which the Group expects its suppliers to adhere, is distributed to new suppliers.

Care is taken in the appointment and promotion process and in the delegation of discretionary authority to assess the integrity of associates.

The Code of Conduct is located on the Group website www.mrpricegroup.com.

Closed periods

The Group operates a closed period policy in line with the JSE Listings Requirements:

- between the end of its interim and annual financial periods and the publication of the financial results applicable to those periods. All Directors and senior associates involved in compiling the trading results and forecasts or reviewing such financial information are considered to be in a closed period from the date of dissemination of the aforementioned information to the Board immediately prior to the end of the interim and annual financial periods. This is usually about the 15th of each month;
- between the end of the third quarter, including the Christmas trading period, and the publication of a trading update pertaining to that period usually in the second week in January; and
- during any period when trading under a cautionary announcement.

During this period Directors, officers and other selected associates are prohibited from dealing in the Company's shares. Regard is also had to the JSE Listings Requirements in respect of the dealings of Directors in the Company's shares. Associates who may have access to confidential or price-sensitive information are cautioned against the possibility of insider trading in terms of the Securities Services Act.

Sponsor

Rand Merchant Bank is the Company's Sponsor and among other functions, advises the Board on compliance with the JSE Listings Requirements.


People Like us.

AUDIT & COMPLIANCE COMMITTEE REPORT

Mr Price Group remains committed to the principles of good governance, ethical leadership and exemplary corporate citizenship. To this end, the Audit and Compliance Committee assists and supports the Board in discharging its duties.

Composition

The Committee is constituted as a statutory Mr Price Group Limited committee in respect of its duties in terms of section 94(7) of the Companies Act (71 of 2008) and has been delegated the responsibility to provide meaningful oversight, particularly of the audit, finance, IT and compliance functions.

The committee operates in terms of a formal mandate and comprises three independent non-executive Directors: Mr WJ Swain (Chairman), Mr MR Johnston and Mr MJD Ruck. Subsequent to year end, Ms D Naidoo was appointed to this Committee.

Role

The Committee:

- assists the Board discharge its responsibility to:
  - safeguard the Group's assets;
  - operate adequate and effective systems of internal control, financial risk management and governance;
  - prepare materially accurate financial reporting information and statements in compliance with applicable legal/regulatory requirements and accounting standards;
  - monitor compliance with laws and regulations and the business code of conduct; and
  - provide oversight of the external and internal audit functions and appointments.
- provides a communication channel between the Board, the internal and external auditors and other assurance providers; and
- assists the Board monitor management's control over enterprise-wide risks.

2012 COMMITTEE HIGHLIGHTS

Committee focus area	Actions
Annual Integrated Report	The Committee oversees the integrated reporting process and has considered all factors and risks that may impact on the integrity of the report, including significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information.
Combined assurance	The Committee has ensured that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities, and in particular the Committee has: • Ensured that the combined assurance received is appropriate to address all the significant risks facing the Company; and • Monitored the relationship between the external assurance providers and the Company.

Committee focus area	Actions
Continuous monitoring and auditing	The Committee approved a combined strategy of continuous monitoring by management and continuous auditing by Internal Audit several years ago and continues to encourage the embedding of these data analytical tools to facilitate more effective risk management across the Group. Continuous monitoring and auditing are methods used to perform control and risk assessments automatically on an ongoing basis. These control and risk assessments are in real-time or near real-time and allow entire populations or sub-sets of transactions to be assessed on a regular basis as opposed to a periodic review of limited samples of transactions. The ability exists to analyse key business systems for both anomalies at the transaction level and for data-driven indicators of control deficiencies and emerging risk.

Annual Report of the Committee

During the year under review, the Committee fulfilled its mandate by meeting four times to deal with comprehensive agendas. It received the appropriate information from internal audit, external audit, management and other sources deemed necessary to fulfil its obligations. Pursuant to these activities and the investigations it conducted, the Committee can report satisfaction with the external auditor's independence and established principles governing the auditor's employment for non-audit services.

Having given due consideration, the Committee believes that:

- Mr MM Blair, who is the Financial Director and carries the title of Chief Financial Officer, possesses the appropriate expertise and experience to meet his responsibilities and that the Company's financial function incorporates the necessary expertise, resources and experience to adequately carry out its responsibilities;
- the Company's accounting practices and the effectiveness of the internal controls have been maintained at a high standard and fully support the accuracy of the financial and related information presented to stakeholders in the integrated report;
- it has satisfactorily carried out its obligations in terms of its mandate;
- it can confirm that there were no material or frequently repeated instances of non-compliance by either the Group or the Directors during the year; and
- the Designated Auditor attended a meeting of the Committee not more than a month before the Board met to approve the integrated report to discuss matters of importance to the auditor and the Committee regarding the Company's financial statements and general affairs.

The Directors believe that the Committee has satisfied its responsibilities under its mandate. Under the sponsorship of the Committee's Chairman, a self-evaluation assessment was undertaken during the year and action to address certain issues requiring attention determined.

The Chairman of the Committee attends the Annual General Meeting and is available to answer shareholders' questions.

INTERNAL AUDIT REPORT

The Mr Price Group Internal Audit Division is an integral part of the Group's governance structure.

Composition
The centralised division, which operates in terms of a formal mandate and in full conformance to the International Professional Practices Framework for Internal Audit, was established by the Board of Directors to assist it and executive management in achieving their objectives, by providing them with reasonable assurance on the adequacy, effectiveness and efficiency of the Group's network of governance, risk management and internal control processes and systems. To that end, Internal Audit provides independent and objective assurance and consulting services, specifically designed to add value, improve the Group's operations and contribute to its success and longevity. It helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The internal audit function comprises 27 suitably qualified and experienced associates, under the direction of the Group Audit Executive. The diversity of skills and experience within Internal Audit has enabled extensive and appropriate coverage of significant and strategy-relevant business systems, processes, functions and activities across the Group, including all aspects of information technology.

Professional positioning and recognition
In accordance with the International Standards for the Professional Practice of Internal Audit (Standards), it has been determined that Internal Audit will be subjected to an independent external quality assessment review (QAR) at least once in five years. The QAR primarily covers compliance with the Standards and Code of Ethics, organisational positioning and independence, skills and proficiency, nature and quality of work and the ability of Internal Audit to meet the Board's and management's expectations.

The first QAR was concluded in January 2007 by the Institute of Internal Auditors, South Africa (IIA, SA), at which time the Internal Audit Division was rated as the first function in South Africa to achieve full conformance to all Standards in an independent external QAR, and was therefore placed as one of the top 8% of all quality reviews globally. The most recent review was concluded in November 2011 and the independent external team concluded that Mr Price Group Internal Audit "had sustained full conformance over a period of significant business growth, corporate governance reform, and extensive cultural changes within the Group". The IIA, SA confirmed that the division remains the only activity in South Africa with the exceptional rating of full conformance in an independent, external quality review.

"Because the Mr Price Group Internal Audit Division had sustained its professionalism and impact above and beyond the requirements of the Standards, the scope of the QAR was extended to include a comparison against two international sets of principles/criteria, i.e. the IIA Internal Audit Capability Model and Criteria for a 'Strong' Internal Audit function (United States Office of the Comptroller of the Currency). This comparison showed that the division is operating at the highest levels of both these international models. The independent, external QAR team recognised that this level of operations could only have been sustained by a combination of strategic leadership of Internal Audit, an alignment of interests and incentives, the maturity and mutual respect of the Audit and Compliance Committee, executive and senior management and the external auditors towards Internal Audit and Internal Audit's ability to deliver a highly professional audit product over time."

This review concluded that the Internal Audit Division has continued to be a leading professional activity, characterised by innovation, development of leading practices ahead of the theory or requirements to do so, wide adoption of global best practices and unequivocally demonstrating a commitment to upholding the international professional practices framework.

Independence and authority

Internal Audit is independent of all other organisational functions and reports functionally to the Audit and Compliance Committee and administratively to the Chief Executive Officer. Internal Audit has access to the Chairman of the Board, as well as free and unrestricted access to all areas within the Group.

In order to facilitate strategic positioning and alignment of Internal Audit, the Group Audit Executive has had a standing invitation to executive committee meetings for many years, including meetings of the Managing Directors, Divisional Boards, Board and Executive Transformation Committees, Board and Executive Risk and Sustainability Committees, and more recently, the Social and Ethics Committee.

Combined assurance

Internal Audit is an integral part of the Group's combined assurance model as an independent assurance provider. There is a spirit of co-operation and collaboration with management, other internal assurance providers and the Company's external auditor in order to ensure optimal coverage of the key risks and minimal duplication of effort.

There has been extensive co-ordination and sharing of information with the Company's external auditor, who continues to place reliance on internal audit work.

Annual assurance statement

Internal Audit assists the Board to achieve its objectives by providing independent, objective and reasonable assurance on the adequacy, effectiveness and efficiency of the Group's network of governance, risk management and internal control systems and processes. However, the assurance can only be reasonable and not absolute. The internal audit assurance does not supersede the Board's and management's responsibility for the design, implementation, monitoring and reporting of governance, risk management and internal controls.

Risk-based and integrated methodology

The Internal Audit Division has adopted a risk-based methodology for many years in order to ensure appropriate coverage of governance, risk management and control processes which are key to the realisation of strategic goals. The internal audit plan has therefore been informed by the Group strategies, risk registers, comprehensive risk assessment, compliance requirements and input from management, the Board and external audit. Furthermore the Internal Audit Division continues to apply an integrated audit methodology, whereby governance, risk management and controls are evaluated in all audits, as far as possible.

Audit scope

The internal audit plan approved for the year under review has been completed except for a few areas which were in the process of development or change. The Audit and Compliance Committee considered these areas at the March 2012 meeting and these audits, not considered critical, were deferred to the 2013 financial year.

Significant adhoc work was conducted during 2012 to ensure that the internal audit plan remained of strategic relevance, risk-aligned, agile and responsive to management requests and changes in systems and processes.

Internal Audit can report that there were no undue scope limitations or impairments to independence.

In its professional judgement, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusions contained in this report. The scope included:
- Evaluating whether controls are adequate, appropriate and correctly applied;
- Evaluating the risk management and governance infrastructure, frameworks, processes and practices;
- Reviewing the systems established by management to ensure compliance with policies, plans, procedures, laws and regulations that could significantly impact on operations and evaluating compliance;
- Reviewing the means of safeguarding and verifying the existence of assets;
- Appraising the economy and efficiency with which resources are employed; and
- Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.

Audit scoring/grading framework
The following scoring system, well entrenched across the Group and eliciting appropriate responses, has been applied:

Grade	Description
Low-risk/very good (90%+)	Controls evaluated are adequate, appropriate and effectively implemented to provide reasonable assurance that risks are being managed and objectives should be met.
Medium-risk/adequate (75-89%)	A few specific control weaknesses were noted, but generally controls evaluated are adequate, appropriate and effectively implemented to provide reasonable assurance that risks are being managed and objectives should be met.
High-risk/poor (<75%)	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.

Overall opinion
Based on the work completed during 3 April 2011 to 31 March 2012, which has been carried out in accordance with the International Professional Practices Framework for Internal Audit and the approved Internal Audit Plan, and provided that management have effectively implemented the proposed actions to rectify reported control weaknesses, in the opinion of Internal Audit, except for a few specific control weaknesses noted, in all material respects, controls evaluated were generally adequate, appropriate and effective to provide reasonable assurance that risks are being managed and that the Mr Price Group objectives should be met.

Tone at the top
Internal Audit has continued to note a constructive tone at the top. Divisional management generally responds immediately and appropriately to reported weaknesses and demonstrates a willingness to adopt recommended improvements, while executive management requires, encourages and monitors quality and continuous improvement in the Group's network of governance, risk management and control systems and processes.



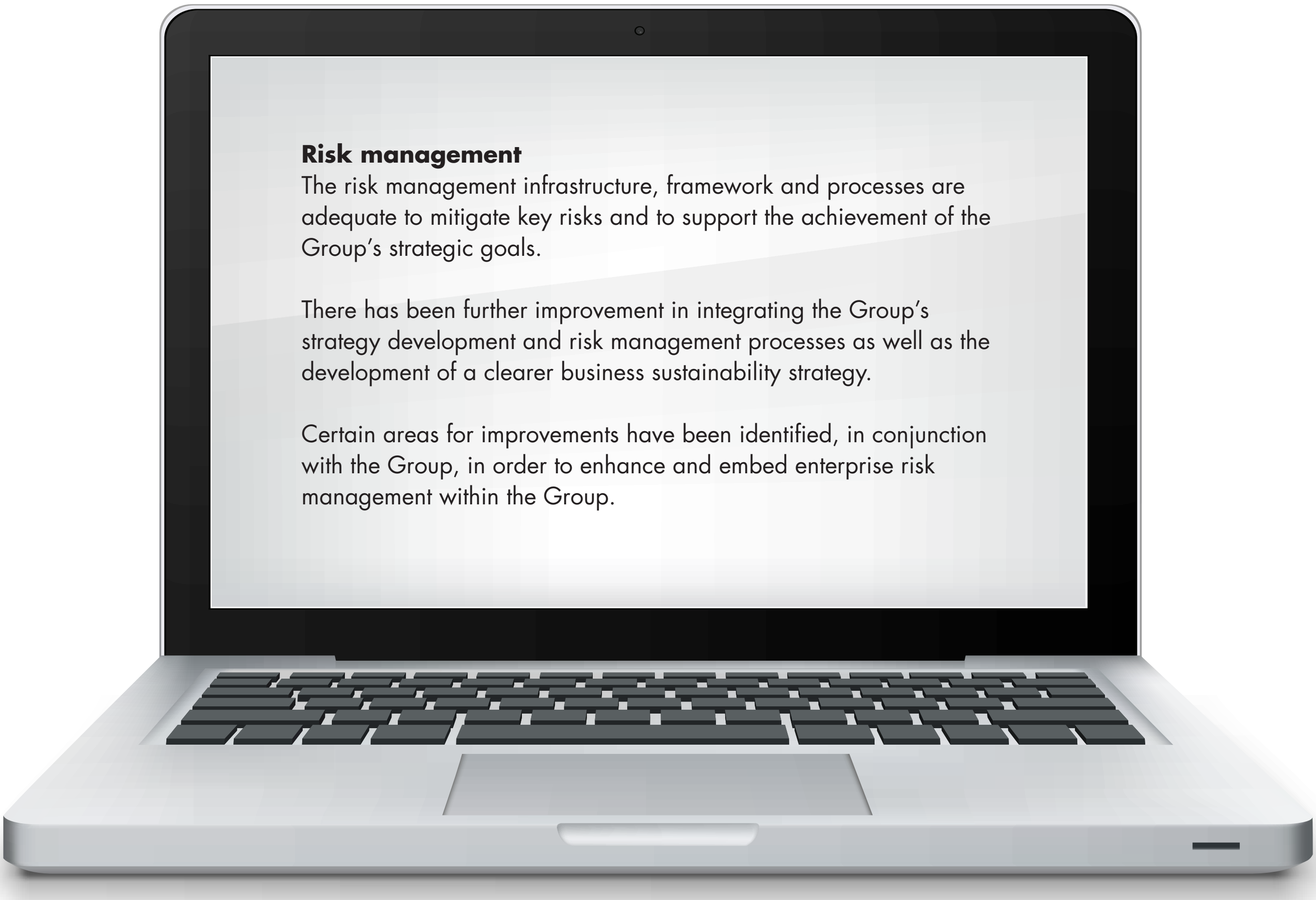
Governance

There are very good governance structures and processes in place to:

- Promote appropriate Group ethics and values;
- Ensure effective organisational performance and accountability; and
- Adequately co-ordinate communication and activities among the board, external and internal auditors and management.

The following areas are in the early implementation stage and management has identified initiatives to progress these areas over the next two years:

- Monitoring of IT performance metrics; and
- Combined assurance.



Risk management

The risk management infrastructure, framework and processes are adequate to mitigate key risks and to support the achievement of the Group's strategic goals.

There has been further improvement in integrating the Group's strategy development and risk management processes as well as the development of a clearer business sustainability strategy.

Certain areas for improvements have been identified, in conjunction with the Group, in order to enhance and embed enterprise risk management within the Group.

Internal controls

There has been a continued improvement in internal controls across the Group, especially in areas that have been re-audited. Isolated instances of fraud within the Group were identified, mainly at a store level, and of immaterial amounts.

AUDIT AREA	2012	2011	2010	2009
Corporate audits	Very Good (91%)	Very Good (91%)	Very Good (91%)	Adequate (85%)
IT audits	Adequate (89%)	Adequate (87%)	Very Good (92%)	Adequate (89%)
Operational audits	Very Good (90%)	Very good (93%)	Very good (92%)	Very good (91%)

RISK AND SUSTAINABILITY COMMITTEE REPORT

The Board of Directors is accountable and responsible for the governance of risk and sustainability, and is satisfied that the Group's management has acted within its risk appetite.

Board commitment

The Board is committed to increasing shareholder value by operating in a manner that understands the calculated risks that are taken in order to optimise opportunities, and protect against risks and uncertainties that could threaten the achievement of its strategic objectives.

Composition

The Group's Risk & Sustainability Committee, established in May 2010, operates in terms of a formal mandate. The Committee comprises two non-executive Directors and three executive Directors, and is chaired by Mr Nigel Payne, the Group's non-executive Chairman. The Committee mandate is published on the Group website: www.mrpricegroup.com/governance.

Role

The Committee is responsible for providing risk management oversight, including monitoring the effectiveness of the risk management framework and the Group's sustainability responsibilities. The Committee reviews key opportunities and risks, assesses risk mitigation plans and reports back to the Board. The Committee gives due consideration to the legitimate and fair expectations of all key stakeholders, resource constraints, external pressures and the drivers of the Group's sustainability.

Management is accountable to the Board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Group. Management is also accountable for building the competencies and capacity required for a sustainable business.

Risk management

During the year under review, the Committee fulfilled its mandate by meeting four times to discuss the following key issues:

Enterprise-wide Risk Management (ERM)

Framework

The ERM Framework, which guides the Group's approach to identifying, evaluating and responding to key opportunities and risks that may impact on strategic objectives, is reviewed annually for appropriateness.

Key features include:

- Risk management is integrated into the Group's strategic process and the Group's performance management system, through Key Performance Indicators (KPI's);
- Business leadership recognises that the drivers of risk/increased volatility also offer opportunities to be optimised to increase revenue, shareholder value and satisfy the customers' needs;
- Stakeholder expectations are defined and prioritised;
- The Group's business sustainability risks are defined; and
- The concept of 'integrated thinking' has been introduced to raise awareness of the importance of risk consideration at every business decision and to warn against trying to silo risk.

Future Objectives

An important part of the ERM strategic development process is the annual review of the effectiveness and efficiency of the various components of the ERM Framework to identify gaps and opportunities for improvement. An ERM Maturity Model was used to assess the current level of ERM progress against ERM best practice, resulting in the definition of the desired level of ERM Maturity for the next five year period.

The Risk Management function is being taken to the next level with the development of the legal compliance framework and implementation of the combined assurance model.

Risk Profile

There were no undue, unexpected or unusual risks taken by the Group and no material losses were incurred during the year.

Risk Appetite

The Board has formally defined its appetite for risk, which is reviewed annually. The risk appetite was defined after considering the Group strategy, stakeholder expectations and the risk profile. The Group encourages entrepreneurial behaviour but assesses risk carefully. There were no material deviations from the Group's risk appetite in the period.

Key Business Risks and Opportunities

Key relevant business opportunities and risks were discussed comprehensively by the Committee during the year. Refer to pages 17 to 19 for a summary of the Group's Key Risks and Opportunities.

Business sustainability

The Group identified the following issues that are relevant to its ability to create and sustain value in the longer-term:

Context	Future focus area	Key stakeholders	Page reference
Value	Continue to increase efficiencies to improve margins and maintain the low cost structure.	Customers Shareholders Associates Suppliers	Activities carried out in relation to the strategic framework and strategic profit model – pages 24 and 25.
Logistics	Continue to improve supply chain capacity and cost efficiencies.	Associates Suppliers	Group Logistics and Distribution – page 78.
Systems	Information technology and business systems innovation.	Associates Suppliers	Systems – page 77.
Suppliers	Product sourcing and enhanced level of engagement with key suppliers.	Associates Suppliers	Supplier Engagement – pages 38 and 39.
Growth	Continue to sustain the sales growth through: 1. Maximising local opportunities (new locations, products and markets); 2. New channels (such as e-commerce); and 3. International research (testing owned stores in Africa).	Customers Shareholders Investor community Associates Suppliers	Reports of the CEO and CFO – pages 44 to 53, Customer and Brand Interaction – pages 34 to 37.
People	Grow the human capital, including: 1. Merchandise and emerging leadership development; 2. Focused development of Asian, Black and Coloured associates for middle and senior management succession; and 3. Change management processes.	Associates	Report on our People – pages 28 to 33.
Social	Continue to invest in the community and support sustainable BBBEE.	Shareholders Associates Suppliers Government Communities in which we operate	Transformation Committee Report - pages 100 to 105.
Environment	Formal Utilities Management Committee (UMC) established with a mandate to focus on key areas within utilities management for the Group.	Shareholders Associates	Refer below.

The Group completed its second carbon footprint assessment during this reporting period. The accuracy and completeness of the calculation continues to improve due to the application of data analytics. The 2012 carbon footprint calculation is a self-assessment using in-house developed software. The carbon emission for this financial year is 141 485 tonnes CO_2e, with 96% of our carbon emission related to electricity consumption. The scopes reported on are as follows:

		Tonnes CO_2e	
Scope	**Emission sources**	**2012**	2011
Scope 1	Consumption of fuel of company owned vehicles	**2 593**	2 344
	Consumption of fuel for generators (stationary fuels)	**4**	6
	Refrigeration and air conditioning equipment (fugitive emissions)	**2 526**	688
Scope 2	Consumption of purchased electricity	**136 362**	144 554
Total		**141 485**	147 592

TRANSFORMATION COMMITTEE REPORT

The Group is committed to driving social transformation and BBBEE in a way that is both meaningful and sustainable.

Mr Price gave ownership to staff long before it was fashionable to do so and prior to BBBEE legislation.

COMPOSITION

Established in March 2009, the Transformation Committee operated in terms of a formal mandate, and comprised two executive and three independent non-executive Directors. It was chaired by the CEO, Stuart Bird. This Committee was disbanded with effect from March 2012, in light of the formation of the new Social and Ethics Committee. However, the executive Transformation Committee, under the Chairmanship of Mr Bird, will continue to meet bi-annually.

The Group could have accelerated its BBBEE accreditation via an external empowerment deal, but it made the strategic decision to embrace the true broad-based intention to sustainably impact thousands of lives rather than a select few.

ROLE

The Committee monitored the Group's transformation progress and was supported by the Executive Transformation Committee, which was charged with developing and implementing the BBBEE strategy and transformation initiatives.

Independently verified by BEESCORE, a SANAS accredited verification agency, against the DTI's BBBEE generic scorecard.

BBBEE SCORECARD

Element	**Total weighting**	**2012**	2011
Ownership	20	5.46	11.29
Management	10	3.68	2.97
Employment Equity	15	6.01	6.09
Skills Development	15	12.00	10.43
Preferential Procurement	20	11.20	17.79
Enterprise Development	15	8.80	0.77
Socio-economic Development	5	5.00	4.26
Total	**100**	**52.15**	53.60
BBBEE contributor level		6	6

SCORECARD COMMENTARY

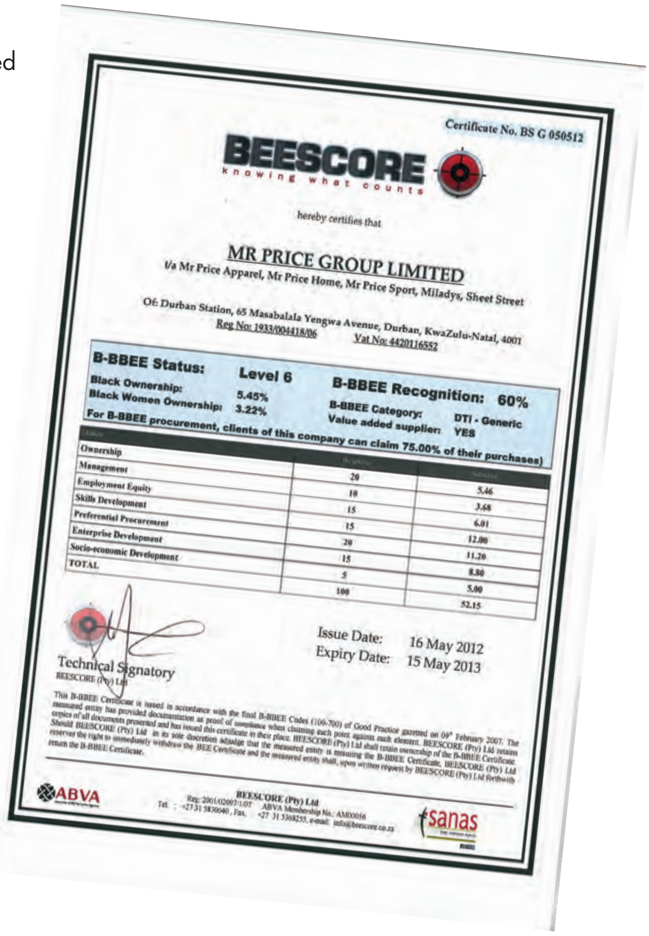
Ownership
The Group's score under this element of the scorecard decreased due to changes in the application of the BBBEE Codes of Good Practice associated with black ownership of less than 25%. The Group continues to achieve its score through the Mr Price Partners Share Trust, which has 95% black participants.

Management Control
Movements at Board level were the reason for the increased score on this element.

Employment Equity
The employment equity and skills development forum met six times during the year, with the focus on identifying barriers to affirmative action as well as achieving diversity. The Group remains fully compliant in the areas required by the Employment Equity and Skills Development Acts.

The Group has realistic, Board-approved employment equity goals and targets set to 2017. Through highly focused talent management programmes, key individuals are identified and developed for future positions ensuring the right skills fit by position.

Despite progress at senior, middle and lower management levels, the score has not changed significantly due to the increased targets prescribed by the BBBEE Codes of Good Practice. Scope for growth at top and senior levels is limited, due to low turnover levels and lack of skills in the suitably qualified talent pool at these levels. All divisions are encouraged to look for opportunities to fill the vacancies as they arise, in a diversified manner, in keeping with the Group philosophy.


Certificate No. BS G 050512

BEESCORE
knowing what counts

hereby certifies that

MR PRICE GROUP LIMITED
t/a Mr Price Apparel, Mr Price Home, Mr Price Sport, Miladys, Sheet Street

Of: Durban Station, 65 Masabalala Yengwa Avenue, Durban, KwaZulu-Natal, 4001
Reg No: 1933/004418/06 Vat No: 4420116552

B-BBEE Status: Level 6
Black Ownership: 5.45%
Black Women Ownership: 3.22%
B-BBEE Recognition: 60%
B-BBEE Category: DTI - Generic
Value added supplier: YES
For B-BBEE procurement, clients of this company can claim 75.00% of their purchases)

Ownership	20	5.46
Management	10	3.68
Employment Equity	15	6.01
Skills Development	15	12.00
Preferential Procurement	20	11.20
Enterprise Development	15	8.80
Socio-economic Development	5	5.00
TOTAL	100	52.15

Technical Signatory
BEESCORE (Pty) Ltd

Issue Date: 16 May 2012
Expiry Date: 15 May 2013

This B-BBEE Certificate is issued in accordance with the final B-BBEE Codes (100-700) of Good Practice gazetted on 09th February 2007. The measured entity has provided documentation as proof of compliance when claiming each point against each element. BEESCORE (Pty) Ltd retains copies of all documents presented and has issued this certificate in their place. BEESCORE (Pty) Ltd shall retain ownership of the B-BBEE Certificate. Should BEESCORE (Pty) Ltd in its sole discretion adjudge that the measured entity is misusing the B-BBEE Certificate, BEESCORE (Pty) Ltd reserves the right to immediately withdraw the BEE Certificate and the measured entity shall, upon written request by BEESCORE (Pty) Ltd forthwith return the B-BBEE Certificate.

ABVA

BEESCORE (Pty) Ltd

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The Group employment equity statistics for South African operations are (number of associates):

Occupational levels	Female				Male				Foreign Nationals		Total
	Asian	Black	Coloured	White	Asian	Black	Coloured	White	Female	Male	
Top management	1			7				28			36
Senior management	9		2	40	4	2	1	38	1		97
Middle management	51	15	14	149	51	8	1	103		1	393
Junior management	271	895	554	486	115	394	106	128	3	1	2 953
Semi-skilled	285	3 225	1 020	146	89	1 352	256	45	1	4	6 423
Unskilled	5	43	9		11	53	1				122
Total permanent 2012	**622**	**4 178**	**1 599**	**828**	**270**	**1 809**	**365**	**342**	**5**	**6**	**10 024**
Non-permanent 2012	147	3 711	979	140	84	1 685	398	69	7	20	7 240
Total	**769**	**7 889**	**2 578**	**968**	**354**	**3 494**	**763**	**411**	**12**	**26**	**17 264**

Skills Development

The Red Cap Academy continues to run successfully and a total of 14 681 courses have been completed through the e-learning programme this year. Please refer to the Report on our People (page 28) for more details.

	2012	2011	2010
Black associates trained as percentage of total trained	**87**	83	78
Percentage of Asian, Black, Coloured associates trained through e-learning	**94**	94	94
Percentage of Asian, Black, Coloured associates on learnerships	**83**	77	89
Total annual number of hours allocated to learning	**246 393**	198 345	145 736

Preferential Procurement

The Group continues to engage with its suppliers to understand their BEE status and encourages them to embrace the spirit of BBBEE. Due to the significantly increased targets prescribed by the BBBEE Codes of Good Practice, there has been a decline in the score this year despite continued efforts in this area which include increasing merchandise acquired by local manufacturers by 17% in the last year.

Enterprise Development

The Group's Enterprise Development vision is to enhance the ability of the Group to quickly respond to merchandise requirements by significantly reducing lead merchandise times through an agile and flexible local supply base.

During the year under review, the opportunity to assist a local footwear manufacturer was pursued. After extensive research and analysis, a strategic relationship with the manufacturer was formalised and funding was extended to assist them to grow their manufacturing capacity. All divisions are actively looking for opportunities to support local suppliers to achieve their vision.

The Group believes that these initiatives are critical in contributing to growing the local economy and will continue to focus on identifying further opportunities to assist local suppliers in the years ahead.

Socio-Economic Development

Social investment is important to the Group as it understands that a healthy business depends on a healthy society, and that making this contribution ultimately reflects positively on the bottom line.

	2012	2011	% change
Cash donations (R'm) - RedCap Foundation - Sports Development	**13.0** **68%** **32%**	10.9 79% 21%	19 (11) 11
Total social investment (R'm)	**13.0**	11.4	14
Total social investment as a percentage of the Group's net profit after taxation	**1%**	1%	-

RedCap Foundation NPC

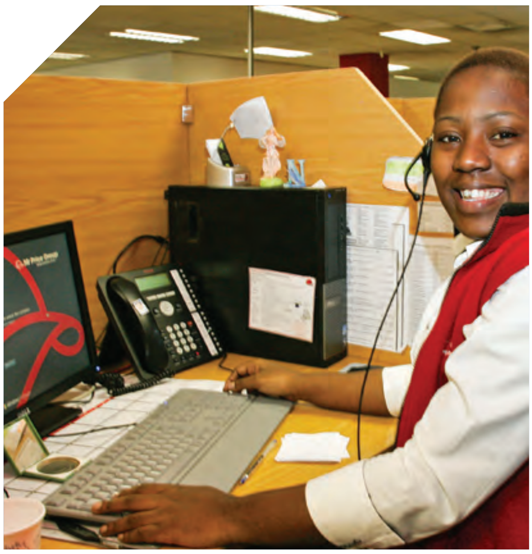
The RedCap Foundation has a vision for South Africa where young people create social change by being inspired, healthy and engaged citizens. The Foundation realises this vision through sustainable interventions focused on national priorities.

