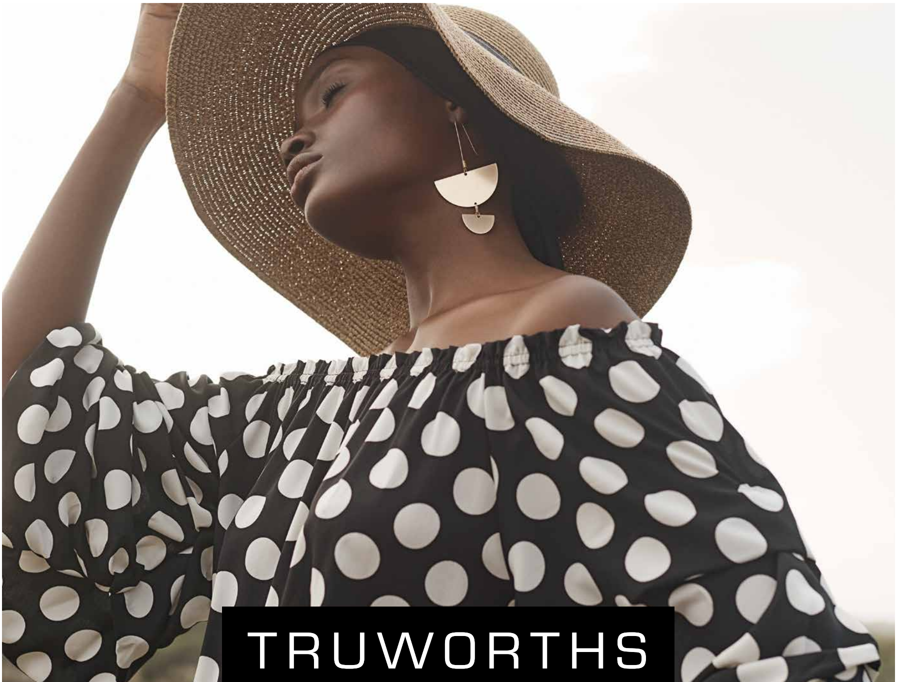

TRUWORTHS

INTERNATIONAL

'18

PRELIMINARY REPORT ON THE AUDITED GROUP ANNUAL RESULTS

for the 52 weeks ended 1 July 2018

COMMENTARY

KEY FEATURES

Comparable sale of merchandise#	down 0.2% to R17.5 billion
Sale of merchandise	down 2.9%
Gross margin	52.4%
Operating margin	22.5%
Comparable diluted headline earnings per share#	down 1.3%
Diluted headline earnings per share	down 7.3%
Net asset value per share	up 10.0%
Cash generated from operations	up 3.3% to R3.1 billion
Net borrowings repaid	R2.2 billion
Net debt to equity	9.3%
Cash realisation rate	109%
Annual dividend per share	down 7.1% to 420 cents

Relative to the pro forma comparable 52-week prior period (refer to note 15).

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 through subsidiaries, concessions, agencies or franchises, in the cash and account retailing of fashion clothing, footwear, related merchandise and homeware. The company and its subsidiaries (the Group) operate primarily in South Africa and the United Kingdom, and have an emerging presence in Germany, the Republic of Ireland and other sub-Saharan African countries.

TRADING AND FINANCIAL PERFORMANCE

In a tough economic environment in South Africa and in the UK, Group retail sales for the 52-week period ended 1 July 2018 (the period) were unchanged at R18.0 billion, compared to the pro forma comparable 52-week period (i.e. 4 July 2016 to 2 July 2017) (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 the Truworths Africa segment increased by 0.8% relative to the comparable prior period*, with cash sales increasing by 2.6% and account sales being 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 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 new Office London footwear chain launched in South Africa and Loads of Living acquired during the period) averaged 1.4%.

Retail sales for the Group's UK-based Office segment decreased by 2.5% in Pound Sterling relative 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%.

Group sale of merchandise, which comprises Group retail sales, together with wholesale and franchise sales and delivery fee income, less accounting adjustments, declined 0.2% relative to the comparable prior period*. Relative to the 53-week prior period, Group sale of merchandise decreased by 2.9% from R18.1 billion to R17.5 billion.

A net 32 stores were added across all brands during the period, resulting in an increase in trading space of 3.2% (Truworths 3.3% increase and Office 0.9% increase). Loads of Living accounted for 13 of the new stores. Excluding Loads of Living, trading space increased by 2.1%. At the end of the period the Group had 969 stores (including 40 concession outlets) (2017: 937 including 38 concession outlets).

* Refer to note 15 for the pro forma comparable 52-week prior period statement of comprehensive income.

Divisional sales**	52 weeks to 1 Jul 2018 Rm	Comparable 52 weeks to 2 Jul 2017* Rm	Change on prior period 52 on 52 weeks %	53 weeks to 2 Jul 2017 Rm	Change on prior period 52 on 53 weeks %
Truworths ladieswear	**3 753**	3 860	(3)	3 988	(6)
Truworths designer emporium‡	**1 383**	1 396	(1)	1 436	(4)
Total Truworths ladieswear	**5 136**	5 256	(2)	5 424	(5)
Office	**4 848**	4 980	(3)	5 081	(5)
Truworths menswear~	**3 663**	3 656	–	3 759	(3)
Identity	**2 082**	2 067	1	2 129	(2)
Truworths kids emporium#	**925**	872	6	896	3
Other^	**1 309**	1 159	13	1 183	11
Group retail sales	**17 963**	17 990	–	18 472	(3)
Delivery fee income	**51**	52	(2)	53	(4)
Wholesale sales	**46**	50	(8)	50	(8)
Franchise sales	**5**	8	(38)	8	(38)
Accounting adjustments	**(518)**	(518)	–	(518)	–
Sale of merchandise	**17 547**	17 582	–	18 065	(3)
YDE agency sales	**254**	271	(6)	278	(9)

** The 53 weeks to 2 July 2017 has been restated based on Truworths' new internal department structure. The restatement did not affect total reported retail sales for the said period.
‡ Daniel Hechter Ladies, Ginger Mary, Glamour, LTD Ladies and Earthaddict.
~ Truworths Man, Uzzi, Daniel Hechter Mens and LTD Mens.
# LTD Kids, Earthchild and Naartjie.
^ Cellular, Truworths Jewellery, Cosmetics, Office London and Loads of Living.

