

Truworths International Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1944/017491/06)
JSE Code: TRU
NSX Code: TRW
ISIN: ZAE000028296

TRADING UPDATE FOR THE 52-WEEK PERIOD ENDED 1 JULY 2018

In a tough economic environment in the UK and in South Africa, Group retail sales for Truworths International Limited (the 'Group') for the 52-week period ended 1 July 2018 ('the current period') were unchanged compared to the pro forma comparable 52-week prior period* ('the comparable prior period'). Relative to the 53-week prior reporting period ended 2 July 2017 ('the 53-week prior period'), Group retail sales decreased by 2.7% from R18.5 billion to R18.0 billion.

Retail sales for Truworths (being the Group, excluding the UK-based Office segment) increased by 0.8% relative to the comparable prior period*, with cash sales increasing by 2.6% and account sales remaining unchanged. Relative to the 53-week prior period, Truworths' retail sales decreased by 2.1% from R13.4 billion to R13.1 billion, with cash sales remaining unchanged and account sales decreasing by 3.0%. Account sales comprised 69% (2017: 70%) of Truworths' retail sales. Comparable product deflation (i.e. excluding the Office London chain launched in South Africa and Loads of Living acquired during the period) averaged 1.4% for the current period.

Retail sales for the Group's UK-based Office segment decreased by 2.5% compared to the comparable prior period*. Relative to the 53-week prior period, Office's retail sales decreased by 4.5% from £294 million (R5.1 billion) to £281 million (R4.8 billion). Product inflation averaged 3.6% for the current period.

The Group's gross trade receivables declined by 3.3% to R5.6 billion, compared to R5.8 billion at the prior period-end, mainly as a result of the decline in credit sales. Overdue balances as a percentage of gross trade receivables remained at 14% compared to the prior period-end, while the percentage of active account holders able to purchase at the end of the current period increased, to 84% (2017: 82%). Opened accounts as a percentage of applications increased to 25% (2017: 24%). The Group's number of active accounts increased 2% compared to the prior period-end, showing growth for the first time since the 2016 financial period.

The Group's diluted headline earnings per share ('diluted HEPS') for the current period are expected to decrease by between 1% and 3%, to between 601 cents and 615 cents per share, relative to the comparable prior period's* diluted HEPS of 621 cents. However, relative to the 53-week prior period diluted HEPS of 661 cents, diluted HEPS are expected to decrease between 7% and 9%.

Shareholders are advised that this trading update does not constitute an earnings forecast, and that the financial information provided herein, including the pro forma financial information, has neither been reviewed nor reported on by the Group's external auditors. The Group's audited results for the current period are scheduled for release on or about Thursday, 16 August 2018.

* The pro forma comparable 52-week prior period numbers are calculated by deducting the 1st week's financial results in the 53-week prior period from the 53-week prior period's results. The 1st week adjustments relate to sale of merchandise, the related cost of sales (calculated with reference to the gross profit margin for the 53-week period), weekly payroll expense, concession rent, direct e-commerce costs, interest received, finance costs and tax expense (calculated with reference to the actual tax rate for the 53-week period) for the one-week period from 27 June 2016 to 3 July 2016. The relevant amounts were extracted from the Group's accounting records, and in the opinion of the directors, fairly reflect the

financial results for the said one-week period. A complete reconciliation of the 53- to 52-week results will be provided in the Group's audited results announcement.

The pro forma financial information has been prepared in accordance with International Financial Reporting Standards, is the responsibility of the directors, has been provided for illustrative purposes only and, because of its nature, may not fairly represent the financial performance of the Group.

20 July 2018
Cape Town

JSE Sponsor: One Capital Sponsor Services (Pty) Ltd
NSX Sponsor: Merchantec Capital Namibia (Pty) Ltd