Mr Price Group Limited

Operating Report

For the 52 weeks ended 30 March 2013

Registration number 1933/004418/06
Incorporated in the Republic of South Africa
ISIN: ZAE 000026951
JSE share code: MPC
("Mr Price" or "the Company" or "the Group")

INDEX

	Page

Mr Price Group Limited

AUDITED GROUP RESULTS AND FINAL CASH DIVIDEND DECLARATION FOR THE 52 WEEKS ENDED 30 MARCH 2013

This short form announcement, which is a summary of the full announcement and which does not contain full details, is the responsibility of the Directors. The full announcement and additional information contained in the presentation to the Investment Analyst Society, on which investment decisions should be based, are available, at no charge, on SENS, at the Mr Price Group Limited registered office (Monday to Friday, 08H00-16:30) and on the Group's website: www.mrpricegroup.com/InvestorRelations/ReportsResults.aspx

HIGHLIGHTS

52 weeks ended		2013 30 March	2012 31 March	% change
Revenue (R'm)		13 720	12 122	13.2
Operating profit (R'm)		2 072	1 741	19.0
Operating margin (%)		15.6	14.8	
Earnings per share (c) -	Basic	627.6	500.9	25.3
-	Headline	635.5	503.0	26.3
Dividend per share (c) -	Annual	398.0	314.0	26.8
-	Final	265.0	220.4	20.2
Return on net worth (%)		46.4	43.8	
Return on shareholders equity (%)		51.1	47.2	

HEPS AND OPERATING MARGIN

FINAL CASH DIVIDEND DECLARATION

Notice is hereby given that the Board has declared a final gross cash dividend of 265.0 cents per share (225.25 cents net of dividend withholding tax) per ordinary and B ordinary share. The dividend has been declared from income reserves and no STC credits have been used. A dividend withholding tax of 15% will be applicable to shareholders who are not exempt. The salient dates for the dividend are as follows:

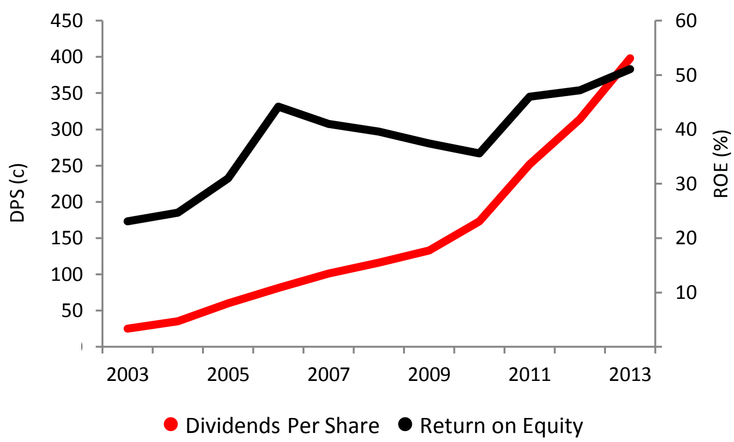
Last date to trade 'cum' the dividend	Thursday	13 June 2013
Date trading commences 'ex' the dividend	Friday	14 June 2013
Record date	Friday	21 June 2013
Payment date	Monday	24 June 2013

Shareholders may not dematerialise or rematerialise their share certificates between Friday, 14 June 2013 and Friday, 21 June 2013, both dates inclusive.

On behalf of the board

NG Payne	Chairman	Durban
SI Bird	Chief Executive Officer	22 May 2013

DPS AND RETURN ON EQUITY



27 YEAR COMPOUND ANNUAL GROWTH RATE - HEPS : 23.5% DPS : 25.3%

Mr Price | MILADYS | Mr Price SPORT | sheet•street loving your home! | Mr Price HOME

Mr Price Group Limited
Directors

Registration Number: 1933/004418/06 · Incorporated in the Republic of South Africa · ISIN: ZAE000026951 · JSE Code: MPC

LJ Chiappini* (Honorary chairman), SB Cohen* (Honorary chairman), NG Payne* (Chairman), SI Bird (Chief executive officer), MM Blair (Chief financial officer), K Getz*, MR Johnston*, RM Motanyane*, D Naidoo*, MJD Ruck*, WJ Swain*, M Tembe*, N Abrams*^, TA Chiappini-Young*^, SA Ellis^ * Non-executive director, ^ Alternate director

Sponsor Rand Merchant Bank (a division of FirstRand Bank Limited)
Transfer Secretaries Computershare Investor Services (Pty) Ltd

PRESS RELEASE

MR PRICE DELIVERS ANOTHER STRONG PERFORMANCE

[Durban, 22 May 2013] Mr Price Group today announced record headline earnings per share (HEPS) of 635.5c, up 26.3% and dividends per share (DPS) of 398.0c, up 26.8%.