The Group's gross margin was stable at 52.4% (2017: 52.6%). Truworths' gross margin increased to 55.5% (2017: 55.2%).

Trading expenses decreased by 1.9% to R7.0 billion (2017: R7.1 billion) and constituted 39.6% (2017: 39.2%) of sale of merchandise. Excluding foreign exchange gains in 2018 (R29 million) and losses in 2017 (R93 million), trading expenses decreased by 0.1%, reflecting management's continued focus on efficiency and cost containment. An increase in occupancy costs (3.9%) was off-set by a decrease in trade receivable costs (9.1%), while depreciation and amortisation, employment costs and other operating costs (excluding foreign exchange gains and losses) were largely unchanged. Refer to Account Management below for further details on trade receivable costs.

Relative to the comparable prior period* trading profit increased by 2.2% to R2.5 billion. Despite the tough South African consumer environment, Truworths' trading profit increased by 9.0% relative to the comparable prior period* (2.9% excluding foreign exchange gains and losses). The difficult trading conditions affecting retailers in the UK is also evident in the Office segment where trading profit has decreased by 32.3% in Pound Sterling relative to the comparable prior period*.

Interest received decreased 3.9% to R1.4 billion (2017: R1.5 billion), mainly due to decreases totalling 50 basis points in the South African repo rate since the beginning of the reporting period and a decrease in trade receivables. Operating profit decreased 6.3% to R3.9 billion, while the operating margin declined to 22.5% from 23.3% in the 53-week prior period. This decline is attributable to the decrease in gross profit, compounded by a relatively smaller decrease in trading expenses, as well as a decrease in interest received. Truworths' operating margin decreased to 29.1% (2017: 29.2%).

Finance costs have decreased by 15.3% to R250 million (2017: R295 million) mainly as a result of the settlement of a portion of the Group's long-term borrowings and decreases in the South African repo rate referred to above.

Headline earnings per share (HEPS) and diluted HEPS decreased by 1.0% to 615.7 cents and 1.3% to 612.7 cents respectively relative to the comparable prior period*. Relative to the 53-week prior period, HEPS and diluted HEPS decreased by 7.0% and 7.3% respectively.

A final cash dividend of 159 cents per share has been declared (2017: 182 cents per share), bringing the annual dividend to 420 cents per share (2017: 452 cents per share).

* Refer to note 15 for the pro forma comparable 52-week prior period statement of comprehensive income.

FINANCIAL POSITION

The Group's financial position remains strong, with net asset value per share increasing by 10.0% to 2 421 cents (2017: 2 201 cents) since the prior period-end.

Inventories increased by 8.1% to R2.1 billion at the end of the period. Gross inventory increased 8.8% and inventory turn decreased to 4.0 times (2017: 4.5 times). Truworths' gross inventory increased 7.1% and inventory turn decreased to 4.8 times (2017: 5.2 times), mainly as a result of the timing of the Truworths end-of-season sale, which commenced in the 53rd week of the prior period. The inventory of the Office segment increased from £47 million at the prior period-end to £50 million mainly due to weaker trading.

Interest-bearing borrowings at the period-end decreased to R1.7 billion from R3.8 billion at the prior period-end as a consequence of scheduled and additional loan repayments, as well as a restructuring of the funding arrangements in South Africa to achieve an efficient and more cost-effective capital structure. The cost benefits of this funding restructure will only be realised from the 2019 reporting period onwards. Refer to note 10 for further details.

Included in non-current liabilities is a liability of R389 million (2017: R400 million) in relation to put options granted to the non-controlling management shareholders in Office, while derivative financial assets of R10 million (2017: R11 million) represent the call options of the Group over the shares in question.

Trade and other payables increased 10.2% to R1.8 billion (2017: R1.6 billion), due to the timing of capital and operational expenditure.

CASH AND CAPITAL MANAGEMENT

During the period, the Group generated R3.1 billion in cash from operations and this funded cash dividend payments of R1.9 billion, capital expenditure of R485 million and share buy-backs of R184 million. In addition, the Group utilised its available cash resources to fund net borrowing repayments of R2.2 billion due to scheduled and additional loan repayments, as well as the restructuring of its funding arrangements in South Africa. At the end of the period, the Group had net cash and cash equivalents of R719 million (2017: R2.1 billion).

The cash realisation rate, which is a measure of how profits are converted into cash, was 109% for the period, compared to 91% in the 53-week prior period. The average cash realisation rate for the last five financial years is 93%.

The Group's net debt to equity ratio at the end of the period was 9.3% (2017: 18.3%) and net debt to EBITDA was 0.2 times (2017: 0.4 times).

ACCOUNT MANAGEMENT

Gross trade receivables in respect of the debtors book (Truworths, Identity and YDE) declined by 3% compared to the prior period-end, mainly as a result of the decline in credit sales. Active account holders able to purchase at the end of the period increased to 84% (2017: 82%). The ratio of opened accounts to account applications increased to 25% (2017: 24%). The Group's active accounts increased 2% to 2.6 million compared to the prior period-end, growing for the first time since the 2016 reporting period.

The doubtful debt allowance to gross trade receivables has decreased to 12.3% from 12.7% at the prior period-end. Trade receivable costs decreased by 9.1% to R1 099 million compared to R1 209 million in the 53-week prior period. This net decrease is as a result of the increase in collection and other trade receivable costs of 4.3%, off-set by the decrease in net bad debt of 4.8% and the reduction in the allowance for doubtful debts. Net bad debt to gross trade receivables decreased to 14.7% (2017: 15.0%), while net bad debt to account sales decreased to 9.2% (2017: 9.4%).

During March 2018 the High Court found in favour of the Group and two other major JSE-listed retailers in the legal action taken against the National Credit Regulator (NCR) and the Minister of Trade and Industry to rescind the requirements for customers to provide documentary proof of income under the credit affordability assessment regulations. The NCR has subsequently issued draft guidelines dealing with documentation requirements which have been open for public comment.

During the period in which the documentation requirements were effective, the Group successfully implemented various account granting strategies, updated its information systems and made its processes more efficient in an attempt to mitigate the negative impact of the regulations. Given the relative success of these changes, the Group believes that the positive outcome of the court case will have limited upside for the Group.

