UNAUDITED GROUP INTERIM RESULTS

for the 26 weeks ended 29 December 2019
and DIVIDEND DECLARATION

TRUWORTHS INTERNATIONAL

COMMENTARY

KEY FEATURES

Sale of merchandise	up 1.0% to R10.3 billion
Retail sales	up 1.3% to R10.6 billion
Gross margin	up from 52.3% to 52.5%
Operating margin	22.6%
Headline earnings per share	up 0.5%
Diluted headline earnings per share	up 0.6%
Cash generated from operations	R3.0 billion
Share buy-backs	R481 million
Interim dividend per share	249 cents

GROUP PROFILE

Truworths International Ltd (the company) is an investment holding and management company listed on the JSE and the Namibian Stock Exchange. Its principal trading entities, Truworths Ltd and Office Holdings Ltd, are engaged either directly or indirectly through subsidiaries, concessions or agencies, in the cash and account retailing of fashion clothing, footwear, homeware and related merchandise. The company and its subsidiaries (the Group) operate primarily in South Africa and the United Kingdom (UK), and have an emerging presence in Germany, the Republic of Ireland and other sub-Saharan African countries.

ADOPTION OF IFRS 16: LEASES

During the 26-week period ended 29 December 2019 (the current period), the Group adopted the newly effective accounting standard IFRS 16: Leases. The Group adopted this standard retrospectively, subject to transitional provisions. Accordingly, the comparative information in respect of the 26-week period ended 30 December 2018 (the prior period) in these unaudited interim results has been restated. Refer to note 17 of the condensed Group interim financial statements of the current period for more information.

The most significant impact of IFRS 16 at transition date (2 July 2018, being the start of the prior period) relates to the recognition of right-of-use assets of R4.2 billion and lease liabilities of R4.9 billion in relation to capitalised store leases. The net transition impact of R490 million has been debited to opening retained earnings on the transition date.

TRADING AND FINANCIAL PERFORMANCE

The Group continued to experience challenging trading conditions in both its primary markets. Low economic growth, high unemployment, power outages, modest increases in negotiated wages and higher average fuel and utility prices contributed to low consumer confidence and constrained spending in South Africa. Brexit uncertainty, combined with continued pressure on store-based retailing continues to negatively impact the UK economy.

Group retail sales increased 1.2% to R10.6 billion (2018: R10.5 billion). Account sales comprised 52% (2018: 51%) of Group retail sales, with account sales increasing by 4.3% and cash sales decreasing by 1.9%, relative to the prior period.

Retail sales for Truworths Africa (being the Group, excluding the UK-based Office segment and comprising mainly the Truworths businesses in South Africa) increased by 2.7% to R7.8 billion (2018: R7.6 billion), with account sales increasing by 4.3% and cash sales decreasing by 1.2%. Account sales comprised 71% of these retail sales (2018: 70%). Product inflation averaged 1.1% for the current period (2018: 1.5% deflation), while like-for-like store retail sales increased by 1.0% (2018: unchanged).

Retail sales for the Group's UK-based Office segment decreased in Sterling terms by 3.3% to £151 million (2018: £157 million). In Rand terms, retail sales for Office decreased by 2.6% to R2.8 billion. Online sales contributed approximately 34% (2018: 33%) of retail sales for the current period.

Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less accounting adjustments (refer to note 4 for further information), increased 1.0% to R10.3 billion.

Since the end of the prior period, a net 31 stores were closed across all brands. Truworths Africa opened 21 stores and closed 31, and Office opened 1 store and closed 22 (including 18 concession stores across House of Fraser and Topshop/Topman). This resulted in an increase in trading space of 0.7% (Truworths reflected an increase of 1.0% and Office recorded a decrease of 7.4%). At the end of the current period the Group had 936 stores (including 18 concession outlets) (2018: 967 stores, including 37 concession outlets).

Divisional sales	26 weeks to 29 Dec 2019 Rm	26 weeks to 30 Dec 2018 Rm	Change on prior period %
Truworths ladieswear	**2 039**	2 042	(0.1)
Truworths designer emporium@	**807**	772	4.5
Total Truworths ladieswear	**2 846**	2 814	1.1
Office	**2 809**	2 871	(2.2)
Truworths menswear‡	**2 063**	2 070	(0.3)
Identity	**1 240**	1 220	1.6
Truworths kids emporium#	**823**	744	10.6
Other^	**851**	772	10.2
Group retail sales	**10 632**	10 491	1.3
Wholesale sales	**28**	41	(31.7)
Delivery fee income	**33**	30	10.0
Accounting adjustments~	**(410)**	(379)	8.2
Sale of merchandise	**10 283**	10 183	1.0
YDE agency sales	**148**	137	8.0

@ Daniel Hechter Ladies, Ginger Mary, Glamour, LTD Ladies and Earthaddict.
‡ Truworths Man, Uzzi, Daniel Hechter Mens and LTD Mens.
# LTD Kids, Earthchild and Naartjie.
^ Cosmetics, Cellular, Truworths Jewellery, Office London (South Africa) and Loads of Living.
~ Refer to note 4 of the condensed Group interim financial statements for further information.

The Group's gross margin increased by 20 basis points to 52.5% (2018: 52.3%). Truworths Africa's gross margin increased to 56.2% (2018: 55.6%), while the gross margin in Office declined to 43.0% (2018: 44.0%).

Trading expenses for the current period increased by 4.5% to R3.8 billion (2018: R3.7 billion, restated), and constituted 37.2% (2018: 36.0%, restated) of sale of merchandise. Excluding foreign exchange losses of R29 million in the current period (the net foreign exchange movement in the prior period was nil), trading expenses increased 3.7%. Refer to Account Management below for further details on trade receivable costs.

Operating profit decreased 2.3% to R2.3 billion (2018: R2.4 billion, restated). Consequently, the operating margin decreased to 22.6% (2018: 23.4%, restated). The operating margin in Truworths Africa decreased to 28.1% (2018: 28.9%, restated) and in Office to 8.4% (2018: 9.5%, restated).

Following the adoption of IFRS 16, the Group's trading and operating profit and related margins increased as a result of rental costs (previously recognised in occupancy costs) being replaced by depreciation in respect of the right-of-use assets and finance costs in respect of the associated lease liabilities.

Finance costs decreased to R179 million (2018: R201 million, restated).

Headline earnings per share (HEPS) and diluted HEPS increased 0.5% to 364.9 cents and 0.6% to 363.6 cents, respectively compared to the prior period's restated HEPS of 363.2 cents and restated diluted HEPS of 361.4 cents.

An interim cash dividend of 249 cents per share has been declared (2018: 249 cents per share), maintaining the dividend cover at 1.5 times.

FINANCIAL POSITION

The Group's financial position remains strong. Net asset value per share decreased 14.0% to 2 152 cents, principally due to the impairment of Office's intangible assets in the second half of the 2019 financial period by R1.9 billion.