The Foundation's approach has been to identify potential interventions that can assist the current education system to improve the quality of education. Initially experiments and testing of innovative interventions is performed on a small scale with the ultimate objective of reaching the nation by systemically applying the interventions.

RedCap Schools

During the year under review, the RedCap Foundation continued to strive for excellence in school education, and worked tirelessly to develop content knowledge of teachers with the objective of improving learner performance in five primary schools in KwaDukuza, KwaZulu-Natal. This initiative, the RedCap Schools Project, is a five year Whole School Development approach, as the Foundation is acutely aware of the time required to bring about school reform.

RedCap JumpStart



A R17.5 million grant was awarded to the RedCap Foundation's JumpStart programme in March 2012. The grant was awarded through the National Treasury's Jobs Fund initiative and is administered by the Development Bank of South Africa. Funds will be dispersed over a period of three years, which will enable the RedCap Foundation to scale up its work to improve the job readiness level of 6 000 matriculants in all nine provinces.

The application includes provision for skills training targeted at the specific needs for the retail industry (including skills needed by the Group for entry level associates), thereby assisting in preparing a pool of available young people to fill new and existing vacancies over the next three years.

RedCap YoungHeroes

The Foundation has delivered on the plans to establish three Centres of Excellence in physical education and school sport, in a partnership with the National Department of Education. Schools reported improved attendance of learners, better concentration in the classroom and, for the first time, some of these learners experienced structured physical education and after school sport targeted at developing age appropriate gross motor skills in primary school children as reported in the Monitoring & Evaluation Report, 2012.

RedCap Foundation is a registered non-profit and public benefit organisation. It has already made a positive impact on more than 208 000 children and youth from impoverished communities. The Foundation publishes its own activities and annual report on the website: www.redcapfoundation.org.

RedCap Sport NPC

During the year, the Group registered RedCap Sport, a non-profit company focused on driving sport for development programmes reaching youth from low income communities.

RedCap Sport has a vision to contribute to South African society, by using sport as a vehicle for social development and positive change.

The objective is to use sport to develop social skills, such as teamwork, healthy lifestyles, academic support and self-esteem in high school learners from marginalised communities in South Africa. Structures for sports participation are created where high school learners can participate in regular sports games within their communities.

Mr Price High Schools Soccer League

Since its inception in 2005, the Mr Price High Schools Soccer League in Mitchells Plain has significantly impacted on the lives of many young people. By removing them from a life of potential crime and creating opportunities for them to participate in structured sport, they develop their talent and are offered a healthy alternative for their after school hours.

The league was established in KwaDukuza in 2011, and then expanded in 2012. During the year, RedCap Sport established three additional high school leagues in Limpopo, Soweto and in the Northern Cape where learners, for the first time, were able to play in a structured league. All high schools in the district participate in games over an extended period of time.

The high school leagues, funded by RedCap Sport in partnership with its implementation partners and the Department of Education, supported 100 schools in five provinces, benefitting 2 000 learners and 100 teachers.

Independent impact assessments confirmed that these structures for learners to play sport regularly on a continuous basis, positively impacted on their academic performance, social behaviour, self-esteem and opportunities for a future career in sport.

REMUNERATION REPORT

This report provides an overview of the Group's remuneration philosophy, policy and practices, focusing on senior management, executive Directors and non-executive Directors.

The main areas covered are:

- Remuneration philosophy;
- Implementation of remuneration policy during the year; and
- Proposals for future remuneration policy.

The Group has comprehensively reviewed its remuneration practices in relation to King III and to maintain its competitive edge, has applied those principles appropriate for the business.

Remuneration philosophy

The Group's associates are its most vital resource. Each associate is valued for his or her role in representing the Group culture, contributing to the brand's success and preserving its entrepreneurial management style. By providing associates the room to grow and prove themselves, the Group enables ordinary people to achieve extraordinary things. Key to the Group's future growth and sustainability is the ability to attract, retain and motivate competent people.

The remuneration philosophy centres around creating partnerships with associates in the journey of continued growth. This is achieved by providing market-related base pay and benefits, attractive performance-driven incentives, recognition and reward programmes and share option schemes. Being a value retailer, the Group aims to pay basic salaries and benefits at the market median. In the case of newly appointed associates whose remuneration is below the median level, it is the intention that adjustments will be made to bring them to the median over a three year period, commensurate with their increased experience. The Group provides associates the opportunity to earn well above the median level through generous incentives. This is achieved by reaching stretch performance targets, thereby aligning associates' efforts with strong corporate performance and increased shareholder value. Each incentive measure is within the scope and control of the individual concerned with only certain executive Directors' measures including an element based on headline earnings per share.
The Group preserves its unique organisation by developing 'homegrown' talent and therefore an active succession plan is maintained to achieve internal promotion. Where external appointments are made, 'fit' with the culture is a key consideration. External senior appointments are only made where the internal competency is absent or where an urgent need exists to fill a critical vacancy for which no internal candidate is prepared.

Driven by the principles of Passion, Value and Partnership, the Group culture encourages high performance as the key driver of business success.

Implementation of remuneration policy during the year

Remuneration policy and practices

The Directors recognise that remuneration policies and practices are of utmost importance. The Board sets the remuneration framework for all associates, as recommended by the Remuneration and Nominations Committee. Management constructs proposals based on this framework for recommendation to the Committee. The Group's remuneration policies are designed to ensure that there is an appropriate balance between long and short-term benefits and between entrepreneurship and risk.

Remuneration levels are influenced by work performance and scarcity of skills, taking into account the highly competitive environment for merchandising skills. Given that performance-related incentives form a material part of remuneration packages, ongoing performance feedback is vital. Associates annually participate in performance and career development evaluations, focusing on work achievements, learning and development needs, values and cultural alignment. Remuneration is not influenced by race, creed or gender, with the emphasis on equal pay for equal work.

Professional external agencies and services providers assist the Remuneration and Nominations Committee from time to time. Where this involves the remuneration of senior management and non-executive Directors, share option awards and remuneration of executive Directors, benchmarking comparatives are made against companies listed on the JSE, the retail sector and/or specified industries for specialist positions. Each position is strictly benchmarked against like-for-like criteria and necessary adjustments are made to ensure competitive pay. This external benchmarking takes place every two years, with inflationary adjustments made in alternate years. In establishing an appropriate peer group for organisational benchmarking, the individual's role and business size (including market capitalisation and turnover), profit before tax, total assets, number of employees and annual salary and wage bill are taken into account. The level of the individuals' decision-making is an additional consideration. The next benchmark assessment will take place in the forthcoming financial year, for implementation on 1 April 2013.

There is strong alignment between the types of benefits offered to permanent associates. The Group can justify areas where differentiation has been applied, specifically where consideration has been given to the position's seniority and the need to attract and retain key skills.

Governance structure

Board

The Board is ultimately responsible for the remuneration philosophy, policy, practice and framework.

Remuneration and Nominations Committee

The Committee oversees the remuneration of senior management and Directors. It operates according to a formal Board mandate (refer to www.mrpricegroup.com) and comprises four independent non-executive Directors, Mr MR Johnston (Chairman), Mr NG Payne, Mr MJD Ruck and Mr WJ Swain and one non-executive Director, Mr K Getz. Mrs RM Motanyanewas a member of the Committee until March 2012. She resigned from this Committee in order to become a member of the new Social and Ethics Committee. Other executive and non-executive parties attend committee meetings where appropriate, but no individual is present when their remuneration is discussed. Meeting attendance is disclosed under Governance Structures on page 89. The Chairman attends the Annual General Meeting (AGM) and is available to answer shareholders' questions regarding the remuneration policy, its application and the Committee's activities.

Annual fees payable to committee members during the 2012 financial year and approved at the AGM in August 2011 were:

- Chairman R100 000
- Member R64 000

The Committee met four times during the year under review. In respect of its nominations activities, the philosophy guiding the Committee on Board appointments and annual evaluations is outlined in the Governance Structures report on pages 85 and 86. In satisfying its mandate in remuneration focused matters, the main activities undertaken were:

- Conducting an annual self-evaluation review. Certain improvements in the Committee's processes and operational methods were approved and steps and targets to progress the improvements agreed. The mandate was reviewed and updated at the Special Corporate Governance meeting in March 2012;
- Overseeing the establishment of, in accordance with a formal terms of reference, a Social and Ethics Committee, taking into account the statutory requirements of this Committee and the areas of focus of the other Board committees;
- Reviewing and amending the employment contracts for executive Directors, non-executive Directors and divisional Directors;
- Reviewing the current method of allocation of shares/ options under the staff share schemes and proposing revised allocation formulae to the Board, in line with the recommendations received from external consultants PwC (these changes are fully detailed on pages 118 to 119 in this report);
- Reviewing the responses received from shareholders on the Remuneration Report included in the 2011 Annual Integrated Report and identifying opportunities for improvement in future disclosure; and
- Upon the retirement of Mr McArthur, considering a suitable successor for the position of Chairman of the Board and proposing the appointment of Mr Payne. The Committee then undertook a benchmarking exercise to determine suitable remuneration for Mr Payne in his new position of independent non-executive Chairman.

People Division

The People Division is an integrated team responsible for implementing and monitoring human resources policies and processes. The People Director heads the division, reporting directly to the CEO, and attends divisional board and managing Directors' meetings.

Key responsibilities include researching market trends in employee remuneration, benchmarking remuneration policies and practices to retail and other sectors and making remuneration recommendations to management. The main activities undertaken during the year under review were:

- Reviewing, revising and re-issuing executive letters of appointment to reflect current contractual and remuneration status. These were duly signed by the individuals concerned;
- Reviewing pay structures, in particular cost-to-company options. Although limited options were identified, a personalised communication to every associate indicating in detail their total cost-to-company breakdown was made. This group-wide communication will be conducted annually, allowing associates to fully understand the true value and benefit of their employment contract with the Group;
- Communicating share scheme changes to associates, and where requested, the provision of externally conducted personal financial counselling for those associates receiving substantial share scheme payouts; and
- Assisted by PE Corporate Services SA, conducting a comprehensive and in-depth salary benchmarking exercise for all positions below divisional Director level (as these were benchmarked in the previous year). This has allowed accurate external market comparisons by position, and detailed evaluation of internal remuneration equity across divisions. Importantly this revealed that, relative to the market, the Group reimburses associates in line with its stated remuneration philosophy of basic salary and benefits at the median, supplemented by performance incentives and rewards.

Employment contracts

All associates sign letters of employment, which stipulate their notice period. The contract may be terminated by either party giving written notice of one month for a store or head office associate, three months for a divisional Director and six months for executive Directors.

Despite the abovementioned provisions, either party may terminate the contract of employment without notice for any cause recognised by law or by agreement by both parties to waive the notice period. Contracts are also terminated in the event of a dismissal without the associate having an entitlement for compensation.

Employment contracts do not contain provisions relating to:

- The compensation of executives for a change of control of the Company;
- Providing 'balloon' payments on termination or retirement; or
- Restraint of trade payments.

Remuneration structure

Remuneration and reward structures comply with the remuneration philosophy and are categorised in three components:

- Fixed remuneration: base pay, medical aid benefits, car allowance (where appropriate) and retirementbenefits;
- Variable remuneration: short-term performance-related incentives; and
- Long-term incentives: shares and share options.

Refer to page 115 for the breakdown of executive Directors' total remuneration for the year.

Fixed remuneration

- Basic Pay

Fixed salary and benefits are reviewed at least annually. Where the Group needs to urgently attract core skills, pay above the median would be considered without disrupting internal equity and in line with the Group's commitment to ensuring the right candidate fit. All associates are assured to earn above legislated minimum wages.

- Medical aid

Group medical aid scheme membership is offered to all full-time associates, but is not a condition of service. Due to many associates either already being on spouses' medical aid schemes or for affordability reasons, the historical take-up rate has not been high. At year end there were 3 959 associates covered by Group medical aid. Associates are approached to join the cost-effective Discovery KeyCare Plus scheme to gain access to hospital care, chronic illness benefits (including HIV/Aids care) and daily benefits including doctors and medicines. The scheme is offered to associates and contributions are linked to income levels to improve affordability.

Post-retirement medical aid benefits, which are no longer a condition of service, are available to 33 pensioners and 134 present associates who remain members of the defined benefit pension fund. These benefits are no longer available to new associates. Further information is detailed in note 29.2 on page 171.

- Retirement funds

Retirement benefits for the majority of associates employed in South Africa, Swaziland and Lesotho are provided in a funded defined benefit fund and two funded defined contribution funds. Associates employed in Namibia, Botswana and Nigeria are members of separate defined contribution funds in those countries. The defined benefit fund was closed to new entrants with effect 1 June 1997. The funds provide for pensions and related benefits for permanent associates and membership is compulsory after the first year of service. At year end 8 811 out of a total of 10 417 associates (84.6%) were members of one of the abovementioned retirement arrangements

- Vehicle allowances and expenses

These benefits, which include a motor vehicle allowance or company car, fuel, maintenance and insurance costs, are offered to certain associates whose position requires them to travel for business purposes. Certain associates that are required to travel less frequently for business purposes are reimbursed for this cost. The benefit value is commensurate with the level of seniority. No material ex-gratia payments are routinely paid.

Variable remuneration

- Performance incentives: short–term

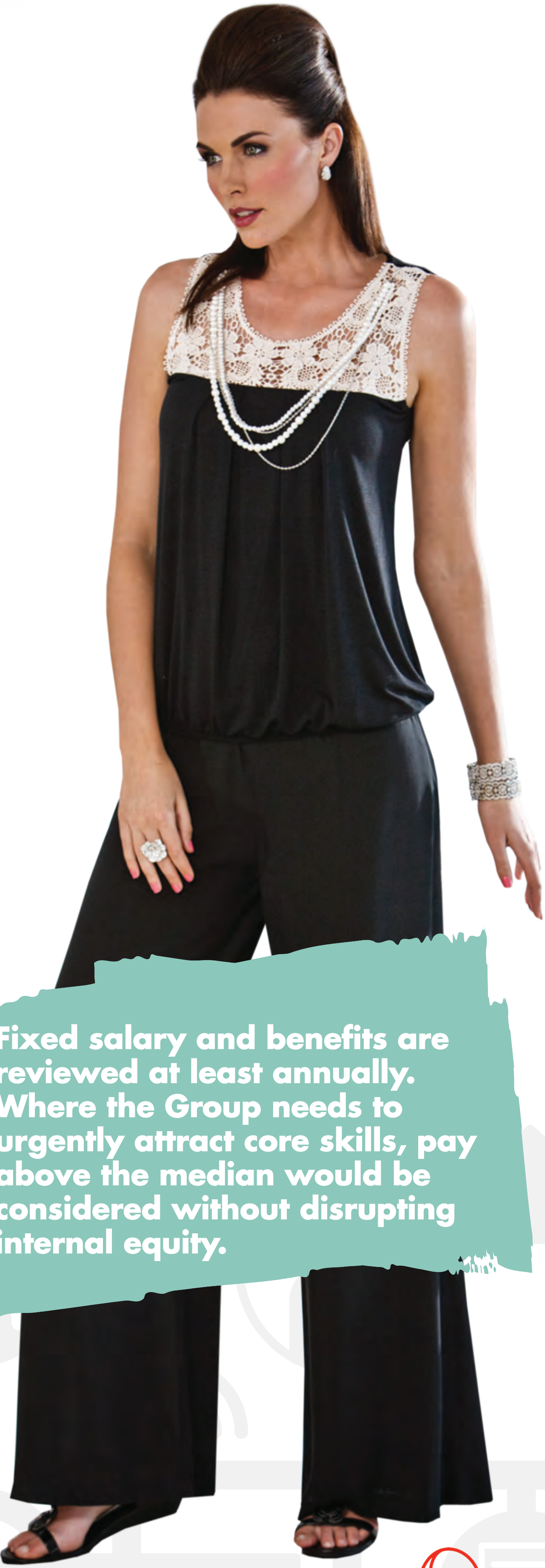
Incentive schemes related to performance and control criteria are in place. Although challenging targets are set, the incentive schemes are potentially generous to encourage the achievement of targets that can be directly influenced by superior performance. Incentives are tied to specific areas under the individual's control as follows:

- *Store associates and management*

Store associates and managers are rewarded for achieving and exceeding targets in their operational areas. Store associates are measured not only on sales, but also shrinkage, inventory write-offs and other similar measures. Store managers and assistant store managers are set targets in these same areas of performance and are measured on store profits and internal audit scores. Area managers, co-ordinators and operations managers are set targets based on area or regional profits, shrinkage, timely action of markdowns and internal audit scores.

- *Executive Directors and senior management*

A strong relationship exists between executive incentives and long-term, sustainable value created for shareholders. The incentive portion of Directors' and senior managers' earnings are tied to financial and non-performance targets measured as a multiple of monthly salary. The achievement of predetermined targets is a function of:



Fixed salary and benefits are reviewed at least annually. Where the Group needs to urgently attract core skills, pay above the median would be considered without disrupting internal equity.

– Measurable Company performance

- dependent on the executive's work function. Targets are linked to the Group's performance (where applicable) or the executive's divisional performance and are tailored annually to ensure alignment with the key business imperatives for the year.

These awards are only made if the Group or division achieves its budgeted half year and annual profit targets, in essence this is the 'gatekeeper'. In that event, a maximum award of three months' salary is awarded. The bulk of the short-term incentive award therefore depends on exceeding budget and achieving stretch performance targets.

For the 2012 financial year, Executive Directors' targets included growth in core headline earnings per share, return on equity, return on operating assets and the Group maintaining BBBEE compliance at a predetermined level. The maximum that can be earned is equal to 12 month's basic salary.

Divisional executives were measured on divisional profitability, stock turn, shrinkage, internal audit scores, cost curtailment, profitability of franchise stores, net bad debt write-off percentage and the achievement of certain strategic key imperatives. In the case of service divisions like Systems and People, particular deliverables such as budgeted costs, service delivery, innovative business improvements and achievement of key imperatives are considered. Group Real Estate is measured relative to the success achieved in meeting divisional trading space targets, rent per square metre paid for new or renewed leases, the cost per square metre of developed store space and the introduction of energy efficient solutions. The Director of Risk and Sustainability is measured on the design and implementation of an improved risk management methodology, including setting appropriate controls and measurement criteria, as well as a reduction in the Group's carbon footprint.

The methodology also includes penalty clauses - if there is a decline in internal audit score, shrinkage or stock turn to below a certain threshold, then a negative score is allocated, reducing the overall incentive payable.

The maximum that can be earned varies between six and 12 months basic salary, depending on the associate's position and the division in which they are employed.

The incentive schemes for the 2013 financial year have been further enhanced to provide a better balance between short-term results and the achievement of key imperatives that will result in building a sustainable business.

– Personal performance

- incorporating areas of demonstrated performance contribution like leadership, innovation, effort and teamwork. Measuring these 'soft' issues necessitates more subjective judgement and is determined via individual and peer reviews. For executive Directors, there is a cap of 12 month's salary relating to personal performance, but this is only achieved in exceptional circumstances. For senior management, 'soft' awards are generally capped at two months basic salary, although in deserving circumstances, the CEO can propose a higher award. A poor personal performance evaluation can reduce or eliminate the incentive due under measurable company performance.

In setting performance targets, the Remuneration and Nominations Committee ensures targets are linked to the Group's or division's annual key imperatives, are substantially within the associate's control, do not expose the organisation to undue risk caused by reckless behaviour and that there is an appropriate balance between short-term and long-term incentivisation. Through the incentive bonus system, the Group rewards associates who have contributed to meeting short-term targets. The Company does not defer bonus payments as it is essential to attract and retain bright young talent, many of whom are at the age that they are committing to their first property purchase or financing their children's education.

Associates have to be in the Company's employ at year end to receive incentive bonuses, unless due to specific circumstances, alternative arrangements have been approved by the Remuneration and Nominations Committee.

All associates participate in a 'December bonus' scheme that generally commences at the level of 20% of an associate's monthly salary per completed year of service up to 80% (after four years), followed by an additional 20% after the completion of 10 years' service. This incentive is not guaranteed and is payable at the discretion of the Company.

Long-term incentives

The Group encourages ongoing equity ownership in the Company through share schemes, believing that associates should share in the Group's long-term success. Consequently, comprehensive share schemes have operated for many years, benefitting associates and enabling them to achieve personal financial security. All associates are either awarded options under one of the share option schemes or shares under the Mr Price Partners Share Scheme. Associates in junior positions, where staff turnover is relatively high, are only awarded shares or options after being permanently employed for 12 months. The share schemes are subjected to an annual review to confirm their validity and affordability.

At the time of designing the new share schemes in 2006, a key factor was that the share and share option schemes would, in essence, incorporate the Group's intentions regarding the ownership criteria of broad-based black economic empowerment (BBBEE). Rather than enter into an ownership deal with external parties, the Board resolved to embrace the true spirit of BBBEE and, subject to certain qualifying criteria, included all associates in its various share and share option schemes. In this way those responsible to contributing to the Group's success become partners in the business and are rewarded for sustained high performance. Mr Richard Shezi and Mrs Natasha Nair were elected trustees by the participants in the Partners Scheme in March 2011, which serves to ensure greater understanding and enhanced two-way communication between associates, the trustees and the Board.

Under the Partners Scheme black ownership is 95% and the average value of shares held on behalf of each individual associate is R86 480. During the financial year dividends received by each associate averaged R2 470.

Another design feature of the option schemes is that they are 'rolling schemes', in that annual awards are made according to market benchmarked criteria and the timing of these awards co-incide with a tranche vesting. This mechanism spreads the market risk, avoiding the situation where all options could be out of the money, which is a disincentive to associates. The Partners Share Scheme is an upfront award of free shares, rather than a rolling scheme in order that participants are fully engaged with regard to voting rights and dividend flows.

Re-pricing of strike prices is not permitted and options are not awarded to or exercised by key personnel in the Executive and Executive Director Share Schemes during closed periods.

Share options are awarded in expectation of service over a three to seven year period and must be exercised within 90 days of vesting, failing which they lapse. However permission will be sought from shareholders to increase the exercise period to five years for the Executive Share Trust and the Executive Director Share Trust.

The strike price mechanism for all share option schemes is calculated at the lower of the 30 day volume weighted average price (VWAP) for the period preceding the offer date, or the price on the day prior to the offer.

To ensure that participants do not benefit under long-term incentive schemes in the event of poor Company performance, no shares in the Senior Management or General Staff Share Trusts will vest unless the Group achieves growth in core headline earnings per share of consumer price index (CPI) plus 1%. Permission will be sought from shareholders that this performance condition be extended to the Executive Share Trust and the Executive Director Share Trust in 2013.

In terms of specific authority received from shareholders, the Company may issue 46 548 430 shares to satisfy the requirements of its share schemes. Since the new schemes were introduced in 2006, the Company has issued 9 463 292 shares and therefore still has 37 085 138 shares that may be issued for this purpose.

The Group's policy is to purchase shares on the open market to satisfy the requirements of the various share schemes, as opposed to issuing new shares. An outline of the various schemes in operation is set out below and further details are provided on pages 153 and 154.

• Mr Price Group Employees Share Investment Trust

This trust facilitates the purchase of shares in the Company by associates. All permanently employed associates may participate in the scheme with contributions funded by salary deductions subject to a limit of 15% of salary and car allowance per month. The Company assists by adding another 15% to all contributions. Dividends received are used to purchase further shares on behalf of participating associates.

• Mr Price Group Share Option Scheme

Although there are participating associates, no further offers have been made since March 2006.

The following share schemes were launched in November 2006:

• Mr Price Partners Share Trust (PST)

This scheme empowers and incentivises the majority of associates, most of whom are previously-disadvantaged. Allocations to new associates are made annually in November. Participation depends on the associate having been in the Group's full-time employment for at least one year and earning R9 500 or less per month, a threshold which is reviewed annually. Originally, shares were offered to associates for no consideration on the basis of 1 250 shares for assistant store managers and 1 000 shares for all other eligible associates. During the year under review and in line with the stipulations of the scheme rules, the Board approved a revision of the basis of allocation to ensure that the award per individual is based on a multiple of the associate's salary divided by the share price at the time of the award, thus limiting the Company's exposure. Voting rights vest with the associates and dividends accrued are paid bi-annually.

• Mr Price General Staff Share Trust (GSST)

This trust caters for associates who have been in the Group's full-time employment for at least one year and earn a minimum R9 501 per month, a threshold which is reviewed annually. Store managers are eligible for participation regardless of their salary level. Awards were previously made on the basis of one option per R1 of monthly basic salary, but, as in the scheme above, the Board, in line with the stipulations of the scheme rules, approved a revision of the allocation basis to ensure that the award per individual is based on a multiple of the associate's salary divided by the share price at the time of the award, thus limiting the Company's exposure.

• Mr Price Senior Management Share Trust (SMST)

This trust aims to motivate and retain key senior associates, as defined by management, and the quantum of options awarded depends on the associate's position. Options are subject to a performance-based reduction of the strike price on vesting, linked to the achievement of the five-year compound growth rates in divisional profits or, in the case of head office and service divisions, to a hurdle rate in Group profits. The first level of discount is only applicable in the event that the financial targets per the Group's strategic plans are met. Two levels of stretch targets above this level are also set. Executive Directors are specifically excluded from participating in this scheme.

• Mr Price Executive Share Trust (EST)

Certain divisional Directors and senior managers participate in this scheme. Options awarded are subject to a performance-linked reduction on the strike price on vesting, linked to a five-year compound growth rate in core headline earnings per share. The first level of discount is only applicable in the event that performance targets per the Group's strategic plans are met. Two levels of stretch targets above this level are also set. Executive Directors are specifically excluded from participating in this scheme. In the forthcoming year several amendments are proposed, refer to page 118.

- **Mr Price Executive Director Share Trust (EDST)**
  Executive Directors of the Company are awarded options determined by the Remuneration and Nominations Committee. The face value of the awards are benchmarked to seven listed retail companies and eight other companies with a similar market capitalisation. The last benchmark was performed in 2010 and this exercise will be repeated in the 2013 financial year.

The vesting timeframes (prior to proposed changes detailed on page 118) are as follows:

	PST	GSST	SMST	EST	EDST
Initial award (November 2006)					
Percentage of award vesting per tranche	100%	33%	20%	20%	20%
From award date, vesting equally over years	N/A*	5,6,7	3,4,5,6,7	3,4,5,6,7	3,4,5,6,7
New participants (after November 2006)					
Percentage of award vesting per tranche	100%	33%	33%	33%	20%
From award date, vesting equally over years	N/A*	5,6,7	5,6,7	5,6,7	3,4,5,6,7
New participants (after November 2011)					
Percentage of award vesting per tranche	100%	20%	33%	33%	20%
From award date, vesting equally over years	N/A*	3,4,5,6,7	5,6,7	5,6,7	3,4,5,6,7
Upon first tranche vesting, subsequent awards vest in one lump sum after (number of years)		5	5	5	5

*Note: Shares offered under this scheme only vest upon the death or retirement of the associate

Concerning the vesting of shares on retirement or for other reasons for ending employment, the Mr Price Executive Director, Executive, Senior Management and General Staff Share Trusts' rules stipulate:

– Associates retiring at 65 years may retain unvested share options that will vest according to their original timeframes. However, given associates are entitled to take early retirement from the age of 50, guidelines were established taking into account the age and years' service of associates retiring before 65. These guidelines permit the retention post-retirement of unvested options on a sliding scale whereby associates can take early retirement from 50 and retain their options if they have a minimum 25 years' service, to retirement at 64 which requires 11 years' service. Retirement at 65 does not require a minimum service period. In all other retirement or dismissal situations, unvested options will lapse unless the Board exercises its discretion and permits the exercise of any or all of the unexercised options.

– In the Mr Price Partners Share Scheme, retirement causes the shares to vest unconditionally. The age and length of service guidelines detailed above have also been applied to those associates retiring before 65.

Since the inception of the new share option schemes, the Board has exercised its discretion on an exceptional basis, and has allowed four associates to retain unvested options post resignation. In using its discretion, the Board considered the associate's length of service, resignation circumstances and the vesting period remaining on all offered tranches.

In three cases, the tranche closest to maturity was retained while remaining unvested tranches were forfeited. Furthermore, no accelerated vesting of share options is permitted.

The total unvested/unexercised shares and options at balance sheet date are as follows:

Share scheme	Number of participants	Number of options/ shares	% of total options	% of issued share capital [*1]
Mr Price Share Option Scheme	159	310 539	1	0.12
Mr Price General Staff Share Trust	1 458	14 161 514	43	5.35
Mr Price Senior Management Share Trust	182	4 862 938	15	1.84
Mr Price Executive Share Trust	30	3 634 900	11	1.37
Mr Price Executive Director Share Trust	5	3 979 100	12	1.50
Sub Total	**1 834**	**26 948 991**	**82**	**10.18**
Mr Price Partners Share Trust	6 549	6 003 333	18	2.27
Total [*2]	**8 383**	**32 952 324**	**100**	**12.45**

[*1] Issued share capital includes 16 222 560 B ordinary shares convertible into ordinary shares at the instance of the B ordinary shareholder on a one-for-one basis.

[*2] The Partners Share Trust is effectively the Group's BBBEE scheme. Excluding this scheme, the total reduces to 10.2% and the changed basis of allocation discussed above aims to reduce this to a 10% maximum.

The maximum number of options that can be awarded to any one participant in terms of all the share incentive schemes was increased to 3 000 000 last year. This was not approved for the Executive and Executive Director Share Trusts due to these resolutions, which contained several other proposed amendments, being withdrawn prior to the AGM. In order to ensure consistency across all share incentive schemes, approval will be sought at the forthcoming AGM to increase the maximum number of options that may be held by any one participant in the Mr Price Executive Share Trust and the Mr Price Executive Director Share Trust from 2 327 422 to 3 000 000 shares.

As a result of the activities carried out by both management and the Remuneration and Nominations Committee, coupled with input received from the Company's advisors, several changes to the long-term incentive plans are proposed. The benefits to both the Company and its associates have been carefully evaluated for suitability and affordability. Those changes which require shareholder approval are more fully explained on page 118 and 119 and are detailed in the notice of AGM on pages 180 to 196 of this report.

Directors' remuneration

• Executive Directors

The Remuneration and Nominations Committee annually reviews executive Directors' remuneration, set at the market median, to attract and retain the calibre required to successfully direct the Group's business. In line with the remuneration philosophy, performance-related incentives form a material part of the remuneration package and share option awards align the Directors and Group's interest in attaining profitable long-term growth.

Where appropriate, the Company enters into restraint and retention agreements with key executives (executive and divisional Directors) to secure their services. Historically, the Group has entered into 10 such contracts with certain Executive Directors and certain divisional Directors. Although the retention elements of these contracts has expired, the restraint clauses remain, stipulating that the Director concerned cannot join a competing retailer in any capacity for three years after leaving the Group. The costs associated with these contracts have been fully expensed in prior years and the Company has not entered into any such contracts in the current or previous financial years.

On 15 November 2011, the Chairman, Mr Alastair McArthur elected to take early retirement and resigned from the Board with an effective date of 1 January 2012. The Remuneration and Nominations Committee recommended the following payment in terms of the executive Director short-term incentive scheme:

- Measurable company performance - a pro rata allocation of nine month's salary out of a maximum possible 12 months, based on actual results up to 31 December 2011 and forecast results to 31 March 2012.