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 R28. Financial services income (refer to note 4 for further details) constitutes only 0.3% of revenue.

Refer to note 3.2 Accounting policies and methods of computation, for detail regarding the potential impact of IFRS 9.

DIRECTORATE

During the period Mr Hans Hawinkels and Ms Maya Makanjee were appointed as independent non-executive directors of the company.

EXECUTIVE

The board has resolved to appoint Mr David Pfaff (53), the Group's Chief Financial Officer and an executive director of the company, to the newly created role of Group Chief Operating Officer (COO) whilst continuing in the role of Group Chief Financial Officer (CFO). The appointment will take place with immediate effect. Mr Pfaff who was appointed as CFO in March 2013 will now be responsible for retail store operations in addition to his existing portfolio of credit risk, credit operations, information systems and finance.

OUTLOOK

South Africa: Truworths

Although sentiment improved after President Ramaphosa came into office, consumer spending remains under pressure due to low economic growth, high levels of unemployment and the continuously rising cost of living. A subsequent decline in consumer confidence and mounting pressure on emerging markets remain obstacles for growth.

Several strategic initiatives recently undertaken by management aim to mitigate the effects of this challenging external environment. These include the launch of a sophisticated new e-commerce site to enhance the online offering, the testing and soon-to-be-implemented lay-by facility which will be available at all stores, the expansion of the recently acquired Loads of Living business and the roll-out of a new store concept.

Management will continue its operational cost containment efforts, whilst investing appropriately in infrastucture for the long term.

The improved metrics of the debtors book, as evidenced by growth in active accounts, reduced provisioning and higher percentages of account customers able to shop because they are not in arrears, are positive indicators for future sales.

Product inflation for the period July to December 2018 is expected to be flat following the 1.4% deflation achieved for the past reporting period.

Truworths' retail sales for the first six weeks of the 2019 reporting period compared to the first six weeks of the prior period are up 11.1%. However, the end-of-season sale commenced in week 1 of the 2019 reporting period, which was not the case in the prior period when the end-of-season sale commenced one week earlier in week 53 of the 2017 reporting period. Accordingly, the first six weeks of the 2019 reporting period are not directly comparable to the first six weeks of the 2018 reporting period.

United Kingdom: Office
Political uncertainty relating to the outcome of the Brexit negotiations continues to have a negative impact on the trading environment. However, stable inflation, better employment growth and wage inflation are expected to have a small, but positive impact on UK household disposable income.

Management's initiatives aimed at addressing margin decline through improved merchandise ranges and product mix are expected to arrest the profitability decline experienced in the 2018 reporting period.

The well-established and growing online and mobile retail presence positions Office for growth in a market with an increasing preference for online shopping. Improvements to the store concept are aimed at attracting customers through an enhanced in-store experience. These improvements over time should help off-set the sales pressure on stores. Marketing, customer engagement and loyalty initiatives are being implemented to retain customers, and improve customer experience and communication.

Office's retail sales for the first six weeks of the 2019 reporting period compared to the first six weeks of the prior period are up 2.9% in Pound Sterling. These weeks are directly comparable in all material respects.

Group: Capital expenditure
Capital expenditure of R746 million (Truworths R626 million and Office £6.6 million) has been committed for the 2019 reporting period.

H Saven
Chairman

MS Mark
Chief Executive Officer

FINAL DIVIDEND

The directors of the company have resolved to declare a gross cash dividend from retained earnings in respect of the 52-week period ended 1 July 2018 in the amount of 159 South African cents (2017: 182 South African cents) per ordinary share to shareholders reflected in the company's register on the record date, being Friday, 14 September 2018.

The last day to trade in the company's shares *cum* dividend is Tuesday, 11 September 2018. Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Wednesday, 12 September 2018 to Friday, 14 September 2018, both days inclusive. Trading in the company's shares *ex* dividend will commence on Wednesday, 12 September 2018. The dividend is scheduled to be paid in South African Rand (ZAR) on Monday, 17 September 2018.

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 127.2 South African cents. The company has 442 589 686 ordinary shares in issue on 16 August 2018.

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
16 August 2018

One Capital
JSE Sponsor

Merchantec Capital Namibia
NSX Sponsor

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

	Note	At 1 Jul 2018 Audited Rm	At 2 Jul 2017 Audited Rm
ASSETS			
Non-current assets		**6 904**	6 559
Property, plant and equipment		**1 726**	1 637
Goodwill	6	**1 629**	1 552
Intangible assets	7	**3 227**	3 037
Derivative financial assets		**10**	11
Available-for-sale assets		**30**	29
Loans and receivables		**109**	64
Deferred tax		**173**	229
Current assets		**8 587**	9 580
Inventories		**2 072**	1 916
Trade and other receivables		**5 110**	5 256
Derivative financial assets		**73**	–
Prepayments		**350**	338
Cash and cash equivalents		**982**	2 055
Tax receivable		**–**	15
Total assets		**15 491**	16 139
EQUITY AND LIABILITIES			
Total equity		**10 369**	9 450
Share capital and premium	8	**729**	706
Treasury shares	9	**(1 083)**	(939)
Retained earnings		**10 932**	10 212
Non-distributable reserves		**(209)**	(529)
Non-current liabilities		**2 363**	4 709
Interest-bearing borrowings	10	**1 268**	3 641
Deferred tax		**477**	454
Put option liability		**389**	400
Straight-line operating lease obligation		**155**	157
Post-retirement medical benefit obligation		**55**	53
Cash-settled compensation liability		**15**	–
Leave pay obligation		**4**	4
Current liabilities		**2 759**	1 980
Trade and other payables		**1 800**	1 634
Interest-bearing borrowings	10	**419**	144
Bank overdraft		**263**	–
Provisions		**140**	111
Contingent consideration obligation		**–**	62
Derivative financial liability		**–**	6
Tax payable		**137**	23
Total liabilities		**5 122**	6 689
Total equity and liabilities		**15 491**	16 139
Number of shares in issue (net of treasury shares)	(millions)	**428.3**	429.4
Net asset value per share	(cents)	**2 421**	2 201
Key ratios			
Return on equity	(%)	**27**	31
Return on capital	(%)	**40**	46
Return on assets	(%)	**25**	26
Inventory turn	(times)	**4.0**	4.5
Asset turnover	(times)	**1.1**	1.1
Net debt to equity	(%)	**9.3**	18.3
Net debt to EBITDA	(times)	**0.2**	0.4