Inventories increased by 2.4% to R2.2 billion (2018: R2.1 billion) at the end of the current period. Inventory turn was 4.5 times (2018: 4.6 times). In Truworths Africa, inventory of gross finished goods increased by 13.4% due to the end-of-season sale commencing in January 2020 compared to December 2018 and the depreciation of the Rand to the US dollar. Accordingly, inventory turn decreased to 5.1 times (2018: 5.8 times). In Office, gross finished goods decreased 11.1% (in Sterling terms) due to the ongoing efforts in proactively managing stock levels.

Interest-bearing borrowings at the current period-end decreased to R1.1 billion (2018: R1.3 billion) due to the restructuring of Office's debt in September 2019, which involved the repayment of debt to the value of £10.4 million (R191 million, at the current period-end closing rate).

The put option liability, representing the Group's obligation in respect of the put options granted to the minority shareholders of Office, and which is measured at the present value of the redemption amount, decreased by R144 million to R125 million

COMMENTARY (CONTINUED)

at the current period-end as a result of the decline in the Office segment's profitability.

Trade and other payables decreased to R2.6 billion at the end of the current period (2018: R2.8 billion) as a result of the timing of capital and operational expenditure.

CAPITAL MANAGEMENT

During the current period the Group generated R3.0 billion in cash from operations and this funded dividend payments (R575 million), capital expenditure (R238 million), buy-backs of 9.1 million shares (R481 million) and net loan repayments (R191 million). Similar to the prior period, creditors and tax payments were made on 31 December 2019, shortly after the current period-end, boosting the cash inflow from operations and, consequently, the cash realisation rate for the current period.

The cash realisation rate, which is a measure of how profits are converted into cash, was 133% for the current period (2018: 130%, restated). If creditors and tax had been paid by the current period-end, the cash realisation rate would have been approximately 82% (2018: 81%).

The Group was in a net cash to equity position of 8.2% at the end of the current period (2018: 10.0%, restated), principally due to the timing of creditors and tax payments as explained above. If creditors and tax had been paid before the end of the current period net debt to equity would have been approximately 5% (2018: 2%, restated).

ACCOUNT MANAGEMENT

Gross trade receivables in respect of the Truworths Africa debtors book (relating to the Truworths, Identity and YDE businesses) were at R6.8 billion (2018: R6.4 billion) and the number of active accounts increased by 3.5% to 2.8 million. Active account holders able to purchase and overdue balances as a percentage of gross trade receivables were at 85% (2018: 86%) and 10% (2018: 10%), respectively.

At the current period-end the doubtful debt provision increased to 20.0% of gross trade receivables (2018: 18.8%). Consequently, trade receivable costs increased by 16.2% to R783 million (2018: R674 million). Net bad debt and collection costs remained unchanged.

The Group uses accounts as an enabler of sales to customers in the mainstream middle-income South African market, as opposed to operating a financial services business. No fees are charged to customers, such as initiation fees, club fees, collection fees or magazine fees, except for an annual account service fee of R35. Financial services income only constitutes 0.4% of sale of merchandise (refer to note 4 for further information).

DIRECTORATE

The board is pleased to announce the appointment of Ms Tshidi Mokgabudi as an independent non-executive director of the company with effect from 19 February 2020.

Ms Mokgabudi has degrees in commerce and is a qualified chartered accountant, with cross-industry experience predominantly in banking and financial accounting.

The board notes with regret the unfortunate passing away of the independent non-executive director, Dr Thandi Ndlovu, as announced on SENS on 27 August 2019.

OUTLOOK

South Africa: Truworths

South Africa's retail trading environment will remain constrained in the short to medium term due to the country's low economic growth.

In this environment Truworths will continue to focus on its proven merchandise strategies, exercising tight cost and margin control, ensuring the health of the account portfolio and maintaining a strong balance sheet.

Truworths will look to leverage technological advancements, data analytics and artificial intelligence, further integrate its physical and online retail offerings, build on its fast fashion and quick response capabilities and continue to grow its account base in order to position the business optimally for future growth.

Truworths' retail sales for the first seven weeks of the second half of the 2020 reporting period increased 11.9% compared to the first seven weeks of the prior corresponding period mainly as a result of the movement in the timing of the end-of-season sale.

Trading space is planned to increase by approximately 1% for the 2020 financial period and is expected to remain unchanged for the 2021 financial period.

United Kingdom: Office

Office is expected to continue to encounter headwinds for the remainder of the financial period to June 2020 as negative consumer sentiment and Brexit-related uncertainty suppress retail sales growth. The Office chain also faces ongoing cost and margin pressure from the consumer shift from store-based retailing to online shopping.

The Office turnaround strategy announced in September 2019 is progressing according to plan including the restructure of Office's debt at the end of September 2019, on more favourable terms. The ongoing focus on merchandise control is evident from the 11% reduction in finished goods inventory, in Sterling terms, relative to the prior period.

Office's retail sales for the first seven weeks of the second half of the 2020 reporting period decreased 14.4% in Sterling compared to the first seven weeks of the prior corresponding period. This decrease is mainly due to lower sale activity as a result of lower carry-over inventory and fewer launches of new 'in-demand' styles of major brands in January 2020.

Trading space is planned to decrease by approximately 7% for the 2020 financial period and is expected to decrease by a further 9% for the 2021 financial period.

H Saven	**MS Mark**
Chairman	Chief Executive Officer

INTERIM DIVIDEND

The directors of the company have resolved to declare a gross cash dividend from retained earnings in respect of the 26-week period ended 29 December 2019 in the amount of 249 South African cents (2018: 249 South African cents) per ordinary share to shareholders reflected in the company's register on the record date, being Friday, 13 March 2020.

The last day to trade in the company's shares *cum* dividend is Tuesday, 10 March 2020. Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Wednesday, 11 March 2020 to Friday, 13 March 2020, both days inclusive. Trading in the company's shares *ex* dividend will commence on Wednesday, 11 March 2020. The dividend is scheduled to be paid in South African Rand (ZAR) on Monday, 16 March 2020.

Dividends will be paid net of dividends tax (currently 20%), to be withheld and paid to the South African Revenue Service. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary documentary proof to the relevant regulated intermediary (being a broker, CSD participant, nominee company or the company's transfer secretaries Computershare Investor Services (Pty) Ltd, PO Box 61051, Marshalltown, 2107, South Africa) that they are exempt therefrom, or entitled to a reduced rate, as a result of a double taxation agreement between South Africa and the country of tax domicile of such owner.

The withholding tax, if applicable at the rate of 20%, will result in a net cash dividend per share of 199.2 South African cents. The company has 442 963 993 ordinary shares in issue on 19 February 2020. In accordance with the company's memorandum of incorporation the dividend will only be paid by electronic funds transfer, and no cheque payments will be made. Accordingly, shareholders who have not yet provided their bank account details should do so to the company's transfer secretaries.

The directors have determined that gross dividends amounting to less than 2 000 South African cents, due to any one shareholder of the company's shares held in certificated form, will not be paid, unless otherwise requested in writing, but the net amount thereof will be aggregated with other such net amounts and donated to a charity to be nominated by the directors.