- Personal performance – a maximum award equal to 12 months salary was made in recognition of the achievement of two significant matters, being the resolution of all outstanding matters pertaining to the export partnerships in which the Company previously participated, and the completion of a successful transition to Mr Stuart Bird in his position as CEO.

In terms of the rules of The Mr Price Executive Director Share Trust, Mr McArthur was permitted to retain his entitlement to exercise share options previously awarded to him. These shares will vest as follows:

Date	Options	Offer Price
22 November 2012	327 000	R21.15
22 November 2013	327 000	R21.15
22 November 2014	396 000	R32.75
22 November 2015	250 000	R62.77

The Board is grateful to Mr McArthur for the contribution that he made to the Group over his 20 years' service, and the shareholder wealth created during his tenure as CEO and more recently as Chairman. During this period, the share price grew at a compound annual growth rate of 29.2% per annum and dividends grew at a rate of 22.7% per annum.

The emoluments of Executive Directors and prescribed officers for the year were as follows:

R'000	Salary	Bonus & performance related payments	Vehicle allowances and expenses	Pension contributions	Other benefits	Total 2012	Total 2011
SI Bird	3 553	6 217	149	734	130	**10 783**	8 548
MM Blair	2 624	4 112	295	552	100	**7 683**	7 152
SA Ellis	2 271	2 082	237	494	85	**5 169**	4 879
AE McArthur	2 975	5 850	233	620	34	**9 712**	9 693
S van Niekerk	-	-	-	-	-	**-**	6 029
CS Yuill	-	-	-	-	-	**-**	2 833
Total	11 423	18 261	914	2 400	349	**33 347**	39 134

Percentage change over prior year (14.8%)

Details of the interest of executive Directors in share options are as follows:

MR PRICE EXECUTIVE DIRECTOR SHARE TRUST	SI Bird*1	SI Bird*2	MM Blair	SA Ellis	AE McArthur*3	S van Niekerk*3
Options held at beginning of the year	120 000	1 031 000	652 000	520 000	1 627 000	470 000
Weighted average price granted (Rand)	21.15	37.66	33.64	26.27	30.37	22.38
Granted and accepted during the year	-	210 500	142 600	50 000	-	-
Exercised or taken up during the year	40 000	-	117 000	140 000	327 000	140 000
Difference between the total acquisition price and the market price of the shares on the date of delivery (R'000)	2 865	-	6 821	8 162	19 064	8 162
Options held or accepted at end of the year	80 000	1 241 500	677 600	430 000	1 300 000	330 000
Weighted average price granted (Rand)	21.15	44.25	44.82	33.77	32.69	22.91
Closing price (Rand)	94.34	94.34	94.34	94.34	94.34	94.34
Latest expiry date for exercise or take up	20/02/2014	25/08/2016	20/02/2017	20/02/2017	27/02/2016	20/02/2015

*1 The options awarded to SI Bird were awarded in terms of the Mr Price Executive Share Trust prior to his appointment as an Executive Director of the Company.

*2 Awarded under the Mr Price Group Executive Director Share Trust.

*3 Disclosure required although no longer Directors of the Company.

Make-up of executive Director's (employed at 31 March 2012) total remuneration for the year:

• Non-executive Directors

Non-executive Directors' fees, which comprise separate remuneration for Board activity and committee participation, are approved at the AGM. The fees are benchmarked against the same comparative group used for Executive Directors detailed on page 106, every two years and proposed at the median. Increases in the intervening years are linked to the Group's general inflationary salary increase percentage.

The Company does not pay an attendance fee per meeting as historically the attendance at meetings has been good and the performance of non-executive Directors is reviewed annually via peer evaluation. In addition, the Board has always felt that Directors contribute as much outside of meetings as they contribute within meetings. Proposed fees are detailed in the Notice of Meeting set out on page 193 for approval at the forthcoming AGM. Non-executive Directors do not participate in any short-term incentive schemes and do not receive share option awards.

The emoluments of non-executive Directors for the year were as follows:

R'000	Salary	Vehicle allowances and expenses	Pension contributions	Other benefits	Fees	Total 2012	Total 2011
LJ Chiappini	1 786	298	450	78	405	**3 017**	2 985
SB Cohen	1 905	222	433	78	405	**3 043**	3 090
K Getz					254	**254**	225
MR Johnston					466	**466**	400
RM Motanyane					300	**300**	268
NG Payne					470	**470**	441
LJ Ring					-	**-**	71
MJD Ruck					396	**396**	364
SEN Sebotsa					190	**190**	183
WJ Swain					505	**505**	476
M Tembe					236	**236**	214
Total	3 691	520	883	156	3 627	**8 877**	8 717
Percentage change over prior year							(1.8%)

The Honorary Chairmen have employment contracts with the Company and the remuneration payable in terms of these contracts is decided by the Remuneration and Nominations Committee. Details explaining the role of the Honorary Chairmen, in support of their remuneration, are provided in the Governance Structures Report on page 86.

Analysis of the remuneration of non-executive Directors for their services as Board Committee Chairmen and members is detailed below:

	2012 Actual		2013 Proposed	
Board or Committee	**Chairman**	**Member**	**Chairman**	**Member**
Main Board	N/A*3	190 000	1 000 000*1	202 000
Main Board - Honorary Chairman	405 000	N/A	431 000	N/A
Main Board - Lead Independent Director	N/A	270 000	N/A	325 000
Audit and Compliance Committee	171 000	96 000	182 000	102 000
Risk and Sustainability Committee	120 000	80 000	N/A*1	85 000
Remuneration and Nominations Committee	100 000	64 000	107 000	68 000
Social and Ethics Committee	N/A	N/A	107 000	68 000
Transformation Committee	Executive	46 000	N/A*2	N/A*2

*1 A total fee for the non-executive Chairman was approved by the Remuneration and Nominations Committee in March 2012 which includes his duties as Chairman of both the Board and the Risk and Sustainability Committee.

*2 The Transformation Committee was dissolved in light of the formation of the Social and Ethics Committee.

*3 The previous Chairman was an Executive Director.

Proposals for future remuneration policy

Many of the changes made to the Remuneration Policies and Procedures are in response to constructive stakeholder engagement. The Company appreciates these external views and opinions and hopes that this interaction will continue.

Fixed remuneration: base pay, medical aid benefits, car allowance and retirement benefits
No material changes are anticipated in the forthcoming year.

Variable remuneration: short-term performance-related incentives
The incentive schemes for the 2013 financial year have been further enhanced to provide a better balance between short-term results and the achievement of key imperatives that will result in building a sustainable business. Further amendments have been made to take into account changed business conditions and areas of focus, however this will not result in any increase to the maximum level of incentives that may be awarded.

Long-term incentives: shares and share options

Mr Price General Staff Share Trust
Mr Price Senior Management Share Trust
Mr Price Executive Share Trust
Mr Price Executive Director Share Trust

- **Change to vesting date of future awards**
  The initial allocations of the 2006 share schemes were upfront awards that vested over a number of years. Recently this has changed to a smaller annual award being offered. The proposed changes seek to clarify the vesting date of 'upfront' awards, which vest over a number of years, and the vesting date of an annual award, which should vest in one lumpsum in either three or five years, depending on the share scheme.

- **Introduction of minimum performance condition requiring average growth over the vesting period of CPI plus 1% in order for shares to vest**
  To ensure that participants do not benefit under long-term incentive schemes in the event of poor Company performance, no shares in the Senior Management or General Staff Share Trusts will vest unless the Group achieves growth in core headline earnings per share of greater than 1% above consumer price index (CPI). Permission will be sought from shareholders that this performance condition be extended to the Executive Share Trust and the Executive Director Share Trust in 2013, and that the performance condition is amended for all applicable schemes to require an average increase in core headline earnings per share of CPI plus 1% over the entire vesting period, as opposed to only the year prior to vesting.

- **Introduction of a non-vesting clause due to poor personal performance**
  Currently the vesting of share options for associates still employed at the vesting date is unconditional. This does not distinguish between the majority of associates whose personal performance meets or exceeds Group expectation, and those that do not meet expectations. The unintended consequence can occur in that the share schemes serve to reward and retain those associates who are not performing.

Mr Price Executive Share Trust
Mr Price Executive Director Trust

- **Cumulative maximum number of options that may be awarded under all share schemes to any one participant**
  The maximum cumulative number of options that can be awarded to any one participant in terms of all the share incentive schemes was increased from 2 327 422 to 3 000 000 last year. This was not approved for the Executive and Executive Director Share Trusts due to these resolutions, which contained several other proposed amendments, being withdrawn prior to the AGM. This amendment will ensure consistency across all share schemes. For purpose of clarification, this maximum number is not equal to the total number of unvested options that any one participant may hold at a point in time, but rather the total cumulative number (including shares already vested) that have been awarded since inception of the respective share schemes.

- **Extending the exercise period to five years**
  Share options are awarded in expectation of service over a three to seven year period and must be exercised within 90 days of vesting, failing which they lapse. Permission will be sought from shareholders to increase the exercise period to five years for the Executive Share Trust and the Executive Director Share Trust. The partnership ethos of the Company encourages associates to hold shares until retirement, but the forced exercise of options and the resultant income tax liability defeats that objective. The retail industry is by its nature cyclical and

share values can, and have, remained depressed for extended periods. Forced disinvestment with little gain in such periods is a demotivator at a time when incentives to turn the negative trend around should be at their maximum. Extending the exercise date allows for greater retention of management and encourages longer term holding of shares, coupled with a long-term vision which would be in line with market demands. Encouraging a long-term view through equity holdings is a powerful retention tool in a sector where our most talented people are being scouted by local and international competitors and head-hunters.

- **Introduction of new long-term incentive scheme for certain executives**
  Occasionally, where a certain critical skill does not exist in the business, a senior executive is appointed to the Group for a specific function. Although the appointee is an employee, his or her duration with the Company may be of a shorter term than that of a 'normal' executive, and they may leave once their role has been fulfilled, assuming they had no other role to progress to. These associates, given their seniority and skills would have added significant strategic value to the organisation, however the current mechanics of the share schemes would result in them not having benefitted from their efforts. Rather than tailor the current share schemes to cater for these 'exceptions', consideration is being given to introducing a new long-term incentive scheme.

Mr Price Executive Share Trust

- **Amendment to criteria upon which the performance based strike price reduction is calculated**
  Currently the strike price is discounted based on the attainment of certain performance targets, which are based on growth in core headline earnings per share. The performance condition should rather include a combination of divisional profitability and Group performance, thereby ensuring that under-performing divisions do not benefit unfairly, as is the case with a discount based solely on Group performance.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BOARD OF DIRECTORS

1
NIGEL PAYNE (52)
Independent non-executive Chairman
CA(SA) MBL
Board directorship since 2007
Other directorships include:
JSE Ltd, The Bidvest Group Ltd, Strate Ltd,
Bidvest Bank Ltd, BSi Steel Ltd,
Vukile Property Fund Ltd

2
STUART BIRD (52)
Chief Executive Officer
CA(SA)
18 years service

3
MARK BLAIR (46)
Chief Financial Officer
CA(SA)
6 years service

4
STEVE ELLIS (50)
Alternate to Mark Blair
Group Supply Chain Director
CA(SA)
20 years service

5
LAURIE CHIAPPINI (67)
Honorary Chairman
25 years service

6
STEWART COHEN (67)
Honorary Chairman
BCom LLB MBA
25 years service

7
BOBBY JOHNSTON (63)
Lead independent non-executive Director
CA(SA)
Board directorship since 1994
Former Chairman of JSE Ltd
Other directorships include:
JSE Ltd, Strate Ltd, PLC Nominees (Pty) Ltd,
JSE Trustees (Pty) Ltd

8
KEITH GETZ (56)
Non-executive Director
BProc LLM
Board directorship since 2005
Partner of Bernadt Vukic Potash & Getz
Other directorships include:
Spur Corporation Ltd, Steak Ranches
International BV, Spur International Ltd,
Nadesons Investments (Pty) Ltd,
BVPG Consulting (Pty) Ltd

9
DAISY NAIDOO (39)
Independent non-executive Director
CA(SA), M.Com (Tax)
Other directorships include:
Strate Limited, Hudaco Industries,
Omnia Holdings, Old Mutual boutique boards,
Mercantile Bank

10
SONJA SEBOTSA (40)
Independent non-executive Director
LLB Hons (London School of Economics and Political Science)
MA (McGill University Montreal)
Registered person with the Securities and
Futures Authority of the UK
Founding partner of Identity Partners
Board directorship since 2008
Other directorships include:
RMB Holdings Ltd, Anglo Platinum Ltd,
Discovery Holdings Ltd,
Dimension Data Holdings SA

11
JOHN SWAIN (71)
Independent non-executive Director
CA(SA)
Board directorship since 1994
Former partner of Ernst & Young
Other directorships include:
Impro Technologies (Pty) Ltd,
Kaymac Holdings (Pty) Ltd,
The Sharks (Pty) Ltd

12
MAUD MOTANYANE (60)
Independent non-executive Director
Dip Library Science, Fellow of the World
Press Institute, Member of the Institute of Directors,
Founder of Tribute Magazine and
Jikelele Media Group
Board directorship since 2008
Other directorships include:
Urban Brew Production Company, Kagiso Media Ltd,
G4 Securicor Plc, Catholic Education Trust,
Joint Education Trust, Thuthuka Productions

13

MYLES RUCK (56)

Independent non-executive Director
BBusSc, PMD (Harvard)
Former CEO of Liberty Group Ltd
Board directorship since 2007
Other directorships include:
Aveng Ltd, Standard Bank Group Ltd,
The Standard Bank of South Africa Ltd,
Standard Bank Argentina SA, Thesele Group (Pty)
Ltd, Mybanjo Investments cc

14

MOSES TEMBE (50)

Independent non-executive Director
BA Public Administration and Political Science
Graduate Caltex Business Management Programme (UCT)
Former Secretary General of the National
African Federated Chamber of Commerce (KZN)
Former President of Durban Chamber of
Commerce and Industry
Board directorship since 2008
Other directorships include:
Elgin Brown & Hamer (Pty) Ltd,
Durban Infrastructure Development Trust,
Crescendo Venture Capital (Pty) Ltd,
Cresendo Management Services, Tsogo Sun KZN (Pty) Ltd,
Geochem OCS (SA)(Pty) Ltd

15

NEILL ABRAMS (47)

Alternate to Stewart Cohen
BA, LLB (Wits)
LLM (Cambridge)
Alternate Director since 2010
Other directorships include:
Ocado Group plc, Ocado Holdings Ltd,
Ocado Ltd, Last Mile Developments Ltd,
Jalapeno Partners Ltd,
Ocado Polska SP. Z.O.O

16

TRACEY CHIAPPINI-YOUNG (40)

Alternate to Laurie Chiappini
B.Bus.Sci. (UCT)
CFA (CFA Institute) Assoc. in Applied Science (FIT)
TRIUM EMBA (LSE, NYU Stern, HEC)
Alternate Director since 2010
Other directorships include:
Cida Empowerment (Pty) Ltd, HCS (Pty) Ltd,
Soma Iniative (Pty) Ltd, Taunina (Pty) Ltd,
Tsiba Education Trust

17

LARRY RING (63)

Alternate to Bobby Johnston
BSc MSC PhD
Board directorship since 1998
Chancellor Professor of Business
Mason School of Business,
The College of William and Mary,
Williamsburg, Virginia USA

CURRENT BOARD COMMITTEES

Audit and Compliance Committee
John Swain (Chairman)
Bobby Johnston
Daisy Naidoo
Myles Ruck

Remuneration and Nominations Committee
Bobby Johnston (Chairman)
Keith Getz
Nigel Payne
Myles Ruck
John Swain

Risk and Sustainability Committee
Nigel Payne (Chairman)
Stuart Bird
Mark Blair
Steve Ellis
John Swain

Social and Ethics Committee
Keith Getz (Chairman)
Maud Motanyane
Moses Tembe

DIVISIONAL HEADS

Nicci Lyne (40)
Managing Director
Mr Price Apparel

Arn de Haas (42)
Managing Director
Mr Price Home

Clint Larsson (42)
Managing Director
Mr Price Sport

TRADING DIVISIONS

Roger Maingard (47)
Managing Director
Sheet Street

Larry Simon (50)
Managing Director
Miladys

Rex Samuelson (49)
Managing Director
Financial Services

TRADING DIVISIONS

DIVISIONAL HEADS

Greg Azzopardi (51)
Managing Director
Group Real Estate

Verna Botha-Richards (44)
Group Risk and Sustainability Director

Steve Glendinning (51)
Group People Director

SUPPORT SERVICES

Werner Pelser (39)
Group Logistics Executive

Pete van Wyk (56)
Group IT Director

Sherene Moodley (42)
Group Audit Executive

SUPPORT SERVICES

Shareholders' diary

May	Announcement of annual results and declaration of final dividend to shareholders
June	Publication of 2012 Annual Integrated Report
	Payment of final dividend to shareholders
August	Annual General Meeting of shareholders
November	Announcement of interim dividend to shareholders
	Publication of Interim Report covering the 26 weeks ended 29 September 2012
December	Payment of interim dividend to shareholders

Ordinary and B ordinary share ownership as at 31 March 2012

	Ordinary shares				B ordinary shares			
Holdings	**Number of shareholders**	**%**	**Number of shares**	**%**	**Number of shareholders**	**%**	**Number of shares**	**%**
1 - 1 000	8 635	56.71	4 009 895	1.61	1	20.00	200	0.00
1 001 - 10 000	5 568	36.57	17 240 252	6.90				
10 001 - 100 000	820	5.39	23 240 136	9.31				
100 001 - 1 000 000	174	1.14	56 343 029	22.55				
1 000 000 +	29	0.19	148 917 098	59.63	4	80.00	14 878 338	100.00
	15 226	100.00	249 750 410	100.00	5	100.00	14 878 538	100.00
Category	**Number of shareholders**	**%**	**Number of shares**	**%**	**Number of shareholders**	**%**	**Number of shares**	**%**
Pension funds	163	1.07	8 376 953	3.36				
Nominee companies and corporate bodies	1 185	7.78	175 824 293	70.40				
Individuals and trusts	13 871	91.10	44 807 430	17.94	5	100.00	14 878 538	100.00
Staff share schemes	7	0.05	20 741 734	8.30				
	15 226	100.00	249 750 410	100.00	5	100.00	14 878 538	100.00

Public and non-public shareholders

At 31 March 2012, the percentage direct or indirect shareholdings of public and non-public shareholders in the listed ordinary shares of the Company was as follows:

	Number of shareholders	**% holding**
Public shareholders	15 192	74.36
Non-public shareholders	34	25.64
Shareholders holding more than 10%*	7	16.74
Directors of the Company or its subsidiaries	20	0.60
Trustees of employees' share schemes or retirement benefit schemes	7	8.30

*Seven underlying shareholders constitute the overall shareholding of the Public Investment Corporation.

Major shareholders

To the Company's best knowledge and belief, the following shareholders or fund managers held discretionary beneficial interest and/or administered client portfolios amounting to 5% or more of the issued ordinary shares of the company at 31 March 2012:

	Beneficial holding		**Portfolio administration Discretionary**	
	%	**Shares**	**%**	**Shares**
Public Investment Corporation	16.74	41 798 926	-	-
Mr Price Share Trusts	8.30	20 741 734	-	-
American Funds	0.93	2 332 000	5.22	13 047 613
Stanlib Asset Management	0.65	1 617 934	4.68	11 683 329

Details of the beneficial interest in B ordinary shares are reflected on page 133.

DECLARATION OF FINAL CASH DIVIDEND
for the year ended 31 March 2012

Notice is hereby given that a final gross cash dividend of 220.40 cents (187.34 cents net of dividend withholding tax) per share has been declared and awarded to the holders of ordinary and unlisted B ordinary shares. The dividend has been declared from income reserves and no secondary tax on companies credits have been used. A dividend withholding tax of 15.0% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 249 750 410 listed ordinary and 14 878 538 unlisted B ordinary shares. The tax reference number is 9285/130/20/0.

The following dates are applicable:

Last date to trade 'cum' the dividend	Friday 15 June 2012
Shares trade 'ex' the dividend	Monday 18 June 2012
Record date	Friday 22 June 2012
Payment to shareholders on	Monday 25 June 2012

Shareholders may not dematerialise or rematerialise their share certificates between Monday 18 June 2012 and Friday 22 June 2012, both dates inclusive.

Share price performance
Refer to page 58 for stock exchange information.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
for the 52 week period ended 31 March 2012

The preparation and presentation of the Annual Financial Statements and all other information included in this Annual Integrated Report are the responsibility of the Directors. The information provided in this Annual Integrated Report has been prepared in accordance with the provisions of the Companies Act and complies with International Financial Reporting Standards. In discharging their responsibilities, both for the integrity and fairness of these statements, the Directors rely on the internal controls and the risk management procedures applied by management.

Based on the information and explanations given by management and the internal auditors and on comment by the independent auditor on the results of their statutory audit, the Directors are of the opinion that:

- the internal controls are adequate;
- the financial records may be relied upon in the preparation of the Annual Financial Statements;
- appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been applied; and
- the Annual Financial Statements fairly present the results and the financial position of the Company and the Group.

The Annual Financial Statements are prepared on the going concern basis and nothing has come to the attention of the Directors to indicate that the Company and the Group will not remain a going concern.

The Annual Financial Statements have been prepared under the supervision of Mr MM Blair, Chief Financial Officer, CA(SA).

The Annual Financial Statements of the Company and the Group which appear on pages 130 to 177 were approved by the Board of Directors on 23 May 2012 and are signed on its behalf by:

NG Payne
Chairman

SI Bird
Chief Executive Officer

COMPANY SECRETARY STATEMENT

I hereby certify that the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

HE Grosvenor
Company Secretary
23 May 2012

We have audited the consolidated and separate annual financial statements of Mr Price Group Limited, which comprise the Remuneration Report, the consolidated and separate statements of financial position as at 31 March 2012, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate cash flows for the 52 weeks then ended, and a summary of significant accounting policies and other explanatory notes, and Directors Report, as set out on pages 106 to 119 and 130 to 177.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Mr Price Group Limited as at 31 March 2012, and its consolidated and separate financial performance and consolidated and separate cash flows for the 52 weeks then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Marise Isebella Delport
Registered Auditor
Chartered Accountant (SA)

1 Pencarrow Crescent
La Lucia Ridge Office Estate
Durban
4000

23 May 2012

Nature of business

The main business of the Group is retail distribution through 962 corporate-owned and 28 franchised stores in Africa. The retail chains focus on clothing, footwear, sportswear, sporting goods, accessories and homewares. Refer to pages 10 and 11 for more detailed information.

Corporate governance

The Directors subscribe to the values of good corporate governance as set out in the King Report for Corporate Governance in South Africa 2009 (King III). By supporting King III, the Directors have recognised the need to conduct the business with integrity and to account to stakeholders in accordance with International Financial Reporting Standards. Specific disclosure requirements are dealt with on pages 82 to 90 of this integrated report.

Retail calendar

The Group reports on the retail calendar of trading weeks incorporating trade from Sunday to Saturday each week. Accordingly the results for the financial year under review are for a 52 week period from 3 April 2011 to 31 March 2012 (2011: 53 week period from 28 March 2010 to 2 April 2011).

Financial results

The financial results of the Company and the Group are set out in the statements of comprehensive income on page 142. An analysis of Group profit is set out in more detail on page 160 to this Annual Integrated Report.

Dividends

Ordinary and B ordinary dividends

It is the Group's policy to make two dividend payments each year, an interim in December and a final in June/July.

Interim: A cash dividend of 93.6 cents per share (2011: 76.7 cents per share) was made payable on 19 December 2011 to shareholders registered on 15 December 2011.

Final: A cash dividend of 220.4 cents per share (2011: 175.3 cents per share) has been declared payable on 25 June 2012 to shareholders registered on 22 June 2012.

Consolidated entities

The aggregate amount of Group profits and losses after taxation attributable to consolidated entities was:

R'000	**2012**	2011
Profits	**90 121**	69 969
Losses	**(2)**	(163)
	90 119	69 806

Details of the financial interest in consolidated entities are set out on page 174.

Net shareholders' equity

Authorised and issued share capital

There were no changes in the authorised share capital. During the year, 1 344 022 B ordinary shares were converted to ordinary shares on a one-for-one basis.

Subsequent events

No events, material to the understanding of this report, have occurred between the financial year end and the date of this report.

Directorate

The following changes in the directorate of the Company took place during the year:

In terms of the Company's Articles of Association, SB Cohen, MR Johnston, SEN Sebotsa, WJ Swain and M Tembe resigned as Directors and were re-elected at the Annual General Meeting of the Company on 25 August 2011.

Mr AE McArthur, who held the position of executive Chairman, retired from the Board effective 31 December 2011. Mr NG Payne was appointed independent, non-executive Chairman with effect from 1 January 2012. Ms D Naidoo was appointed to the Board in May 2012.

Particulars of the present Directors are provided on pages 122 and 123. None of the Directors have long-term service contracts with the Company or any of its consolidated entities.

Emoluments

Details of emoluments paid to executive and non-executive Directors are set out in the Remuneration Report on pages 106 to 119.

Interest in shares of the Company

At the financial year end the Directors were interested in the Company's issued shares as follows:

	2012					2011				
	Direct beneficial	**Indirect beneficial**	**Held by associate**	**Total**	**%**	Direct beneficial	Indirect beneficial	Held by associate	Total	%
Ordinary shares										
SI Bird	**211 384**	**-**	**-**	**211 384**	**0.08**	211 384	-	-	211 384	0.09
MM Blair	**30 512**	**26 324**	**800**	**57 636**	**0.02**	30 512	-	-	30 512	0.01
LJ Chiappini	**-**	**303 011**	**-**	**303 011**	**0.12**	-	600 011	-	600 011	0.24
TA Chiappini-Young	**199**	**-**	**-**	**199**	**0.00**	199	-	-	199	0.00
SB Cohen	**490**	**14 013**	**44 588**	**59 091**	**0.02**	490	14 013	44 588	59 091	0.02
SA Ellis	**116 853**	**67 248**	**-**	**184 101**	**0.07**	116 853	67 248	-	184 101	0.07
K Getz	**-**	**-**	**20 000**	**20 000**	**0.01**	-	-	20 000	20 000	0.01
MR Johnston	**-**	**-**	**91 250**	**91 250**	**0.04**	-	-	91 250	91 250	0.04
AE McArthur[1]	**-**	**-**	**-**	**-**	**-**	627	-	-	627	0.00
LJ Ring	**2 500**	**-**	**2 500**	**5 000**	**0.00**	2 500	-	2 500	5 000	0.00
SEN Sebotsa	**1 000**	**-**	**-**	**1 000**	**0.00**	1 000	-	-	1 000	0.00
WJ Swain	**-**	**611 670**	**-**	**611 670**	**0.24**	-	611 670	-	611 670	0.25
				1 544 342	**0.60**				1 814 845	0.73
Total issued ordinary shares				**249 750 410**					248 406 388	

	Direct beneficial	Indirect beneficial	Held by associate	2012 Total	%	Direct beneficial	Indirect beneficial	Held by associate	2011 Total	%
B ordinary shares										
LJ Chiappini	-	6 717 108	-	6 717 108	45.15	-	7 017 208	-	7 017 208	43.26
SB Cohen	-	6 717 108	-	6 717 108	45.15	-	7 017 208	-	7 017 208	43.26
MR Johnston	-	-	46 504	46 504	0.31	-	-	46 504	46 504	0.29
AE McArthur[1]	-	-	-	-	-	-	744 022	-	744 022	4.59
				13 480 720	90.61				14 824 942	91.40
Total B ordinary shares				14 878 538					16 222 560	

Notes:

1. Retired as a Director on 31 December 2011.
2. During the year, 1 344 022 B ordinary shares were converted to ordinary shares on a one-for-one basis.
3. There have been no changes in the above interests between the year end and the date of approval of these financial statements.
4. The 1 397 818 B ordinary shares not detailed above belong to:
   - (a) trusts (1 397 618 shares) of which Mr MR Johnston's major children are beneficiaries. MR Johnston has no direct or indirect beneficial ownership in these shares and has relinquished all voting rights thereto; and
   - (b) Mr AE McArthur (200 shares).

The annual financial statements have been prepared on the historic cost and going concern bases, except where indicated otherwise in a policy below. The annual financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS').

Unless otherwise indicated, any references to the Group include the Company.

1. Consolidation

Consolidated entities (which include special purpose entities such as staff share trusts and insurance cell captives) are defined as entities in which the Group has the power to govern the financial and operating policies of the entity so as to gain benefit from its activities. Consolidated entities are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date control ceases. A change in ownership of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated.

2. Property, plant and equipment

Capitalised leased office buildings are recognised at the fair value of the buildings at date of commencement of the lease agreement, or if lower, the present value of the minimum lease payments. The buildings are depreciated over the shorter of the period of the finance lease and useful life of the buildings.

Buildings occupied in the normal course of the business are recognised at cost less accumulated depreciation and impairment losses.

Furniture, fittings, equipment, vehicles, computer equipment and improvements to leasehold premises are stated at historic cost less accumulated depreciation and any accumulated impairment and are depreciated, on the straight line basis to their expected residual values, over the estimated useful lives of the assets concerned which are as follows:

Furniture, fittings, equipment and vehicles	Five to 14 years
Computer equipment	Three to five years
Improvements to leasehold premises	Over period of lease subject to a maximum of 10 years
Buildings	Twenty years

The assets' expected residual values, estimated useful lives, and depreciation policy are reviewed, and adjusted if appropriate, on an annual basis. Changes in the estimated useful life or expected pattern of consumption of future benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

3. Intangible assets

Computer software
Acquired software not regarded as an integral part of hardware is capitalised at historic cost and is amortised on the straight line basis over its estimated useful life (two to five years), from the date of it being commissioned into the Group.

All other costs that are directly associated with the production of identifiable software controlled by the Group, and that are expected to generate economic benefits exceeding one year, are recognised as part of the cost of the intangible assets. Direct costs include the software development employee costs. Costs associated with developing software are recognised as an expense as incurred if it is not expected that they will provide future economic benefits to the Group.

Goodwill
Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired consolidated entity or operation at date of acquisition, and is carried at cost less accumulated impairment losses.

Trademarks
Trademarks are initially recorded at historic cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation and net of accumulated impairment. Amortisation is calculated on a straight line basis to allocate the cost of trademarks over their estimated useful lives which do not exceed 20 years.

Customer lists
Acquired customer lists are initially recorded at historic cost and are carried at cost less accumulated amortisation. Amortisation is calculated on a straight line basis to allocate the cost of the lists over the period from which it is expected to generate revenue (four to six years).

Changes in the estimated useful life or expected pattern of consumption of future benefits embodied in intangible assets are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

4. Impairment and derecognition of non-financial assets

Assets, other than financial assets, goodwill and intangible assets not yet brought into use, are tested for indicators of impairment on an annual basis. Should such an indicator exist, the asset is then tested for impairment.

Separately recognised goodwill and intangible assets not yet brought into use are tested for impairment annually or more frequently if changes in circumstances indicate that the carrying amount may be impaired.

The amount of the impairment is determined by assessing the recoverable amount of the asset or cash generating unit to which the asset relates. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other fair value indicators. Where the recoverable amount of the asset or cash generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised in the income statement.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognised previously. Impairments are reversed in the income statement in the period that the indicator of such reversal is in existence, unless the relevant asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Impairments to goodwill are never reversed.

The derecognition of a non-financial asset takes place upon disposal or when it is no longer expected to generate any further economic benefits. Any derecognition gain/loss is recorded in the income statement in the period of derecognition.

5. Inventories

Inventories are valued at the lower of cost or net realisable value.

Cost is determined on the following bases:

- The cost of merchandise purchased for resale is determined using the weighted average method; and
- Consumables are valued at invoice cost on a first-in, first-out basis.