The Company has achieved a 27-year compound annual growth rate in HEPS of 23.5%, DPS of 25.3% and share price of 26.9%. The return on equity of 51.1% is the highest achieved to date.

Retail sales for the 52 weeks ended 30 March 2013 increased by 12.7% to R13.3 billion and comparable sales by 7.3%. Total revenue, which includes retail sales and other income, increased by 13.2% to R13.7 billion. Other income was up 34.9% largely due to a 32.6% increase in interest on trade receivables and a 50.5% increase in premium income relating to the sale of financial services products, which is expected to continue to deliver strong growth.

Retail selling price inflation was 5.1% and units sold were up 7.1% to 206.8 million. By opening 77 stores and expanding 20, the Group grew new space by 6.2%. After planned closures and space reductions, closing space growth was 3.9%. “Both store growth and right sizing have a positive impact on profitability and will be an ongoing feature,” said CEO Stuart Bird. The Group opened its 1 000th store in October 2012 and created 1 490 new jobs in the past year, ending the period with 1 029 stores and employing 19 384 associates.

The gross margin increased by 0.4% to 42.2%, with the growth in total costs and expenses being contained at a level lower than sales growth. Profit from operating activities, which exceeded R2 billion for the first time, increased by 19.0% and the operating margin improved from 14.8% to 15.6% of retail sales. Profit attributable to shareholders increased by 26.3% due to higher interest earned on cash resources and a lower effective tax rate (the base period included a STC charge, which has subsequently been discontinued due to the introduction of Dividends Tax). “Once again, these results are a direct consequence of the outstanding work of the associates in the Mr Price family who have firmly engaged our core values of passion, value and partnership,” said Bird.

Annual dividends have increased by 26.8% to 398.0 cents per share and the annual dividend cover has been maintained at 1.6 times. The final dividend of 265.0 cents per share reflects a lower rate of growth because of the reduction in cover at the interim stage. “We are more closely aligning the dividend cover at the half year and year end and further reductions in the interim cover can be expected over the next few years,” said Bird.

The Group aims to be a top performing international retailer and has been investing and incurring costs ahead of revenue generation to achieve this vision. “We are pleased that despite this upfront commitment, a tightening in our approach to credit and our largest chain experiencing a period of underperformance, we have been able to deliver these results,” said Bird. The Apparel chain bounced back strongly from its weak third quarter by growing sales by 13.9% in the last quarter. “Q3 will present a sales growth opportunity in the forthcoming year,” he added.

Mr Price Home, Mr Price Sport, Sheet Street, Miladys and Mr Price Group Financial Services all delivered a strong performance and are well on track to achieving their medium term profitability targets.

The Apparel chains increased sales and other income by 12.5% to R9.8 billion and comparable sales by 5.9%. Operating profit grew by 14.0% to R1.7 billion and the operating margin increased from 18.0% to 18.3% of retail sales. Mr Price Apparel opened 31 new stores and recorded sales growth of 10.5% (comparable 3.9%) to R7.2 billion (54.5% of Group sales). Mr Price Sport recorded sales growth of 22.9% (comparable 11.9%) to R842.8 million and Miladys 13.0% (comparable 12.9%) to R1.3 billion.

The Home chains increased sales and other income by 15.2% to R3.9 billion with comparable sales up by 10.8%. Operating profit rose by 31.9% to R491.6 million and the operating margin increased from 11.2% to 12.9% of retail sales. Mr Price Home increased sales by 15.6% (comparable 12.4%) to R2.6 billion and Sheet

Street by 13.8% (comparable 7.6%) to R1.2 billion. "Operating margins in the Home chains have shown a good improvement and are now moving well into double digits as planned," said Bird.

The Group has maintained its healthy financial position. Despite increased dividends of R887.8 million, capital expenditure of R337.9 million and the purchase of shares to the value of R279.1 million to cover its share scheme commitments, the Group ended the year with cash resources of R1.2 billion. "Free cash flow increased by almost 55% this year, and the cash generative business model will put us in the enviable position of being able to fund our new infrastructure costs and growth without incurring debt," said Bird.

Gross trade receivables increased by 28.4% to R1.6 billion and net bad debt as a percentage of the debtors' book increased from 3.9% to 6.5% as the payment behaviour of some new accounts opened in the prior financial year was not in line with expectations. "This has now largely worked its way through the system and we are satisfied with the performance of the rest of the book," said Bird. The Company has adopted a more cautious approach to credit by amending the requirements for opening new accounts, lowering initial credit limits and opening a higher proportion of accounts with six month payment terms than previously. "There is no doubt that our cautious approach to credit is the right one and although it has probably cost us some top-line growth, we are more focused on preserving our cash model," Bird said. The Company has imposed a limit of cash sales to be at least 75% of total sales (currently 80.4%). Independent benchmarking confirms that the Company leads the industry in terms of the health of its debtors' book. The provision for impairment has been set at 9.0% of trade receivables.