By order of the board

C Durham
Company Secretary

Cape Town
19 February 2020

One Capital
JSE Sponsor

Merchantec Capital
NSX Sponsor

CONDENSED GROUP STATEMENTS OF FINANCIAL POSITION

	Note	at 29 Dec 2019 Unaudited Rm	Restated* at 30 Dec 2018 Unaudited Rm	Restated* at 30 Jun 2019 Unaudited Rm
ASSETS				
Non-current assets		**8 376**	11 445	8 745
Property, plant and equipment		**1 798**	1 795	1 767
Right-of-use assets		**2 892**	4 207	3 361
Goodwill	8	**346**	1 642	346
Intangible assets	9	**2 680**	3 252	2 616
Derivative financial assets		**12**	10	12
Assets held at fair value		**31**	28	31
Loans and receivables		**102**	98	99
Deferred tax		**515**	413	513
Current assets		**9 658**	10 011	7 994
Inventories		**2 151**	2 101	2 108
Trade and other receivables		**5 607**	5 378	4 934
Derivative financial assets		**–**	15	–
Prepayments		**68**	101	171
Cash and cash equivalents		**1 832**	2 416	777
Tax receivable		**–**	–	4
Total assets		**18 034**	21 456	16 739
EQUITY AND LIABILITIES				
Total equity		**8 972**	10 733	8 379
Share capital and premium		**743**	734	739
Treasury shares	10	**(1 734)**	(1 055)	(1 291)
Retained earnings		**10 036**	11 087	9 076
Non-distributable reserves		**(73)**	(33)	(145)
Non-current liabilities		**3 667**	5 597	4 738
Interest-bearing borrowings	11	**500**	1 214	1 130
Lease liabilities		**2 564**	3 473	3 023
Deferred tax		**388**	482	378
Put option liability		**76**	269	74
Post-retirement medical benefit obligation		**55**	59	51
Cash-settled compensation liability		**–**	17	–
Provisions		**80**	79	78
Leave pay obligation		**4**	4	4
Current liabilities		**5 395**	5 126	3 622
Trade and other payables		**2 593**	2 796	1 582
Lease liabilities		**1 415**	1 503	1 366
Provisions		**129**	120	117
Interest-bearing borrowings	11	**598**	126	130
Bank overdraft		**–**	–	180
Put option liability		**49**	–	47
Derivative financial liabilities		**47**	–	16
Tax payable		**564**	581	184
Total liabilities		**9 062**	10 723	8 360
Total equity and liabilities		**18 034**	21 456	16 739
Number of shares in issue (net of treasury shares)	(millions)	**416.9**	428.8	425.5
Net asset value per share	(cents)	**2 152**	2 503	1 969
Supplementary information				
Return on equity^	(%)	**35**	31	7
Return on capital^	(%)	**53**	46	20
Return on assets^	(%)	**26**	22	10
Inventory turn^	(times)	**4.5**	4.6	4.2
Asset turnover^	(times)	**1.1**	0.9	1.1
Net (cash)/debt to equity	(%)	**(8.2)**	(10.0)	7.9
Net (cash)/debt to EBITDA^	(times)	**(0.1)**	(0.2)	0.2

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 17 for further information.

^ Ratios for December have been annualised.

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME

		Note	26 weeks to 29 Dec 2019 Unaudited Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm	% change	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
Revenue		4	**11 031**	10 896	1.2	19 577
Sale of merchandise		4	**10 283**	10 183	1.0	18 094
Cost of sales			**(4 882)**	(4 857)		(8 749)
Gross profit			**5 401**	5 326	1.4	9 345
Other income		4	**179**	147		322
Trading expenses			**(3 826)**	(3 661)	4.5	(9 208)
Depreciation and amortisation		5	**(766)**	(798)		(1 608)
Employment costs			**(1 134)**	(1 137)		(2 212)
Occupancy costs			**(446)**	(438)		(825)
Trade receivable costs			**(783)**	(674)		(1 048)
Other operating costs			**(697)**	(614)		(3 515)
Trading profit			**1 754**	1 812	(3.2)	459
Interest received		4	**564**	562	0.4	1 153
Dividends received		4	**5**	4		8
Operating profit			**2 323**	2 378	(2.3)	1 620
Finance costs		6	**(179)**	(201)	(10.9)	(394)
Profit before tax			**2 144**	2 177	(1.5)	1 226
Tax expense			**(592)**	(600)		(817)
Profit for the period			**1 552**	1 577	(1.6)	409
Attributable to:						
Equity holders of the company			**1 535**	1 556		619
Holders of the non-controlling interest			**17**	21		(210)
Profit for the period			**1 552**	1 577		409
Other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods			**46**	39		(56)
Movement in foreign currency translation reserve			**46**	39		(56)
Other comprehensive income/(losses) not to be reclassified to profit or loss in subsequent periods			**–**	(1)		7
Re-measurement gains on defined benefit plans			**–**	–		6
Fair value adjustment on assets held at fair value through other comprehensive income			**–**	(1)		1
Other comprehensive income/(loss) for the period, net of tax			**46**	38		(49)
Attributable to:						
Equity holders of the company			**41**	34		(43)
Holders of the non-controlling interest			**5**	4		(6)
Other comprehensive income/(loss) for the period, net of tax			**46**	38		(49)
Total comprehensive income for the period			**1 598**	1 615		360
Attributable to:						
Equity holders of the company			**1 576**	1 590		576
Holders of the non-controlling interest			**22**	25		(216)
Total comprehensive income for the period			**1 598**	1 615		360
Basic earnings per share	(cents)		**364.7**	363.2	0.4	144.7
Diluted basic earnings per share	(cents)		**363.3**	361.4	0.5	144.2
Supplementary information						
Headline earnings per share	(cents)	7	**364.9**	363.2	0.5	579.6
Diluted headline earnings per share	(cents)	7	**363.6**	361.4	0.6	577.5
Weighted average number of shares	(millions)		**420.9**	428.4		427.7
Diluted weighted average number of shares	(millions)		**422.5**	430.5		429.3
Gross margin	(%)		**52.5**	52.3		51.6
Trading expenses to sale of merchandise	(%)		**37.2**	36.0		50.9
Trading margin	(%)		**17.1**	17.8		2.5
Operating margin	(%)		**22.6**	23.4		9.0

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 17 for further information.