Costs include the charges incurred in bringing inventories to their present location and condition and are net of discounts from suppliers.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

6. Taxation

The taxation expense represents the sum of current taxation, secondary taxation on companies and deferred taxation. Taxation rates that have been enacted or substantively enacted by the reporting date are used to determine the taxation balances.

Current taxation
The taxation currently payable is based on the taxable profit for the year, which differs from the profit for the year in the income statement as it excludes both items of income or expense that are taxable or deductible in other years and those items that are never taxable or deductible. Current income taxation relating to items recognised directly in equity is also recognised in other comprehensive income or equity and not in profit or loss.

Secondary taxation on companies (STC)
STC is provided for on the amount by which dividends paid exceed dividends received for all dividends declared up to 31 March 2012.

Deferred taxation
Deferred taxation is provided for all temporary differences (other than temporary differences created on initial recognition which are not part of a business combination and at the time of the transaction no taxation or accounting effect has been recognised and goodwill for which amortisation is not deductible for accounting purposes) arising between the tax bases of assets and liabilities and their carrying amounts on the statement of financial position. Deferred taxation relating to items recognised outside profit and loss is recognised outside profit and loss. Deferred taxation items are recognised in correlation to the underlying transaction either in comprehensive income or directly in equity.

Deferred taxation assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that future taxable profit will be available to allow all or part of the deferred taxation asset to be utilised. Deferred income tax is provided on temporary differences arising on investments in consolidated entities and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

7. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. Revenue is shown net of estimated customer returns, discounts and value added taxation (VAT) and after eliminating sales within the Group.

Retail sales
Retail sales comprise net income from the sale of merchandise and are recognised when the significant risks and rewards of ownership pass to the customer.

Premium income
Premiums are recognised when due in terms of the relevant contract and are shown before the deduction of commission and claims, which are recognised in administrative and other operating expenses.

Service fee revenue
Revenue from a contract to provide services is recognised in the month in which the service charge accrues. Service fee revenue is derived from the provision of information technology and debtor management services.

Club fees
Club fees are recognised in the month in which the customer charge accrues.

Interest
Interest received is recognised on a time proportion basis at the effective interest rate as imputed in the contract.

Rental income
Rental income in respect of operating leases is recognised on a straight line basis over the lease period.

Dividend income
Dividend income includes the value of cash dividends received and surpluses distributed by a staff share trust and cumulative preference dividends distributed by a consolidated entity. Dividends are recognised when the right to receive payment has been established.

Amortisation of long-term receivables
Amortisation income is recognised using the effective interest rate implicit in the cash flows of the receivable.

Fees
Fees represent fee income from consolidated entities in respect of various administrative and operating functions performed on their behalf. Fees are recognised when the charge accrues.

9. Leases

Assets held in terms of finance leases, which transfer to the Group substantially all the risks and rewards of ownership, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight line basis over the term of the lease. Contingent rentals (including turnover clause rentals) arising under operating leases are recognised as an expense in the period in which liability is accrued.

10. Borrowing costs

Borrowing costs are capitalised where they are directly attributable to the acquisition, construction or production of a qualifying asset. All other borrowing costs are expensed in the period in which they occur.

11. Dividends to shareholders

Dividends in respect of equity instruments, and secondary taxation on companies ensuing therefrom, are recorded in the period in which the dividend is paid and are charged directly to equity and included in the taxation charge, respectively.

12. Foreign currencies

Functional and presentation currency
Items included in the financial statements of the Group's foreign consolidated entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in Rands, which is the Group's functional and presentation currency.

Transactions and balances
Transactions in foreign currencies are translated to the functional currency using the spot exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities designated in foreign currencies are translated using the spot exchange rates prevailing at the reporting date. Non monetary items are translated at historic rates or, where applicable, at the rate prevailing on the date of revaluation. All exchange differences are recognised in income in the period in which they occur.

Group companies
The results and position of consolidated entities that have a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income statement items are translated at the average rate for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

On disposal of the consolidated entity, the accumulated exchange differences in other comprehensive income are recognised in the income statement.

13. Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Subsequent measurement is made in accordance with the specific instrument provisions of IAS 39 Financial Instruments: Recognition and Measurement. Where a legally enforceable right of offset exists for recognised financial assets and liabilities, and the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously, the related asset and liability are offset.

Financial assets are reviewed annually for any evidence of impairment, and any impairment loss is recognised immediately in the income statement.

Long-term receivables
Long-term receivables are classified as a 'loan or receivable' and are recorded at fair value at inception using the effective interest rate implicit in the cash flows of the receivable. This effective interest rate is established by considering the market rate of interest for a similar investment on the date of each contribution. The long-term receivables are carried at amortised cost.

The deferred receivables, which are classified as a 'loan or receivable', are represented by advances to the participants in the Deferred Implementation Share Scheme and are recoverable when participants exercise their right to take up the shares.

The annual amortised cost adjustments are reflected in the income statement.

Trade and other receivables
Trade receivables, which generally have six to 12 month terms and are recognised and carried at amortised cost, namely the original invoice amount plus associated costs and interest charges to date, less any impairment allowance for uncollectible amounts, are classified as 'loans and receivables'. Provision is made when there is objective evidence that the Group will have difficulty collecting the debts. Various economic factors and changes in the delinquency of payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling expenses. Bad debts are written off in the income statement when it is considered that the Group will be unable to recover the debt and it has been handed over for collection. Subsequent recoveries of amounts previously written off are credited against selling expenses in the income statement.

Other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method and are carried net of any accumulated impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, net of bank overdrafts. Cash and cash equivalents are classified as receivables originated by the enterprise and are measured at amortised cost.

Derivative financial instruments
The Group uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value on the date the contract is entered into and are subsequently measured at fair value, which is calculated with reference to current forward exchange contracts with equivalent maturity periods. Gains or losses arising from fair value adjustments are taken directly to the income statement.

Trade and other payables
Trade payables, which are primarily settled on 30 day terms, are carried at cost, being the fair value of the consideration to be paid in the future for goods and services rendered. These are subsequently measured at amortised cost using the effective interest rate method.

Other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Loans and borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Financial guarantees
Financial guarantees are initially recognised at their fair value and are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised.

Amounts owing by/to consolidated entities
Consolidated entity balances are initially recognised at the fair value of the consideration received, and are subsequently measured at amortised cost using the effective interest rate method. Current amounts owing are settled on 30 day terms.

Impairments and derecognition
Financial assets are reviewed annually for any evidence of impairment. Provision is made for impairment if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The carrying amount is reduced and the amount of the loss is recognised in the income statement. If the loan has a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract. If considered practical, the impairment may be measured on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in the income statement.

The derecognition of a financial asset takes place when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risk and rewards of ownership to another entity. Any derecognition gain/loss is recorded in the income statement in the period of derecognition. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or they expire.

14. Employee benefits

Short-term employee benefits
Short-term employee benefits are recognised in the period of service. Short-term employee benefits paid in advance are treated as prepayments and are expensed over the period of the benefit.

Post retirement benefits
Defined benefit retirement fund and post retirement medical aid fund
The costs of providing benefits under the defined retirement benefit fund and the obligation for post retirement medical aid benefits (which is limited to members of the defined benefit retirement fund) is determined using the projected unit credit actuarial valuation method. Actuarial gains or losses, which can arise from differences between expected and actual outcomes, or changes in actuarial assumptions, are recognised immediately in other comprehensive income. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit.

The defined benefit fund asset reflected in the statement of financial position represents the present value of the defined benefit asset as adjusted for unrecognised past service costs and as reduced by the fair value of scheme assets. The asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

Past service costs are recognised immediately to the extent that benefits have already vested, and are otherwise amortised on a straight line basis over the average period until the benefits become vested.

Defined contribution retirement fund
Payments to defined contribution retirement funds are expensed as they accrue in terms of services provided by employees.

Share-based payments
The Group operates share incentive schemes for the granting of non-transferable options or shares to associates (employees). Equity-settled share-based payments in terms of the schemes are measured at fair value (excluding the impact of any non-market vesting conditions) at the date of the grant, which is expensed over the period of vesting of the grant, with a corresponding adjustment to equity. Fair value is actuarially determined using a binomial valuation model. At each reporting date the estimate of the number of options that are expected to vest is revised, and the impact of this revision is recognised on a cumulative catch-up basis in the income statement, with a corresponding adjustment to equity. Assumptions used in the respective valuations are detailed in note 9.6. Upon vesting, the amount remaining in the share-based payment reserve relating to any such vested tranche is transferred within equity to retained earnings.

Restraints of trade
Restraints of trade payments are expensed over the contractual periods from which benefits are expected.

Performance incentives
The Group recognises a liability and expense for performance incentives which include a component based on formulae which take into consideration the profit for the year and other operational and strategic targets.

15. Treasury shares

Shares in Mr Price Group Limited held by the staff share trusts are classified as treasury shares and are eliminated from issued share capital on consolidation.

16. Segment reporting

The Group's retailing operations are reported within two operating segments, namely the Apparel and Home divisions. Group service divisions are reported in the Central Services segment. The Group presents information about geographical areas based on retail sales and other income.

17. Cost of sales

Cost of sales comprise the direct cost of merchandise sold and incorporates the cost of distribution, inventory losses and provisions for markdowns less discounts received from suppliers.

18. Selling expenses

Selling expenses comprise the cost incurred in the marketing and advertising of merchandise, store operations and the provision of credit facilities.

19. Administrative and other operating expenses

These expenses comprise costs related to the operation of the support functions within the Group other than those included in selling expenses.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
as at 31 March 2012

	Notes	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Assets					
Non-current assets		**743 404**	607 681	**956 900**	818 569
Property, plant and equipment	3	**539 463**	459 634	**485 455**	448 095
Intangible assets	4	**102 909**	79 164	**97 759**	74 014
Consolidated entities	5			**277 562**	231 644
Long-term receivables	6	**9 700**	338	**9 700**	-
Defined benefit fund asset	29	**15 575**	20 241	**15 575**	20 241
Deferred taxation assets	16	**75 757**	48 304	**70 849**	44 575
Current assets		**3 551 664**	3 253 456	**3 610 811**	3 377 052
Inventories	7	**1 168 191**	953 666	**1 116 454**	919 224
Trade and other receivables	8	**1 182 895**	931 278	**1 174 742**	925 889
Current amounts owing by consolidated entities	5			**454 460**	377 196
Cash and cash equivalents		**1 200 578**	1 368 512	**865 155**	1 154 743
Total assets		**4 295 068**	3 861 137	**4 567 711**	4 195 621
Equity and liabilities					
Equity attributable to shareholders		**2 779 516**	2 394 184	**2 536 740**	2 229 659
Issued capital	9	**107**	111	**107**	111
Capital reserves	10	**140 122**	167 272	**114 014**	146 070
Treasury share transactions	11	**(868 883)**	(662 841)	**(971 223)**	(717 879)
Retained income		**3 536 461**	2 909 725	**3 403 937**	2 806 161
Foreign currency translation reserve	12	**(22 348)**	(19 064)		
Defined benefit fund actuarial gains and losses	13	**(10 095)**	(4 804)	**(10 095)**	(4 804)
Insurance reserve	14	**4 152**	3 785		
Non-current liabilities		**194 474**	179 010	**191 446**	176 558
Lease obligations	15	**171 116**	160 519	**168 804**	158 811
Deferred taxation liabilities	16	**716**	744	**-**	-
Long-term provisions	17	**7 883**	4 810	**7 883**	4 810
Post retirement medical benefits	29	**14 759**	12 937	**14 759**	12 937
Current liabilities		**1 321 078**	1 287 943	**1 839 525**	1 789 404
Trade and other payables	18	**1 234 918**	1 241 624	**1 210 666**	1 221 444
Current amounts owing to consolidated entities	5			**551 454**	526 416
Current provisions	17	**5 960**	3 227	**5 960**	3 227
Current portion of lease obligations	15	**29 298**	37 742	**28 720**	36 823
Taxation		**50 902**	5 350	**42 725**	1 494
Total equity and liabilities		**4 295 068**	3 861 137	**4 567 711**	4 195 621

	Notes	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Revenue		**12 122 180**	10 973 327	**12 047 338**	10 954 320
Retail sales and other revenue		**12 062 447**	10 913 094	**11 994 017**	10 901 288
Interest received		**59 733**	60 233	**53 321**	53 032
Retail sales and other revenue		**12 062 447**	10 913 094	**11 994 017**	10 901 288
Retail sales		**11 766 765**	10 673 364	**11 609 620**	10 531 969
Interest on trade receivables		**197 194**	163 965	**196 457**	163 369
Income from consolidated entities				**162 160**	179 023
Premium income		**70 544**	47 714	**-**	164
Club fees		**12 412**	12 092	**12 176**	11 896
Service fee revenue		**8 232**	7 091	**8 232**	7 091
Other revenue		**7 300**	8 868	**5 372**	7 776
Costs and expenses		**10 320 624**	9 483 552	**10 243 359**	9 413 616
Cost of sales		**6 843 063**	6 201 640	**6 858 817**	6 212 904
Selling expenses		**2 645 495**	2 505 393	**2 575 138**	2 439 943
Administrative and other operating expenses		**832 066**	776 519	**809 404**	760 769
Profit from operating activities	19	**1 741 823**	1 429 542	**1 750 658**	1 487 672
Finance costs		**(15 347)**	(5 571)	**(40 588)**	(31 541)
Finance interest received		**59 739**	60 233	**53 321**	53 032
Profit before taxation		**1 786 215**	1 484 204	**1 763 391**	1 509 163
Taxation	20	**569 114**	473 950	**534 410**	443 558
Profit attributable to shareholders		**1 217 101**	1 010 254	**1 228 981**	1 065 605

Earnings per share		**cents per share**	cents per share	**% change**
Basic	21	**500.9**	412.3	21.5
Headline	21	**503.0**	418.9	20.1
Diluted basic	21	**462.5**	382.7	20.9
Diluted headline	21	**464.5**	388.8	19.4

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the 52 week period ended 31 March 2012

	Notes	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Profit attributable to shareholders		**1 217 101**	1 010 254	**1 228 981**	1 065 605
Other comprehensive income					
Currency translation adjustments	12	**(3 284)**	(3 941)		
Defined benefit fund actuarial (losses)/gains	13	**(7 348)**	868	**(7 348)**	868
Deferred taxation thereon	13	**2 057**	(243)	**2 057**	(243)
Total comprehensive income for the year attributable to shareholders, net of taxation		**1 208 526**	1 006 938	**1 223 690**	1 066 230

	Notes	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Cash flows from operating activities					
Operating profit before working capital changes	24.1	**1 854 288**	1 535 455	**1 856 198**	1 590 765
Working capital changes	24.2	**(517 843)**	(210 002)	**(500 821)**	(217 637)
Cash generated from operations		**1 336 445**	1 325 453	**1 355 377**	1 373 128
Interest on trade receivables		**197 194**	163 965	**196 457**	163 369
Net finance income received		**42 189**	59 521	**10 760**	25 893
Taxation paid	24.3	**(516 826)**	(444 241)	**(485 236)**	(411 594)
Net cash inflows from operating activities		**1 059 002**	1 104 698	**1 077 358**	1 150 796
Cash flows from investing activities					
Net outflows in respect of long-term receivables	24.4	**(9 369)**	-	**(9 700)**	-
Investment in subsidiary		**-**	-	**(45 919)**	-
Replacement of intangible assets		**(5 775)**	(4 945)	**(5 775)**	(4 945)
Additions to intangible assets		**(43 458)**	(28 893)	**(43 458)**	(23 743)
Replacement of property, plant and equipment		**(126 075)**	(71 921)	**(122 130)**	(70 667)
Additions to property, plant and equipment		**(126 091)**	(49 815)	**(81 464)**	(45 906)
Proceeds on disposal of property, plant and equipment		**524**	531	**516**	531
Net cash outflows from investing activities		**(310 244)**	(155 043)	**(307 930)**	(144 730)
Cash flows from financing activities					
Decrease in short-term liability		**(9 698)**	(268)	**(9 698)**	(268)
Decrease in net current amounts owing to/by consolidated entities	24.5			**(52 226)**	(14 560)
Decrease in long-term liability		**-**	(9 698)	**-**	(9 698)
Dividends to shareholders	24.6	**(670 381)**	(512 308)	**(711 588)**	(538 520)
Grants to staff share trusts				**(260 222)**	(204 380)
Treasury share transactions		**(233 296)**	(225 752)	**(25 282)**	(41 649)
Net cash outflows from financing activities		**(913 375)**	(748 026)	**(1 059 016)**	(809 075)
Net (decrease)/increase in cash and cash equivalents		**(164 617)**	201 629	**(289 588)**	196 991
Cash and cash equivalents at beginning of the year		**1 368 512**	1 170 743	**1 154 743**	957 752
Exchange losses		**(3 317)**	(3 860)		
Cash and cash equivalents at end of the year		**1 200 578**	1 368 512	**865 155**	1 154 743

STATEMENT OF CHANGES IN EQUITY - GROUP
for the 52 week period ended 31 March 2012

R'000	Notes	Share capital	Share premium	Capital redemption reserve fund	Shared-based payments reserve	Participants in staff share investment trust	Treasury share transactions: Treasury shares at cost	Treasury share transactions: Deficit on treasury share transactions	Treasury share transactions: Taxation relating to grants to share trusts	Foreign currency translation reserve	Defined benefit fund actuarial gains and losses	Insurance reserve	Retained income	Total
Balance at 27 March 2010		114	11 672	300	107 174	7 140	(366 586)	(114 583)	30 580	(15 123)	(5 429)	3 003	2 412 561	**2 070 823**
Total comprehensive income										(3 941)	625	782	1 009 472	**1 006 938**
Profit for the year													1 010 254	**1 010 254**
Other comprehensive income:										(3 941)	625	782	(782)	**(3 316)**
Currency translation adjustments	12									(3 941)				**(3 941)**
Increase in insurance reserve	14											782	(782)	**-**
Defined benefit fund actuarial losses	13										868			**868**
Deferred taxation thereon	13										(243)			**(243)**
Conversion of B ordinary to ordinary share capital		(3)	3											**-**
Treasury shares acquired	11						(219 654)							**(219 654)**
Taxation relating to grants to share trusts	11								13 743					**13 743**
Effect of consolidation of staff share trusts	11					2 456	(2 456)							**-**
Deficit on treasury share transactions	11						2 213	(64 538)						**(62 325)**
Recognition of share-based payments	9.6				38 527									**38 527**
Treasury shares sold	11						58 440							**58 440**
2010 final dividend to shareholders	22												(319 771)	**(319 771)**
2011 interim dividend to shareholders	22												(192 537)	**(192 537)**
Balance at 2 April 2011		111	11 675	300	145 701	9 596	(528 043)	(179 121)	44 323	(19 064)	(4 804)	3 785	2 909 725	**2 394 184**
Total comprehensive income										(3 284)	(5 291)	367	1 216 734	**1 208 526**
Profit for the year													1 217 101	**1 217 101**
Other comprehensive income:										(3 284)	(5 291)	367	(367)	**(8 575)**
Currency translation adjustments	12									(3 284)				**(3 284)**
Increase in insurance reserve	14											367	(367)	**-**
Defined benefit fund actuarial gains	13										(7 348)			**(7 348)**
Deferred taxation thereon	13										2 057			**2 057**
Conversion of B ordinary to ordinary share capital	9.4	(4)	4											**-**
Treasury shares acquired	11						(260 222)							**(260 222)**
Taxation relating to grants to share trusts	11								32 160					**32 160**
Effect of consolidation of staff share trusts	11					4 906	(4 906)							**-**
Deficit on treasury share transactions	11							(80 591)						**(80 591)**
Recognition of share-based payments	9.6				48 323									**48 323**
Share-based payments reserve released to retained income for vested options					(80 383)								80 383	**-**
Treasury shares sold	11						107 517							**107 517**
2011 final dividend to shareholders	22												(436 347)	**(436 347)**
2012 interim dividend to shareholders	22												(234 034)	**(234 034)**
Balance at 31 March 2012		**107**	**11 679**	**300**	**113 641**	**14 502**	**(685 654)**	**(259 712)**	**76 483**	**(22 348)**	**(10 095)**	**4 152**	**3 536 461**	**2 779 516**

STATEMENT OF CHANGES IN EQUITY - COMPANY
for the 52 week period ended 31 March 2012

R'000	Notes	Share capital	Share premium	Capital redemption reserve fund	Share-based payments reserve	Treasury share transactions: Treasury shares at cost	Treasury share transactions: Deficit on treasury share transactions	Treasury share transactions: Taxation relating to grants to share trusts	Defined benefit fund actuarial gains and losses	Retained income	Total
Balance at 27 March 2010		114	66	300	106 963	(409 497)	(106 676)	30 580	(5 429)	2 279 076	**1 895 497**
Total comprehensive income									625	1 065 605	**1 066 230**
Profit for the year										1 065 605	**1 065 605**
Other comprehensive income:									625		**625**
Defined benefit fund actuarial losses	13								868		**868**
Deferred taxation thereon	13								(243)		**(243)**
Conversion of B ordinary to ordinary share capital		(3)	3								**-**
Grants to staff share trusts	11					(204 380)					**(204 380)**
Deficit on treasury share transactions	11						(41 649)				**(41 649)**
Taxation relating to grants to share trusts	11							13 743			**13 743**
Recognition of share-based payments	9.6				38 738						**38 738**
2010 final dividend to shareholders	22									(335 550)	**(335 550)**
2011 interim dividend to shareholders	22									(202 970)	**(202 970)**
Balance at 2 April 2011		111	69	300	145 701	(613 877)	(148 325)	44 323	(4 804)	2 806 161	**2 229 659**
Total comprehensive income									(5 291)	1 228 981	**1 223 690**
Profit for the year										1 228 981	**1 228 981**
Other comprehensive income:									(5 291)		**(5 291)**
Defined benefit fund actuarial gains	13								(7 348)		**(7 348)**
Deferred taxation thereon	13								2 057		**2 057**
Conversion of B ordinary to ordinary share capital	9.4	(4)	4								**-**
Grants to staff share trusts	11					(260 222)					**(260 222)**
Deficit on treasury share transactions	11						(25 282)				**(25 282)**
Taxation relating to grants to share trusts	11							32 160			**32 160**
Recognition of share-based payments	9.6				48 323						**48 323**
Share-based payments reserve released to retained income for vested options					(80 383)					80 383	**-**
2011 final dividend to shareholders	22									(463 895)	**(463 895)**
2012 interim dividend to shareholders	22									(247 693)	**(247 693)**
Balance at 31 March 2012		**107**	**73**	**300**	**113 641**	**(874 099)**	**(173 607)**	**76 483**	**(10 095)**	**3 403 937**	**2 536 740**

1. Adoption of new Standards and changes in accounting policies

The following new Standards and Interpretations were adopted during the year and did not lead to any changes in the Group's accounting policies, except as detailed in note 1.1:

Statement, Interpretation or Standard	**Effective for annual periods beginning on or after**
• IAS 24 Related Party Disclosures (revised)	1 January 2011
• IFRS 1 First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time adopters (amendment)	1 July 2010
• IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement (amendment)	1 January 2011
• Improvements to IFRSs	Mainly 1 January 2011

1.1 Changes in accounting policies

IAS 24 Related Party Transactions (revised):

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group as the definitions were already applied according to these amendments, and the Group is not government related.

IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment):

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service costs by the entity to be recognised as a pension asset. This had no impact in the current year.

IFRS 7 Financial Instruments – Disclosures (clarification of disclosures):

The amendment emphasises the interaction between quantitive and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendments to quantitive and credit risk disclosures:

- Clarify that only financial assets with carrying amounts that do not reflect the maximum exposure to credit risk need to provide further disclosure of the amount that represents the maximum exposure to such risk;
- Require, for all financial assets, disclosure of the financial effect of collateral held as security and other credit enhancements, including the amount that best represents the maximum exposure to credit risk (e.g. a description of the extent to which collateral mitigates credit risk);
- Remove the disclosure requirement of the collateral held as security, other credit enhancements and an estimate of their fair value for financial assets that are past due but not impaired, and financial assets that are individually determined to be impaired;
- Remove the requirement to specifically disclose financial assets renegotiated to avoid becoming past due or impaired; and
- Clarify that the additional disclosure required for financial assets obtained by taking possession of collateral or other credit enhancements are only applicable to assets held at the reporting date.

The Group reflects the revised disclosure requirements in the notes to the annual financial statements.

IAS 1 Presentation of Financial Statements:

The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group provides these disclosures in the statement of changes in equity.

1.2 Statements, Interpretations or Standards

At the date of authorisation of these financial statements, the following Statements, Interpretations and Standards were in issue but not yet effective:

Statement, Interpretation or Standard	Effective for annual periods beginning on or after
• IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income	1 July 2012
• IAS 12 Income Taxes – Recovery of Underlying Assets	1 January 2012
• IAS 19 Employee Benefits (Amendment)	1 January 2013
• IAS 27 Separate Financial Statements (as revised in 2011)	1 January 2013
• IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)	1 January 2013
• IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and and Removal of Fixed Dates for First-time Adopters	1 July 2011
• IFRS 7 Financial Instruments: Disclosures (Amendment) – Transfers of Financial Assets	1 July 2011
• IFRS 7 Financial Instruments: Disclosures (Amendment) – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
• IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
• IFRS 10 Consolidated Financial Statements	1 January 2013
• IFRS 11 Joint Arrangements	1 January 2013
• IFRS 12 Disclosure of Involvement with Other Entities	1 January 2013
• IFRS 13 Fair Value Measurement	1 January 2013

The directors anticipate that the adoption of the above in future periods will have no material financial impact on the financial statements of the Group and will only result in additional disclosure requirements with the exception of IFRS 9. The impact of this new statement is currently being assessed. These Statements, Interpretations and Standards will be adopted at the respective effective dates.

2. Significant accounting estimates

Estimation uncertainty

The key assumptions concerning the future and other key sources of information uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

Employee benefits actuarially determined

The costs of the defined benefit pension fund plan, the post retirement medical benefit fund and share-based payments are determined actuarially. The actuarial valuations involve making assumptions regarding various factors (as detailed in notes 9.5, 9.6 and 29). Due to the long-term nature of these liabilities, such estimates are subject to uncertainty.

Provision for net realisable value of inventory

The provision for net realisable value of inventory represents management's estimate of the extent to which merchandise on hand at the reporting date will be sold below cost. This estimate takes into consideration past trends, evidence of impairment at year end and an assessment of future saleability, which takes into account fashionability and seasonal changes.

Provision for impairment of trade receivables

The provision for impairment of trade receivables represents management's estimate of the extent to which trade receivables at the reporting date will not be subsequently recovered. This estimate takes into consideration past trends and makes an assessment of additional risk factors, which are likely to impact recoverability.

	Group		Company	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
3. Property, plant and equipment				
Owned				
Cost	**1 291 198**	1 214 333	**1 221 420**	1 189 576
Accumulated depreciation and impairment	**(751 735)**	(756 117)	**(735 965)**	(742 899)
Net carrying amount	**539 463**	458 216	**485 455**	446 677
Leased				
Cost	**26 654**	26 654	**26 654**	26 654
Accumulated depreciation	**(26 654)**	(25 236)	**(26 654)**	(25 236)
Net carrying amount	**-**	1 418	**-**	1 418
Total net carrying amount	**539 463**	459 634	**485 455**	448 095

An analysis of the movement of property, plant and equipment is shown on pages 175 and 176.

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
4. Intangible assets				
Cost or carrying amount	**179 409**	152 868	**174 259**	147 718
Accumulated amortisation and impairment	**(76 500)**	(73 704)	**(76 500)**	(73 704)
Net carrying amount	**102 909**	79 164	**97 759**	74 014
An analysis of the movement of intangible assets is shown on page 177.				
5. Consolidated entities				
Carrying value of shares			**230 995**	228 564
Ordinary shares at cost			**2 641**	210
Preference shares at carrying value			**228 354**	228 354
Carrying value of long-term loans			**46 567**	3 080
Long-term loans at cost			**47 643**	4 156
Impairment provisions			**(1 076)**	(1 076)
The loans are unsecured, bear interest at rates of up to 15% per annum and have no fixed dates of repayment.				
			277 562	231 644
Net current amounts owing to consolidated entities			**(96 994)**	(149 220)
Current amounts owing by consolidated entities			**454 460**	377 196
Current amounts owing to consolidated entities			**(551 454)**	(526 416)
Current amounts are interest free and are settled within 12 months.				
			180 568	82 424

An analysis of the financial interest in consolidated entities is shown on page 174.

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
6. Long-term receivables				
6.1 Deferred receivables				
Carrying value of receivables	**-**	338		
Advances made	**-**	332		
Less: accumulated net amortised cost adjustments	**-**	6		
Beginning of the year	**6**	6		
During the year	**(6)**	-		
These amounts were due by employees of the Group in terms of the rules of the Deferred Implementation Share Scheme. In compliance with IAS 39 Financial Instruments: Recognition and Measurement, the advances were measured at initial recognition using market rates of interest at the date of each advance which ranged from 11.5% to 23.5%.				
6.2 Enterprise development loan				
Loan to accredited supplier	**9 700**	-	**9 700**	-
Total loan	**10 000**	-	**10 000**	-
Less: amount to be received in the next financial year transferred to trade and other receivables	**(300)**	-	**(300)**	-
The Company loaned R10 million to a long-standing supplier as part of an enterprise development initiative to assist in the construction of a footwear factory with enhanced capacity. The sum is repayable in monthly instalments of R100 000 commencing in January 2013. The monthly instalment will increase by 7.0% annually.				
	9 700	338	**9 700**	-
7. Inventories				
Merchandise purchased for resale	**1 153 814**	943 470	**1 102 077**	909 028
Consumable stores	**14 377**	10 196	**14 377**	10 196
	1 168 191	953 666	**1 116 454**	919 224
The write-down of inventories provided for in the valuation of merchandise purchased for resale was	**99 327**	79 705	**96 573**	78 355

8. Trade and other receivables

		Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
	Trade receivables (net)	**1 109 952**	760 917	**1 103 631**	756 768
	Prepayments	**37 275**	95 198	**37 228**	94 760
	Other receivables	**35 668**	15 891	**33 883**	15 089
	Short-term portion of contributions to export partnerships	**-**	59 272	**-**	59 272
		1 182 895	931 278	**1 174 742**	925 889
8.1	Gross trade receivables	**1 223 831**	835 187	**1 217 317**	830 718
	Impairment provision	**(113 879)**	(74 270)	**(113 686)**	(73 950)
	Net trade receivables	**1 109 952**	760 917	**1 103 631**	756 768

The ageing of the gross trade receivables is as follows:

	Days from transaction	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Current	30	**893 395**	631 053	**888 552**	627 713
Status 1	60	**170 902**	108 509	**170 001**	107 879
Status 2	90	**68 030**	42 695	**67 673**	42 473
Status 3	120	**44 522**	25 576	**44 260**	25 453
Status 4	150	**31 193**	17 784	**31 104**	17 686
Status 5	180	**15 789**	9 570	**15 727**	9 514
		1 223 831	835 187	**1 217 317**	830 718

Interest is charged on outstanding accounts in accordance with the National Credit Act (NCA) and has fluctuated in accordance with legislated changes to the repo rate.

The Group has provided for receivables in all ageing status levels based on estimated irrecoverable amounts from the sale of merchandise, determined by reference to past default experience.

Before accepting any new credit customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer, while ensuring compliance with the requirements of the NCA. Limits and scoring are reviewed at least annually in accordance with the requirements of the NCA and upon request by a customer. Due to the nature of the business, there are no customers that represent more than 5% of the total balance of trade receivables. The Group does not have any balances which are past due date and have not been provided for, as the provisioning methodology applied takes the entire debtor population into consideration.

		Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
8.2	Movement in the impairment provision				
	Balance at beginning of the year	**(74 270)**	(73 212)	**(73 950)**	(73 115)
	Impairment losses net of losses reversed	**(39 609)**	(1 058)	**(39 736)**	(835)
	Balance at end of the year	**(113 879)**	(74 270)	**(113 686)**	(73 950)

In determining the recoverability of trade receivables, the Group considers any changes in credit quality of the receivables up to reporting date. The concentration of credit risk is limited, as the customer base is large and unrelated. Each ageing category of the net trade receivables are illustrated below:

	Days from transaction	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Current and impaired	30	**10 915**	10 867	**10 897**	10 818
Past due and impaired					
Status 1	60	**16 658**	12 571	**16 631**	12 507
Status 2	90	**20 107**	13 997	**20 076**	13 940
Status 3	120	**26 784**	17 662	**26 742**	17 607
Status 4	150	**22 465**	10 268	**22 423**	10 218
Status 5	180	**16 950**	8 905	**16 917**	8 860
		113 879	74 270	**113 686**	73 950

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
8. Trade and other receivables (continued)				
8.3 Other receivables				
The expected maturity for other receivables is as follows:				
On demand	**2 700**	6 383	**2 700**	6 383
Less than three months	**24 564**	3 837	**22 943**	3 250
Three months to one year	**8 404**	5 671	**8 240**	5 456
	35 668	15 891	**33 883**	15 089
9. Share capital				
9.1 Authorised				
323 300 000 ordinary shares of 0.025 cent each	**81**	81	**81**	81
19 700 000 B ordinary shares of 0.3 cent each	**59**	59	**59**	59
	140	140	**140**	140
150 000 5.5% cumulative preference shares of R2 each	**300**	300	**300**	300
Total authorised share capital	**440**	440	**440**	440
9.2 Issued				
Ordinary				
249 750 410 (2011: 248 406 388) ordinary shares of 0.025 cent each	**62**	62	**62**	62
B ordinary				
14 878 538 (2011: 16 222 560) B ordinary shares of 0.3 cent each	**45**	49	**45**	49
Total issued share capital	**107**	111	**107**	111

9.3 The B ordinary shares are unlisted and are convertible into ordinary shares on a one-for-one basis at the instance of the B ordinary shareholders. The voting rights attached to the ordinary and B ordinary shares are in the same ratio as the par value of the respective shares. In the event of a poll, ordinary shareholders are entitled to one vote per share and B ordinary shareholders to 12 votes per share.

9.4 During the year, 1 344 022 issued B ordinary shares were converted into issued ordinary shares on a one-for-one basis.

9.5 Share Trusts and Share Purchase Schemes

The company operates six share trusts, a share option scheme and a deferred implementation share scheme for the benefit of associates, including executive Directors, employed by the Company and its consolidated entities. In terms of the deeds of trust, ordinary shares in Mr Price Group Limited may be acquired by the trust or awarded under the option schemes for the benefit of associates in the Group, including Directors. These share schemes are more fully detailed in the Remuneration Report on pages 111 to 114.

Details of shares and options held in terms of the deed of trust and the schemes are as follows:

9.5.1 The Mr Price Group Share Trust

This trust is currently dormant.

9. Share capital (continued)

9.5 Share Trusts and Share Purchase Schemes (continued)

9.5.2 The Mr Price Group Deferred Implementation Share Scheme

Ordinary shares in Mr Price Group Limited

	Group	
	2012 shares	2011 shares
Beginning of the year	**75 000**	75 000
Taken up by participants	**(75 000)**	-
End of the year	**-**	75 000

Deferred receivables which result from the operation of this scheme are detailed in note 6.1. There will be no further options issued under this scheme.

9.5.3 The Mr Price Group Share Option Scheme

Options over ordinary shares in Mr Price Group Limited

	Group	
	2012 options	2011 options
Beginning of the year	**862 076**	2 217 635
Surrendered by participants	**(19 500)**	(209 674)
Options exercised	**(532 037)**	(1 145 885)
End of the year	**310 539**	862 076

Options held at the beginning of the year were exercisable at prices between R2.80 and R21.20 per share in a period between three years and 10 years after the dates of the offers which commenced in May 1989. No new options were granted during the year under this scheme due to the introduction of the share schemes detailed in note 9.5.4. No further options will be issued under this scheme.

The vesting period of the options is detailed on page 113.

Option prices have been restated where necessary to recognise subdivisions and capitalisation issues. The share options under the scheme have all vested and have a weighed average option price of R12.09.

9.5.4 Five share trusts were established in November 2006 to replace The Mr Price Group Share Option Scheme.

Details of these trusts are as follows:

Trust name	Mr Price Executive Director Share Trust	Mr Price Executive Share Trust	Mr Price Senior Management Share Trust	Mr Price General Staff Share Trust	Mr Price Partners Share Trust	Group total
Award type	**Options**	**Options**	**Options**	**Options**	**Shares**	
Options/shares at 27 March 2010	4 079 000	3 114 800	4 749 250	13 840 823	6 300 000	32 083 873
New options/shares granted	945 000	689 000	1 036 312	3 287 245	1 498 250	7 455 807
Surrendered by participants	-	-	(345 903)	(2 167 825)	(1 190 500)	(3 704 228)
Options/shares exercised	(724 000)	(502 200)	(688 000)	-	(47 000)	(1 961 200)
Options/shares at 2 April 2011	4 300 000	3 301 600	4 751 659	14 960 243	6 560 750	33 874 252
New options/shares granted*	403 100	897 500	994 331	1 801 272	645 083	4 741 286
Surrendered by participants	-	(82 000)	(245 052)	(1 539 592)	(1 151 750)	(3 018 394)
Options/shares exercised	(724 000)	(482 200)	(638 000)	(1 060 409)	(50 750)	(2 955 359)
Options/shares at 31 March 2012	3 979 100	3 634 900	4 862 938	14 161 514	6 003 333	32 641 785
* New options/shares were granted during the current year at a strike price (per share): The strike price was determined by the lower of the 30 day volume-weighted average price and the closing share price on the business day prior to the award.	R76.49	R64.01- R76.49	R58.40 - R76.49	R65.27- R89.43	N/A	R58.40 - R89.43
The vesting periods of the options/ shares are detailed on page 113.						
The earliest opportunity at which share options are exercisable falls within financial years ending:						
Number of options						
2013	818 000	482 200	723 332	2 362 287	N/A	4 385 819
2014	818 000	538 866	879 999	2 995 779	N/A	5 232 644
2015	807 000	803 999	1 008 080	2 692 385	N/A	5 311 464
2016	1 039 000	765 001	1 071 481	2 598 215	N/A	5 473 697
2017	497 100	803 166	1 026 594	2 348 720	N/A	4 675 580
2018	-	136 832	98 741	899 192	N/A	1 134 765
2019	-	104 836	54 711	264 936	N/A	424 483
	3 979 100	3 634 900	4 862 938	14 161 514	N/A	26 638 452
Weighted average prices:						
2013	R21.76	R21.15	R21.15	R24.47	N/A	R23.16
2014	R21.76	R21.13	R21.13	R21.72	N/A	R21.66
2015	R32.02	R31.61	R31.61	R29.26	N/A	R30.43
2016	R53.03	R51.65	R51.65	R41.03	N/A	R47.28
2017	R67.04	R70.43	R70.43	R56.50	N/A	R63.33
2018	-	R69.35	R69.35	R58.83	N/A	R61.00
2019	-	R75.70	R75.70	R71.00	N/A	R72.87
Number of years over which shares are expected to vest unconditionally	N/A	N/A	N/A	N/A	39	39

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000

9. Share capital (continued)

9.6 Share-based payments

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Share-based payments relating to equity-settled share-based payment transactions in terms of the Share Option Schemes (refer notes 9.5.3 to 9.5.4)	**48 323**	38 527	**48 323**	38 738

Share-based payments are measured at fair value (excluding the impact of any non-market vesting conditions) at the date of the grant, which is expensed over the period of vesting. The fair value of each option grant is estimated at the date of the grant using an actuarial binomial option pricing model.

The assumptions supporting inputs into the model for options granted during the year are as follows:

	Mr Price Executive Director Share Trust	Mr Price Executive Share Trust	Mr Price Senior Management Share Trust	Mr Price General Staff Share Trust	Mr Price Partners Share Trust
• Weighted average strike price	R76.49	R76.21	R76.22	R71.43	R0.00
• Expected volatility (%)	27.67 - 33.54	27.67 - 34.19	27.67 - 34.27	31.57 - 33.26	N/A
• Expected option life	5 years	5 years	5 years	7 years	39 years
• Risk-free interest rate (%)	6.35 - 7.95	6.35 - 8.04	6.35 - 8.58	7.15 - 8.58	5.76 - 9.63
• Expected dividend yield (%)	3.48	3.48 - 3.66	3.48 - 3.78	3.48 - 3.78	N/A

The expected volatility was determined based on the historical volatility of the Company's share price over the expected lifetime of each grant. The expected life of the options has been determined taking into account the restrictions on non-transferability and exercise and management's best estimate of probable exercise behaviour.

The risk-free rate used is the yield on zero-coupon South African government bonds which have a term consistent with the expected option life.

In the calculation of the fair value of the options, allowance is not made for non-market conditions (such as forfeitures and leavers) during the vesting period. Adjustment for these conditions is made in the annual expense charge, with an allowance for forfeitures being made in the vesting period at rates varying between 0% and 15% compounded per annum.

9.7 The Mr Price Group Employees Share Investment Trust

The Company administers a staff share purchase scheme which facilitates the purchase of shares in the Company for the benefit of employees, including executive Directors, employed by the Company and its consolidated entities. The acquisition of shares is funded by contributions from participants (employees) while the Company is authorised to provide additional funding of up to 15% of the contributions made. The 15% contribution made by the Company is expensed in the year incurred as an associate cost. In terms of guidance issued by the JSE Limited, the Company has consolidated the Trust as it was created to incentivise and reward the employees of the Group. In the Trust's annual financial statements it has assets, being Mr Price Group Limited shares, to be given to the participants in the future. These shares are registered in the name of the Trust and not the employees. In addition, the financial statements show a liability for the shares to be given to employees when they request them. In the Group financial statements, the Mr Price Group Limited shares are reflected as treasury shares as they have not yet been transferred to the employees, while the amounts received for the shares to be given to employees are treated as equity transactions in terms of paragraphs 16 and 22 of IAS 32. Accordingly, the treasury shares will be used to settle the obligation to employees, but are shown as treasury shares until they are transferred into the name of the employee, or sold on their behalf. The employees have a claim against the Company until the shares are delivered to them, and therefore while the treasury shares have been earmarked to settle the Trust's obligation to employees, the obligation is not regarded as meeting the derecognition criteria. As noted above this obligation is regarded in the Group financial statements as equity and not a financial liability.

9.8 Unissued share capital

The unissued share capital, required for the purposes of carrying out the terms of the various share trusts and schemes, is under the control of the Directors until the conclusion of the forthcoming Annual General Meeting.

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
10. Capital reserves				
10.1 Share premium account	**11 679**	11 675	**73**	69
Beginning of the year	**11 675**	11 672	**69**	66
Conversion of B ordinary to ordinary shares	**4**	3	**4**	3
10.2 Participants in staff share investment trust (note 9.7)	**14 502**	9 596		
Beginning of the year	**9 596**	7 140		
Net movement for the year	**4 906**	2 456		
10.3 Capital redemption reserve fund				
Arising on the redemption of 5.5% cumulative preference shares	**300**	300	**300**	300
10.4 Share-based payments reserve	**113 641**	145 701	**113 641**	145 701
Beginning of the year	**145 701**	107 174	**145 701**	106 963
Recognition of share-based payments for the year	**(32 060)**	38 527	**(32 060)**	38 738
Share-based payments for options/shares granted in prior years	**37 820**	25 643	**37 820**	25 854
Share-based payments for options/shares granted in current year	**5 825**	5 968	**5 825**	5 968
Adjustment for forfeitures	**4 678**	6 916	**4 678**	6 916
Share-based payments reserve transferred to retained income for options that have vested from inception to date	**(80 383)**	-	**(80 383)**	-
The above equity account represents cumulative share-based payment charges that have been credited to equity net of transfers to retained income for options that have vested.				
Total capital reserves	**140 122**	167 272	**114 014**	146 070
11. Treasury share transactions				
20 707 018 (2011: 19 784 112) ordinary shares in Mr Price Group Limited held by staff share trusts	**(685 654)**	(528 043)		
Balance at beginning of the year	**(528 043)**	(366 586)		
Treasury shares acquired	**(260 222)**	(219 654)		
Treasury shares sold	**107 517**	58 440		
Mr Price Group Employees Share Investment Trust (note 9.7)	**(4 906)**	(2 456)		
Other	**-**	2 213		
Deficit on treasury share transactions	**(259 712)**	(179 121)	**(173 607)**	(148 325)
Balance at beginning of the year	**(179 121)**	(114 583)	**(148 325)**	(106 676)
Current year movement arising from the take-up of vested options	**(80 591)**	(64 538)	**(25 282)**	(41 649)
Taxation relating to grants to share trusts	**76 483**	44 323	**76 483**	44 323
Balance at beginning of the year	**44 323**	30 580	**44 323**	30 580
Current year movement	**32 160**	13 743	**32 160**	13 743
Grants by Company to staff share trusts			**(874 099)**	(613 877)
Balance at beginning of the year			**(613 877)**	(409 497)
Grants made during the year			**(260 222)**	(204 380)
	(868 883)	(662 841)	**(971 223)**	(717 879)

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000

12. Foreign currency translation reserve

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Beginning of the year	**(19 064)**	(15 123)		
Currency translation adjustments for the year	**(3 284)**	(3 941)		
End of the year	**(22 348)**	(19 064)		

The foreign currency translation reserve comprises the cumulative translation adjustments arising on the consolidation of the foreign subsidiaries in Botswana and Nigeria.

13. Defined benefit fund actuarial gains and losses

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Beginning of the year	**(4 804)**	(5 429)	**(4 804)**	(5 429)
Current year actuarial (losses)/gains	**(7 348)**	868	**(7 348)**	868
Deferred taxation thereon	**2 057**	(243)	**2 057**	(243)
End of the year	**(10 095)**	(4 804)	**(10 095)**	(4 804)

Refer to note 29 for details of the recognition of defined benefit fund actuarial gains and losses.

14. Insurance reserve

	Group 2012 R'000	Group 2011 R'000
Beginning of the year	**3 785**	3 003
Increase in reserve	**367**	782
End of the year	**4 152**	3 785

The Group acts as a medium for the offering of insurance products to its customers, for which it earns commission.

The principal risk that the insurance cells face is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the cells is to ensure that sufficient reserves are available to cover these potential liabilities.

The main risks that the insurance cells are exposed to are as follows:
- Mortality risk: the risk of loss arising due to policyholder death experience differing from that expected;
- Morbidity risk: the risk of loss arising due to policyholder health experience differing from that expected;
- Expense risk: the risk of loss arising from expense experience differing from that expected; and
- Policyholder decision risk: risk of loss arising due to policyholder experiences (lapses and surrenders) differing from that expected.

The risk structure per product is as follows:
Guardrisk Insurance Company Limited (Cell number 136)

	% of insured risk Mr Price Group Limited	Guardrisk Insurance Company Limited
Customer Protection Plan	**100**	-
Funeral Plan	**100**	-
360 degrees Protection Plan	**70**	30
A2B Commuter Personal Accident Plan	**70**	30
Medinet Critical Illness and Hospitalisation Plan	**70**	30

14. Insurance reserve (continued)

Guardrisk Life Limited (Cell number 048)

Mr Price Group Limited bears 100% of the risk for all products, except motor vehicle insurance where the aggregate excess and stop loss on own damage are insured through Chartis.

The reserves in respect of these insurance cells are maintained in accordance with legislation governing financial service providers. The long-term insurance cell maintains an Incurred But Not Reported (IBNR) reserve equal to a claims factor (minimum 33%) applied to three months of net premiums (i.e. gross premiums less commissions and administration fees). The short-terms cells are required to maintain a solvency ratio equal to 25% of net premiums and an IBNR reserve equal to 7% of the annual risk premium, that is reflected in the statement of financial position under trade and other payables. The long and short-term cells have cumulative current assets of R50.8 million (2011: R38.2 million) and current liabilities of R15.3 million (2011: R17.3 million). During the year a dividend of R20 million (2011: R41.7 million) was paid by the cells to the Company.

Premium income and claims history:

	2012	2011	2010	2009
Premium income (R'000)	*70 544*	47 714	36 845	23 111
Number of claims	2 043	2 038	1 850	436
Claim costs (R'000)	5 300	4 200	4 600	2 700
Claim costs as a percentage of premium income	*7.5%*	8.8%	12.5%	11.7%

15. Lease obligations

	Group **2012 R'000**	Group 2011 R'000	Company **2012 R'000**	Company 2011 R'000
15.1 Capitalised finance lease				
Minimum lease payments	-	10 469	-	10 469
Within one year	-	10 469	-	10 469
After one year but less than five years	-	-	-	-
Less: interest charges	-	(771)	-	(771)
Present value of lease obligation	-	9 698	-	9 698
The present value of the lease obligation is due as follows:	-	9 698	-	9 698
Within one year	-	9 698	-	9 698
After one year but less than five years	-	-	-	-
The finance lease, recognised in respect of the loan entered into to fund the initial cost of building the Group's head office, came to an end on 31 January 2012. The Group exercised its option to extend occupation of the head office building for a further 15 years. This lease has been classified as an operating lease.				
15.2 Straight line operating lease liability	**200 414**	188 563	**197 524**	185 936
Total lease obligations	**200 414**	198 261	**197 524**	195 634
Less: amounts due for settlement within 12 months	**(29 298)**	(37 742)	**(28 720)**	(36 823)
Capitalised finance lease	-	(9 698)	-	(9 698)
Straight line lease liability	**(29 298)**	(28 044)	**(28 720)**	(27 125)
Total long-term portion of lease obligations	**171 116**	160 519	**168 804**	158 811

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
16. Deferred taxation				
Attributable to:				
Prepayments	**6 558**	25 565	**6 558**	25 565
Provisions	**(70 033)**	(41 209)	**(69 941)**	(41 081)
Other temporary differences	**(24 362)**	(26 308)	**(21 129)**	(24 215)
Defined benefit fund asset	**4 362**	5 668	**4 362**	5 668
Grants to staff share trusts	**64 608**	41 550	**64 608**	41 550
Straight line operating lease liability	**(56 174)**	(52 826)	**(55 307)**	(52 062)
	(75 041)	(47 560)	**(70 849)**	(44 575)
Beginning of the year	**(47 560)**	(68 183)	**(44 575)**	(64 598)
Movements during the year	**(27 481)**	20 623	**(26 274)**	20 023
Prepayments	**(19 007)**	23 748	**(19 007)**	23 748
Provisions	**(28 824)**	(3 860)	**(28 860)**	(3 678)
Other temporary differences	**1 946**	(14 554)	**3 086**	(15 244)
Defined benefit fund actuarial (losses)/gains	**(1 306)**	965	**(1 306)**	965
Grants to staff share trusts	**23 058**	18 143	**23 058**	18 143
Straight line operating lease liability	**(3 348)**	(3 819)	**(3 245)**	(3 911)
End of the year	**(75 041)**	(47 560)	**(70 849)**	(44 575)
Deferred taxation liabilities	**716**	744	**-**	-
Deferred taxation assets	**(75 757)**	(48 304)	**(70 849)**	(44 575)
	(75 041)	(47 560)	**(70 849)**	(44 575)
17. Provisions				
Onerous lease contracts				
Balance at beginning of the year	**8 037**	12 850	**8 037**	12 850
Provision raised/(released) during the year	**5 806**	(4 813)	**5 806**	(4 813)
Balance at end of the year	**13 843**	8 037	**13 843**	8 037
Long-term	**7 883**	4 810	**7 883**	4 810
Current	**5 960**	3 227	**5 960**	3 227
	13 843	8 037	**13 843**	8 037

The provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The unexpired terms of the leases range from one to five years.

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
18. Trade and other payables				
Trade payables	**647 630**	625 741	**647 334**	625 413
Other payables	**587 288**	615 883	**563 332**	596 031
	1 234 918	1 241 624	**1 210 666**	1 221 444

	Group		Company	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000

19. Profit from operating activities

Arrived at after (crediting)/charging the following:

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Income from consolidated entities			**(162 160)**	(179 024)
Dividend income			**(97 112)**	(124 902)
Fees			**(64 564)**	(53 957)
Finance income			**(484)**	(165)
Amortisation of intangible assets (page 177)	**25 488**	24 238	**25 488**	24 238
Associate costs	**1 396 576**	1 267 535	**1 370 424**	1 246 831
Salaries, wages and other benefits	**1 264 281**	1 153 872	**1 239 718**	1 134 299
Share-based payments (note 9.6)	**48 323**	38 527	**48 323**	38 738
Defined contribution pension funds expense	**81 801**	73 285	**80 212**	71 943
Defined benefit pension fund net expense	**335**	295	**335**	295
Current service cost	**2 880**	2 481	**2 880**	2 481
Interest cost	**6 000**	5 633	**6 000**	5 633
Expected return on fund assets	**(8 545)**	(7 819)	**(8 545)**	(7 819)
Post retirement medical aid benefits (note 29.2)	**1 836**	1 556	**1 836**	1 556
Current service cost	**688**	583	**688**	583
Interest cost	**1 148**	973	**1 148**	973
Auditors' remuneration	**5 406**	3 727	**5 164**	3 538
Audit fees	**5 279**	3 610	**5 064**	3 446
Other services	**127**	117	**100**	92
Consulting fees	**12 688**	14 307	**12 528**	14 264
Technical services	**12 479**	14 237	**12 468**	14 237
Administrative and other services	**209**	70	**60**	27
Defined benefit fund asset movement	**(2 680)**	(2 578)	**(2 680)**	(2 578)
Depreciation of property, plant and equipment (pages 175 and 176)	**164 522**	170 763	**158 425**	167 156
Impairment of property, plant and equipment (page 175)	**237**	2 274	**237**	2 274
Movement in provisions (note 17)	**5 806**	(4 813)	**5 806**	(4 813)
Net amortised cost adjustment of deferred receivables (note 6.1)	**6**	-		
Net loss on disposal and scrapping of property, plant and equipment	**7 088**	19 266	**7 056**	19 184
Net (gains)/losses on foreign exchange	**(8 616)**	21 078	**(8 616)**	21 078
Forward exchange contracts	**(7 658)**	21 027	**(7 658)**	21 027
Transactions	**(958)**	51	**(958)**	51
Operating lease rentals	**912 734**	876 957	**883 967**	852 213
Land and buildings	**885 009**	850 737	**856 366**	826 134
Equipment	**17 926**	17 182	**17 843**	17 110
Motor vehicles	**9 799**	9 038	**9 758**	8 969

20. Taxation

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
20.1 South African and foreign taxation				
20.1.1 South African taxation				
This year	**550 872**	457 504	**525 989**	434 864
Current				
Normal taxation	**526 627**	396 994	**502 575**	378 533
Secondary taxation on companies	**64 509**	53 197	**62 509**	49 030
Deferred				
Current year temporary differences	**(40 264)**	7 313	**(39 095)**	7 301
Prior years	**(215)**	-	**(215)**	-
Current	**3 875**	-	**3 875**	-
Deferred	**(4 090)**	-	**(4 090)**	-
20.1.2 Foreign taxation				
This year	**18 457**	16 594	**8 636**	8 694
Current	**18 496**	15 986	**8 636**	8 694
Deferred	**(39)**	608	**-**	-
Prior years	**-**	(148)	**-**	-
Current	**-**	(126)	**-**	-
Deferred	**-**	(22)	**-**	-
Total taxation	**569 114**	473 950	**534 410**	443 558

In addition to the above, current normal taxation and deferred taxation amounting to R55.2 million (2011: R31.9 million) and R21.0 million (2011: R18.4 million) respectively have been credited and charged to equity relating to the grants to staff share trusts (refer note11). Deferred income taxation of R2.1 million (2011: R0.2 million) has been charged to the statement of comprehensive income.

	Group 2012	Group 2011	Company 2012	Company 2011
20.2 Reconciliation of taxation rate	**%**	%	**%**	%
Standard rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
Secondary taxation on companies	**3.6**	3.6	**3.5**	3.2
Exempt income	**(0.2)**	-	**(1.8)**	(2.3)
Capital gains taxation	**0.3**	-	**0.3**	-
Net adjustment to contributions to export partnerships	**-**	0.1	**-**	0.1
Other	**0.2**	0.2	**0.3**	0.4
Effective taxation rate	**31.9**	31.9	**30.3**	29.4

21. Earnings per ordinary and B ordinary share

21.1 Reconciliation of earnings

The calculation of basic and headline earnings per share is based on:

	Group	
	2012 R'000	2011 R'000
Basic earnings – profit attributable to shareholders	**1 217 101**	1 010 254
Loss on disposal, scrapping and impairment of property, plant and equipment and intangible assets	**7 325**	21 540
Taxation	**(2 051)**	(5 395)
Headline earnings	**1 222 375**	1 026 399

21.2 Number of shares

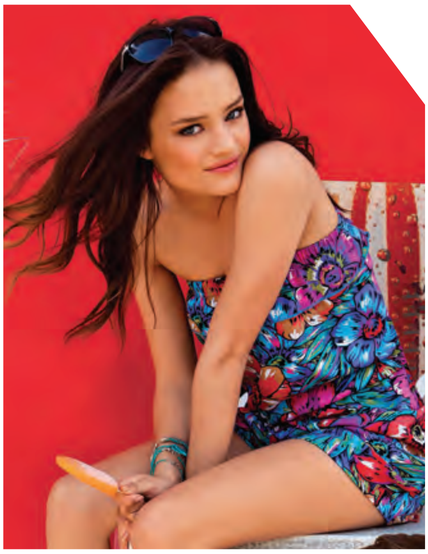
The weighted average number of shares in issue is 242 996 303 (2011: 245 023 570).

21.3 Dilution impact

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potential dilutive shares, which currently comprise share options and shares. A calculation is made in order to determine the number of shares that could have been issued at fair value (determined as the average annual market price of the shares) based on the monetary value of the subscription rights attached to outstanding options.

	Group	
	2012 Shares	2011 Shares
Number of shares per basic earnings per share calculation	**242 996 303**	245 023 570
Weighted average number of ordinary shares under option deemed to have been issued for no consideration	**20 144 027**	18 938 241
Number of shares for calculation of diluted earnings per share	**263 140 330**	263 961 811





	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
22. Dividends to shareholders				
Ordinary and B ordinary shares				
	436 347	319 771	**463 895**	335 550
Prior year final dividend: 175.3 cents per share (2011: 126.8 cents per share)	**463 895**	335 550	**463 895**	335 550
Dividend paid by Partners Share Trust	**10 812**	7 585		
Less: dividend received on shares held by staff share trusts	**(38 360)**	(23 364)		
	234 034	192 537	**247 693**	202 970
Interim dividend: 93.6 cents per share (2011: 76.7 cents per share)	**247 693**	202 970	**247 693**	202 970
Dividend paid by Partners Share Trust	**5 355**	4 266		
Less: dividend received on shares held by staff share trusts	**(19 014)**	(14 699)		
Total net dividend to shareholders	**670 381**	512 308	**711 588**	538 520

In respect of the current year, the Board of Directors propose that on the 25 June 2012, a cash dividend of 220.4 cents per share be paid to shareholders who are registered on the "Record date" of 22 June 2012. This dividend has not been reflected as a liability in these financial statements. The total estimated dividend to be paid by the Company is R583.2 million.

	Company 2012 R'000	Company 2011 R'000
23. Directors' emoluments		
The emoluments received by the Directors from the Company were:		
Executive Directors		
Salaries	**11 423**	13 277
Bonuses and performance related payments	**18 261**	16 576
Vehicle allowances and expenses	**914**	1 255
Pension contributions	**2 400**	2 811
Other material benefits	**349**	5 215
	33 347	39 134
Non-executive Directors		
Salaries	**3 691**	3 691
Fees	**3 627**	3 452
Vehicle allowances and expenses	**520**	506
Pension contributions	**883**	892
Other material benefits	**156**	176
	8 877	8 717

Details of individual Director's emoluments and share incentive scheme transactions are disclosed on pages 115 to 117.

24. Notes to the statements of cash flows

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
24.1 Operating profit before working capital changes				
Profit before taxation	**1 786 215**	1 484 204	**1 763 391**	1 509 163
Adjustments for:				
Depreciation of property, plant and equipment	**164 522**	170 763	**158 425**	167 156
Amortisation of intangible assets	**25 488**	24 238	**25 488**	24 238
Loss on disposal and scrapping of property, plant and equipment	**7 088**	19 266	**7 056**	19 184
Impairment of property, plant and equipment	**237**	2 274	**237**	2 274
Net finance income	**(44 392)**	(54 662)	**(12 733)**	(21 491)
Interest on trade receivables	**(197 194)**	(163 965)	**(196 457)**	(163 369)
Other non-cash items	**112 324**	53 337	**110 791**	53 610
Straight line operating lease liability movement	**11 851**	13 765	**11 588**	13 967
Share option expenses	**48 323**	38 527	**48 323**	38 738
Amortisation of long-term receivables	**6**	-		
Impairment of export partnerships	**-**	4 226	**-**	4 226
Other	**52 144**	(3 181)	**50 880**	(3 321)
	1 854 288	1 535 455	**1 856 198**	1 590 765
24.2 Working capital changes				
Increase in trade and other receivables	**(291 226)**	(112 923)	**(288 589)**	(111 485)
Increase in inventories	**(234 147)**	(18 995)	**(215 448)**	(20 188)
Increase/(decrease) in trade and other payables	**7 530**	(78 084)	**3 216**	(85 964)
	(517 843)	(210 002)	**(500 821)**	(217 637)
24.3 Taxation paid				
Amounts unpaid at beginning of the year	**(42 210)**	(58 419)	**(43 081)**	(61 545)
Taxation	**5 350**	9 764	**1 494**	3 053
Deferred	**(47 560)**	(68 183)	**(44 575)**	(64 598)
Amounts charged to the income statements	**569 114**	473 950	**534 410**	443 558
Taxation	**613 507**	466 051	**577 595**	436 257
Deferred	**(44 393)**	7 899	**(43 185)**	7 301
Amounts charged to equity	**(34 217)**	(13 500)	**(34 217)**	(13 500)
Taxation	**(55 218)**	(31 886)	**(55 218)**	(31 886)
Deferred taxation	**21 001**	18 386	**21 001**	18 386
Amounts unpaid at end of the year	**24 139**	42 210	**28 124**	43 081
Taxation	**(50 902)**	(5 350)	**(42 725)**	(1 494)
Deferred taxation	**75 041**	47 560	**70 849**	44 575
Amounts paid	**516 826**	444 241	**485 236**	411 594
24.4 Net outflows in respect of long-term receivables				
Loan to accredited supplier	**9 700**	-	**9 700**	-
Decrease in deferred receivables	**(331)**	-	**-**	-
Net amounts paid	**9 369**	-	**9 700**	-

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
24. Notes to the statements of cash flows (continued)				
24.5 Amounts owing to/(by) consolidated entities				
Increase in current amounts owing to consolidated entities			25 038	3 440
Increase in current amounts owing by consolidated entities			(77 264)	(18 000)
			(52 226)	(14 560)
24.6 Dividends to shareholders				
Dividends to ordinary and B ordinary shareholders	711 588	538 520	711 588	538 520
Less: dividends on shares held by staff share trusts	(57 374)	(38 063)		
Add: dividends paid by Partners Share Trust	16 167	11 851		
	670 381	512 308	711 588	538 520
25. Capital expenditure				
The capital expenditure authorised by the Directors of the Company or its consolidated entities but not provided for in the financial statements amounts to	310 904	304 683	310 904	304 683
of which contracts have been placed for	115 397	60 840	114 783	60 840
The above capital expenditure is expected to be financed from future cash flows.				
26. Operating lease commitments				
Future minimum rentals payable under non-cancellable leases, which predominantly relate to land and buildings, are as follows:				
Within one year	851 710	827 694	826 971	805 353
After one year but less than five years	1 882 871	1 748 614	1 822 686	1 704 353
More than five years	508 768	508 716	503 003	501 058
	3 243 349	3 085 024	3 152 660	3 010 764

27. Financial guarantees

The Company had previously provided support to the purchasers of the Hub chains as security for operating lease obligations. The business was subsequently resold in 2008 and the Company has been irrevocably indemnified by the new owner in respect of any amount that may be payable as a result of previously providing these guarantees. The probability of incurring any expense in this regard is considered to be remote.