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

		Note	52 weeks to 1 Jul 2018 Audited Rm	% change	53 weeks to 2 Jul 2017 Audited Rm
Revenue		4	**19 254**	(3)	19 858
Sale of merchandise		4	**17 547**	(3)	18 065
Cost of sales			**(8 354)**		(8 562)
Gross profit			**9 193**	(3)	9 503
Other income		4	**279**		291
Trading expenses			**(6 954)**	(2)	(7 086)
Depreciation and amortisation			**(387)**		(389)
Employment costs			**(2 109)**		(2 094)
Occupancy costs			**(2 240)**		(2 155)
Trade receivable costs			**(1 099)**		(1 209)
Other operating costs			**(1 119)**		(1 239)
Trading profit			**2 518**	(7)	2 708
Interest received		4	**1 420**	(4)	1 478
Dividends received		4	**8**		24
Operating profit			**3 946**	(6)	4 210
Finance costs			**(250)**		(295)
Profit before tax			**3 696**		3 915
Tax expense			**(1 031)**		(1 049)
Profit for the period			**2 665**	(7)	2 866
Attributable to:					
Equity holders of the company			**2 643**		2 827
Holders of the non-controlling interest			**22**		39
Profit for the period			**2 665**		2 866
Other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods			**242**		(652)
Fair value adjustment on available-for-sale financial instruments			**(2)**		(3)
Movement in foreign currency translation reserve			**244**		(649)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			**2**		9
Re-measurement gains on defined benefit plans			**2**		9
Other comprehensive income/(losses) for the period, net of tax			**244**		(643)
Attributable to:					
Equity holders of the company			**218**		(569)
Holders of the non-controlling interest			**26**		(74)
Other comprehensive income/(losses) for the period, net of tax			**244**		(643)
Total comprehensive income for the period			**2 909**		2 223
Attributable to:					
Equity holders of the company			**2 861**		2 258
Holders of the non-controlling interest			**48**		(35)
Total comprehensive income for the period			**2 909**		2 223
Basic earnings per share	(cents)		**614.8**	(7)	659.9
Headline earnings per share	(cents)	5	**615.7**	(7)	662.0
Diluted basic earnings per share	(cents)		**611.8**	(7)	658.8
Diluted headline earnings per share	(cents)	5	**612.7**	(7)	660.9
Weighted average number of shares	(millions)		**429.9**		428.4
Diluted weighted average number of shares	(millions)		**432.0**		429.1
Key ratios					
Gross margin	(%)		**52.4**		52.6
Trading expenses to sale of merchandise	(%)		**39.6**		39.2
Trading margin	(%)		**14.4**		15.0
Operating margin	(%)		**22.5**		23.3

SUMMARISED 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
2018							
Balance at the beginning of the period	**706**	**(939)**	**10 212**	**(529)**	**9 450**	**–**	**9 450**
Total comprehensive income for the period	**–**	**–**	**2 645**	**216**	**2 861**	**48**	**2 909**
Profit for the period	**–**	**–**	**2 643**	**–**	**2 643**	**22**	**2 665**
Other comprehensive income for the period	**–**	**–**	**2**	**216**	**218**	**26**	**244**
Cash dividends	**–**	**–**	**(1 925)**	**–**	**(1 925)**	**–**	**(1 925)**
Shares repurchased	**–**	**(184)**	**–**	**–**	**(184)**	**–**	**(184)**
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	**–**	**40**	**–**	**(40)**	**–**	**–**	**–**
Premium on shares issued in terms of the 1998 share option scheme	**23**	**–**	**–**	**–**	**23**	**–**	**23**
Share-based payments	**–**	**–**	**–**	**87**	**87**	**–**	**87**
Acquisition of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Movement in put option liability	**–**	**–**	**–**	**57**	**57**	**(46)**	**11**
Balance at 1 July 2018	**729**	**(1 083)**	**10 932**	**(209)**	**10 369**	**–**	**10 369**
2017							
Balance at the beginning of the period	706	(882)	8 903	(102)	8 625	–	8 625
Total comprehensive income for the period	–	–	2 836	(578)	2 258	(35)	2 223
Profit for the period	–	–	2 827	–	2 827	39	2 866
Other comprehensive income/(losses) for the period	–	–	9	(578)	(569)	(74)	(643)
Cash dividends	–	–	(1 527)	–	(1 527)	–	(1 527)
Shares repurchased	–	(101)	–	–	(101)	–	(101)
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	–	29	–	(29)	–	–	–
Utilisation of treasury shares in respect of the exercise of options in terms of the 1998 share option scheme	–	15	–	(7)	8	–	8
Share-based payments	–	–	–	61	61	–	61
Acquisition of non-controlling interest	–	–	–	–	–	(1)	(1)
Movement in put option liability	–	–	–	126	126	36	162
Balance at 2 July 2017	706	(939)	10 212	(529)	9 450	–	9 450

Dividends (cents per share)	**2018**	2017
Cash final – payable/paid September	**159**	182
Cash interim – paid March	**261**	270
Total	**420**	452

SUMMARISED GROUP STATEMENTS OF CASH FLOWS

		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from trading and cash EBITDA*		**2 965**	3 189
Working capital movements		**172**	(151)
Cash generated from operations		**3 137**	3 038
Interest received		**1 425**	1 473
Dividends received		**8**	24
Finance costs		**(244)**	(292)
Tax paid		**(855)**	(1 256)
Cash inflow from operations		**3 471**	2 987
Cash dividends paid		**(1 925)**	(1 527)
Net cash from operating activities		**1 546**	1 460
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment to expand operations		**(344)**	(341)
Acquisition of plant and equipment to maintain operations		**(86)**	(90)
Acquisition of computer software		**(55)**	(37)
Proceeds on disposal of shares		**–**	8
Net acquisition of business		**(8)**	–
Premiums paid to insurance cell		**(9)**	(12)
Amounts received from insurance cell		**5**	3
Loans and receivables repaid		**2**	14
Loans advanced		**(47)**	–
Disposal of mutual fund units		**1**	–
Payment of contingent consideration obligation		**(62)**	(42)
Net cash used in investing activities		**(603)**	(497)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on shares issued		**23**	–
Shares repurchased by subsidiaries		**(184)**	(101)
Borrowings repaid		**(2 979)**	(324)
Borrowings incurred		**800**	–
Contributions to post-retirement medical benefit plan asset		**(3)**	(3)
Acquisition of non-controlling interest		**(2)**	–
Net cash used in financing activities		**(2 345)**	(428)
Net (decrease)/increase in cash and cash equivalents		**(1 402)**	535
Cash and cash equivalents at the beginning of the period		**2 055**	1 592
Net foreign exchange difference		**66**	(72)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE		**719**	2 055
Key ratios			
Cash flow per share	(cents)	**807.4**	697.2
Cash equivalent earnings per share	(cents)	**738.3**	766.3
Cash realisation rate	(%)	**109**	91

* Earnings before interest received, finance costs, tax, depreciation and amortisation.