CONDENSED GROUP
STATEMENTS OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Retained earnings Rm	Non-distributable reserves Rm	Equity holders of the company Rm	Holders of the non-controlling interest Rm	Total equity Rm
2019							
Restated balance at the beginning of the period	**739**	**(1 291)**	**9 076**	**(145)**	**8 379**	**–**	**8 379**
Total comprehensive income for the period	**–**	**–**	**1 535**	**41**	**1 576**	**22**	**1 598**
Profit for the period	**–**	**–**	**1 535**	**–**	**1 535**	**17**	**1 552**
Other comprehensive income/(losses) for the period	**–**	**–**	**–**	**41**	**41**	**5**	**46**
Dividends paid	**–**	**–**	**(575)**	**–**	**(575)**	**–**	**(575)**
Shares repurchased	**–**	**(481)**	**–**	**–**	**(481)**	**–**	**(481)**
Premium on shares issued in terms of the 1998 share option scheme	**4**	**–**	**–**	**–**	**4**	**–**	**4**
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	**–**	**38**	**–**	**(38)**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**51**	**51**	**–**	**51**
Movement in put option liability	**–**	**–**	**–**	**18**	**18**	**(22)**	**(4)**
Balance at 29 December 2019	**743**	**(1 734)**	**10 036**	**(73)**	**8 972**	**–**	**8 972**
2018							
Balance at the beginning of the period	729	(1 083)	10 709	(209)	10 146	–	10 146
Adjustment on adoption of IFRS 16*	–	–	(490)	(25)	(515)	–	(515)
Restated balance at the beginning of the period	729	(1 083)	10 219	(234)	9 631	–	9 631
Total comprehensive income for the period – restated*	–	–	1 556	34	1 590	25	1 615
Profit for the period – restated*	–	–	1 556	–	1 556	21	1 577
Other comprehensive income for the period – restated*	–	–	–	34	34	4	38
Dividends paid	–	–	(688)	–	(688)	–	(688)
Shares repurchased	–	–	–	–	–	–	–
Premium on shares issued in terms of the 1998 share option scheme	5	–	–	–	5	–	5
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	–	28	–	(28)	–	–	–
Share-based payments	–	–	–	51	51	–	51
Movement in put option liability	–	–	–	144	144	(25)	119
Balance at 30 December 2018 – restated*	734	(1 055)	11 087	(33)	10 733	–	10 733

* Refer to note 17 for further information on the adoption of IFRS 16: Leases.

Cents per share:	**2019**	2018
Cash dividend declared in respect of the period	**249**	249

CONDENSED GROUP STATEMENTS OF CASH FLOWS

	Note	26 weeks to 29 Dec 2019 Unaudited Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash flow from trading and cash EBITDA^		**2 619**	2 927	4 526
Working capital movements		**420**	357	(329)
Cash generated from operations		**3 039**	3 284	4 197
Interest received		**563**	562	1 152
Dividends received		**5**	4	8
Finance costs	6	**(170)**	(198)	(387)
Tax paid		**(207)**	(157)	(968)
Cash inflow from operations		**3 230**	3 495	4 002
Dividends paid		**(575)**	(688)	(1 766)
Net cash from operating activities		**2 655**	2 807	2 236
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of plant and equipment to expand operations		**(164)**	(190)	(328)
Acquisition of plant and equipment to maintain operations		**(44)**	(49)	(92)
Acquisition of computer software		**(30)**	(22)	(45)
Proceeds on disposal of property, plant and equipment		**–**	–	10
Premiums paid to insurance cell		**–**	–	(10)
Amounts received from insurance cell		**2**	2	6
Loans and receivables repaid		**–**	11	13
Loans advanced		**(2)**	–	–
Disposal of mutual fund units		**–**	–	1
Net cash used in investing activities		**(238)**	(248)	(445)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on shares issued		**4**	5	10
Shares repurchased by subsidiaries		**(481)**	–	(266)
Borrowings repaid	11	**(786)**	(360)	(422)
Borrowings received	11	**595**	–	–
Lease liability payments		**(519)**	(513)	(1 223)
Contributions to post-retirement medical benefit plan asset		**–**	–	(6)
Net cash used in financing activities		**(1 187)**	(868)	(1 907)
Net increase/(decrease) in cash and cash equivalents		**1 230**	1 691	(116)
Cash and cash equivalents at the beginning of the period		**597**	719	719
Net foreign exchange difference		**5**	6	(6)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE		**1 832**	2 416	597
Key ratios				
Cash flow per share	(cents)	**767**	816	936
Cash equivalent earnings per share	(cents)	**577**	629	1 006
Cash realisation rate	(%)	**133**	130	93

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 17 for further information.
^ Cash EBITDA is earnings before interest received, finance costs, tax, depreciation and amortisation.

SELECTED
EXPLANATORY NOTES

1 STATEMENT OF COMPLIANCE

The unaudited condensed Group interim financial statements for the 26-week period ended 29 December 2019 (interim report) have been prepared in compliance with, and contain the information required by, the International Financial Reporting Standards (IFRS), specifically IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act (71 of 2008, as amended) of South Africa and the Listings Requirements of the JSE.

The interim report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the 52-week period ended 30 June 2019.

The information contained in the interim report has neither been audited nor reviewed by the Group's external auditors. The interim report has been prepared under the supervision of Mr DB Pfaff CA(SA), the Chief Financial Officer of the Group.

2 BASIS OF PREPARATION

The interim report has been prepared in accordance with the going concern and historical cost bases, unless otherwise indicated. The accounting policies are applied consistently throughout the Group. The presentation and functional currency used in the preparation of the interim report is the South African Rand (ZAR or Rand) and all amounts are rounded to the nearest million, except where otherwise indicated.

3 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

3.1 The accounting policies and methods of computation applied in the preparation of the interim report are in accordance with IFRS and are consistent with those applied in the preparation of the Group's annual financial statements for the 52-week prior period ended 30 June 2019, except for the adoption of IFRS 16: Leases and IFRIC Interpretation 23: Uncertainty over Income Tax Treatment. The Group elected to adopt IFRS 16 on a fully retrospective basis with effect from the commencement date of the earliest comparative period presented, being 2 July 2018 and, accordingly, comparative amounts for the 2019 reporting period have been restated. Refer to note 17 for further information. The adoption of IFRIC 23 did not have a material impact on the Group's results or financial position.

Other IFRS, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations not applicable to Group activities

Various other new and amended IFRS and IFRIC interpretations that have been issued are effective in the reporting period but are not applicable to the Group's activities.

3.2 **IFRS, amendments and IFRIC interpretations issued but not yet effective**

The following IFRS and amendments, that are relevant to the Group, have been issued but are not yet effective for the period under review. The Group will adopt these no later than their effective dates, to the extent that they are applicable to its activities:

IFRS 17: Insurance Contracts

Effective for annual periods beginning on or after 1 January 2021

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant information in a way that faithfully represents those contracts. Management is in the process of assessing the potential impact of the implementation of this standard.