The launch of the Apparel division's online sales platform, mrp.co.za, gave customers access to the entire merchandise range via web or mobile. Although only launched mid-year, the site was the most researched retail brand on Google South Africa for 2012. After developing its capability locally, the Apparel chain will open the site globally in the forthcoming months, while the other chains will commence online trading later in the year. "In addition, our international stores in Nigeria and Ghana are performing well. Additional stores are planned in both territories in the new year, although initial growth is expected to be limited by the lack of available sites," said Bird. "Africa's expected growth will ensure a significant expansion of the middle class to whom our fashion-value offer will appeal. By establishing our brand and infrastructure early in these growing markets, we will see significant potential in the medium to long term," he continued.

In the short term there are some serious challenges facing consumers. Growth in consumer spending in South Africa is expected to become more subdued and less supportive of economic growth. "The current financial hardships are mainly being experienced by low-income households and it is a misconception that these represent the Group's core customers," said Bird. "As per the latest independent AMPS survey, our largest chain, Mr Price Apparel, has a strong representation of shoppers across the mid to upper LSM spectrum (LSM 6 to 10)." Under tight economic conditions, shoppers tend to shop for value and therefore, as a value retailer, the Group is well placed to attract more customers. The Group will continue its unwavering focus on its core competency - offering fashionable merchandise at everyday low prices.

Business and consumer confidence are at low levels. Despite these challenges, the Group is confident about the future and in its five year business strategy, capital expenditure of R2.5 billion is planned. "The future brings many opportunities and challenges, yet an air of excitement and optimism exists as the Group positions itself for the next phase of its growth," concluded Bird.

OPERATING REPORT

Highlights

		2013	2012	% change
Revenue	R'million	**13 720**	12 122	13.2
Retail sales	R'million	**13 266**	11 767	12.7
Gross profit margin	%	**42.2**	41.8	
Profit from operating activities	R'million	**2 072**	1 741	19.0
Group operating margin	%	**15.6**	14.8	
Headline earnings per share	cents	**635.5**	503.0	26.3
Dividends per share	cents	**398.0**	314.0	26.8
- interim	cents	**133.0**	93.6	42.1
- final	cents	**265.0**	220.4	20.2
Dividend cover	times	**1.6**	1.6	
Cash and cash equivalents	R'million	**1 221**	1 201	
Return on net worth	%	**46.4**	43.8	
Return on shareholders' equity	%	**51.1**	47.2	

Economic and retail environment

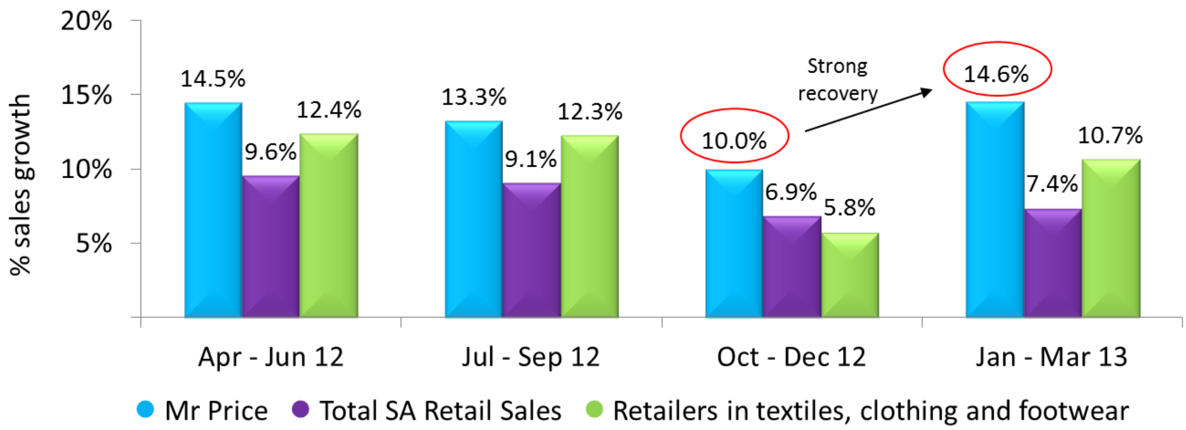
The retail environment is currently a challenging one, primarily due to slowing real wage growth and credit extension (particularly unsecured credit), which has been fuelling consumer spending. Consumer confidence in South Africa has been in decline for most of the year and dropped to a nine-year low in the first quarter of 2013, falling to -7 points, signalling a tougher time ahead.