28. Financial risk management

The Group is exposed, directly and indirectly, to market risk, including, primarily, changes in interest rates and currency exchange rates and uses derivatives and other financial instruments in connection with its risk management activities.

The Board of Directors carries the ultimate responsibility for the overseeing of the Group's risk management framework. The Board has a Risk and Sustainability Committee and is responsible for the overall process of risk management. The Committee meets at least four times per year and assists the Board who is accountable for designing, implementing and monitoring the process of risk management and integrating it into the daily activities of the Group.

28.1 Capital and treasury risk management

The Group is a cash-based business. The Group monitors capital through a process of analysing the underlying cash flows, which in turn drives the residual capital structure, consisting of share capital, share premium, reserves and retained income as quantifed in the statement of changes in equity.

The Group manages its capital to ensure that it will be able to maintain healthy capital ratios in order to sustain its business and maximise shareholder value. Any adjustments are made in light of economic conditions and may include adjusting dividend cover or returning capital to shareholders.

Due to its level of net cash resources, the Group has no material borrowings. Cash reserves are available to meet current working capital and capital investment requirements.

The treasury function is administered at Group level where strategies for the funding of working capital requirements and capital expenditure projects are implemented, taking into account cash flow projections and expected movements in interest rates. The Group has a policy of remaining highly liquid in order to have the available cash flow to fund expansion of existing businesses and any possible new ventures.

An interest sensitivity analysis for cash and cash equivalents has not been disclosed as the amounts involved are considered immaterial.

28.2 Foreign exchange risk management

28.2.1 Investment in foreign operations

The Group is directly exposed to exchange rate fluctuations through its investments in operations outside South Africa. All amounts lent to consolidated entities are rand denominated. The Group's investment exposure to currency fluctuations is limited to the Botswana and Nigeria subsidiaries as the other African countries in which the Group is invested have currencies that are pegged to the rand.

The analysis below details the Group's sensitivity to a 10% increase and decrease in the rand against the pula and naira respectively and its effect on equity for the year. The sensitivity analysis adjusts their translation at year end for a 10% change in the exchange rate.

Group

		2012 R'000	2011 R'000
Rate variance - pula	+10%	**916**	850
	-10%	**(916)**	(850)
Rate variance - naira	+10%	**161**	-
	-10%	**(161)**	-
Group - total foreign exchange exposure	+10%	**1 077**	850
	-10%	**(1 077)**	(850)

	Group		Company	
	2012	2011	**2012**	2011

28. Financial risk management (continued)

28.2.2 Transactions in foreign currencies

Historically, the Group's policy has been to not directly import merchandise but it is indirectly exposed to currency movements to the extent that purchases of merchandise with import content are made from suppliers. Direct importing is done on a limited basis with all transactions being covered by forward exchange contracts (FECs). FECs are used to address limited cases of direct exposure and forward rand denominated commitments are negotiated with local suppliers.

At year end forward exchange contract commitments were:

Current liability US$'000	**25 714**	27 307	**25 714**	27 307
Exchange rate R/US$ - average contract rate	**R7.859**	R7.234	**R7.859**	R7.234
Exchange rate R/US$ - year end closing rate	**R7.705**	R6.786	**R7.705**	R6.786

The contracts will mature within periods varying up to six months after year end and translates to R201.6 million (2011: R187.5 million) at the market rate of an equivalent contract at year end.

With reference to these FECs, the analysis below details the Group's sensitivity to a 10% increase and decrease in the rand against the dollar and its effect on income for the year, assuming no change in retail selling prices. The sensitivity analysis includes only outstanding dollar denominated FECs and adjusts their translation at year end for a 10% change in the exchange rate.

		Group		Company	
		2012	2011	**2012**	2011
		R'000	R'000	**R'000**	R'000
Rate variance	+10%	**(20 159)**	(18 749)	**(20 159)**	(18 749)
	-10%	**20 159**	18 749	**20 159**	18 749

28.3 Credit risk management

Credit risk is concentrated principally in periodic short-term cash investments, in trade receivables and loans to consolidated entities. The Group deposits short-term cash surpluses only with major banks of high quality credit standing. The granting of credit to trade debtors is controlled with statistical scoring models and performance parameters which are reviewed on a regular basis. The maximum exposure in respect of trade debtors and the Group's risk management policies regarding trade receivables are disclosed in note 8.

The analysis below details the Group's sensitivity to a 1% increase and decrease in the interest rate charged to debtors and its effect on income for the year.

		Group		Company	
		2012	2011	**2012**	2011
		R'000	R'000	**R'000**	R'000
Rate variance	+1%	**10 324**	8 355	**10 285**	8 323
	-1%	**(10 324)**	(8 355)	**(10 285)**	(8 323)

At 31 March 2012 the Group did not consider there to be any significant concentration of credit risk for which it had not adequately provided.

28. Financial risk management (continued)

28.4 Liquidity management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows. The Group has significant cash reserves and minimal borrowings which will enable it to borrow funds externally should it require to do so to meet any working capital or possible expansion requirements.

As a consequence of banking legislation which requires fees to be paid relative to the size of the facility, the Group has only entered into limited loan facility arrangements to the extent that fees are not payable. The year end position was as follows:

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Total facilities	**445 000**	444 000	**445 000**	444 000
Less: drawn down portion	**-**	-	**-**	-
Total undrawn banking facilities	**445 000**	444 000	**445 000**	444 000

There is no foreseeable need to enter into borrowings based on the Group's existing cash resources and expected future cash flows. Furthermore, due to the Group's strong financial position, should further borrowings be required, the Group should be able to obtain any necessary funding at short notice, subject to bank approval.

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Borrowing powers In terms of the Company's Articles of Association, borrowing powers at year end were limited to 150% of Group equity attributable to shareholders	**4 169 274**	3 591 276	**4 169 274**	3 591 276
Actual borrowings outside the Group at year end were	**-**	9 698	**-**	9 698
At year end bank balances were	**1 198 096**	1 364 996	**862 773**	1 152 471
Net cash resources were	**1 198 096**	1 355 298	**862 773**	1 142 773

Included in Group cash resources is an amount of R50.6 million (2011: R37.9 million) relating to the insurance cell captives from which the Company may only draw fee and dividend income.

The table below details the Group's expected maturity for its non-derivative financial liabilities:

	On demand	Less than three months	Three months to one year	One to five years	Total
Group (R'000)					
2012					
Trade and other payables	234 074	922 246	78 598	-	1 234 918
2011					
Capitalised finance lease	-	2 094	8 375	-	10 469
Trade and other payables	179 111	949 657	112 856	-	1 241 624
	179 111	951 751	121 231	-	1 252 093
Company (R'000)					
2012					
Trade and other payables	229 437	905 273	75 956	-	1 210 666
2011					
Capitalised finance lease	-	2 094	8 375	-	10 469
Trade and other payables	174 365	935 242	111 837	-	1 221 444
	174 365	937 336	120 212	-	1 231 913

The Group expects to meet its obligations from existing cash reserves and from operating cash flows. The Group's derivative financial liabilities comprise forward exchange contracts which are disclosed in note 28.2.2.

28. Financial risk management (continued)

28.5 Fair value hierarchy

As at 31 March 2012 the Group held financial instruments measured at fair value in the form of foreign exchange contracts. The Group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
The fair value of forward exchange contracts is measured using Level 1 techniques. There have been no transfers between the levels during the year (refer to note 28.2.2).

Fair value of financial instruments
The estimated fair values of recognised financial instruments approximate their carrying amounts.

29. Retirement benefits

29.1 Pension schemes

29.1.1 Membership

The funds are registered in terms of the Pension Funds Act and provide for pensions and related benefits for all permanent employees. Membership is compulsory after the first year of service. Membership details are disclosed in the Remuneration Report on page 114.

29.1.2 Contributions

In the case of the Group defined benefit fund, pensions are based on length of service and highest average annual salary earned over two years during the last 10 years of employment. The members are required to contribute to the funds mainly at the rate of 7.5% of their pensionable remuneration while the employer is required to contribute to the defined contribution funds mainly at the rate of 11.0% of pensionable remuneration and to the defined benefit fund mainly at the rate of 17.1% of pensionable remuneration (excluding disability benefits). In the case of the defined benefit fund, the employer rate has been calculated based on the Projected Unit Credit method.

29.1.3 Valuations

Defined benefit pension fund
In terms of the Pension Funds Act the defined benefit fund should be actuarially valued every three years. In the statutory valuation as at 31 December 2008, past service liabilities were determined by valuing all future payments expected to be made out of the fund in respect of benefits accrued up to the valuation date. The actuarial valuation of assets was R66.3 million and the liability for accrued benefits, including a solvency reserve of R6.8 million, was R62.8 million, resulting in a funding level of 105.5% and a distributable surplus of R3.5 million. The possible conversion of the fund's benefit structure from defined benefit to defined contribution is currently being investigated. It is expected that the distributable surplus could be required to fund such a conversion and accordingly it has been retained in the employer surplus account. The valuation took into account the minimum benefits payable on a member's exit from the fund after 1 January 2004, in terms of the Pension Funds Second Amendment Act of 2001. In the opinion of the actuary the fund was in a sound financial position. The results of the valuation carried out as at 31 December 2011 are expected to be received in July 2012.

29. Retirement benefits (continued)

29.1 Pension schemes (continued)

29.1.3 Valuations (continued)

	Group and Company 2012 R'000	2011 R'000
The funded status of the defined benefit retirement fund, actuarially calculated annually at reporting date in terms of IAS 19, is as follows:		
Benefit obligation	**(75 910)**	(63 539)
Plan assets	**91 485**	83 780
Net benefit plan asset	**15 575**	20 241
The amounts recognised in the income statement are detailed in note 19.		
Estimated return on plan assets	**9 301**	11 699

The following main assumptions were used in performing the calculation:
- Discount rate - 8.25% per annum (2011: 9.00% per annum)
- Rate of return on assets - 9.25% per annum (2011: 10.00% per annum)
- Future salary increases - 6.50% per annum (2011: 6.75% per annum)

Movements in the present value of the defined benefit obligation in the current period were as follows:

	2012 R'000	2011 R'000
Defined benefit obligation at beginning of the year	**63 539**	57 975
Current service cost	**2 880**	2 481
Member contributions	**963**	969
Interest cost	**6 000**	5 633
Actuarial loss	**8 102**	3 012
Benefits paid	**(4 777)**	(5 826)
Risk premiums	**(797)**	(705)
Defined benefit obligation at end of the year	**75 910**	63 539

Movements in the present value of the plan assets in the current period were as follows:

	2012 R'000	2011 R'000
Fair value of plan assets at beginning of the year	**83 780**	74 770
Expected return on assets	**8 545**	7 819
Contributions	**3 978**	3 842
Risk premiums	**(797)**	(705)
Benefits paid	**(4 777)**	(5 826)
Actuarial gain	**756**	3 880
Fair value of plan assets at end of the year	**91 485**	83 780

	Group and Company 2012 %	2011 %
The estimated asset composition of the fair value of total plan assets is as follows:		
Cash	**14.3**	12.5
South African equities	**45.4**	53.1
South African bonds	**11.6**	14.8
South African property and other	**4.4**	3.1
International assets	**24.3**	16.5
	100.0	100.0

The amounts for the current and previous four periods are as follows (R'000):

	2012	2011	2010	2009	2008
Defined benefit obligation	**(75 910)**	(63 539)	(57 975)	(47 642)	(48 487)
Plan assets	**91 485**	83 780	74 770	66 651	77 119
Net plan asset	**15 575**	20 241	16 795	19 009	28 632

Defined contribution funds

The defined contribution funds were previously valuation exempt in terms of Regulation 2 of the Pension Funds Act but were subject to annual actuarial reviews. This valuation exemption has been withdrawn in terms of the regulations of the Pension Funds Second Amendment Act of 2001. The most recent statutory valuations were undertaken as at 1 December 2006 and in the opinion of the actuary the funds were in a sound financial position. The fund was granted valuation exemption by the Financial Services Board on 22 April 2010 until 31 December 2012. The most recent interim actuarial review was conducted as at 31 December 2008 and in the opinion of the actuary the funds were in a sound financial position.

29.2 Post retirement medical benefits

The obligation of the Group to pay medical aid contributions for members who have retired is no longer part of the conditions of employment for new associates. A limited number of pensioners and current associates who remain members of the defined benefit pension fund are entitled to this benefit. The entitlement to the benefit for current associates is dependent upon the associate remaining in service until retirement age. An actuarial valuation, in terms of IAS 19, of the Group's liability at 31 March 2011 for this future benefit was undertaken. Valuations are undertaken every three years. The main assumptions used in performing these valuations are reviewed annually. Any detection of a material variation in a main assumption would give rise to a new valuation. The obligation for post retirement medical aid benefits is unfunded. The following main assumptions were used in performing the valuation at 31 March 2011:
Liability was based on current membership
Health care cost inflation - 8.0% per annum
Discount rate - 9.25% per annum
Average retirement age - 62 years
Continuation at retirement - 100%

	Group and Company 2012 R'000	2011 R'000
Activity during the year was as follows:		
Benefit obligation at beginning of the year	**12 937**	11 393
Net increase in provision during the year	**1 822**	1 544
Provision in income statement	**1 836**	1 556
Contributions	**(14)**	(12)
Benefit obligation at end of the year	**14 759**	12 937

The amounts for the current and previous four periods are as follows (R'000):

	2012	2011	2010	2009	2008
Defined benefit obligation	**14 759**	12 937	11 393	9 962	8 610

	Group		Company	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000

30. Related party transactions

30.1 Directors

Refer to the Report of the Directors on pages 132 and 133 in respect of transactions with Directors.

30.2 Compensation of key management personnel

	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Short-term employee benefits	**67 735**	56 051	**67 735**	56 051
Post employment pension benefits	**7 534**	6 332	**7 534**	6 332
Share-based payments	**9 920**	10 041	**9 920**	10 041
	85 189	72 424	**85 189**	72 424

The above compensation includes amounts paid to executive senior management personnel and excludes amounts paid to Directors as disclosed in the Remuneration Report.

30.3 Transactions with related parties

The following transactions were entered into with individuals, who meet the definition of close family members to key management personnel, or entities over which such individuals are deemed to have a controlling influence:

Related party	Transaction type	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
Oceanet (Pty) Ltd	Lease rental	**-**	3 083	**-**	3 083
Spike Apparel CC	Inventory purchased	**-**	371	**-**	371
International Supply Company	Inventory purchased	**11 126**	13 469	**11 126**	13 469
		11 126	16 923	**11 126**	16 923

Legal fees of R1.9 million (2011: R0.3 million) were paid or payable to attorneys Bernadt, Vukic, Potash & Getz of which Mr K Getz, a non-executive Director, is a partner.

Consulting fees of R0.3 million (2011: R0.5 million) were paid to Prof. LJ Ring, an alternate non-executive Director.

Amounts owed to related parties at year end:

Related party	Group 2012 R'000	Group 2011 R'000	Company 2012 R'000	Company 2011 R'000
International Supply Company	**176**	1	**176**	1
Bernadt, Vukic, Potash & Getz	**93**	80	**93**	80
	269	81	**269**	81

30.4 Participants in staff share trusts

Refer to notes 9.5 and 9.7 in respect of transactions with participants in the staff share trusts.

30.5 Post retirement benefit funds

Refer to notes 19 and 29 in respect of transactions with post retirement benefit funds.

	Company 2012 R'000	Company 2011 R'000

30. Related party transactions (continued)

30.6 Inter group transactions

The following transactions occurred between the Company and its consolidated entities:

	2012 R'000	2011 R'000
Sales	391 248	327 831

Refer to note 19 for income received from consolidated entities.

31. Segmental reporting

31.1 Business segments

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 for performance assessment. Segment performance is evaluated based on operating profit or loss. Net finance interest and income taxes are managed on a Group basis and are not allocated to operating segments.

	Apparel		Home		Central Services		Eliminations		Total	
R'000	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Retail sales and other revenue	8 672 866	7 782 964	3 379 054	3 119 944	145 628	115 541	(135 101)	(105 355)	12 062 447	10 913 094
External	8 672 866	7 782 964	3 379 054	3 119 944	10 527	10 186	-	-	12 062 447	10 913 094
Internal	-	-	-	-	135 101	105 355	(135 101)	(105 355)	-	-
Profit from operating activities	1 515 330	1 302 340	373 583	271 218	(147 090)	(144 016)	-	-	1 741 823	1 429 542
Net finance income									44 392	54 662
Profit before taxation									1 786 215	1 484 204
Taxation									569 114	473 950
Profit attributable to shareholders									1 217 101	1 010 254
Divisional assets	2 101 961	1 607 267	656 593	612 817	1 536 514	1 641 053	-	-	4 295 068	3 861 137
Divisional liabilities	908 315	863 723	450 573	456 824	160 306	148 888	(3 642)	(2 482)	1 515 552	1 466 953
Capital expenditure	123 637	78 846	42 685	14 910	135 077	61 818	-	-	301 399	155 574
Depreciation and amortisation	85 926	87 926	42 804	46 801	61 280	60 274	-	-	190 010	195 001

31.2 Geographical segments

	South Africa		Other Africa		Total	
R'000	2012	2011	2012	2011	2012	2011
Revenue	11 513 067	10 443 068	549 380	470 026	12 062 447	10 913 094
Assets	4 074 110	3 697 586	220 958	163 551	4 295 068	3 861 137
Capital expenditure	291 978	151 619	9 421	3 955	301 399	155 574

Other Africa represents all other African countries in which the Group operates, other than South Africa.

FINANCIAL INTEREST IN CONSOLIDATED ENTITIES
for the 52 week period ended 31 March 2012

	Notes	Issued capital 2012 Shares	Issued capital 2011 Shares	Carrying value of shares 2012 R'000	Carrying value of shares 2011 R'000	Indebtedness less impairment provisions 2012 R'000	Indebtedness less impairment provisions 2011 R'000
Operating subsidiaries							
Specialty Stores (Botswana) (Pty) Limited	1	**100**	100	**-**	-	**40 940**	23 852
Mr Price (Lesotho) (Pty) Limited	2	**1 000**	1 000	**1**	1	**4 209**	5 729
Mr Price Group (Namibia) (Pty) Limited	3	**100**	100	**-**	-	**60 742**	48 897
Mr Price Chain Stores International Limited	4	**500 000**	-	**2 439**	-	**12 210**	-
Mr Price Credit Finance Company (Pty) Limited	5	**100**	100	**228 354**	228 354	**(234 834)**	(243 560)
Millews Fashions (Johannesburg) (Pty) Limited	6	**28 000**	28 000	**-**	-	**46 569**	1 839
Associated Credit Specialists (Pty) Limited	7	**100**	100	**-**	-	**13 705**	7 662
Share trusts							
Mr Price Group Staff Share Trust and Share Purchase Scheme						**-**	331
Mr Price Group Employees Share Investment Trust						**(74)**	(527)
Mr Price Executive Director Share Trust						**536**	11
Mr Price Executive Share Trust						**1 329**	930
Mr Price Senior Management Share Trust						**2 398**	1 819
Mr Price General Staff Share Trust						**275**	11
Mr Price Partners Share Trust						**32**	11
Cell captives							
Guardrisk Insurance Company Limited (Cell number 136)		**20**	20	**100**	100	**-**	-
Guardrisk Life Limited (Cell number 048)		**20**	20	**100**	100	**1 536**	6 863
Dormant subsidiaries							
Raava Jewellers (Namibia) (Pty) Limited		**100**	100	**1**	1	**-**	-
Retail Shop Fitting Services (Pty) Limited	8	**-**	1 600	**-**	8	**-**	(8)
Hughes Extension 17 Township (Pty) Limited		**100**	100	**-**	-	**-**	-
Total				**230 995**	228 564	**(50 427)**	(146 140)

Notes:
1. Operates Mr Price Apparel, Mr Price Home, Miladys and Sheet Street stores in Botswana.
2. Operates Mr Price Apparel and Sheet Street stores in Lesotho.
3. Operates Mr Price Apparel, Mr Price Home, Miladys, Sheet Street and Mr Price Sport stores in Namibia.
4. Operates a Mr Price Apparel store in Nigeria.
5. Previously financed the trade receivables of the Mr Price Group.
6. Develops and leases premises to Group operations.
7. Recovers overdue debts from credit customers.
8. This Company was deregistered during the year.
9. The Company owns 100% of the equity and preference share capital (where applicable) of all subsidiaries and cell captives.

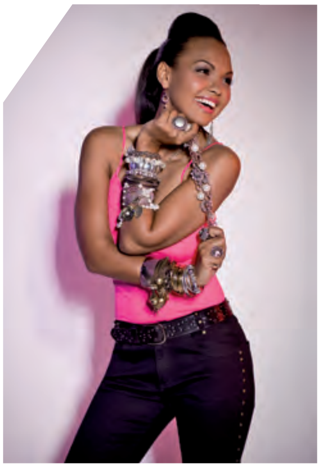
ANALYSIS OF THE MOVEMENT OF
OWNED PROPERTY, PLANT AND EQUIPMENT
for the 52 week period ended 31 March 2012

R'000	Furniture, fittings, equipment and vehicles 2012	2011	Computer equipment 2012	2011	Improvements to leasehold premises 2012	2011	Buildings 2012	2011	Total 2012	2011
Group										
Net carrying amount at beginning of the year	**413 142**	474 542	**35 804**	42 615	**9 270**	10 131	**-**	-	**458 216**	527 288
Cost or carrying amount	**1 058 092**	1 050 940	**121 107**	114 690	**35 134**	32 603	**-**	-	**1 214 333**	1 198 233
Accumulated depreciation and impairment	**(644 950)**	(576 398)	**(85 303)**	(72 075)	**(25 864)**	(22 472)	**-**	-	**(756 117)**	(670 945)
Current year movements										
Additions	**181 760**	105 460	**25 608**	13 647	**5 647**	2 629	**39 151**	-	**252 166**	121 736
Disposals and scrapping	**(7 485)**	(19 388)	**(127)**	(3)	**-**	-	**-**	-	**(7 612)**	(19 391)
Impairments	**(237)**	(2 274)	**-**	-	**-**	-	**-**	-	**(237)**	(2 274)
Exchange differences	**34**	(81)	**-**	-	**-**	-	**-**	-	**34**	(81)
Depreciation	**(137 587)**	(145 117)	**(19 894)**	(20 455)	**(3 691)**	(3 490)	**(1 932)**	-	**(163 104)**	(169 062)
Net carrying amount at end of the year	**449 627**	413 142	**41 391**	35 804	**11 226**	9 270	**37 219**	-	**539 463**	458 216
Made up as follows:										
Net carrying amount	**449 627**	413 142	**41 391**	35 804	**11 226**	9 270	**37 219**	-	**539 463**	458 216
Cost or carrying amount	**1 079 116**	1 058 092	**133 944**	121 107	**38 987**	35 134	**39 151**	-	**1 291 198**	1 214 333
Accumulated depreciation and impairment	**(629 489)**	(644 950)	**(92 553)**	(85 303)	**(27 761)**	(25 864)	**(1 932)**	-	**(751 735)**	(756 117)
Company										
Net carrying amount at beginning of the year	**402 292**	465 892	**35 787**	42 598	**8 598**	8 652	**-**	-	**446 677**	517 142
Cost or carrying amount	**1 046 458**	1 042 736	**118 806**	112 351	**24 312**	21 780	**-**	-	**1 189 576**	1 176 867
Accumulated depreciation and impairment	**(644 166)**	(576 844)	**(83 019)**	(69 753)	**(15 714)**	(13 128)	**-**	-	**(742 899)**	(659 725)
Current year movements										
Additions	**172 574**	100 297	**25 373**	13 647	**5 647**	2 629	**-**	-	**203 594**	116 573
Disposals and scrapping	**(7 445)**	(19 306)	**(127)**	(3)	**-**	-	**-**	-	**(7 572)**	(19 309)
Impairment	**(237)**	(2 274)	**-**	-	**-**	-	**-**	-	**(237)**	(2 274)
Depreciation	**(134 096)**	(142 317)	**(19 893)**	(20 455)	**(3 018)**	(2 683)	**-**	-	**(157 007)**	(165 455)
Net carrying amount at end of the year	**433 088**	402 292	**41 140**	35 787	**11 227**	8 598	**-**	-	**485 455**	446 677
Made up as follows:										
Net carrying amount	**433 088**	402 292	**41 140**	35 787	**11 227**	8 598	**-**	-	**485 455**	446 677
Cost or carrying amount	**1 061 793**	1 046 458	**131 462**	118 806	**28 165**	24 312	**-**	-	**1 221 420**	1 189 576
Accumulated depreciation and impairment	**(628 705)**	(644 166)	**(90 322)**	(83 019)	**(16 938)**	(15 714)	**-**	-	**(735 965)**	(742 899)

Details of buildings:
Remainder of portion 4 of Erf 11383 Richards Bay Registration Division GV, Province of Kwa-Zulu Natal, in extent 1 832 square metres.
Remaining extent of Erf 4749 Bethlehem District, Bethlehem Province, Free State, in extent of 3 538 square metres.

ANALYSIS OF THE MOVEMENT OF LEASED PROPERTY, PLANT AND EQUIPMENT
for the 52 week period ended 31 March 2012

	Buildings	
	2012	2011
	R'000	R'000
Group and Company		
Net carrying amount at beginning of the year	**1 418**	3 119
Cost	**26 654**	26 654
Accumulated depreciation	**(25 236)**	(23 535)
Current year movement		
Depreciation	**(1 418)**	(1 701)
Net carrying amount at end of the year	**-**	1 418
Made up as follows:		
Net carrying amount	**-**	1 418
Cost	**26 654**	26 654
Accumulated depreciation	**(26 654)**	(25 236)



R'000	Computer software 2012	Computer software 2011	Customer lists 2012	Customer lists 2011	Goodwill 2012	Goodwill 2011	Trademarks 2012	Trademarks 2011	Total 2012	Total 2011
Group										
Net carrying amount at beginning of the year	**57 693**	52 553	**15 416**	16 493	**5 734**	584	**321**	340	**79 164**	69 970
Cost or carrying amount	**101 731**	82 523	**27 186**	21 983	**5 734**	584	**18 217**	18 217	**152 868**	123 307
Accumulated amortisation and impairment	**(44 038)**	(29 970)	**(11 770)**	(5 490)	**-**	-	**(17 896)**	(17 877)	**(73 704)**	(53 337)
Current year movements										
Additions arising from external development/acquisition	**38 178**	18 396	**6 713**	5 203	**-**	5 150	**-**	-	**44 891**	28 749
Additions arising from internal development	**4 342**	5 089	**-**	-	**-**	-	**-**	-	**4 342**	5 089
Disposals	**-**	(406)	**-**	-	**-**	-	**-**	-	**-**	(406)
Amortisation	**(17 832)**	(17 939)	**(7 637)**	(6 280)	**-**	-	**(19)**	(19)	**(25 488)**	(24 238)
Net carrying amount at end of the year	**82 381**	57 693	**14 492**	15 416	**5 734**	5 734	**302**	321	**102 909**	79 164
Made up as follows:										
Net carrying amount	**82 381**	57 693	**14 492**	15 416	**5 734**	5 734	**302**	321	**102 909**	79 164
Cost or carrying amount	**121 558**	101 731	**33 900**	27 186	**5 734**	5 734	**18 217**	18 217	**179 409**	152 868
Accumulated amortisation and impairment	**(39 177)**	(44 038)	**(19 408)**	(11 770)	**-**	-	**(17 915)**	(17 896)	**(76 500)**	(73 704)
Company										
Net carrying amount at beginning of the year	**57 693**	52 553	**15 416**	16 493	**584**	584	**321**	340	**74 014**	69 970
Cost or carrying amount	**101 731**	82 523	**27 186**	21 983	**584**	584	**18 217**	18 217	**147 718**	123 307
Accumulated amortisation and impairment	**(44 038)**	(29 970)	**(11 770)**	(5 490)	**-**	-	**(17 896)**	(17 877)	**(73 704)**	(53 337)
Current year movements										
Additions arising from external development/acquisition	**38 178**	18 396	**6 713**	5 203	**-**	-	**-**	-	**44 891**	23 599
Additions arising from internal development	**4 342**	5 089	**-**	-	**-**	-	**-**	-	**4 342**	5 089
Disposals	**-**	(406)	**-**	-	**-**	-	**-**	-	**-**	(406)
Amortisation	**(17 832)**	(17 939)	**(7 637)**	(6 280)	**-**	-	**(19)**	(19)	**(25 488)**	(24 238)
Net carrying amount at end of the year	**82 381**	57 693	**14 492**	15 416	**584**	584	**302**	321	**97 759**	74 014
Made up as follows:										
Net carrying amount	**82 381**	57 693	**14 492**	15 416	**584**	584	**302**	321	**97 759**	74 014
Cost or carrying amount	**121 558**	101 731	**33 900**	27 186	**584**	584	**18 217**	18 217	**174 259**	147 718
Accumulated amortisation and impairment	**(39 177)**	(44 038)	**(19 408)**	(11 770)	**-**	-	**(17 915)**	(17 896)	**(76 500)**	(73 704)

The goodwill raised in the prior year relates to the acquisition of Associated Credit Specialists, a debt collection business.

Company Secretary and registered office

HE Grosvenor
Upper Level, North Concourse,
65 Masabalala Yengwa Avenue,
Durban, 4001.
PO Box 912, Durban, 4000.

Registration number

1933/004418/06

Domicile and country of incorporation

Republic of South Africa

Transfer secretaries

Computershare Investor Services (Proprietary) Limited,
70 Marshall Street,
Johannesburg, 2001.
PO Box 61051, Marshalltown, 2107.

Independent auditor

Ernst & Young Inc.

Bankers

ABSA Bank Limited
The Standard Bank of South Africa Limited
First National Bank (A division of FirstRand Bank Limited)

Sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)

Legal advisers

Bernadt Vukic Potash & Getz
Shepstone & Wylie
Adams & Adams

Corporate, Mr Price Apparel, Mr Price Home, Mr Price Sport, Sheet Street, Mr Price International, RedCap Foundation and RedCap Sport

Upper Level, North Concourse,
65 Masabalala Yengwa Avenue, Durban, 4001.
Private Bag X04, Snell Parade, Durban, 4074.

Miladys

30 Station Drive, Durban, 4001.
PO Box 3562, Durban, 4000.

Financial Services

380 Dr Pixley Kaseme Street
Durban, 4001.
PO Box 4996, Durban, 4000.

Whistle Blowers

PO Box 51006, Musgrave, 4062.