3.3 **Basis of consolidation of financial results**

The condensed Group interim financial statements comprise the consolidated interim financial statements of the company and its subsidiaries, and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

		26 weeks to 29 Dec 2019 Unaudited Rm	26 weeks to 30 Dec 2018 Unaudited Rm	% change	52 weeks to 30 Jun 2019 Audited Rm
4	**REVENUE**				
	Sale of merchandise	**10 283**	10 183	1.0	18 094
	Retail sales	**10 632**	10 491		18 623
	Accounting adjustments*	**(410)**	(379)		(676)
	Wholesale sales	**28**	41		86
	Delivery fee income	**33**	30		61
	Interest received	**564**	562	0.4	1 153
	Trade receivables interest	**542**	538		1 109
	Investment interest	**22**	24		44
	Other income	**179**	147	21.8	322
	Commission	**89**	66		145
	Financial services income	**44**	36		72
	Display fees	**24**	27		53
	Lease rental income	**11**	12		24
	Insurance recoveries	**6**	–		7
	Profit on disposal of property, plant and equipment	**–**	–		6
	Other	**5**	6		15
	Dividends received from insurance business arrangements	**5**	4		8
	Total revenue	**11 031**	10 896	1.2	19 577

* Accounting adjustments made in terms of IFRS and generally accepted accounting practice relating to promotional vouchers, staff discounts on merchandise purchased, cellular retail sales, notional interest on non-interest-bearing trade receivables and the sales returns provision.

		26 weeks to 29 Dec 2019 Unaudited Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
5	**DEPRECIATION AND AMORTISATION**			
	Property, plant and equipment	**201**	200	410
	Right-of-use assets	**565**	598	1 198
	Total depreciation and amortisation	**766**	798	1 608
6	**FINANCE COSTS**			
	Interest-bearing borrowings	**40**	40	84
	Lease liabilities	**139**	161	310
	Total finance costs	**179**	201	394

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 17 for further information.

SELECTED EXPLANATORY NOTES (CONTINUED)

	26 weeks to 29 Dec 2019 Unaudited Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
7 RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS			
Profit for the period, attributable to equity holders of the company	**1 535**	1 556	619
Adjusted for:			
Loss on write-off of plant and equipment	**2**	–	2
Tax on write-off of plant and equipment	**(1)**	–	(1)
Profit on disposal of property, plant and equipment	**–**	–	(6)
Tax on profit on disposal of property, plant and equipment	**–**	–	1
Fair value adjustment of financial assets	**–**	–	3
Impairment of goodwill	**–**	–	1 126
Impairment of trademarks	**–**	–	494
Deferred tax in relation to trademarks	**–**	–	(84)
Impairment of right-of-use assets	**–**	–	380
Deferred tax in relation to right-of-use assets	**–**	–	(66)
Impairment of property, plant and equipment	**–**	–	13
Deferred tax in relation to impairment of property, plant and equipment	**–**	–	(2)
Headline earnings	**1 536**	1 556	2 479

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 17 for further information.

	26 weeks to 29 Dec 2019 Unaudited Rm	26 weeks to 30 Dec 2018 Unaudited Rm	52 weeks to 30 Jun 2019 Audited Rm
8 GOODWILL			
Balance at the beginning of the reporting period	**346**	1 629	1 629
Movement in exchange rate through other comprehensive income	**–**	13	(18)
Impairment of goodwill allocated to the Office Retail Group Ltd cash-generating unit	**–**	–	(1 265)
Balance at the reporting date	**346**	1 642	346

Impairment testing of goodwill
Goodwill acquired through business combinations has been allocated to the individual cash-generating units and is tested for impairment biannually at each reporting date. No impairments were deemed necessary in the current period.

	26 weeks to 29 Dec 2019 Unaudited Rm	26 weeks to 30 Dec 2018 Unaudited Rm	52 weeks to 30 Jun 2019 Audited Rm
9 INTANGIBLE ASSETS			
Balance at the beginning of the reporting period	**2 616**	3 227	3 227
Additions	**30**	22	45
Disposals	**–**	–	–
Cost	**–**	–	(34)
Accumulated amortisation	**–**	–	34
Amortisation	**(30)**	(27)	(58)
Impairment of trademarks allocated to the Office Retail Group Ltd cash-generating unit	**–**	–	(555)
Movement in exchange rate through other comprehensive income	**64**	30	(43)
Balance at the reporting date	**2 680**	3 252	2 616

The trademarks have been allocated to the Truworths Ltd and Office Retail Group Ltd cash-generating units, are considered to have indefinite useful lives and are tested for impairment biannually at each reporting date. No impairments were deemed necessary in the current period.

		26 weeks to 29 Dec 2019 Unaudited Rm	26 weeks to 30 Dec 2018 Unaudited Rm	52 weeks to 30 Jun 2019 Audited Rm
10	**TREASURY SHARES**			
	Balance at the beginning of the reporting period	**1 291**	1 083	1 083
	Shares repurchased for the purposes of the 2012 restricted share scheme	**57**	–	266
	Shares repurchased in accordance with the general repurchase programme	**424**	–	–
	Cost of shares vested and transferred to participants in the 2012 restricted share scheme	**(38)**	(28)	(58)
	Balance at the reporting date	**1 734**	1 055	1 291
11	**INTEREST-BEARING BORROWINGS**			
	Balance at the beginning of the reporting period, comprising:	**1 260**	1 687	1 687
	Non-current portion of interest-bearing borrowings	**1 130**	1 268	1 268
	Current portion of interest-bearing borrowings	**130**	419	419
	Borrowings repaid	**(786)**	(360)	(422)
	Borrowings incurred	**595**	–	–
	Movement in exchange rate through other comprehensive income	**20**	10	(12)
	Amortisation of arrangement fees	**9**	3	7
	Balance at the reporting date, comprising:	**1 098**	1 340	1 260
	Non-current portion of interest-bearing borrowings	**500**	1 214	1 130
	Current portion of interest-bearing borrowings	**598**	126	130

Interest-bearing borrowings comprise a R500 million unsecured term loan advanced to the Group's main operating subsidiary, Truworths Ltd, and a secured £32.5 million revolving credit facility (RCF) advanced to the Group's UK resident and managed subsidiary, Truworths UK Holdco 2 Ltd. The term loan is repayable in June 2021 and bears variable interest linked to the three-month Johannesburg Interbank Agreed Rate (JIBAR). The Sterling-based RCF expires in January 2021 and bears variable interest linked to the three-month London Interbank Offered Rate (LIBOR). Interest on these facilities is paid quarterly in arrears.

In addition to the facilities described above, Truworths Ltd has access to an unsecured RCF of R1.2 billion. This South African-based RCF bears variable interest linked to the three-month JIBAR and requires drawdowns to be repaid at the end of each quarterly interest period. This facility expires in June 2020 and will be renegotiated based on the requirements of the Group. At the end of the period there were no drawdowns against this facility.

The Sterling-based RCF was concluded in September 2019 and replaced the £43 million secured term loan previously advanced to Truworths UK Holdco 3 Ltd. Refer to the SENS announcement issued by the Group on 26 September 2019 as well as note 18 of the Group's June 2019 Annual Financial Statements for further information.

12 SEGMENT REPORTING

The Group's reportable segments have been identified as the Truworths and Office business units. The Truworths business unit comprises all the retailing activities conducted by the Group in Africa through which the Group retails fashion apparel comprising clothing, footwear and other fashion products as well as homeware. Included in the Truworths business unit is the YDE business unit which comprises the agency activities through which the Group retails clothing, footwear and related products on behalf of emerging South African designers, as well as the Loads of Living business unit which retails homeware. The Office business unit comprises the footwear retail activities conducted by the Group through stores, concession outlets and an e-commerce channel in the United Kingdom, Germany and Republic of Ireland.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is reported on an IFRS basis and evaluated based on revenue, EBITDA and profit before tax.