While income tax cuts announced in the 2013 budget will bring some relief to low and middle-income households, they will not be enough to counter the effects of weak job creation, higher inflation and slower growth in social grant spending by the government.

In contrast, business confidence has generally been on the increase and is now net positive mainly due to increased sales volumes in the wholesale and motor trade sectors. It remains to be seen whether this optimism will continue, which will depend on the magnitude and duration of Rand weakness.

Financial commentary

The Group increased retail sales by 12.7% to R13.3 billion. This compares favourably with the total retail sector, which, as reported by Statistics South Africa, grew by 8.2% to March 2013. Comparable sales rose by 7.3% and 206.8 million units were sold, an increase of 7.1%. Total revenue, which includes retail sales and other income, was up by 13.2% to R3.7 billion.



In tough economic times the Group expects to perform strongly relative to its retail peers due to shoppers being attracted by the pricing and fashionability of its merchandise offer. History has shown that these new customers are retained when the economy recovers. While satisfied that sales growth was higher than market growth, as evidenced by the graph above, the annual sales performance was negatively impacted by the performance in the third quarter of the financial year due to:

- **The role of credit**

  The Group is focused on remaining a cash-based retailer and has a self-imposed 'cap' that credit sales are not to exceed 25.0% of total sales in the medium to long term. In the 3rd quarter of the 2012 financial year, the Group experienced a 41% growth in credit sales which, although high, was still below the growth in unsecured credit in South Africa for the same period. The FY2012 base was therefore high and in a deteriorating credit environment prevailing in the country, the Company was never going to 'chase' this high base. The Group has adopted a more cautious approach to credit and tightened its credit granting criteria - credit limits were lowered and certain accounts were granted six month payment terms (in the base period new accounts opened were granted 12 month terms). As expected, this resulted in lower credit sales growth in Q3 FY2013, however the Company was satisfied that the correct decision was taken – to take some short term pain in the form of a reduced sales performance, but to keep firmly focused on preserving its cash model.

- **Divisional sales performance**

  The sales performance of four of the five trading divisions during the quarter in question was good, reflecting total growth of 13.3%. However, the 7.8% growth in the Group's flagship chain, Mr Price Apparel, which constitutes 54.5% of Group sales, was disappointing. The childrenswear department in particular was hardest hit, impacted by inadequate stock levels brought about by non-delivery by certain suppliers and certain internal issues. Sales recovered in December once the situation had been remedied, but unfortunately it was too late to significantly impact the quarter's sales performance. In the 4th quarter the division achieved a much improved sales growth of 13.9%. Management's opinion is that the poor performance of the division was due to the circumstances described above and not to financial constraints being experienced by consumers, as under these circumstances, the Group would expect to gain market share as shoppers search for greater value. The disappointing performance for Q3 FY2013 creates an opportunity for growth in the forthcoming financial year.

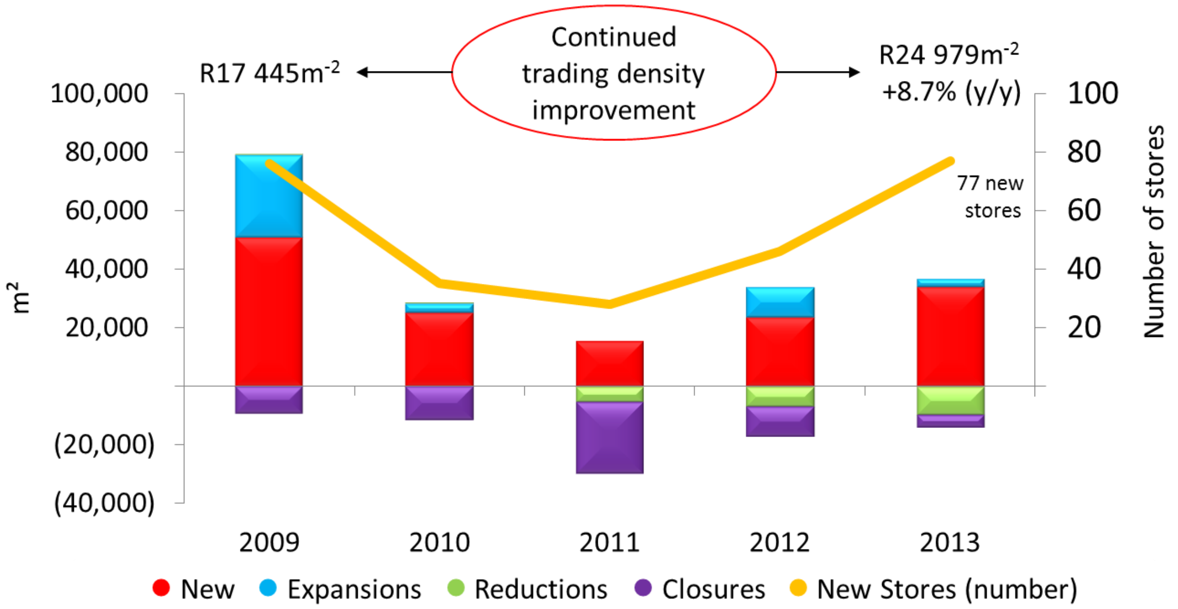
The Group continued to expand its retail footprint and opened 77 new stores during the year. Ten non-performing stores were closed and certain stores were reduced in size. Gross space added in the form of new stores and expansions represents an increase of 6.2% over the closing space at the end of the previous year. After store closures and space reductions, weighted average trading space increased by 3.7% and closing space increased by 3.9%.