Phone numbers

Corporate	:	(031) 310 8000
Mr Price Apparel	:	(031) 310 8638
Mr Price Home	:	(031) 310 8809
Mr Price Sport	:	(031) 310 8545
Sheet Street	:	(031) 310 8310
Miladys	:	(031) 313 5500
Customer Care line	:	0800 212 535
Financial Services	:	(031) 367 3311
Account Services	:	0861 066 639
RedCap Foundation	:	(031) 310 8609
Mr Price International	:	(031) 310 8038
Whistle Blowers	:	0860 005 111

Fax numbers

Corporate	:	(031) 304 3725
Mr Price Apparel	:	(031) 304 3358
Mr Price Home	:	(031) 328 4138
Mr Price Sport	:	(031) 306 9347
Sheet Street	:	(031) 310 8317
Miladys	:	(031) 313 5620
Financial Services	:	(031) 306 0164
RedCap Foundation	:	(031) 328 4609

Websites

Corporate	:	www.mrpricegroup.com
Mr Price Apparel	:	www.mrprice.co.za
Mr Price Sport	:	www.mrpricesport.com
Miladys	:	www.miladys.co.za
Mr Price Home	:	www.mrpricehome.co.za
Sheet Street	:	www.sheetstreet.co.za
RedCap Foundation	:	www.redcapfoundation.org
Mr Price blog	:	www.inthefashionloop.com
Financial Services	:	www.mrpricemoney.co.za
Whistle Blowers	:	www.whistleblowing.co.za
Careers	:	www.mrpricegroup.careers.com/
Twitter	:	www.twitter.com/#!/mrpricefashion/
Facebook	:	www.facebook.com/mrpriceofficial

Comparable sales	-	Like-for-like location store sales, excluding expanded and relocated stores
Current ratio	-	Current assets as a ratio of current liabilities
EBITDA margin	-	Earnings before interest, taxation, depreciation and amortisation as a percentage of retail sales
Gross margin	-	Gross profit as a percentage of retail sales
Inventory turn	-	Cost of sales as a ratio of average inventories
Net asset turn	-	Retail sales as a ratio of equity and interest-bearing long-term liabilities
Operating margin percentage	-	Profit from operating activities as a percentage of retail sales
Quick ratio	-	Current assets less inventories as a ratio of current liabilities
Return on average shareholders equity	-	Headline earnings attributable to ordinary and B ordinary shareholders as a percentage of average equity attributable to shareholders
Return on capital employed	-	Profit before net finance income as a percentage of average equity attributable to shareholders and interest-bearing loan finance
Return on net worth	-	Profit attributable to shareholders as a percentage of equity attributable to shareholders
Return on operating assets	-	Profit from operating activities as a percentage of average equity attributable to shareholders, interest-bearing loan finance, deferred taxation liability attributable to export partnerships less contributions to export partnerships
Sales density	-	Retail sales per weighted average net square metre

Notice is hereby given that the 79th Annual General Meeting of shareholders will be held in the boardroom of Mr Price Group Limited ("the Company"), Upper Level, North Concourse, 65 Masabalala Yengwa Avenue (previously NMR Avenue), Durban on Thursday 30 August 2012 at 14h30. The following business will be conducted and resolutions proposed, considered and, if deemed fit, passed with or without modification:

1. Ordinary resolution No. 1 – Adoption of the Annual Financial Statements

"Resolved that the Annual Financial Statements for the year ended 31 March 2012, incorporating the Report of the Directors and the Report of the Audit and Compliance Committee, having been considered, be adopted."

2. Ordinary resolution Nos. 2.1 to 2.3 – Re-election of Directors retiring by rotation

"Resolved that Mr LJ Chiappini, Mr NG Payne, Mrs RM Motanyane and Mrs SEN Sebotsa retire by rotation in terms of the Company's Memorandum of Incorporation, and to re-elect each by way of a separate vote, the following non-executive Directors who being eligible, offer themselves for re-election:

2.1 Mr L J Chiappini
2.2 Mr NG Payne
2.3 Mrs RM Motanyane."

Abbreviated biographical details of the above Directors are set out on pages 122 and 123 of this Annual Integrated Report. Mrs Sebotsa will retire from the Board and will not offer herself for re-election at this point in time, due to other work commitments.

3. Ordinary resolution No. 3 – Re-election of retiring Director

"Resolved to re-elect independent non-executive Director Ms D Naidoo who, in respect of her recent appointment by the Directors to the Board, retires by rotation in terms of the Company's Memorandum of Incorporation, but being eligible, offers herself for re-election."

Abbreviated biographical details of Ms Naidoo are set out on page 122 of this Annual Integrated Report.

4. Ordinary resolution No. 4 – Re-election of independent auditor and designated auditor

"Resolved that, as recommended by the Audit and Compliance Committee, Ernst & Young Inc. be re-elected as the independent registered auditor of the Company and that Ms MI Delport be appointed as the designated registered auditor to hold office for the ensuing year."

5. Ordinary resolution Nos. 5.1 to 5.4 – Election of members of the Audit and Compliance Committee

"Resolved that, subject to the passing of ordinary resolution No. 3, the following independent non-executive Directors be elected, each by way of a separate vote, as members of the Audit and Compliance Committee of the Company for the period from 31 August 2012 until the conclusion of the next Annual General Meeting of the Company:

5.1 Mr MR Johnston;
5.2 Ms D Naidoo;
5.3 Mr MJD Ruck; and
5.4 Mr WJ Swain."

Abbreviated biographical details of the above Directors are set out on pages 122 and 123 of this Annual Integrated Report.

6. Ordinary resolution No. 6 - Non-binding advisory vote on the Remuneration Policy of the Company

"Resolved that in terms of the recommendations of the King Code of Governance for South Africa 2009 (King III), the Remuneration Policy of the Company, as set out on pages 106 to 119 of this Annual Integrated Report under the heading "Remuneration Report" be and is hereby adopted."

Preamble

The Group seeks to amend and update its share schemes as a result of:

- feedback received from shareholders;
- benchmarking the efficacy and appropriateness of the share scheme mechanisms;
- the need to make the share schemes sustainable and affordable to the Company; and
- seeking to ensure the schemes still act as a tool to attract and retain passionate partners across all levels of employment in the Group.

Further detail on the nature of the changes being sought can be found in the Remuneration Report on pages 118 and 119.

7. Ordinary resolution No. 7 - Amendments to the Mr Price General Staff Share Trust (part 1)

"Resolved that the Mr Price General Staff Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

  1.1.13D "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13E after clause 1.1.13D of the Rules, which new clause 1.1.13E reads as follows:

  "1.1.13E "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1C. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

– amending clause 1.1.36 of the Rules by inserting the words "the First Vesting Date ex 2012, the Second Vesting Date ex 2012, the Third Vesting Date ex 2012, the Fourth Vesting Date ex 2012, the Fifth Vesting Date ex 2012, Initial Small Allocation Vesting Date ex 2012, Subsequent Large Allocation Vesting Date ex 2012, Subsequent Small Allocation Vesting Date ex 2012 " after the reference to "the Fifth Vesting Date ex November 2011" as it appears in clause 1.1.36 of the Rules;

- amending clause 8.1 of the Rules by deleting the words "Initial Allocation" as they appear in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2011" in place thereof;

- inserting the following new clause 8.1B after clause 8.1A of the Rules, which new clause 8.1B reads as follows:

  "8.1B Subject to the provisions of clauses 8.9 and 8.10 below, Options forming part of any Initial Large Allocation ex 2012 shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of:

  8.1B.1 20% (twenty percent) thereof as at the 3rd (third) anniversary of the Option Date ("First Vesting Date ex 2012");

  8.1B.2 20% (twenty percent) thereof as at the 4th (fourth) anniversary of the Option Date ("Second Vesting Date ex 2012");

  8.1B.3 20% (twenty percent) thereof as at the 5th (fifth) anniversary of the Option Date ("Third Vesting Date ex 2012");

  8.1B.4 20% (twenty percent) thereof as at the 6th (sixth) anniversary of the Option Date ("Fourth Vesting Date ex 2012");

  8.1B.5 20% (twenty percent) thereof as at the 7th (seventh) anniversary of the Option Date ("Fifth Vesting Date ex 2012")."

- inserting the following new clause 8.1C after clause 8.1B of the Rules, which new clause 8.1C reads as follows:

  "8.1C Subject to the provisions of clauses 8.9 and 8.10 below, Options forming part of any Initial Small Allocation ex 2012 shall only be capable of being exercised in terms hereof as at the third anniversary of the Option Date ("Initial Small Allocation Vesting Date")."

- deleting clause 8.3 of the Rules and inserting the following new clause 8.3 in place thereof:

  "8.3 Subject to the provisions of clause 8.7, 8.8 and 8.9 below, in respect of any Options forming part of any future allocations (being any allotment subsequent to the Initial Allocation pre 2012) such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Vesting Date").

- inserting the following new clause 8.3A after clause 8.3 of the Rules, which new clause 8.3A reads as follows:

  "8.3A Subject to the provisions of clauses 8.9 and 8.10 below, in respect of any Options forming part of any allocations subsequent to any Initial Large Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date. ("Subsequent Large Allocation Vesting Date ex 2012")."

- inserting the following new clause 8.3B after clause 8.3A of the Rules, which new clause 8.3B reads as follows:

  "8.3B Subject to the provisions of clauses 8.9 and 8.10 below, in respect of any Options forming part of any allocations subsequent to any Initial Small Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the third anniversary of the Option Date ("Subsequent Small Allocations Vesting Date ex 2012").""

Reason and effect

The reason for and effect of the amendments is to allow initial small allocations of options to vest in one single tranche three years from the offer date, or for initial large allocations to vest in five equal tranches in three, four, five, six and seven years from allocation. All offers subsequent to an initial small allocation vest in a single tranche three years from the offer date and all offers subsequent to an initial large allocation vest in a single tranche five years from the offer date. It is anticipated that intial large allocations would only be made in exceptional circumstances to attract key associates.

8. Ordinary resolution No. 8 - Amendments to the Mr Price General Staff Share Trust (part 2)

"Resolved that the Mr Price General Staff Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

  "1.1.13D "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13E after clause 1.1.13D of the Rules, which new clause 1.1.13E reads as follows:

  "1.1.13E "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1C. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.17A after clause 1.1.17 of the Rules, which new clause 1.1.17A reads as follows:

  "1.1.17A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012;"

- inserting the following new clause 1.1.31A after clause 1.1.31 of the Rules, which new clause 1.1.31A reads as follows:

  "1.1.31A "Subsequent Allocations ex 2012" means any allocations subsequent to the Initial Allocation. Initial Allocation ex November 2011, any Initial Allocation to any Key Associate, Initial Large Allocation ex 2012 or the Initial Small Allocation ex 2012 of any Options awarded as and from 1 November 2012;"

- inserting the following new clause 1.1.35B after clause 1.1.35A of the Rules, which new clause 1.1.35B reads as follows:

  "1.1.35B "Vesting Condition ex 2012" means an increase in the Core HEPS of not less than 1% (one percent) above CPI calculated in respect of each Vesting Period (as defined in clause 1.1.37 below) in the following manner (upon which the Vesting Condition shall be deemed to have been met), if between the financial year preceding the Option Date ex 2012 and the financial year preceding the relevant Vesting Date there is an average increase in the Core HEPS of not less than 1% (one percent) above CPI;"

- inserting the following new clause 1.1.37 after clause 1.1.36 of the Rules, which new clause 1.1.37 reads as follows:

  "1.1.37 "Vesting Period" means the period commencing on the Option Date ex 2012 and terminating on the relevant Vesting Date;"

- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.2 of the Rules;
- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.3 of the Rules;
- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.4 of the Rules;
- amending clause 8.8 of the Rules by deleting the words "exercised rights" as they appear in line 6 of clause 8.8 and inserting the words "rights of exercise" in place thereof;
- inserting the following new clause 8.9 after clause 8.8 of the Rules, which new clause 8.9 reads as follows:

  "8.9 In respect of any Allocation ex 2012, such Options shall be subject to the Vesting Condition ex 2012 being met as at each stipulated Vesting Date. If such Vesting Condition ex 2012 is not met as at such stipulated Vesting Date, the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent Vesting Condition ex 2012 is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to ensure that no options offered under the scheme would be entitled to vest if a minimum Group performance target of core HEPS growing at a rate of 1% above CPI for the duration of the vesting period was not achieved.

9. Ordinary resolution No. 9 - Amendments to the Mr Price General Staff Share Trust (part 3)

"Resolved that the Mr Price General Staff Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

"1.1.13D "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13E after clause 1.1.13D of the Rules, which new clause 1.1.13E reads as follows:

"1.1.13E "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1C. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.18A after clause 1.1.18 of the Rules, which new clause 1.1.18A reads as follows:

"1.1.18A "Poor Performer" means any Participant determined to be a poor performer by the Remuneration Committee whose determination shall be final and binding on the Participant and the Company. The Remuneration Committee shall in its discretion determine whether a Participant is a poor performer provided that (without limiting its discretion) in making such determination the Remuneration Committee shall take into account (to the extent determined by the Remuneration Committee in the exercising of its discretion):

1.1.18A.1 any recommendation by management and the Board;

1.1.18A.2 any performance reviews or counseling of such Participant;

1.1.18A.3 any written notifications to the Participant regarding underperformance in any relevant period under review;

1.1.18A.4 the extent to which the Participant had failed to comply with any operating procedures, financial targets or written criteria or standards of the Company at all relevant times;

1.1.18A.5 the nature and consistency of any failure of the Participant to meet the Company's criteria for reasonable or good performance;

1.1.18A.6 failure to meet any key performance indicators set by the Company for such Participant for any relevant period or any key performance indicators relating to the division in which the Participant is employed or any key performance indicators relating to the Company or in any written document or agreement to which the Participant is subject;"

- inserting the following new clause 1.1.18B after clause 1.1.18A of the Rules, which new clause 1.1.18B reads as follows:

"1.1.18B "Performance Vesting Condition" means the Participant not being determined to be a Poor Performer;"

- inserting the following new clause 1.1.31A after clause 1.1.31 of the Rules, which new clause 1.1.31A reads as follows:

"1.1.31A "Subsequent Allocations ex 2012" means any allocations subsequent to the Initial Allocation, Initial Allocation ex November 2011, any Initial Allocation to any Key Associate, Initial Large Allocation ex 2012 or the Initial Small Allocation ex 2012 of any Options awarded as and from 1 November 2012;"

- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.2 of the Rules;
- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.3 of the Rules;
- inserting the words "and clauses 8.9 and 8.10" after the words "clause 8.8" at the start of clause 8.4 of the Rules;
- inserting the following new clause 8.10 after clause 8.9 of the Rules, which new clause 8.10 shall read as follows:

"8.10 In respect of any Allocation ex 2012, such Options shall be subject to the Participant not being determined to be a Poor Performer on or before each stipulated Vesting Date. If such Participant is determined as being a Poor Performer then the Performance Vesting Condition is deemed not to have been met as at each stipulated Vesting Date and the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent Performance Vesting Condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to prevent the vesting of share options in the event of poor performance on the part of the participating associate. Such performance would be objectively measured by the Remuneration Committee.

In the event that ordinary resolutions 7 to 9 are not all passed, the Mr Price General Staff Share Scheme Rules will be adjusted accordingly so as to correctly accommodate, purely from a technical perspective, those clauses contained in the resolutions which were passed. Further details on the operation of the Mr Price General Staff Share Scheme can be found in the Remuneration Report on pages 106 to 119.

10. Ordinary resolution No. 10 – Amendments to the Mr Price Senior Management Share Trust (part 1)

"Resolved that the Mr Price Senior Management Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

  "1.1.13D "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;

- amending clause 1.1.38 of the Rules by inserting the words "the First Vesting Date ex 2012, the Second Vesting Date ex 2012, the Third Vesting Date ex 2012, the Subsequent Large Allocation Vesting Date ex 2012, the Subsequent Small Allocation Vesting Date ex 2012" after the reference to "the Third Vesting Date" as it appears in clause 1.1.38 of the Rules;
- amending clause 8.1 of the Rules by deleting the words "Initial Allocation" as they appear in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2011" in place thereof;
- inserting the following new clause 8.1A after clause 8.1 of the Rules, which new clause 8.1A reads as follows:

  "8.1A Subject to the provisions of clauses, 8.8 and 8.9 below, Options forming part of any Initial Large Allocation ex 2012 shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of:

  8.1A.1 33.33% (thirty three point three three percent) thereof as at the 5th (fifth) anniversary of the Option Date ("First Vesting Date ex 2012");

  8.1A.2 33.33% (thirty three point three three percent) thereof as at the 6th (sixth) anniversary of the Option Date ("Second Vesting Date ex 2012");

  8.1A.3 33.33% (thirty three point three three percent) thereof as at the 7th (seventh) anniversary of the Option Date ("Third Vesting Date ex 2012")";

- inserting the following new clause 8.1B after clause 8.1A of the Rules, which new clause 8.1B reads as follows:

  "8.1B Subject to the provisions of clauses 8.8 and 8.9 below, Options forming part of any Initial Small Allocation ex 2012 shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Initial Small Allocation Vesting Date")."

- deleting clause 8.2 of the Rules and inserting the following new clause 8.2 in place thereof:

  "8.2 Subject to the provisions of clauses 8.7, 8.8 and 8.9 below, in respect of any Options forming part of any future allocations (being any allotment subsequent to the Initial Allocation pre 2012,) such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Vesting Date")."

- inserting the following new clause 8.2A after clause 8.2 of the Rules which new clause 8.2A reads as follows:

  "8.2A Subject to the provisions of clauses 8.8 and 8.9 below, in respect of any Options forming part of any allocations subsequent to any Initial Large Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the third anniversary of the Option Date ("Subsequent Large Allocation Vesting Date ex 2012")."

- inserting the following new clause 8.2B after clause 8.2A of the Rules which new clause 8.2B reads as follows:

  "8.2B Subject to the provisions of clauses 8.9 and 8.10 below, in respect of any Options forming part of any allocations subsequent to any Initial Small Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Small Allocations Vesting Date ex 2012")."

Reason and effect

The reason for and effect of the amendments is to allow initial small allocations of options to vest in one single tranche five years from the offer date, or for initial large allocations to vest in three equal tranches in five, six and seven years from allocation. All offers subsequent to an initial small allocation vest in a single tranche five years from the offer date and all offers subsequent to an initial large allocation vest in a single tranche three years from the offer date. It is anticipated that intial large allocations would only be made in exceptional circumstances to attract key associates.

11. Ordinary resolution No. 11 – Amendments to the Mr Price Senior Management Share Trust (part 2)

"Resolved that the Mr Price Senior Management Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

  "1.1.13D "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;

– inserting the following new clause 1.1.16A after clause 1.1.16 of the Rules, which new clause 1.1.16A reads as follows:

  "1.1.16A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012;"

- inserting the following new clause 1.1.31A after clause 1.1.31 of the Rules, which new clause 1.1.31A reads as follows:

  "1.1.31A "Subsequent Allocations ex 2012" means any allocations subsequent to the Initial Allocation or Initial Large Allocation ex 2012 or the Initial Small Allocation ex 2012 of any Options awarded as and from 1 November 2012;"

- inserting the following new clause 1.1.37B after clause 1.1.37A of the Rules, which new clause 1.1.37B reads as follows:

  "1.1.37B "Vesting Condition ex 2012" means an increase in the Core HEPS of not less than 1% (one percent) above CPI calculated in respect of each Vesting Period (as defined in clause 1.1.39 below) in the following manner (upon which the Vesting Condition ex 2012 shall be deemed to have been met) if between the financial year preceding the Option Date ex 2012 and the financial year preceding the relevant Vesting Date there is an average increase in the Core HEPS of not less than 1% (one percent) above CPI;"

- inserting the following new clause 1.1.39 after clause 1.1.38 of the Rules, which new clause 1.1.39 reads as follows:

  "1.1.39 "Vesting Period" means the period commencing on the Option Date ex 2012 and terminating on the relevant Vesting Date;"

- inserting the words ", clause 8.8 and clause 8.9" after the words "clause 8.7" in clause 8.3 of the Rules;
- amending clause 8.7 of the Rules by deleting the words "exercised rights" as they appear in line 5 of clause 8.7 and inserting the words "rights of exercise" in place thereof;
- inserting the following new clause 8.8 after clause 8.7 of the Rules which new clause 8.8 reads as follows:

  "8.8 In respect of any Allocation ex 2012, such Options shall be subject to the Vesting Condition ex 2012 being met as at each stipulated Vesting Date. If such Vesting Condition ex 2012 is not met as at such stipulated Vesting Date, the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent vesting condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to ensure that no options offered under the scheme would be entitled to vest if a minimum Group performance target of core HEPS growing at a rate of 1% above CPI for the duration of the vesting period was not achieved.

12. Ordinary resolution No. 12 – Amendments to the Mr Price Senior Management Share Trust (part 3)

"Resolved that the Mr Price Senior Management Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13D after clause 1.1.13C of the Rules, which new clause 1.1.13D reads as follows:

"1.1.13D "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.19A after clause 1.1.19 of the Rules, which new clause 1.1.19A reads as follows:

"1.1.19A "Poor Performer" means any Participant determined to be a poor performer by the Remuneration Committee whose determination shall be final and binding on the Participant and the Company. The Remuneration Committee shall in its discretion determine whether a Participant is a poor performer provided that (without limiting its discretion) in making such determination the Remuneration Committee shall take into account (to the extent determined by the Remuneration Committee in the exercising of its discretion):

1.1.19A.1 any recommendation by management and the Board;

1.1.19A.2 any performance reviews or counseling of such Participant;

1.1.19A.3 any written notifications to the Participant regarding underperformance in any relevant period under review;

1.1.19A.4 the extent to which the Participant had failed to comply with any operating procedures, financial targets or written criteria or standards of the Company at all relevant times;

1.1.19A.5 the nature and consistency of any failure of the Participant to meet the Company's criteria for reasonable or good performance;

1.1.19A.6 failure to meet any key performance indicators set by the Company for such Participant for any relevant period or any key performance indicators relating to the division in which the Participant is employed or any key performance indicators relating to the Company or in any written document or agreement to which the Participant is subject;"

- inserting the following new clause 1.1.19B after clause 1.1.19A of the Rules, which new clause 1.1.19B reads as follows:

"1.1.19B "Performance Vesting Condition" means the Participant not being determined to be a Poor Performer;"

- inserting the words ", clause 8.8 and clause 8.9" after the words "clause 8.7" in clause 8.3 of the Rules;
- inserting the following new clause 8.9 after clause 8.8 of the Rules, which new clause 8.9 shall read as follows:

"8.9 In respect of any Allocation ex 2012, such Options shall be subject to the Participant not being determined to be a Poor Performer on or before each stipulated Vesting Date. If such Participant is determined as being a Poor Performer then the Performance Vesting Condition is deemed not to have been met as at each stipulated Vesting Date and the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent Performance Vesting Condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to prevent the vesting of share options in the event of poor performance on the part of the participating associate. Such performance would be objectively measured by the Remuneration Committee.

In the event that ordinary resolutions 10 to 12 are not all passed, the Mr Price Senior Management Share Scheme Rules will be adjusted accordingly so as to correctly accommodate, purely from a technical perspective, those clauses contained in the resolutions which were passed. Further details on the operation of the Mr Price Senior Management Share Scheme can be found in the Remuneration Report on pages 106 to 119.

13. Ordinary resolution No. 13 – Amendments to the Mr Price Executive Share Trust (part 1)

"Resolved that the Mr Price Executive Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.13A after clause 1.1.13 of the Rules, which new clause 1.1.13A reads as follows:

"1.1.13A "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

"1.1.13B "Initial Large Allocation ex 2012" means any Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

"1.1.13C Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- amending clause 8.1 of the Rules by deleting the words "Initial Allocation" in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2012" in place thereof;

- inserting the following new clause 8.1A after clause 8.1 of the Rules, which new clause 8.1A reads as follows:

  "8.1A Subject to the provisions of clauses 8.7 and 8.8 below, Options forming part of any Initial Large Allocation ex 2012 shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of:

  8.1A.1 33.33% (thirty three point three three percent) thereof as at the 5th (fifth) anniversary of the Option Date ("First Vesting Date ex 2012");

  8.1A.2 33.33% (thirty three point three three percent) thereof as at the 6th (sixth) anniversary of the Option Date ("Second Vesting Date ex 2012");

  8.1A.3 33.33% (thirty three point three three percent) thereof as at the 7th (seventh) anniversary of the Option Date ("Third Vesting Date ex 2012")";

- inserting the following new clause 8.1B after clause 8.1A of the Rules, which new clause 8.1B reads as follows:

  "8.1B Subject to the provisions of clauses 8.7 and 8.8 below, Options forming part of any Initial Small Allocation ex 2012 shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Initial Small Allocation Vesting Date")."

- deleting clause 8.2 of the Rules and inserting the following new clause 8.2 in place thereof:

  "8.2 Subject to the provisions of clauses 8.7 and 8.8 below, in respect of any Options forming part of any future allocations (being any allotment subsequent to the Initial Allocation pre 2012, such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Vesting Date")."

- inserting the following new clause 8.2A after clause 8.2 of the Rules, which new clause 8.2A reads as follows:

  "8.2A Subject to the provisions of clauses 8.7 and 8.8 below, in respect of any Options forming part of any allocations subsequent to any Initial Large Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the third anniversary of the Option Date ("Subsequent Large Allocation Vesting Date ex 2012)."

- inserting the following new clause 8.2B after clause 8.2A of the Rules, which new clause 8.2B reads as follows:

  "8.2B Subject to the provisions of clauses 8.7 and 8.8 below, in respect of any Options forming part of any allocations subsequent to any Initial Small Allocation ex 2012 such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Small Allocations Vesting Date ex 2012")."."

Reason and effect

The reason for and effect of the amendments is to allow initial small allocations of options to vest in one single tranche five years from the offer date, or for initial large allocations to vest in three equal tranches in five, six and seven years from allocation. All offers subsequent to an initial small allocation vest in a single tranche five years from the offer date and all offers subsequent to an initial large allocation vest in a single tranche three years from the offer date. It is anticipated that intial large allocations would only be made in exceptional circumstances to attract key associates.

14. Ordinary resolution No. 14 – Amendments to the Mr Price Executive Share Trust (part 2)

"Resolved that the Mr Price Executive Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.6A after clause 1.1.6 of the Rules, which new clause 1.1.6A reads as follows:

  "1.1.6A "Core HEPS" means the core headline earnings per share of Mr Price, which excludes the profits and/or losses of non-core activities, as determined by the Board;"

- inserting the following new clause 1.1.6B after clause 1.1.6A of the Rules, which new clause 1.1.6B reads as follows:

  "1.1.6B "CPI" means the consumer price index in respect of the Republic of South Africa as notified by the Central Statistics Services (or its successor) from time to time. Should the Consumer Price Index cease to be published, then the Auditors shall be empowered to determine an alternative similar index to be the CPI for the purposes hereof."

- inserting the following new clause 1.1.13A after clause 1.1.13 of the Rules, which new clause 1.1.13A reads as follows:

  "1.1.13A "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Large Allocation ex 2012" means any Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.16A after clause 1.1.16 of the Rules, which new clause 1.1.16A reads as follows:

  "1.1.16A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012;"

- inserting the following new clause 1.1.29A after clause 1.1.29 of the Rules, which new clause 1.1.29A reads as follows:

  "1.1.29A "Subsequent Allocations ex 2012" means any allocations subsequent to the Initial Allocation, the Initial Large Allocation ex 2012 or the Initial Small Allocation ex 2012 of any Options awarded as and from 1 November 2012;"

- inserting the following new clause 1.1.33A after clause 1.1.33 of the Rules, which new clause 1.1.33A reads as follows:

  "1.1.33A "Vesting Condition" means an increase in the Core HEPS of not less than 1% (one percent) above CPI calculated in respect of each Vesting Period (as defined in clause 1.1.35 below) in the following manner (upon which the Vesting Condition shall be deemed to have been met) if between the financial year preceding the Option Date ex 2012 and the financial year preceding the relevant Vesting Date there is an average increase in the Core HEPS of not less than 1% (one percent) above CPI;"

- inserting the words "the First Vesting Date ex 2012, the Second Vesting Date ex 2012, the Third Vesting Date ex 2012, Initial Small Allocation Vesting Date ex 2012, Subsequent Large Allocation Vesting Date ex 2012, Subsequent Small Allocation Vesting Date ex 2012 " after the reference to "the Third Vesting Date" as it appears in clause 1.1.34 of the Rules;"
- inserting the following new clause 1.1.35 after clause 1.1.34 of the Rules, which new clause 1.1.35 reads as follows:

  "1.1.35 "Vesting Period" means the period commencing on the Option Date ex 2012 and terminating on the relevant Vesting Date;"
- amending clause 8.1 of the Rules by deleting the word "Initial Allocation" in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2012" in place thereof;
- inserting the following new clause 8.7 after clause 8.6 of the Rules, which new clause 8.7 reads as follows:

  "8.7 In respect of any Allocation ex 2012, such Options shall be subject to the Vesting Condition being met as at each stipulated Vesting Date. If such Vesting Condition is not met as at such stipulated Vesting Date, the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent vesting condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to ensure that no options offered under the scheme would be entitled to vest if a minimum Group performance target of core HEPS growing at a rate of 1% above CPI for the duration of the vesting period was not achieved.

15. Ordinary resolution No. 15 – Amendments to the Mr Price Executive Share Trust (part 3)

"Resolved that the Mr Price Executive Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.13A after clause 1.1.13 of the Rules, which new clause 1.1.13A reads as follows:

  "1.1.13A "Initial Allocation pre 2012" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2012;"

- inserting the following new clause 1.1.13B after clause 1.1.13A of the Rules, which new clause 1.1.13B reads as follows:

  "1.1.13B "Initial Large Allocation ex 2012" means any Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.13C after clause 1.1.13B of the Rules, which new clause 1.1.13C reads as follows:

  "1.1.13C "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;

- inserting the following new clause 1.1.16A after clause 1.1.16 of the Rules, which new clause 1.1.16A reads as follows:

  "1.1.16A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012

- inserting the following new clause 1.1.18A after clause 1.1.18 of the Rules, which new clause 1.1.18A reads as follows:

  "1.1.18A "Poor Performer" means any Participant determined to be a poor performer by the Remuneration Committee whose determination shall be final and binding on the Participant and the Company. The Remuneration Committee shall in its discretion determine whether a Participant is a poor performer provided that (without limiting its discretion) in making such determination the Remuneration Committee shall take into account (to the extent determined by the Remuneration Committee in the exercising of its discretion):

  1.1.18A.1 any recommendation by management and the Board;

  1.1.18A.2 any performance reviews or counseling of such Participant;

  1.1.18A.3 any written notifications to the Participant regarding underperformance in any relevant period under review;

1.1.18A.4 the extent to which the Participant had failed to comply with any operating procedures, financial targets or written criteria or standards of the Company at all relevant times;

1.1.18A.5 the nature and consistency of any failure of the Participant to meet the Company's criteria for reasonable or good performance;

1.1.18A.6 failure to meet any key performance indicators set by the Company for such Participant for any relevant period or any key performance indicators relating to the division in which the Participant is employed or any key performance indicators relating to the Company or in any written document or agreement to which the Participant is subject;"

- inserting the following new clause 1.1.18B after clause 1.1.18A of the Rules, which new clause 1.1.18B reads as follows:

  "1.1.18B "Performance Vesting Condition" means the Participant not being determined to be a Poor Performer;"

- amending clause 8.1 of the Rules by deleting the word "Initial Allocation" in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2012" in place thereof;

- inserting the following new clause 8.8 after clause 8.7 of the Rules, which new clause 8.8 shall read as follows:

  "8.8 In respect of any Allocation ex 2012, such Options shall be subject to the Participant not being determined to be a Poor Performer on or before each stipulated Vesting Date. If such Participant is determined as being a Poor Performer then the Performance Vesting Condition is deemed not to have been met as at each stipulated Vesting Date and the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent Performance Vesting Condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to prevent the vesting of share options in the event of poor performance on the part of the participating associate. Such performance would be objectively measured by the Remuneration Committee.