SELECTED EXPLANATORY NOTES (CONTINUED)

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2019					
Total revenue		**8 169**	**2 865**	**(3)**	**11 031**
Third party		**8 166**	**2 865**	**–**	**11 031**
Inter-segment		**3**	**–**	**(3)**	**–**
Trading expenses		**2 834**	**995**	**(3)**	**3 826**
Depreciation and amortisation		**559**	**207**	**–**	**766**
Employment costs		**795**	**341**	**(2)**	**1 134**
Occupancy costs		**240**	**206**	**–**	**446**
Trade receivable costs		**783**	**–**	**–**	**783**
Other operating costs		**457**	**241**	**(1)**	**697**
Interest received		**563**	**1**	**–**	**564**
Finance costs		**137**	**42**	**–**	**179**
Profit for the period		**1 393**	**159**	**–**	**1 552**
Profit before tax		**1 946**	**198**	**–**	**2 144**
Tax expense		**(553)**	**(39)**	**–**	**(592)**
EBITDA		**2 642**	**447**	**–**	**3 089**
Segment assets		**14 605**	**5 233**	**(1 804)***	**18 034**
Segment liabilities		**5 680**	**3 383**	**(1)***	**9 062**
Capital expenditure		**213**	**25**	**–**	**238**
Other segmental information					
Gross margin	(%)	**56.2**	**43.0**	**–**	**52.5**
Trading margin	(%)	**20.4**	**8.3**	**–**	**17.1**
Operating margin	(%)	**28.1**	**8.4**	**–**	**22.6**
Inventory turn#	(times)	**5.1**	**3.7**	**–**	**4.5**
Account:cash sales mix	(%)	**71:29**	**0:100**	**–**	**52:48**

		Restated Truworths Rm	Restated Office Rm	Consolidation entries Rm	Restated Group Rm
2018					
Total revenue		7 963	2 937	(4)	10 896
Third party		7 960	2 936	–	10 896
Inter-segment		3	1	(4)	–
Trading expenses		2 646	1 018	(3)	3 661
Depreciation and amortisation		567	231	–	798
Employment costs		785	354	(2)	1 137
Occupancy costs		232	206	–	438
Trade receivable costs		661	13	–	674
Other operating costs		401	214	(1)	614
Interest received		561	1	–	562
Finance costs		159	42	–	201
Profit for the period		1 390	187	–	1 577
Profit before tax		1 940	237	–	2 177
Tax expense		(550)	(50)	–	(600)
EBITDA		2 666	510	–	3 176
Segment assets		16 834	8 086	(3 464)*	21 456
Segment liabilities		6 332	4 395	(4)*	10 723
Capital expenditure		241	20	–	261
Other segmental information					
Gross margin	(%)	55.6	44.0	–	52.3
Trading margin	(%)	21.2	9.4	–	17.8
Operating margin	(%)	28.9	9.5	–	23.4
Inventory turn#	(times)	5.8	3.3	–	4.6
Account:cash sales mix	(%)	70:30	0:100	–	51:49

* Elimination of investment in Office as well as inter-segment assets and liabilities.
\# Annualised.

	2019		2018	
		Contribution to revenue		Contribution to revenue
	Rm	**%**	Rm	%
Third-party revenue				
South Africa	**7 912**	**71.7**	7 699	70.7
United Kingdom	**2 600**	**23.6**	2 620	24.0
Germany	**144**	**1.3**	150	1.4
Republic of Ireland	**118**	**1.1**	138	1.3
Namibia	**96**	**0.9**	105	1.0
Botswana	**66**	**0.6**	58	0.5
Eswatini	**56**	**0.5**	55	0.5
Lesotho	**13**	**0.1**	13	0.1
Mauritius	**12**	**0.1**	14	0.1
Zambia	**7**	**0.1**	11	0.1
Kenya	**4**	**–***	5	–*
United States	**1**	**–***	10	0.1
Rest of Europe	**1**	**–***	15	0.2
Middle East and Asia	**1**	**–***	2	–*
Australia	**–**	**–**	1	–*
Total third-party revenue	**11 031**	**100**	10 896	100

* Zero due to rounding.

	29 Dec 2019 Unaudited Rm	30 Dec 2018 Unaudited Rm	30 Jun 2019 Audited Rm
13 CAPITAL COMMITMENTS			
Store renovation and development	**168**	269	309
Distribution facilities	**68**	13	4
Computer software and infrastructure	**34**	117	89
Buildings	**–**	–	93
Head office refurbishment	**5**	8	6
Motor vehicles	**4**	6	4
Capital expenditure authorised but not contracted	**279**	413	505
Buildings	**27**	73	46
Computer software and infrastructure	**26**	–	24
Distribution facilities	**2**	–	–
Head office refurbishments	**–**	–	6
Capital expenditure authorised and contracted	**55**	73	76
Total capital commitments	**334**	486	581

The capital commitments will be financed from cash generated from operations and available cash resources and are expected to be incurred in the remainder of the 2020 reporting period.

SELECTED
EXPLANATORY NOTES (CONTINUED)

14 EVENTS AFTER THE REPORTING DATE

Since the end of the current reporting period, the company has acquired 6.2 million shares in Office UK Holdco 2 Ltd for a consideration of £2.7 million. These shares were acquired in terms of the put and call option arrangements entered into with management during the course of the acquisition of the Office business. Following the acquisition of these shares, the Group's interest in Office has increased from 89% to 94.5%. No other events, material to the understanding of this interim report, have occurred between the reporting date and the date of approval.

15 SEASONALITY

Historically retail sales in the first half of the financial period have exceeded those of the second half, because of the inclusion in the former of Black Friday and the Christmas trading period. Since the acquisition of Office the Group's first-half retail sales have ranged between approximately 55% and 57% of annual retail sales.

16 RELATED PARTY TRANSACTIONS

Related party transactions similar to those disclosed in the Group's annual financial statements for the 52-week prior period ended 30 June 2019 took place during the interim period.

17 ADOPTION OF IFRS 16: LEASES

Introduction

The Group adopted IFRS 16: Leases on a retrospective basis with effect from the commencement date of the earliest comparative period presented, being 2 July 2018, to all its store, office and distribution centre leases that meet the definition of a lease. Accordingly, the comparative information presented in this interim report has been restated. The Group elected to apply the practical expedient provided in IFRS 16, which allows it to apply IFRS 16 only to those contracts that were previously identified as leases under IAS 17: Leases and IFRIC 4: Determining Whether an Arrangement Contains a Lease.

IFRS 16 replaced IAS 17 and requires lessees to recognise assets and liabilities for most leases, as the distinction between finance and operating leases has been removed. Under IFRS 16 lessees recognise a 'right-of-use asset', representing the right to use the underlying asset, and a liability to make lease payments during the lease term, with the exception of short-term leases and leases of low-value assets (if so elected).