The space reductions have a positive impact on profitability:

- Mr Price Sport reduced 4 stores by 39%, however increased sales by 8% and annualised profit by 35%; and
- Mr Price Home reduced space in 4 stores by 29%, which resulted in sales increasing by 1% and annualised profit by 26%.

This will represent an ongoing opportunity, with space reductions of 20 000m^2 planned over the next 3 years, primarily in Mr Price Home.

The movement for the year is explained as follows:



There were 1 029 corporate-owned and 26 franchise stores at year end.

The Apparel chains increased retail sales and other income by 12.5% to R9.8 billion with comparable sales up by 5.9% and retail selling price inflation of 4.4%. Operating profit grew by 14.0% to R1.7 billion and the operating margin increased from 18.0% to 18.3% of retail sales. Mr Price Apparel opened 31 new stores and recorded sales growth of 10.5% (comparable 3.9%) to R7.2 billion. Mr Price Sport recorded sales growth of 22.9% (comparable 11.9%) to R842.8 million and Miladys 13.0% (comparable 12.9%) to R1.3 billion.

The Home chains increased retail sales and other income by 15.2% to R3.9 billion with comparable sales up 10.8% and retail selling price inflation of 6.9%. Operating profit rose by 31.9% to R491.6 million and the operating margin increased from 11.2% to 12.9% of retail sales. Mr Price Home increased sales by 15.6% (comparable 12.4%) to R2.6 billion and Sheet Street by 13.8% (comparable 7.6%) to R1.2 billion. The operating margins in the Home chains have showed good improvement and are now moving well into double digits as planned.

Other income grew by 34.9% largely due to a 50.5% increase in premium income relating to the sale of financial services products and a 32.6% increase in interest on trade receivables. This area is expected to continue to deliver strong growth.

The gross profit percentage increased to 42.2% (2012: 41.8%) as a consequence of having an appealing merchandise offer.

Selling expenses increased by 13.2% and constituted 22.6% of retail sales compared with 22.5% in the prior year. Significant factors driving this expense growth were increases in net bad debt, credit card commissions as customers moved to credit from debit cards as tender type, electricity and water costs and store rentals as a consequence of opening a net 67 stores and expanding high trading density stores. During the year, the method of accounting for acquired customer lists was changed from capitalising and amortising over its estimated useful life to expensing the majority in the year incurred, resulting in an impairment charge of R10.7 million.

Administrative expenses increased by 12.0% and comprised 7.0% of retail sales, an improvement on last year's 7.1%. Electricity, water and rental costs were significantly up on last year. Foreign exchange losses amounting to R11.5 million were incurred, while in the prior year there was a gain of R7.7 million. In preparation for the new ERP system implementation commencing in FY2014, a complete review of IT assets was undertaken, resulting in a write off of R7.9 million.

Total expenses as a percentage of sales remained at 29.6%. Excluding the total impairments of R18.6 million detailed above, total expenses would have improved to 29.5% of sales. The Group has its eyes firmly fixed on the future, as evidenced by the many growth initiatives underway. Being a value retailer, the Group has an intense focus on costs, however does not avoid incurring expenditure that may only favourably impact earnings in future periods. Costs incurred during the current year include implementing a labour scheduling system that will result in more efficient staff planning and costs relating to international operations and the launch of the online channel mrp.co.za.

Operating profit increased by 19.0% or by 20.1% excluding the impairments referred to earlier. The operating margin increased to 15.6% of retail sales, compared with last year's 14.8%. The increase in operating margin can be explained as follows:

The sales and operating profit percentage growth splits for the first and second halves of the year are as follows:

	First half	Second half	Full year
Sales			
Apparel	13.1%	10.9%	11.9%
Home	15.9%	14.1%	14.9%
Total	**13.9%**	**11.8%**	**12.7%**
Operating profit			
Apparel	16.2%	12.5%	14.0%
Home	36.5%	29.5%	31.9%
Total	**21.2%**	**17.6%**	**19.0%**

Net finance income was 23.5% higher than the comparable period as a result of a mix of higher average cash balances and average interest rates.