SELECTED EXPLANATORY NOTES

1 STATEMENT OF COMPLIANCE

The information in these summarised consolidated financial statements has been extracted from the Group's 2018 annual financial statements, except for the information disclosed in note 15 (refer to note 15 for further detail). The summarised consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, IAS 34: Interim Financial Reporting, the South African Companies Act (71 of 2008, as amended) and the Listings Requirements of the JSE. Any forward-looking statement in this announcement has neither been reviewed nor reported on by the company's external auditor, Ernst & Young Inc.

The preliminary report and these summarised consolidated financial statements have been prepared under the supervision of Mr DB Pfaff CA(SA), the Chief Financial Officer of the Group.

These summarised consolidated financial statements for the year ended 1 July 2018 have been audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements from which these summarised consolidated financial statements were derived.

A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The audit report on the summarised annual financial statements does not necessarily report on all of the information contained in this preliminary report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report on the summarised financial statements.

2 BASIS OF PREPARATION

The Group's annual financial statements for the period ended 1 July 2018 have been prepared in accordance with the going concern and historical cost bases except where otherwise indicated. The accounting policies are applied consistently throughout the Group. The presentation and functional currency used in the preparation of the Group and company financial statements 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 Group's 2018 annual financial statements comply with IFRS and are consistent with those applied in the preparation of the Group's annual financial statements for the prior period ended 2 July 2017, with the exception of the amendment to IAS 7: Statement of Cash Flows – Disclosure, which is effective from the current reporting period and requires disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

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 have been issued and are effective in the reporting period but they 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 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:

Amendments to IFRS 2: Share-based Payments – Classification and Measurement

Effective for annual periods beginning on or after 1 January 2018

The amendments contain requirements regarding the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

These amendments are not expected to impact the Group, as the principles required by the amendments are either already applied by the Group, in the case of the amendments related to the accounting for cash-settled share-based payment transactions that include a performance condition, or they are not applicable to the Group, in the case of the amendments related to the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

IFRS 9: Financial Instruments – Recognition and Measurement
Effective for annual periods beginning on or after 1 January 2018
IFRS 9 will replace IAS 39 and it addresses the classification, measurement and derecognition of financial assets and financial liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets.

Under the new standard the Group is required to recognise either 12-month or lifetime expected credit losses in respect of its trade receivables, depending on whether there has been a significant increase in credit risk since initial recognition. The measurement of expected credit losses would reflect a probability-weighted outcome, the time value of money, and reasonable and supportable information.

Impairment losses are expected to be recognised earlier and will likely result in a higher doubtful debt allowance than is currently determined under IAS 39 due to the incorporation of forward-looking information, the application of a default rate to all debtors and the recognition of lifetime expected credit losses.

Based on the assessments undertaken to date, management will be adopting the general impairment approach as the Group's accounting policy for trade receivables.

The Group will adopt the new standard by using the modified retrospective approach with effect from 2 July 2018, applying the practical methods permitted under the standard. Comparative amounts for the 2018 reporting period will not be restated.

IFRS 15: Revenue Recognition
Effective for annual periods beginning on or after 1 January 2018
The Group has reviewed the new standard and the only impact relates to the recognition of the sales returns provision. IFRS 15 requires revenue and cost of sales to be adjusted for the selling and cost prices of the expected returns of merchandise against the sales return provision and inventory respectively.

The impact of the above will result in reclassifications between sales and cost of sales in the statement of comprehensive income and inventory and provisions in the statement of financial position. As the Group currently provides for the net effect of the above against sale of merchandise and the returns provision, the impact on profit or loss is not expected to be material.

The Group will adopt the new standard with effect from 2 July 2018 and apply it on the modified retrospective basis. Comparative amounts for 2018 will not be restated.

IFRS 16: Leases – Recognition and Measurement
Effective for annual periods beginning on or after 1 January 2019
The standard will replace IAS 17 and requires most leases of lessees to be recognised in the statement of financial position, as the distinction between finance and operating leases has been removed.

It is anticipated that leases relating to retail stores will result in the recognition of a lease liability and a corresponding right of use asset. While the Group's EBITDA and EBITDA margin will improve, depreciation and finance charges will increase and occupancy costs will decrease. Return on assets will also be negatively impacted. Recognising a lease liability will also impact net debt and the net debt to EBITDA ratio.

The Group will adopt the standard with effect from 1 July 2019 and apply it on either a full or a modified retrospective basis.

3.3 **Basis of consolidation of financial results**
The Group consolidated annual financial statements comprise the annual financial statements of the company and its consolidated subsidiaries and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

		52 weeks to 1 Jul 2018 Audited Rm	% change	53 weeks to 2 Jul 2017 Audited Rm
4	**REVENUE**			
	Sale of merchandise	**17 547**	(3)	18 065
	Retail sales	**17 963**		18 472
	Accounting adjustments*	**(518)**		(518)
	Delivery fee income	**51**		53
	Wholesale sales	**46**		50
	Franchise sales	**5**		8
	Interest received	**1 420**	(4)	1 478
	Trade receivables interest	**1 286**		1 366
	Investment interest	**134**		112
	Other income	**279**	(4)	291
	Commission	**128**		137
	Display fees	**56**		63
	Financial services income	**58**		54
	Lease rental income	**26**		27
	Other	**7**		6
	Insurance recoveries	**3**		2
	Royalties	**1**		2
	Dividends received from insurance business arrangements	**8**		24
	Total revenue	**19 254**	(3)	19 858

* 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.