A short-term lease is a lease that has a term of 12 months or less and does not include an option to purchase the underlying asset. An underlying asset can be low value if both of the following requirements are met: the lessee can benefit from the use of the asset on its own, or together with other resources, that are readily available to the lessee; and the underlying asset is not dependent on, or highly interrelated with, other assets. The Group has elected to apply both these exemptions to all relevant leases. Accordingly, the lease payments in terms of such leases are accounted for as expenses on a straight-line basis.

For a contract that is, or contains, a lease, lessees are required to account for each lease component within the contract as a lease separately from non-lease components of the contract, unless the practical expedient is applied. Given the complexity and subjectivity of separating lease and non-lease components, the Group has elected to apply this practical expedient and is therefore not accounting for lease and non-lease components separately. As a result the right-of-use asset recognised by the Group includes fixed non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date at a value equal to the present value of future lease payments over the lease term, discounted at an appropriate discount rate.

Significant judgement was applied in determining the lease term, incremental borrowing rate (IBR), dismantling costs, and the impairment testing of right-of-use assets.

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any lease payments made at or before the commencement date plus any initial direct costs incurred, as well as an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses (cost model). The right-of-use asset is depreciated in terms of IAS 16 using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group determines the lease term as the non-cancellable period of a lease, taking into account options to extend or terminate the lease if such options are reasonably certain to be exercised. After recognition of an impairment loss, the depreciation charge for the right-of-use asset is adjusted to allocate the right-of-use asset's revised carrying amount on a straight-line basis over the remaining term of the lease.

Impairment testing of right-of-use assets
Right-of-use assets are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (such as a store becoming loss-making).

Generally, right-of-use assets representing leased property cannot generate cash flows largely independently from other assets and are therefore tested for impairment as part of the cash-generating units to which they have been assigned, such as retail stores. Judgement is applied in determining the value-in-use of each cash-generating unit to which a right-of-use asset or assets have been assigned, including estimates of future profitability and cash flows, an appropriate and consistent allocation of central (head office) costs, the terminal growth rate (where applicable) and the discount rate.

The ongoing difficult economic conditions in the UK due to negative consumer sentiment, Brexit-related uncertainty, as well as ongoing cost and margin pressure from the consumer shift from store-based retailing to online shopping has been identified as specific indicators that the lease portfolio of the Office segment should be tested comprehensively for impairment. Other general indicators affecting the Truworths segment (such as loss-making stores) further required management to test certain right-of-use assets belonging to this segment. The resulting impairments were recognised in other operating costs.

Lease liabilities
The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the Group's applicable incremental borrowing rate, taking into account duration, country, currency and inception of the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Variable lease payment-based agreements that do not depend on an index or rate are not included in the measurement of the right-of-use asset and lease liability. These related payments are recognised as expenses in the period in which the event or condition that triggers those payments occur. Other variable lease payments that depend on an index or rate are included in the measurement of the right-of-use assets and lease liabilities.

The lease liability is subsequently measured at amortised cost using the effective interest method.

Lease modifications
Lease liabilities are remeasured when there is a lease modification (i.e. a change in the scope of a lease, or the consideration for a lease) that was not contained in the original terms and conditions of the lease) that is not accounted for as a separate contract. Lease liabilities are also remeasured upon a change in any of the following:

- the lease term;
- future lease payments resulting from a change in an index or rate; and
- in-substance fixed lease payments.

For those lease modifications that do not result in a separate lease, the Group allocates the consideration in the contract and remeasures the lease liability using the lease term of the modified lease and the discount rate as determined at the effective date of the modification. For a modification that fully or partially decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification. For all other lease modifications which are not accounted for as a separate lease, the amount of the remeasurement of the lease liability is accounted for as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

A revised discount rate is applied when lease payments are updated for a change in the lease term. When lease payments are updated for a change in payments dependent on an index or rate, the original discount rate is applied unless the rate is a floating interest rate.

Furthermore, the lease term is reassessed upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise a renewal option not previously included in the lease term. The most common significant event for the Group is when landlord negotiations occur during the lease term which result in the addition of further renewal options not included in the initial lease or that results in the extension of the current or future lease periods.

Impact on financial position and performance
Refer to the information below for a summary of the impact of the adoption of IFRS 16 on the Group's financial position and performance.

SELECTED
EXPLANATORY NOTES (CONTINUED)

STATEMENTS OF FINANCIAL POSITION	**30 Jun 2019 Audited Rm**	**IFRS 16 adjustments Rm**	**Restated* 30 Jun 2019 Unaudited Rm**	1 Jul 2018 Audited Rm	IFRS 16 adjustments Rm	Restated* 1 Jul 2018 Unaudited Rm
Non-current assets						
Property, plant and equipment	**1 780**	**(13)**	**1 767**	1 726	–	1 726
Right-of-use assets	**–**	**3 361**	**3 361**	–	4 209	4 209
Deferred tax	**301**	**212**	**513**	260	152	412
Current assets						
Prepayments	**348**	**(177)**	**171**	350	(185)	165
Equity						
Retained earnings	**9 819**	**(743)**	**9 076**	10 709	(490)	10 219
Non-distributable reserves	**(92)**	**(53)**	**(145)**	(209)	(25)	(234)
Non-current liabilities						
Lease liabilities	**–**	**3 023**	**3 023**	–	3 487	3 487
Provisions	**–**	**78**	**78**	–	79	79
Straight-line operating lease obligation	**126**	**(126)**	**–**	155	(155)	–
Current liabilities						
Trade and other payables	**1 640**	**(58)**	**1 582**	1 800	(64)	1 736
Lease liabilities	**–**	**1 366**	**1 366**	–	1 406	1 406
Provisions	**221**	**(104)**	**117**	140	(62)	78
Number of shares in issue (net of treasury shares) (million)	**425.5**	**–**	**425.5**	428.3	–	428.3
Net asset value per share (cents)	**2 156**	**(187)**	**1 969**	2 421	(172)	2 249

STATEMENTS OF FINANCIAL POSITION	30 Dec 2019 Unaudited Rm	IFRS 16 adjustment Rm	30 Dec 2019 Unaudited Rm	30 Dec 2018 Audited Rm	IFRS 16 adjustment Rm	Restated* 30 Dec 2018 Unaudited Rm
Non-current assets						
Property, plant and equipment	**1 811**	**(13)**	**1 798**	1 795	–	1 795
Right-of-use assets	**–**	**2 892**	**2 892**	–	4 207	4 207
Deferred tax	**304**	**211**	**515**	262	151	413
Current assets						
Prepayments	**158**	**(90)**	**68**	185	(84)	101
Equity						
Retained earnings	**10 762**	**(726)**	**10 036**	11 571	(484)	11 087
Non-distributable reserves	**(17)**	**(56)**	**(73)**	(7)	(26)	(33)
Non-current liabilities						
Lease liabilities	**–**	**2 564**	**2 564**	–	3 473	3 473
Provisions	**–**	**80**	**80**	–	79	79
Straight-line operating lease obligation	**108**	**(108)**	**–**	141	(141)	–
Current liabilities						
Trade and other payables	**2 659**	**(66)**	**2 593**	2 854	(58)	2 796
Lease liabilities	**–**	**1 415**	**1 415**	–	1 503	1 503
Tax payable	**559**	**5**	**564**	581	–	581
Provisions	**237**	**(108)**	**129**	192	(72)	120
Number of shares in issue (net of treasury shares) (million)	**416.9**	**–**	**416.9**	428.8	–	428.8
Net asset value per share (cents)	**2 340**	**(188)**	**2 152**	2 622	(119)	2 503