The effective taxation rate for the year was 27.8%, lower than the prior year (31.9%) primarily due to the fact that there was no secondary tax on dividends (STC) paid during the first half of the year, as was the case in the prior year. STC was discontinued due to the introduction of dividends tax.

The number of shares in issue at year end increased by 1.9 million due to the decreased number of treasury shares held. Treasury shares sold (4 135 332 shares) as a result of share options vesting exceeded treasury share purchases during the year (2 315 068 shares at an average cost of R120.57 per share totaling R279.1 million). Treasury shares held all relate to covering the Group’s commitments under its various share schemes. The Group is hedged in terms of future obligations to the extent of 64.5% (18 550 769 treasury shares held in relation to 28 747 407 options granted).

Headline earnings per share increased by 26.3% to 635.5 cents. The increase in the weighted average share price for the year to R121.82 (2012: R75.68) 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. Despite the lost trading opportunities in the current year, the Group is pleased to have performed in line with its long term performance, which is a 27 year CAGR in HEPS of 23.5% and DPS of 25.3%.

The Group’s return on equity at 51.1% is the highest achieved to date. The return on net worth (RONW) has continued to increase, from 37.2% five years ago (2008), to its present level of 46.4%, which has been driven mainly by an increase in net profit margin, explained as follows:

		2013	2008
Net profit margin	%	**11.6**	7.6
Asset turn	times	**2.7**	2.6
Return on assets	%	**31.4**	19.7
Leverage	times	**1.5**	1.9
RONW	%	**46.4**	37.2

Financial position

Additions to property, plant and equipment for the year amounted to R288.5 million, of which furniture, fittings, equipment and vehicles constituted 82% (2012: 72%) and computer equipment 17% (2012: 10%). Disposals of property, plant and equipment totaling R7.6 million (2012: R6.6 million) occurred due to the closure of non-performing stores and planned space reductions. The depreciation charge for the year was R161.3 million (2012: R164.5 million).

Additions to intangible assets amounted to R48.4 million and related primarily to the e-commerce system, the Human Capital Management system and e-learning modules developed. The amortisation charge for the year amounted to R28.7 million (2012: R25.5 million).

Inventories were well managed with net inventories increasing by 5.8% on the back of the 12.7% increase in retail sales. Group stock turn decreased marginally from 6.5 to 6.4 times.

Trade and other receivables increased by 27.9% to R1.5 billion. Gross trade receivables increased by 28.4% to R1.6 billion.

Net bad debt as a percentage of the debtors' book increased from 3.9% to 6.5%. This increase can be ascribed to the high book growth in the 3rd quarter of the 2012 financial year detailed earlier in this report. The behaviour of these new accounts was not in line with expectations, resulting in higher write offs. However, the impact of this segment has now largely worked its way through the system and the remainder of the book is performing well and in line with long term averages. Independent benchmarking continues to confirm that the Company leads the industry in terms of the health of its book. The provision for impairment has been set at 9.0% of trade receivables.

Prepayments increased from R37.3 million to R49.6 million primarily as a consequence of the prepayment of operating lease rentals relating to the Nigerian subsidiary.

The Group continues to reflect a healthy financial position, with the cash sales component remaining high at 80.4%. Despite dividends paid to shareholders increasing by 32.4% to R887.8 million, capital expenditure of R337.9 million and the purchase of shares to the value of R279.1 million to cover share scheme obligations, cash balances ended the year in line with the prior year at R1.2 billion. Free cash flow (cash generated from operations less capital expenditure) increased by 54.6% to R797.6 million. The cash-generative business model will ensure that the Company will be able to fund its new infrastructure costs and growth without incurring debt.

Equity attributable to shareholders has increased by R535.0 million to R3.3 billion. The movement is made up as follows:

	R'm
Opening balance	2,781
Total comprehensive income for the year	1,545
Treasury share transactions	(185)
Recognition of share-based payments	63
Dividends to shareholders	(888)
Closing balance	3,316

Treasury share transactions include:

	R'm
The purchase of treasury shares to partially cover options granted	(279)
The net credit on the vesting of share options	65
The sale of treasury shares due to options vesting (inflow of option price)	178
Taxation relating to grants from the Company to the share trusts	29
Total treasury share transactions	(185)

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

Trade and other payables increased by 3.4% to R1.3 billion. Trade payables grew by 4.0% to R673.3 million (2012: R647.6 million) while accruals and other payables increased by 2.8%.

