

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

BUSINESS UPDATE

Truworths International Limited (the 'Group') announces that retail sales for the first 16 trading weeks (2 July 2018 to 21 October 2018) of the 2019 financial period ('the current period') increased by 4.5%# to R5.3 billion compared to R5.1 billion for the first 16 trading weeks (3 July 2017 to 22 October 2017) of the 2018 financial period ('the prior period').

Account sales comprised 50% (2018: 50%) of Group retail sales for the current period, with account and cash sales increasing by 4.9%# and 4.1%# respectively relative to the prior period.

Retail sales for Truworths (being the Group, excluding the UK-based Office segment) increased by 3.6%# to R3.8 billion relative to the prior period's R3.7 billion. Account sales comprised 70% of these retail sales (2018: 69%). Trading space increased by 1.9% on the prior period and is expected to increase between 2% and 3% for the full 2019 financial period. Comparable product deflation (i.e. excluding Loads of Living acquired in October 2017) averaged 1.1% for the current period.

Retail sales for the Group's UK-based Office segment increased in Sterling terms by 0.5% to £83.3 million relative to £82.9 million for the prior period. In Rand terms however, retail sales for Office increased by 6.7% to R1.5 billion, aided by Rand weakness. Trading space decreased by 1.0% on the prior period and is expected to remain at this level for the full 2019 financial period.

The Group's gross trade receivables* at the end of the September 2018 retail period decreased by 2.3% to R5.5 billion compared to R5.7 billion at the end of the September 2017 retail period. The number of active accounts increased by 3% relative to the September 2017 retail period-end, while the percentage of active account holders able to purchase and overdue balances as a percentage of gross trade receivables remained unchanged at 85% and 13% respectively.

Although the trading environment is expected to remain challenging, the Group will continue to utilise its extensive experience to manage the risk of fashion through its proven merchandise design and buying processes and manage the risk of the book through continuing to apply strategies to ensure the on-going health of the portfolio.

Shareholders are advised that this business update does not constitute an earnings forecast, that the financial information provided herein is the responsibility of the directors, and that such information has neither been reviewed nor reported on by the Group's external auditors. The Group's interim results for the 26-week period ending 30 December 2018 are scheduled for release on or about Thursday, 21 February 2019.

The end-of-winter-season sale commenced in week 1 of the current period, unlike the prior period when the end-of-winter-season sale commenced in week 53 of the 2017 reporting period. Accordingly, the first 16 weeks' trading of the current period is not directly comparable to the first 16 weeks' trading of the prior period.

* All trade receivables information is as at the end of the Group's September 2018 retail period, which ended on 30 September 2018. Comparative trade receivables information is as at the end of the September 2017 retail period, which ended on 1 October 2017.

24 October 2018
Cape Town

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