		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited Rm
5	**RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS**		
	Profit for the period, attributable to equity holders of the company	**2 643**	2 827
	Adjusted for:		
	Impairment of fixed and financial assets	**1**	9
	Loss on write-off of plant and equipment	**3**	–
	Headline earnings	**2 647**	2 836

		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited Rm
6	**GOODWILL**		
	Balance at the beginning of the reporting period	**1 552**	1 805
	Movement in exchange rate through other comprehensive income	**77**	(253)
	Balance at the reporting date	**1 629**	1 552

Goodwill acquired through business combinations is allocated to the Truworths Ltd and Office Retail Group Ltd cash-generating units and tested for impairment biannually at each reporting date.

		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited Rm
7	**INTANGIBLE ASSETS**		
	Balance at the beginning of the reporting period	**3 037**	3 631
	Additions	**55**	37
	Additions arising on acquisition of Loads of Living	**2**	–
	Disposals	**–**	–
	Cost	**(42)**	(6)
	Accumulated amortisation	**42**	6
	Amortisation	**(46)**	(41)
	Movement in exchange rate through other comprehensive income	**179**	(590)
	Balance at the reporting date	**3 227**	3 037

The trademarks have been allocated to the Truworths Ltd and Office Retail Group Ltd cash-generating units, are considered to have an indefinite useful life and are tested for impairment biannually at each reporting date.

SELECTED EXPLANATORY NOTES

(CONTINUED)

		52 weeks to 1 Jul 2018 Audited R'000	53 weeks to 2 Jul 2017 Audited R'000
8	**SHARE CAPITAL**		
	Ordinary share capital		
	Authorised		
	650 000 000 (2017: 650 000 000) ordinary shares of 0.015 cent each	**98**	98
	Issued and fully paid		
	442 589 686 (2017: 442 059 551) ordinary shares of 0.015 cent each	**66**	66

The company has one class of ordinary shares which carry no rights to fixed income.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company's shareholders.

	Number of shares 000's	Number of shares 000's
Reconciliation of movement in issued shares		
Balance at the beginning of the reporting period	**442 059**	436 183
Shares issued during the period	**530**	–
Capitalisation award	**–**	5 876
Balance at the reporting date	**442 589**	442 059
Treasury shares held by subsidiaries	**(14 329)**	(12 649)
Number of shares in issue (net of treasury shares)	**428 260**	429 410
Treasury shares as a % of the issued shares at the reporting date	**3.2**	2.9

Shares issued during the period were allotted for an aggregate nominal value of R79.54 and an aggregate premium of R22 809 072. Shares issued during the prior period pursuant to the capitalisation award were allotted for an aggregate nominal value of R881 with a corresponding reduction in share premium.

		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited Rm
9	**TREASURY SHARES**		
	Balance at the beginning of the reporting period	**939**	882
	Shares repurchased in respect of the 2012 restricted share scheme	**184**	–
	Shares repurchased in accordance with the general repurchase programme	**–**	101
	Utilisation of treasury shares in respect of the exercise of options in terms of the 1998 share option scheme	**–**	(15)
	Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	**(40)**	(29)
	Balance at the reporting date	**1 083**	939
10	**INTEREST-BEARING BORROWINGS**		
	Balance at the beginning of the reporting period, comprising:	**3 785**	4 408
	Non-current portion of interest-bearing borrowings	**3 641**	4 042
	Current portion of interest-bearing borrowings	**144**	366
	Borrowings repaid	**(2 979)**	(324)
	Borrowings incurred	**800**	–
	Movement in exchange rate through other comprehensive income	**75**	(314)
	Amortisation of arrangement fees	**18**	12
	Net finance charges accrued	**(12)**	3
	Balance at the reporting date, comprising:	**1 687**	3 785
	Non-current portion of interest-bearing borrowings	**1 268**	3 641
	Current portion of interest-bearing borrowings	**419**	144

The R2.6 billion variable-rate long-term loans comprising South African Rand-based debt in the form of three separate unsecured facilities advanced to the Group's main operating subsidiary, Truworths Ltd, were repaid during the reporting period and refinanced with an unsecured term loan of R500 million repayable in June 2021 and an unsecured revolving credit facility of R1.2 billion. These facilities bear variable interest at margins of 1.35 and 1.29 percentage points respectively above the three-month Johannesburg Interbank Agreed Rate (JIBAR).

11 BUSINESS COMBINATIONS

Acquisition of Loads of Living

With effect from 31 October 2017 the Group acquired Loads of Living, a linen and homeware retailer with 13 stores in South Africa, as a going concern. From this date Loads of Living became a trading department of the Group's main operating subsidiary Truworths Ltd. The total purchase consideration payable was R4.8 million of which R1.3 million was placed in escrow.

The purchase consideration has been allocated to the identifiable assets and liabilities at the acquisition date. Additional identifiable assets (including trademarks) and liabilities have been recognised on completion of the purchase price allocation, with a corresponding reduction in goodwill. A gain (i.e. a bargain purchase) of R64 000 has been recognised in profit and loss.

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 the 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 of assessing performance. Segment performance is reported on an IFRS basis and evaluated based on revenue and profit before tax.

SELECTED EXPLANATORY NOTES
(CONTINUED)

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2018					
Total third party revenue		14 328	4 940	(14)	19 254
Third party		14 318	4 936	–	19 254
Inter-segment		10	4	(14)	–
Trading expenses		5 044	1 920	(10)	6 954
Depreciation and amortisation		289	98	–	387
Employment costs		1 474	639	(4)	2 109
Occupancy costs		1 462	778	–	2 240
Trade receivable costs		1 099	–	–	1 099
Other operating costs		720	405	(6)	1 119
Interest received		1 419	1	–	1 420
Finance costs		222	28	–	250
Profit for the period		2 465	200	–	2 665
Profit before tax		3 445	251	–	3 696
Tax expense		(980)	(51)	–	(1 031)
EBITDA		3 956	377	–	4 333
Segment assets		12 734	6 222	(3 465)*	15 491
Segment liabilities		2 477	2 650	(5)*	5 122
Capital expenditure		419	66	–	485
Other segmental information					
Gross margin	(%)	55.5	44.4	–	52.4
Trading margin	(%)	17.8	5.6	–	14.4
Operating margin	(%)	29.1	5.6	–	22.5
Inventory turn	(times)	4.8	3.1	–	4.0
Account:cash sales mix	(%)	69:31	0:100	–	50:50