Prospects

Whereas the growth in household consumption expenditure was the mainstay behind the domestic economic recovery between 2010 and 2012, growth in consumer spending is now expected to be subdued and much less supportive of economic growth. The current financial hardships are mainly being experienced by low income households and it is a misconception that these represent the Group's core customers. As per the latest AMPS survey the largest chain, Mr Price Apparel, has strong representation of shoppers across the spectrum of LSM 6 (mid) to LSM 10 (upper).

In the short term there are some serious challenges facing consumers. Under these economic conditions, shoppers tend to shop for value and therefore, as a value retailer, the Group is well placed to attract more customers. Mr Price will continue its unwavering focus on its core competency of offering fashionable merchandise at everyday low prices.

Business and consumer confidence are at low levels. Despite these challenges, the Group is confident about the future and in its five year business strategy, capital expenditure of R2.5 billion is planned. The future brings many opportunities and challenges, yet an air of excitement and optimism exists as the Group positions itself for the next phase of its growth.

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 dividend cover has been retained at 1.6 times. Annual dividends have increased by 26.8% to 398.0 cents per share. The final dividend of 265.0 cents per share reflects a lower growth due to the reduction in cover at the interim stage (2.0 times to 1.9 times). The Company is more closely aligning the dividend cover at the half year and year end and further reductions in the interim cover can be expected over the next few years.

AUDITED GROUP RESULTS AND FINAL CASH DIVIDEND DECLARATION FOR THE 52 WEEKS ENDED 30 MARCH 2013

FINAL CASH DIVIDEND DECLARATION

Notice is hereby given that a final cash gross dividend of 265.0 cents per share has been declared, an increase of 20.2%. As the dividend has been declared from income reserves and no STC credits are available for utilisation, shareholders, unless exempt or who qualify for a reduced withholding tax rate, will receive a net dividend of 225.25 cents per share.

The issued share capital at the declaration date is 251 183 867 listed ordinary and 13 445 081 unlisted B ordinary shares. The tax reference number is 9285/130/20/0.

The salient dates for the dividend will be as follows:

Last date to trade 'cum' the dividend	Thursday	13 June 2013
Date trading commences 'ex' the dividend	Friday	14 June 2013
Record date	Friday	21 June 2013
Payment date	Monday	24 June 2013

Shareholders may not dematerialise or rematerialise their share certificates between Friday 14 June 2013 and Friday 21 June 2013, both dates inclusive.

On behalf of the board
NG Payne - Chairman Durban
SI Bird - Chief Executive Officer 22 May 2013

DIRECTORS
LJ Chiappini* (Honorary chairman), SB Cohen* (Honorary chairman), NG Payne* (Chairman), SI Bird (Chief executive officer), MM Blair (Chief financial officer), N Abrams*^, TA Chiappini-Young*^, SA Ellis^, K Getz*, MR Johnston*, RM Motanyane*, D Naidoo *, MJD Ruck*, WJ Swain*, M Tembe*

* Non-executive director ^ Alternate director

MS SEN Sebota and Prof. LJ Ring retired from the Board on 30 August 2012 and 30 March 2013 respectively.

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'm	**2013** **30 March**	2012 31 March
Assets		
Non-current assets	**927**	744
Property, plant and equipment	**660**	540
Intangible assets	**105**	102
Long-term receivables and prepayments	**8**	10
Defined benefit fund asset	**20**	16
Deferred taxation assets	**134**	76
Current assets	**3,970**	3,552
Inventories	**1,236**	1,168
Trade and other receivables	**1,513**	1,183
Cash and cash equivalents	**1,221**	1,201
Total assets	**4,897**	4,296
Equity and liabilities		
Equity attributable to shareholders	**3,316**	2,781
Non-current liabilities	**206**	195
Lease obligations	**185**	179
Deferred taxation liabilities	**5**	1
Post retirement medical benefits	**16**	15
Current liabilities	**1,375**	1,320
Trade and other payables	**1,276**	1,234
Current portion of lease obligations	**38**	35
Taxation	**61**	51
Total equity and liabilities	**4,897**	4,296