SELECTED
EXPLANATORY NOTES (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME		**26 weeks to 29 Dec 2019 Unaudited Rm**	**IFRS 16 adjustment Rm**	**26 weeks to 29 Dec 2019 Unaudited Rm**	26 weeks to 30 Dec 2018 Unaudited Rm	IFRS 16 adjustment Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm
Trading expenses		**(3 999)**	**176**	**(3 826)**	(3 830)	169	(3 661)
Depreciation and amortisation		**(200)**	**(566)**	**(766)**	(200)	(598)	(798)
Employee costs		**(1 134)**	**–**	**(1 134)**	(1 137)	–	(1 137)
Occupancy costs		**(1 184)**	**738**	**(446)**	(1 203)	765	(438)
Trade receivable costs		**(783)**	**–**	**(783)**	(674)	–	(674)
Other operating costs		**(698)**	**1**	**(697)**	(616)	2	(614)
Trading profit		**1 581**	**173**	**1 754**	1 643	169	1 812
Operating profit		**2 150**	**173**	**2 323**	2 209	169	2 378
Finance costs		**(40)**	**(139)**	**(179)**	(40)	(161)	(201)
Tax expense		**(584)**	**(8)**	**(592)**	(599)	(1)	(600)
Profit for the period		**1 526**	**26**	**1 552**	1 570	7	1 577
Other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods							
Movement in foreign currency translation reserve		**45**	**1**	**46**	40	(1)	39
Basic earnings per share	(cents)	**359.1**	**5.6**	**364.7**	361.8	1.4	363.2
Headline earnings per share	(cents)	**359.3**	**5.6**	**364.9**	361.8	1.4	363.2
Diluted basic earnings per share	(cents)	**357.7**	**5.6**	**363.3**	360.0	1.4	361.4
Diluted headline earnings per share	(cents)	**358.0**	**5.6**	**363.6**	360.0	1.4	361.4
Trading expenses to sale of merchandise	(%)	**38.9**	**(1.7)**	**37.2**	37.6	(1.6)	36.0
Trading margin	(%)	**15.4**	**1.7**	**17.1**	16.1	1.7	17.8
Operating margin	(%)	**20.9**	**1.7**	**22.6**	21.7	1.7	23.4

STATEMENTS OF COMPREHENSIVE INCOME		52 weeks to 30 Jun 2019 Unaudited Rm	IFRS 16 adjustment Rm	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
Trading expenses		(9 175)	(33)	(9 208)
Depreciation and amortisation		(410)	(1 198)	(1 608)
Employment costs		(2 212)	–	(2 212)
Occupancy costs		(2 378)	1 553	(825)
Trade receivable costs		(1 048)	–	(1 048)
Other operating costs		(3 127)	(388)	(3 515)
Trading profit		492	(33)	459
Operating profit		1 653	(33)	1 620
Finance costs		(84)	(310)	(394)
Tax expense		(878)	61	(817)
Profit for the period		691	(282)	409
Other comprehensive losses to be reclassified to profit or loss in subsequent periods				
Movement in foreign currency translation reserve		(57)	1	(56)
Basic earnings per share	(cents)	203.9	(59.2)	144.7
Headline earnings per share	(cents)	562.8	16.8	579.6
Diluted basic earnings per share	(cents)	203.1	(58.9)	144.2
Diluted headline earnings per share	(cents)	560.7	16.8	577.5
Trading expenses to sale of merchandise	(%)	50.7	0.2	50.9
Trading margin	(%)	2.7	(0.2)	2.5
Operating margin	(%)	9.1	(0.1)	9.0

STATEMENTS OF CASH FLOWS	52 weeks to 30 Jun 2019 Unaudited Rm	IFRS 16 adjustment Rm	Restated* 52 weeks to 30 Jun 2019 Unaudited Rm
Cash flow from trading and cash EBITDA	**2 930**	**1 596**	**4 526**
Working capital movements	**(266)**	**(63)**	**(329)**
Finance costs	**(77)**	**(310)**	**(387)**
Lease liability payments	**–**	**(1 223)**	**(1 223)**

	26 weeks to 30 Dec 2018 Unaudited Rm	IFRS 16 adjustment Rm	Restated* 26 weeks to 30 Dec 2018 Unaudited Rm
Cash flow from trading and cash EBITDA	1 943	984	2 927
Working capital movements	667	(310)	357
Finance costs	(37)	(161)	(198)
Lease liability payments	–	(513)	(513)

ADMINISTRATION

Truworths International Ltd
Registration number 1944/017491/06

Tax reference number 9875/145/71/7
JSE code: TRU
NSX code: TRW
ISIN: ZAE000028296

Company secretary
Chris Durham, FCIS, PG Dip. Adv. Co Law (UCT)

Registered office
No. 1 Mostert Street, Cape Town, 8001, South Africa

Postal address
PO Box 600, Cape Town, 8000, South Africa

Contact details
Tel: +27 (21) 460 7911   Telefax: +27 (21) 460 7132

www.truworthsinternational.com
www.truworths.co.za
www.office.co.uk

Principal bankers
The Standard Bank of South Africa Ltd
Lloyds Bank plc

Auditors
Ernst & Young Inc.

Attorneys
Bernadt Vukic Potash and Getz
Edward Nathan Sonnenbergs
Spoor & Fisher
Webber Wentzel
Bowman Gilfillan
Shoosmiths

Sponsor in South Africa
One Capital

Sponsor in Namibia
Merchantec Capital Namibia

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

Tel: +27 (11) 370 5000   Telefax: +27 (11) 688 5248

www.computershare.com

In Namibia
Transfer Secretaries (Pty) Ltd
Robert Mugabe Avenue No. 4
Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

Tel: +264 (61) 22 7647   Telefax: +264 (61) 24 8531

Investor relations
David Pfaff (CFO/COO)
Tel: +27 (21) 460 7956

Graeme Lillie (Tier 1 Investor Relations)
Tel: +27 (21) 702 3102

Directors
H Saven (Chairman)§‡, MS Mark (CEO)*, DB Pfaff (CFO/COO)*, DN Dare*, SJ Proudfoot*,
RG Dow§‡, JHW Hawinkels§‡, C Hess§‡, M Makanjee§‡, AMSS Mokgabudi§‡,
RJA Sparks§‡, AJ Taylor§‡ and MA Thompson§‡
* Executive   § Non-executive   ‡ Independent

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