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

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2017					
Total third party revenue		14 699	5 163	(4)	19 858
Third party		14 695	5 163	–	19 858
Inter-segment		4	–	(4)	–
Trading expenses		5 158	1 932	(4)	7 086
Depreciation and amortisation		277	112	–	389
Employment costs		1 438	656	–	2 094
Occupancy costs		1 361	794	–	2 155
Trade receivable costs		1 207	2	–	1 209
Other operating costs		875	368	(4)	1 239
Interest received		1 477	1	–	1 478
Finance costs		253	42	–	295
Profit for the period		2 514	352	–	2 866
Profit before tax		3 510	405	–	3 915
Tax expense		(996)	(53)	–	(1 049)
EBITDA		4 040	559	–	4 599
Segment assets		13 633	5 966	(3 460)*	16 139
Segment liabilities		3 852	2 837	–	6 689
Capital expenditure		407	60	–	467
Other segmental information					
Gross margin	(%)	55.2	46.0	–	52.6
Trading margin	(%)	17.5	8.6	–	15.0
Operating margin	(%)	29.2	8.7	–	23.3
Inventory turn	(times)	5.2	3.5	–	4.5
Account:cash sales mix	(%)	70:30	0:100	–	50:50

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

	2018		2017	
	Rm	**Contribution to revenue %**	Rm	Contribution to revenue %
Third party revenue				
South Africa	**13 812**	**71.7**	14 158	71.3
United Kingdom	**4 425**	**23.0**	4 618	23.3
Germany	**252**	**1.3**	272	1.4
Namibia	**213**	**1.1**	228	1.1
Republic of Ireland	**206**	**1.1**	185	0.9
Botswana	**104**	**0.6**	98	0.5
Swaziland	**98**	**0.5**	99	0.5
Zambia	**30**	**0.2**	32	0.2
Rest of Europe	**28**	**0.2**	31	0.2
Lesotho	**23**	**0.1**	20	0.1
Mauritius	**21**	**0.1**	21	0.1
United States	**16**	**0.1**	28	0.1
Kenya	**9**	**–***	17	0.1
Ghana	**8**	**–***	22	0.1
Middle East and Asia	**5**	**–***	17	0.1
Australia	**4**	**–***	12	0.1
Total third party revenue	**19 254**	**100**	19 858	100

* Zero due to rounding.

	1 Jul 2018 Audited Rm	2 Jul 2017 Audited Rm
13 CAPITAL COMMITMENTS		
Capital expenditure authorised but not contracted:		
Store renovation and development	**415**	431
Computer software and infrastructure	**160**	132
Buildings	**–**	39
Head office refurbishment	**10**	23
Motor vehicles	**7**	5
Distribution facilities	**14**	6
	606	636
Capital expenditure authorised and contracted:		
Head office refurbishments	**5**	–
Buildings	**135**	–
Total	**746**	636

The capital commitments will be financed through cash generated from operations, available cash resources and financing facilities and are expected to be incurred in the 2019 reporting period.

14 EVENTS AFTER THE REPORTING DATE

No event, material to the understanding of these summarised financial statements, has occurred between the reporting date and the date of approval.

15 IMPACT OF THE 53rd WEEK IN 2017 ON 2018 YEAR-END FINANCIAL REPORTING

In line with the practice generally prevailing in the South African retail industry, the Group manages its internal accounting and retail operations in accordance with a retail calendar, which treats each financial year as an exact 52-week period. This treatment effectively results in the "loss" of a day (or two in a leap year) per calendar year. These days are brought to account every four to seven years by including a 53rd week in the financial reporting calendar.

Due to the inclusion of a 53rd week in the 2017 financial period, the 52 weeks of the current period are not comparable to the 53 weeks of the prior period in terms of number of weeks and dates.

Although the Group has reported comparative financial results for the 53 weeks to 2 July 2017, it is useful and good governance to also report information for the directly corresponding 52-week prior period from 4 July 2016 to 2 July 2017, in order to facilitate comparisons of the current period's results against such comparable prior period results. These adjustments are not expected to have a continuing effect as they will only occur in every 53-week period.

The preparation of the unaudited pro forma comparable 52-week prior period financial information is the responsibility of the directors. The tables below illustrate how the current period's results compare to the directly corresponding 52-week prior period (i.e. 4 July 2016 to 2 July 2017), by excluding the results of week 1 of the prior period.

The unaudited pro forma comparable 52-week prior period information for the period ended 2 July 2017 has been prepared for illustrative purposes only, to indicate how the actual audited results of the Group for the current period compare to such information and, because of its nature, may not fairly represent the Group's financial position, changes in equity, results of operations or cash flows of the prior period.

The estimated financial impact of the 53rd week on the 2017 results is shown below.

Statements of comprehensive income	**52 weeks to 1 Jul 2018 Audited Rm**	53 weeks to 2 Jul 2017 Audited (As reported) Rm	1st week adjustments Rm	52 weeks to 2 Jul 2017 Unaudited pro forma comparable weeks Rm	Change on prior period reported 53 weeks %	Change on prior period comparable 52 weeks %
Sale of merchandise	**17 547**	18 065	(483)	17 582	(3)	–
Retail sales (refer to page 18)	**17 963**	18 472	(482)	17 990	(3)	–
Accounting adjustments/other sales	**(416)**	(407)	(1)	(408)	2	2
Cost of sales	**(8 354)**	(8 562)	226	(8 336)	(2)	–
Gross profit	**9 193**	9 503	(257)	9 246	(3)	(1)
Other income	**279**	291	–	291	(4)	(4)
Trading expenses	**(6 954)**	(7 086)	13	(7 073)	(2)	(2)
Depreciation and amortisation	**(387)**	(389)	–	(389)	(1)	(1)
Employment costs	**(2 109)**	(2 094)	7	(2 087)	1	1
Occupancy costs	**(2 240)**	(2 155)	3	(2 152)	4	4
Trade receivable costs	**(1 099)**	(1 209)	–	(1 209)	(9)	(9)
Other operating costs	**(1 119)**	(1 239)	3	(1 236)	(10)	(9)
Trading profit	**2 518**	2 708	(244)	2 464	(7)	2
Interest received	**1 420**	1 478	(1)	1 477	(4)	(4)
Dividends received	**8**	24	–	24	(67)	(67)
Operating profit	**3 946**	4 210	(245)	3 965	(6)	–
Finance costs	**(250)**	(295)	6	(289)	(15)	(13)
Profit before tax	**3 696**	3 915	(239)	3 676	(6)	1
Tax expense	**(1 031)**	(1 049)	64	(985)	(2)	5
Profit for the period	**2 665**	2 866	(175)	2 691	(7)	(1)
Attributable to:						
Equity holders of the company	**2 643**	2 827	(172)	2 655	(7)	–
Holders of the non-controlling interest	**22**	39	(3)	36	(44)	(39)
Profit for the period	**2 665**	2 866	(175)	2 691	(7)	(1)