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'm	**2013 30 March 52 weeks**	2012 31 March 52 weeks	% change
Revenue	**13,720**	12,122	13.2
Retail sales	**13,266**	11,767	12.7
Other income	**398**	295	34.9
Retail sales and other income	**13,664**	12,062	13.3
Costs and expenses	**11,592**	10,321	12.3
Cost of sales	**7,664**	6,843	12.0
Selling expenses	**2,996**	2,646	13.2
Administrative and other operating expenses	**932**	832	12.0
Profit from operating activities	**2,072**	1,741	19.0
Net finance income	**56**	45	23.5
Profit before taxation	**2,128**	1,786	19.1
Taxation	**591**	569	3.9
Profit attributable to shareholders	**1,537**	1,217	26.3
Other comprehensive income:			
Currency translation adjustments	**6**	(3)	
Defined benefit fund net actuarial gain/(loss)	**2**	(5)	
Total comprehensive income	**1,545**	1,209	27.8
Earnings per share (cents)			
- basic	**627.6**	500.9	25.3
- headline	**635.5**	503.0	26.3
- diluted basic	**577.6**	462.5	24.9
- diluted headline	**584.8**	464.5	25.9
Dividend cover (times)	**1.6**	1.6	
Dividends per share (cents)	**398.0**	314.0	26.8

CONSOLIDATED STATEMENT OF CASH FLOWS

R'm	**2013 30 March 52 weeks**	2012 31 March 52 weeks
Cash flows from operating activities		
Operating profit before working capital changes	**2,127**	1,850
Working capital changes	**(386)**	(517)
Net interest received	**317**	242
Taxation paid	**(607)**	(516)
Net cash inflows from operating activities	**1,451**	1,059
Cash flows from investing activities		
Net receipts/(payments) in respect of long-term receivables	**2**	(10)
Additions to and replacement of intangible assets	**(49)**	(49)
Property, plant and equipment		
- replacement	**(173)**	(127)
- additions	**(116)**	(126)
- proceeds on disposal	**1**	1
Net cash outflows from investing activities	**(335)**	(311)
Cash flows from financing activities		
Decrease in lease obligations	**-**	(10)
Net purchase of shares by staff share trusts	**(100)**	(152)
Deficit on treasury share transactions	**(113)**	(81)
Dividends to shareholders	**(888)**	(670)
Net cash outflows from financing activities	**(1,101)**	(913)
Change in cash and cash equivalents	**15**	(165)
Cash and cash equivalents at beginning of the year	**1,201**	1,369
Exchange gains/(losses)	**5**	(3)
Cash and cash equivalents at end of the year	**1,221**	1,200

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'm	**2013 30 March**	2012 31 March
Total equity attributable to shareholders at beginning of the year	**2,781**	2,395
Total comprehensive income for the year	**1,545**	1,209
Treasury share transactions	**(185)**	(201)
Recognition of share-based payments	**63**	48
Dividends to shareholders	**(888)**	(670)
Total equity attributable to shareholders at end of the year	**3,316**	2,781

SEGMENTAL REPORTING

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

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories;
- The Home segment retails homewares; and
- The Central Services segment provides services to the trading segments including information technology, internal audit, human resources, group real estate and finance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Net finance income and income taxes are managed on a group basis and are not allocated to operating segments.

R'm	**2013 30 March**	2012 31 March	% change
Retail sales and other income			
Apparel	**9,759**	8,673	12.5
Home	**3,893**	3,379	15.2
Central Services	**12**	10	
Total	**13,664**	12,062	13.3
Profit from operating activities			
Apparel	**1,728**	1,515	14.0
Home	**492**	373	31.9
Central Services	**(148)**	(147)	
Total	**2,072**	1,741	19.0
Segment assets			
Apparel	**2,510**	2,102	19.4
Home	**721**	657	9.7
Central Services	**1,666**	1,537	
Total	**4,897**	4,296	14.0

SUPPLEMENTARY INFORMATION

	2013 **30 March**	2012 31 March
Weighted average number of shares in issue (000)	**244,980**	242,996
Number of shares in issue (000)	**245,772**	243,922
Net asset value per share (cents)	**1,349**	1,140
Reconciliation of headline earnings (R'm)		
Attributable profit	**1,537**	1,217
Loss on disposal and impairment of property, plant and equipment and intangible assets	**27**	7
Taxation adjustment	**(7)**	(2)
Headline earnings	**1,557**	1,222
Capital expenditure (R'm)		
- expended during the year	**338**	301
- authorised or committed at year end	**549**	311
Number of stores	**1,029**	962

Notes:

1. These abridged consolidated Group financial statements have been extracted from the audited annual financial statements upon which Ernst & Young Inc. have issued an unqualified report. This report is available for inspection at the Company's registered office.
2. The accounting policies and estimates applied are in compliance with IFRS including IAS 34 Interim Financial Reporting and are consistent with those applied in the 2012 annual financial statements. All new and revised Standards and Interpretations that became effective during the year were adopted and did not lead to any significant changes in accounting policies. The financial statements have been prepared in accordance with the Companies Act of South Africa.
3. There have been no adverse changes to the contingent liabilities and guarantees provided by the Company as disclosed in the 2012 annual financial statements.