16. Ordinary resolution No. 16 – Amendments to the Mr Price Executive Share Trust (part 4)

"Resolved that the Mr Price Executive Share Scheme Rules be and are hereby amended by:

- deleting clause 7.4.1 of the Rules and inserting the following clause 7.4.1 in place thereof which new clause 7.4.1 reads as follows:

  "7.4.1 to the extent that it is not exercised within 5 (five) years of the Vesting Date of such Option (or any part thereof);"

- deleting clause 8.3 of the Rules and inserting the following new clause 8.3 in place thereof which new clause 8.3 reads as follows:

  "8.3 Subject to the provisions of clauses 8.7 and 8.8 below, an Option must be exercised within 5 (five) years of the Vesting Date of such Option (or any part thereof) ("Option Exercise Date")."."

Reason and effect

The reason for and effect of the amendments is to extend the period of exercise for vested options from 90 days to five years. Currently, all exercised options need to be exercised within 90 days of vesting, whereafter they are forfeited. The amendments, which are in line with the recommendations resulting from an external review of the Group's long-term income structures, would ensure that participants are not forced to exercise options during periods of share price weakness.

17. Ordinary resolution No. 17 – Amendments to the Mr Price Executive Share Trust (part 5)

"Resolved that the Mr Price Executive Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.17A after clause 1.1.17 of the Rules, which new clause 1.1.17A reads as follows:

  "1.1.17A "Performance Criteria" means performance criteria linked to such aspects of the financial performance of the Group or any part thereof (including any division), as determined by the Remuneration Committee;"

- inserting the words "and Performance Criteria" after the words "in HEPS" in clause 1.1.18 of the Rules."."

Reason and effect

The reason for and effect of the amendments is to allow the Board to amend the performance criteria determining strike price discounts. Currently strike price discounts are only linked to the Group's Core HEPS (headline earnings per share) performance. It is the intention of the Board to base performance conditions on a combination of divisional profitability and Group performance. This would ensure that underperforming divisions do not benefit unfairly, as is the case with a discount based solely on Group performance.

18. Ordinary resolution No. 18 – Amendments to the Mr Price Executive Share Trust (part 6)

"Resolved that the Mr Price Executive Share Trust Deed and Scheme Rules be and are hereby amended by:

- deleting clause 6.5 of the Rules and inserting the following new clause 6.5 in place thereof which new clause 6.5 reads as follows:

  "6.5 The maximum number of Shares that may be acquired by any one Participant in terms of all the Mr Price Incentive Schemes shall be 3 000 000 ordinary shares.";

- deleting clause 17.3 of the Trust Deed and inserting the following new clause 17.3 in place thereof which new clause 17.3 reads as follows:

"17.3 The maximum number of Shares that may be acquired by any one Participant in terms of all the Mr Price Incentive Schemes shall be 3 000 000 ordinary shares."."

Reason and effect

The reason for and effect of the amendments is to increase, in line with the Mr Price Partners Share Scheme, Mr Price General Staff Share Scheme and Mr Price Senior Management Share Scheme, the maximum allocation to 3 000 000 shares which can be granted to any participant across the combined Mr Price Share Schemes. This is inclusive of options which have already vested and been exercised.

In the event that ordinary resolutions 13 to 18 are not all passed, the Mr Price Executive Share Scheme Rules will be adjusted accordingly so as to correctly accommodate, purely from a technical perspective, those clauses contained in the resolutions which were passed. Further details on the operation of the Mr Price Executive Share Scheme can be found in the Remuneration Report on pages 106 to 119.

19. Ordinary resolution No.19 – Amendments to the Mr Price Executive Director Share Trust (part 1)

"Resolved that the Mr Price Executive Director Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.12A after clause 1.1.12 of the Rules, which new clause 1.1.12A reads as follows:

  "1.1.12A "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.12B after clause 1.1.12A of the Rules, which new clause 1.1.12B reads as follows:

  "1.1.12B "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.12C after clause 1.1.12B of the Rules, which new clause 1.1.12C reads as follows:

  "1.1.12C "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- amending clause 1.1.30 of the Rules by inserting the words "the First Vesting Date ex 2012, the Second Vesting Date ex 2012, the Third Vesting Date ex 2012, the Fourth Vesting Date ex 2012, the Fifth Vesting Date ex 2012, Initial Small Allocation Vesting Date ex 2012, Subsequent Vesting Date, " after the reference to "the Fifth Vesting Date" as it appears in clause 1.1.30 of the Rules;
- amending clause 8.1 of the Rules by deleting the word "Initial Allocation" in line 1 of clause 8.1 of the Rules and inserting the words "Initial Allocation pre 2012" in place thereof;
- deleting clause 8.1A (previously numbered 8.2A) of the Rules and inserting the following new clause 8.1A in place thereof:

  "8.1A Subject to the provisions of clauses 8.6 and 8.7 below, Options forming part of any Initial Large Allocation ex 2012 shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of:

  8.1A.1 20% (twenty percent) thereof as at the 3rd (third) anniversary of the Option Date ("First Vesting Date ex 2012");

  8.1A.2 20% (twenty percent) thereof as at the 4th (fourth) anniversary of the Option Date ("Second Vesting Date ex 2012");

  8.1A.3 20% (twenty percent) thereof as at the 5th (fifth) anniversary of the Option Date ("Third Vesting Date ex 2012");

  8.1A.4 20% (twenty percent) thereof as at the 6th (sixth) anniversary of the Option Date ("Fourth Vesting Date ex 2012");

  8.1A.5 20% (twenty percent) thereof as at the 7th (seventh) anniversary of the Option Date ("Fifth Vesting Date ex 2012")."

- renumbering clause 8.2A as clause 8.1A;
- inserting the following new clause 8.1B after clause 8.1A of the Rules, which new clause 8.1B reads as follows:

  "8.1B Subject to the provisions of clauses 8.6 and 8.7 below, Options forming part of any Initial Small Allocation ex 2012 shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Initial Small Allocation Vesting Date")."

- deleting clause 8.1C of the Rules and inserting the following new clause 8.1C in place thereof:

  "8.1C Subject to the provisions of clauses 8.6 and 8.7 below, in respect of any Options forming part of any future allocations (being any allotment subsequent to the Initial Allocation, Initial Small Allocation ex 2012 or the Initial Large Allocation ex 2012) such Options shall only be capable of being exercised in terms hereof as at the fifth anniversary of the Option Date ("Subsequent Vesting Date")"."

Reason and effect

The reason for and effect of the amendments is to allow initial small allocations of options to vest in one single tranche five years from the offer date, or for initial large allocations to vest in five equal tranches in three, four, five, six and seven years from allocation. All offers subsequent to an initial small or large allocation vest in a single tranche five years from the offer date. It is anticipated that intial large allocations would only be made in exceptional circumstances to attract key associates.

20. Ordinary resolution No. 20 – Amendments to the Mr Price Executive Director Share Trust (part 2)

"Resolved that the Mr Price Executive Director Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.6A after clause 1.1.6 of the Rules, which new clause 1.1.6A reads as follows:

  "1.1.6A "Core HEPS" means the core headline earnings per share of Mr Price, which excludes the profits and/or losses of non-core activities, as determined by the Board;"

- inserting the following new clause 1.1.6B after clause 1.1.6A of the Rules, which new clause 1.1.6B reads as follows:

  "1.1.6B "CPI" means the consumer price index in respect of the Republic of South Africa as notified by the Central Statistics Services (or its successor) from time to time. Should the Consumer Price Index cease to be published, then the Auditors shall be empowered to determine an alternative similar index to be the CPI for the purposes hereof."

- inserting the following new clause 1.1.12A after clause 1.1.12 of the Rules, which new clause 1.1.12A reads as follows:

  "1.1.12A "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.12B after clause 1.1.12A of the Rules, which new clause 1.1.12B reads as follows:

  "1.1.12B "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.12C after clause 1.1.12B of the Rules, which new clause 1.1.12C reads as follows:

  "1.1.12C "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.14A after clause 1.1.14 of the Rules, which new clause 1.1.14A reads as follows:

  "1.1.14A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012;"

- inserting the following new clause 1.1.24A after clause 1.1.24 of the Rules, which new clause 1.1.24A reads as follows:

  "1.1.24A "Subsequent Allocations ex 2012" means any allocations subsequent to the Initial Allocation, the Initial Large Allocation ex 2012 and the Initial Small Allocation ex 2012 of any Options awarded as and from 1 November 2012;"

- inserting the following new clause 1.1.29A after clause 1.1.29 of the Rules, which new clause 1.1.29A reads as follows:

  "1.1.29A "Vesting Condition" means an increase in the Core HEPS of not less than 1% (one percent) above CPI calculated in respect of each Vesting Period (as defined in clause 1.1.31 below) in the following manner (upon which the Vesting Condition shall be deemed to have been met) if between the financial year preceding the Option Date ex 2012 and the financial year preceding the relevant Vesting Date there is an average increase in the Core HEPS of not less than 1% (one percent) above CPI;"

- inserting the following new clause 1.1.31 after clause 1.1.30 of the Rules, which new clause 1.1.31 reads as follows:

  "1.1.31 "Vesting Period" means the period commencing on the Option Date ex 2012 and terminating on the relevant Vesting Date;"

- inserting the words "subject to the provisions of clauses 8.6 and 8.7 below," at the beginning of clause 8.2 of the Rules;
- inserting the following new clause 8.6 after clause 8.5 of the Rules, which new clause 8.6 reads as follows:

  "8.6 In respect of any Allocation ex 2012, such Options shall be subject to the Vesting Condition being met as at each stipulated Vesting Date. If such Vesting Condition is not met as at such stipulated Vesting Date, the relevant percentage rights of exercise of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent vesting condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to ensure that no options offered under the scheme would be entitled to vest if a minimum Group performance target of core HEPS growing at a rate of 1% above CPI for the duration of the vesting period was not achieved.

21. Ordinary resolution No. 21 – Amendments to the Mr Price Executive Director Share Trust (part 3)

"Resolved that the Mr Price Executive Director Share Scheme Rules be and are hereby amended by:

- inserting the following new clause 1.1.1A after clause 1.1.1 of the Rules, which new clause 1.1.1A reads as follows:

  "1.1.1A "Allocations ex 2012" means any or all of Initial Large Allocation ex 2012, Initial Small Allocation ex 2012, and/or Subsequent Allocations ex 2012;"

- inserting the following new clause 1.1.12A after clause 1.1.12 of the Rules, which new clause 1.1.12A reads as follows:

  "1.1.12A "Initial Allocation pre 2011" means any Initial Allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme before 1 November 2011;"

- inserting the following new clause 1.1.12B after clause 1.1.12A of the Rules, which new clause 1.1.12B reads as follows:

  "1.1.12B "Initial Large Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1A. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.12C after clause 1.1.12B of the Rules, which new clause 1.1.12C reads as follows:

  "1.1.12C "Initial Small Allocation ex 2012" means any allocation awarded for the first time to any Eligible Employee in terms of the Share Scheme as and from 1 November 2012, which allocation shall vest in accordance with the provisions of clause 8.1B. The number of Options comprising such allocation and the classification thereof as an Initial Large Allocation or an Initial Small Allocation shall be determined by the Remuneration Committee from time to time;"

- inserting the following new clause 1.1.14A after clause 1.1.14 of the Rules, which new clause 1.1.14A reads as follows:

  "1.1.14A "Option Date ex 2012" means the effective date of the award of an Option from time to time as determined by the Board as and from 1 November 2012;"

- inserting the following new clause 1.1.15A after clause 1.1.15 of the Rules, which new clause 1.1.15A reads as follows:

  "1.1.15A "Poor Performer" means any Participant determined to be a poor performer by the Remuneration Committee whose determination shall be final and binding on the Participant and the Company. The Remuneration Committee shall in its discretion determine whether a Participant is a poor performer provided that (without limiting its discretion) in making such determination the Remuneration Committee shall take into account (to the extent determined by the Remuneration Committee in the exercising of its discretion):

  1.1.15A.1 any recommendation by management and the Board;

  1.1.15A.2 any performance reviews or counseling of such Participant;

  1.1.15A.3 any written notifications to the Participant regarding underperformance in any relevant period under review;

  1.1.15A.4 the extent to which the Participant had failed to comply with any operating procedures, financial targets or written criteria or standards of the Company at all relevant times;

  1.1.15A.5 the nature and consistency of any failure of the Participant to meet the Company's criteria for reasonable or good performance;

  1.1.15A.6 failure to meet any key performance indicators set by the Company for such Participant for any relevant period or any key performance indicators relating to the division in which the Participant is employed or any key performance indicators relating to the Company or in any written document or agreement to which the Participant is subject;"

- inserting the following new clause 1.1.15B after clause 1.1.15A of the Rules, which new clause 1.1.15B reads as follows:

  "1.1.15B "Performance Vesting Condition" means the Participant not being determined to be a Poor Performer;"

- inserting the words "subject to the provisions of clauses 8.6 and 8.7 below," at the beginning of clause 8.2 of the Rules;
- inserting the following new clause 8.7 after clause 8.6 of the Rules, which new clause 8.7 shall read as follows:

  "8.7 In respect of any Allocation ex 2012, such Options shall be subject to the Participant not being determined to be a Poor Performer on or before each stipulated Vesting Date. If such Participant is determined as being a Poor Performer then the Performance Vesting Condition is deemed not to have been met as at each stipulated Vesting Date and the relevant percentage exercised rights of such Option applicable to such stipulated Vesting Date shall lapse. For the avoidance of any doubt, any or all of the remaining rights under such Option shall however not be affected or prejudiced by the provisions hereof unless any subsequent Performance Vesting Condition is not met as at any other stipulated Vesting Date."."

Reason and effect

The reason for and effect of the amendments is to prevent the vesting of share options in the event of poor performance on the part of the participating associate. Such performance would be objectively measured by the Remuneration Committee.

22. Ordinary resolution No.22 – Amendment to the Mr Price Executive Director Share Trust (part 4)

"Resolved that the Mr Price Executive Director Share Scheme Rules be and are hereby amended by:

- deleting clause 7.4.1 of the Rules and inserting the following new clause 7.4.1 in place thereof which new clause 7.4.1 reads as follows:

  "7.4.1 to the extent that it is not exercised within 5 (five) years of the Vesting Date of such Option (or any part thereof) ("Exercise Period")"."

Reason and effect

The reason for and effect of the amendments is to extend the period of exercise for vested options from 90 days to five years. Currently, all exercised options need to be exercised within 90 days of vesting, whereafter they are forfeited. The amendments, which are in line with the recommendations resulting from an external review of the Group's long-term income structures, would ensure that participants are not forced to exercise options during periods of share price weakness.

23. Ordinary resolution No.23 – Amendments to the Mr Price Executive Director Share Trust (part 5)

"Resolved that the Mr Price Executive Director Share Trust Deed and Scheme Rules be and are hereby amended by:

- deleting clause 6.5 of the Rules and inserting the following new clause 6.5 in place thereof which new clause 6.5 reads as follows:

  "6.5 The maximum number of Shares that may be acquired by any one Participant in terms of all the Mr Price Incentive Schemes shall be 3 000 000 ordinary shares."

- deleting clause 17.3 of the Trust Deed and inserting the following new clause 17.3 in place thereof which new clause 17.3 reads as follows:

"17.3 The maximum number of Shares that may be acquired by any one Participant in terms of all the Mr Price Incentive Schemes shall be 3 000 000 ordinary shares."."

Reason and effect

The reason for and effect of the amendments is to increase, in line with the Mr Price Partners Share Scheme, Mr Price General Staff Share Scheme and Mr Price Senior Management Share Scheme, the maximum allocation to 3 000 000 shares which can be granted to any participant across the combined Mr Price Share Schemes. This is inclusive of options which have already vested and been exercised.

In the event that ordinary resolutions 19 to 23 are not all passed, the Mr Price Executive Director Share Scheme Rules will be adjusted accordingly so as to correctly accommodate, purely from a technical perspective, those clauses contained in the resolutions which were passed. Further details on the operation of the Mr Price Executive Director Share Scheme can be found in the Remuneration Report on pages 106 to 119.

The Share Trust Deeds and Schemes Rules for the share schemes addressed in resolutions 7 to 23 will be available for inspection by the shareholders of the Company at the Company's principle place of business for a period of not less than 14 (fourteen) days prior to this meeting.

24. Special Resolution No 1 – Remuneration of Directors

"Resolved that the annual remuneration of each non-executive Director of the Company be approved, as a special resolution in terms of Section 66 of the Companies Act 2008 ("the Act"), with effect from 1 April 2012 as follows:

1.1	Independent non-executive Chairman of the Company[1]	R1 000 000
1.2	Honorary Chairman of the Company[2]	R431 000
1.3	Lead Director of the Company	R325 000
1.4	Other Director of the Company	R202 000
1.5	Chairman of the Audit and Compliance Committee	R182 000
1.6	Member of the Audit and Compliance Committee	R102 000
1.7	Member of the Risk and Sustainability Committee	R85 000
1.8	Chairman of the Remuneration and Nominations Committee	R107 000
1.9	Member of the Remuneration and Nominations Committee	R68 000
1.10	Chairman of the Social and Ethics Committee	R107 000
1.11	Member of the Social and Ethics Committee	R68 000."

Notes

1. The Chairman's fee is inclusive of a fee for his services as Chairman of the Risk and Sustainability Committee.
2. In addition to the above fee structure, the Honorary Chairmen have employment contracts with the Company and the remuneration payable in terms of these contracts is decided by the Remuneration and Nominations Committee and is reported retrospectively in the Annual Integrated Report.

Reason and effect

The reason for and effect of special resolutions number 1.1 to 1.11 is to grant the Company the authority to pay fees to its non-executive Directors for their services as Directors, in line with the recommendations of King III and the Act.

25. **Special resolution No. 2 – Adoption of the amended Memorandum of Incorporation**

"Resolved that the Memorandum of Incorporation ("MOI") of the Company, as harmonised with the requirements of the Act, having been considered, be adopted, which MOI has been initialled by the Company Secretary for identification purposes."

The full MOI is available upon request from the Company Secretary, who can be reached via the email address: hgrosvenor@mrpricegroup.com.

Reason and effect

The reason for and effect of special resolution number 2 is to replace the existing MOI (consisting of the Company's original Memorandum of Association and its Articles of Association) with a document which is fully aligned to the requirements of the Act and which has been approved by the JSE Limited ("JSE").

26. **Special resolution No. 3 – General authority to repurchase shares**

"Resolved that the Board of Directors of the Company be and is hereby authorised, by way of a renewable general authority, to approve the purchase from time to time of its own issued ordinary shares by the Company, or approve the purchase of ordinary shares in the Company by any consolidated entity of the Company upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, but always subject to the provisions of the Act, the MOI and the Listings Requirements of the JSE, when applicable, and any other relevant authority, provided that:

a) authorisation thereto has been given by the MOI;
b) a resolution has been passed by the Board of Directors confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test and that since the test was done, there have been no material changes to the financial position of the Group;
c) the Company is authorised by shareholders in terms of a special resolution of the Company in a general meeting, which authorisation shall be valid only until the next Annual General Meeting, provided it shall not extend beyond 15 months from the date of passing of this special resolution;
d) the general repurchase of securities will be affected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades prohibited);
e) in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value of the Company's securities over the five business days immediately preceding the date of the repurchase of such ordinary shares by the Company. The JSE should be consulted for a ruling if the Company's securities have not traded in such five business day period;
f) the acquisition of ordinary shares in aggregate in any one financial year does not exceed 20% of the Company's issued ordinary share capital in that financial year;
g) the Company or consolidated entity are not repurchasing securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE unless they have in place a repurchase programme where the dates and quantities of the Company's securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;
h) when the Company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made;
i) at any point in time, the Company will only appoint one agent to effect any repurchase(s) on its behalf;
j) any such general repurchases are subject to exchange control regulations and approval at that point in time; and
k) the number of shares purchased and held by a consolidated entity or consolidated entities of the Company shall not exceed 10% in the aggregate of the number of issued shares in the Company at the relevant times."

Reason and effect

The reason for and effect of the special resolution is to authorise the Company and/or any consolidated entity of the Company, by way of general approval, to acquire the Company's issued shares on the terms and conditions and in such amounts to be determined from time to time by the Directors of the Company, subject to the limitations set out above.

Statement of Board's intention

The Directors of the Company have no specific intention to effect the provisions of the special resolution but will, however, continually review the Group's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of the special resolution.

Statement of Directors

As at the date of this Report, the Company's Directors undertake that, having considered the effect of repurchasing the maximum number of shares (as contemplated in special resolution number 3), they will not implement any such repurchase unless for a period of 12 months following the date of the general repurchase:

a) the Company and the Group are in a position to repay their debts in the ordinary course of business;
b) the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the Group;
c) the share capital and reserves of the Company and the Group are adequate for ordinary business purposes;
d) the available working capital is adequate to continue the ordinary business purposes of the Company and the Group; and
e) upon entering the market to proceed with the repurchase, the Company's sponsor has confirmed the adequacy of the Company's and the Group's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Additional disclosure in terms of the Listings Requirements of the JSE Section 11.26

The Listings Requirements of the JSE require the following disclosures, which are provided elsewhere in the Annual Integrated Report, of which this notice forms part, as set out below:

- Directors and management - pages 122 to 125
- Major shareholders of the Company - page 126
- Directors' interests in securities - pages 132 and 133
- Share capital of the Company – page 152

Litigation statement

In terms of section 11.26 of the Listings Requirements of the JSE, the Directors, whose names are given on pages 122 and 123 of the Annual Integrated Report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Company's financial position.

Directors' responsibility statement

The Directors, whose names are given on pages 122 and 123 of the Annual Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the abovementioned resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the abovementioned resolutions contain all information required by law and the Listings Requirements of the JSE.

Material change

Other than the facts and developments reported on in the Annual Integrated Report, there have been no material changes in the financial position of the Company and its consolidated entities since the date of signature of the audit report.

27. Special resolution No. 4 – Financial assistance to related or inter-related Company

"Resolved that the Directors, in terms of and subject to the provision of Section 45 of the Act, be authorised to cause the Company to provide any financial assistance to any Company or Corporation which is related or inter-related to the Company."

Reason and effect

The reason for and effect of this special resolution is to grant the Directors of the Company the authority to cause the Company to provide financial assistance to any Company or Corporation which is related or inter-related to the Company. This may be necessary as there are current subsidiary Companies which have loans. In addition, if the Group was to acquire a new distribution centre, it would be housed in a separate Company which would require funding and capital. It does not authorise the provision of financial assistance to a Director or Prescribed Officer of the Company.

28. To transact such other business as may be transacted at an Annual General Meeting

Voting and proxies

Shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder. Proxy forms must be forwarded to reach the Company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 or be posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107 to be received by them not less than 24 hours before the time fixed for the holding of the meeting (excluding Saturdays, Sundays and public holidays). Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company holding an ordinary share shall have one vote for every ordinary share held in the Company by such shareholder and every shareholder holding a B ordinary share shall have 12 votes per share for every B ordinary share held in the Company by such shareholder. Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their CSDP or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Voting percentages required for the passing of resolutions:

- Ordinary resolutions numbers 1 to 6:	more than 50% of votes cast
- Ordinary resolutions numbers 7 to 23:	more than 75% of votes cast
- Special resolution numbers 1 to 4:	more than 75% of votes cast

Participation in the meeting

The Board of Directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of the 79th Annual General Meeting is Friday, 22 June 2012 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 24 August 2012. Only shareholders who are registered in the register of members of the Company on Friday, 24 August 2012 will be entitled to participate in and vote at the Annual General Meeting. Accordingly, the last day to trade in order to be entitled to participate in and vote at the Annual General Meeting is Friday, 17 August 2012.

In compliance with the provisions of the Act, the Company intends to offer shareholders reasonable access through electronic facilities to participate in the Annual General Meeting. Shareholders, through means of conference call and webcast facilities, will be able to listen to the proceedings and raise questions should they wish to do so and are invited to indicate their intention to make use of these facilities by registering online at www.mrpricegroup.com. Information enabling participation in the call and webcast facilities will be sent via email to those shareholders who have registered.

Voting will not be possible via the electronic facilities and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in this Notice of Meeting.

Equity securities held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licenses and passports.

Shareholders are encouraged to attend the Annual General Meeting.

By order of the board

HE Grosvenor
Company Secretary
23 May 2012

Registered office:
Upper Level, North Concourse, 65 Masabalala Yengwa Avenue (previously NMR Avenue), Durban, 4001.

Transfer secretaries:
Computershare Investor Services (Proprietary) Ltd, 70 Marshall Street, Johannesburg, 2001.
PO Box 61051, Marshalltown, 2107.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FORM OF PROXY FOR USE BY MR PRICE GROUP LIMITED ORDINARY SHAREHOLDERS

(Registration number 1933/004418/06) (Incorporated in the Republic of South Africa) ('Mr Price' or 'the Company')

For use by Mr Price ordinary shareholders ('ordinary shareholders') at the 79th Annual General Meeting of the Company to be held in the boardroom of Mr Price Group Limited at Upper Level, North Concourse, 65 Masabalala Yengwa Avenue, Durban, on Thursday 30 August 2012 at 14h30 (See note 1 overleaf).

I/We ______________________________

of address ______________________________

being the holder/s of (see instruction 1 overleaf): ______________ ordinary shares in the company, hereby appoint

1. ______________________________ or failing him/her,
2. ______________________________ or failing him/her,
3. the Chairman of the meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting of the Company and at any adjournment thereof, as follows (see note 3 and instruction 2 overleaf):

		Insert an 'X' or the number of ordinary shares you wish to vote		
		In favour of	**Against**	**Abstain**
1. Ordinary resolution No. 1 Adoption of the Annual Financial Statements.				
2. Ordinary resolution Nos. 2.1 to 2.3 Re-election of Directors retiring by rotation.				
2.1 Mr LJ Chiappini				
2.2 Mr NG Payne				
2.3 Mrs RM Motanyane				
3. Ordinary resolution No. 3 Re-election of retiring Director Ms D Naidoo.				
4. Ordinary resolution No. 4 Re-election of independent auditor and designated auditor.				
5. Ordinary resolution Nos. 5.1 to 5.4 Election of members of the Audit and Compliance Committee:				
5.1 Mr MR Johnston				
5.2 Ms D Naidoo				
5.3 Mr MJD Ruck				
5.4 Mr WJ Swain				
6. Ordinary resolution No. 6 Non-binding advisory vote on the Remuneration Policy of the Company.				
Mr Price General Staff Share Trust				
7. Ordinary resolution No. 7 Amendment to allow for variable vesting periods.				
8. Ordinary resolution No. 8 Amendment to cause vesting to be conditional upon a growth in HEPS.				
9. Ordinary resolution No. 9 Amendment to prevent vesting in the event of poor performance.				
Mr Price Senior Management Share Trust				
10. Ordinary resolution No. 10 Amendment to allow for variable vesting periods.				
11. Ordinary resolution No. 11 Amendment to cause vesting to be conditional upon a growth in HEPS.				
12. Ordinary resolution No. 12 Amendment to prevent vesting in the event of poor performance.				
Mr Price Executive Share Trust				
13. Ordinary resolution No. 13 Amendment to allow for variable vesting periods.				
14. Ordinary resolution No. 14 Amendment to cause vesting to be conditional upon a growth in HEPS.				
15. Ordinary resolution No. 15 Amendment to prevent vesting in the event of poor performance.				
16. Ordinary resolution No. 16 Amendment to extend the period of exercise for vested options from 90 days to five years.				
17. Ordinary resolution No. 17 Amendment to allow the Board to amend the performance criteria determining strike price discounts.				
18. Ordinary resolution No. 18 Amendment to increase the maximum allocation of shares to 3 000 000.				
Mr Price Executive Director Share Trust				
19. Ordinary resolution No. 19 Amendment to allow for variable vesting.				
20. Ordinary resolution No. 20 Amendment to cause vesting to be conditional upon a growth in HEPS.				
21. Ordinary resolution No. 21 Amendment to prevent the vesting in event of poor performance.				
22. Ordinary resolution No. 22 Amendment to extend the period of exercise for vested options from 90 days to five years.				
23. Ordinary resolution No. 23 Amendment to increase the maximum allocation of shares to 3 000 000.				
24. Special resolution Nos. 1.1 to 1.11 To approve the remuneration of non-executive Directors, namely:				
1.1 Independent non-executive Chairman of the Company	R1 000 000			
1.2 Honorary Chairman of the Company	R431 000			
1.3 Lead Director of the Company	R325 000			
1.4 Other Director of the Company	R202 000			
1.5 Chairman of the Audit and Compliance Committee	R182 000			
1.6 Member of the Audit and Compliance Committee	R102 000			
1.7 Member of the Risk and Sustainability Committee	R85 000			
1.8 Chairman of the Remuneration and Nominations Committee	R107 000			
1.9 Member of the Remuneration and Nominations Committee	R68 000			
1.10 Chairman of the Social and Ethics Committee	R107 000			
1.11 Member of the Social and Ethics Committee	R68 000			

	Insert an 'X' or the number of ordinary shares you wish to vote		
	In favour of	**Against**	**Abstain**
25. Special resolution No. 2. Adoption of the amended Memorandum of Incorporation			
26. Special resolution No. 3. To enable the Company or any consolidated entity of the Company to acquire the Company's issued ordinary shares.			
27. Special resolution No. 4. To enable the provision of financial assistance to related or inter-related Companies or Corporations.			

Signed at ______________________ on ______________________ 2012

Signature/s ______________________

Assisted by me (where applicable) ______________________

Please read the notes and instructions below

NOTES:

1. Attendance and voting at meetings and appointing of proxies is only automatically open to shareholders who have not dematerialised their shares or who have dematerialised their shares and registered them in their own name. All other shareholders should contact their CSDP or broker to make the relevant arrangements to attend and vote at the meeting.
2. An ordinary shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak, and vote in his/her stead. A proxy need not be an ordinary shareholder of the company.
3. Every ordinary shareholder present in person or by proxy and entitled to a vote at the meeting shall, on a show of hands, have one vote only, irrespective of the number of shares such ordinary shareholder holds and, in the event of a poll, every ordinary share in the company shall have one vote.

INSTRUCTIONS ON SIGNING AND LODGING THIS FORM OF PROXY:

1. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space/s provided overleaf, with or without deleting 'the Chairman of the meeting', but any such deletion must be initialled by the ordinary shareholder. Should this space be left blank, the proxy will be exercised by the Chairman of the meeting. The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. An ordinary shareholder's voting instructions to the proxy must be indicated by the insertion of an 'X' or, alternatively, the number of ordinary shares such ordinary shareholder wishes to vote, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she thinks fit in respect of all the ordinary shareholder's ordinary shares. An ordinary shareholder or his/her proxy is not obliged to use all the ordinary shares held by the ordinary shareholder, but the total number of ordinary shares voted, or those in respect of which abstention is recorded, may not exceed the total number of ordinary shares held by the ordinary shareholder.

3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

4. To be valid the completed form of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107), to be received by them not later than Wednesday, 29 August 2012 at 14h30.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the meeting.

6. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.

7. The appointment of a proxy in terms of this form of proxy is revocable in the terms of the provisions of section 58 (a) (c), read with section (5), of the Companies Act, and accordingly a shareholder may revoke the proxy appointment by cancelling in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.

8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

9. The Chairman of the meeting may accept any form of proxy which is completed, other than in accordance with these instructions and notes, provided that the Chairman is satisfied as to the manner in which an ordinary shareholder wishes to vote.

Mr Price

Mr Price
SPORT

Mr Price
HOME

MILADYS

sheet street
loving your home!