SELECTED EXPLANATORY NOTES
(CONTINUED)

Statements of comprehensive income		52 weeks to 1 Jul 2018 Audited Rm	53 weeks to 2 Jul 2017 Audited (As reported) Rm	1st week adjustments Rm	52 weeks to 2 Jul 2017 Unaudited pro forma comparable weeks Rm	Change on prior period reported 53 weeks %	Change on prior period comparable 52 weeks %
Basic earnings per share	(cents)	**614.8**	**659.9**	**(40.2)**	619.7	(7)	(1)
Headline earnings per share	(cents)	**615.7**	**662.0**	**(40.2)**	621.8	(7)	(1)
Diluted basic earnings per share	(cents)	**611.8**	**658.8**	**(40.1)**	618.7	(7)	(1)
Diluted headline earnings per share	(cents)	**612.7**	**660.9**	**(40.1)**	620.8	(7)	(1)
Weighted average number of shares in issue	(millions)	**429.9**	**428.4**		428.4		
Diluted weighted average number of shares in issue	(millions)	**432.0**	**429.1**		429.1		
Key ratios							
Gross margin	(%)	**52.4**	**52.6**		52.6		
Trading expenses to sale of merchandise	(%)	**39.6**	**39.2**		40.2		
Trading margin	(%)	**14.4**	**15.0**		14.0		
Operating margin	(%)	**22.5**	**23.3**		22.6		
Retail sales							
Truworths ladieswear	(Rm)	**3 753**	**3 988**	**(128)**	3 860	(6)	(3)
Truworths designer emporium	(Rm)	**1 383**	**1 436**	**(40)**	1 396	(4)	(1)
Total Truworths ladieswear	(Rm)	**5 136**	**5 424**	**(168)**	5 256	(5)	(2)
Truworths menswear	(Rm)	**3 663**	**3 759**	**(103)**	3 656	(3)	–
Identity	(Rm)	**2 082**	**2 129**	**(62)**	2 067	(2)	1
Truworths kids emporium	(Rm)	**925**	**896**	**(24)**	872	3	6
Other	(Rm)	**1 309**	**1 183**	**(24)**	1 159	11	13
Truworths*	(Rm)	**13 115**	**13 391**	**(381)**	13 010	(2)	1
Office	(Rm)	**4 848**	**5 081**	**(101)**	4 980	(5)	(3)
Group retail sales	(Rm)	**17 963**	**18 472**	**(482)**	17 990	(3)	–
Office	(£m)	**281**	**294**	**(6)**	288	(4)	(2)

* The 53 weeks to 2 July 2017 has been restated based on Truworths' new internal department structure. The restatement did not affect total reported retail sales for the said period.

Notes:

1 The accounting policies and methods of computations applied in the 2017 audited annual financial statements, which have been prepared in accordance with IFRS, have been used in preparing the unaudited pro forma comparable 52-weeks information.

2 The information contained in the "52 weeks to 1 Jul 2018" and "53 weeks to 2 Jul 2017" columns have been extracted without adjustment from the published, audited results for the respective periods.

3 The amounts in the "1st week adjustments" column relate to sale of merchandise, the related cost of sales (calculated with reference to the gross profit margin for the 53-week prior period), weekly payroll expense, concession rent, direct e-commerce costs, interest received, finance costs and tax expense (calculated with reference to the applicable statutory tax rate) for the one-week period from 27 June 2016 to 3 July 2016, together with the resultant gross profit, trading profit, operating profit, profit before tax and profit for the said one-week period.

4 The trading expenses, interest received and finance costs for the one-week periods from 27 June 2016 to 3 July 2016 and 26 December 2016 to 1 January 2017 respectively were not adjusted when preparing the information for the comparable 26 weeks ended 1 January 2017, which information was disclosed as note 14 in the unaudited group interim report for the period to December 2017, as it was assumed that these line items for both these one-week periods were similar and should therefore cancel out in all material respects, notwithstanding that these periods were six months apart. As only one week is required to be adjusted in order to prepare the results for the unaudited pro forma comparable 52-week prior period ended 2 July 2017, the trading expenses, interest received and finance costs for the one-week period from 27 June 2016 to 3 July 2016 have been adjusted from the results for the 53 weeks to 2 July 2017. The other numbers in the "1st week adjustments" column also do not correlate with what was disclosed in note 14 of the unaudited Group interim report for the period to December 2017 due to the difference in the average exchange rate used to translate the results of Office over these respective periods.

5 The relevant amounts for the one-week periods from 27 June 2016 to 3 July 2016 have been extracted from the Group's accounting records with the exception of interest received which has been recalculated based on the daily investment balances and prevailing interest rates.

6 The "1st week adjustments" column, in the opinion of the directors, fairly reflects the results of the one-week period from 27 June 2016 to 3 July 2016.

7 The calculation of earnings per share and headline earnings per share for the unaudited pro forma comparable 52-week period is based on the weighted average number of shares in issue over that period.

8 The Group's external auditor has issued an assurance report on the unaudited pro forma comparable 52-weeks information. A copy of the said report is available at the Group's registered office.

ADMINISTRATION

Truworths International Ltd
Registration number 1944/017491/06

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

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Auditors
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Attorneys
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Edward Nathan Sonnenbergs
Spoor & Fisher
Webber Wentzel
Bowman Gilfillan
Shoosmiths

Sponsor in South Africa
One Capital Sponsor Services (Pty) Ltd

Sponsor in Namibia
Merchantec Capital Namibia (Pty) Ltd

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