

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 18 trading weeks (1 July 2019 to 3 November 2019) of the 2020 financial period ('the current period') increased by 2% to R6.3 billion compared to the first 18 trading weeks (2 July 2018 to 4 November 2018) of the 2019 financial period ('the prior period').

Account sales comprised 52% (2019: 50%) of Group retail sales for the current period, with account sales increasing by 5% and cash sales decreasing by 1% relative to the prior period.

Retail sales for Truworths Africa (being the Group, excluding the UK-based Office segment and comprising mainly of the Truworths businesses in South Africa) increased by 3% to R4.6 billion relative to the prior period's R4.4 billion. Account sales comprised 71% of these retail sales (2019: 70%). Truworths' trading space increased by 1% on the prior period and is expected to increase between 0% and 1% for the full 2020 financial period. Comparable product inflation averaged 0.4% for the current period.

Retail sales for the Group's UK-based Office segment were unchanged in Sterling terms at £95 million. In Rand terms retail sales for Office decreased by 1% to R1.7 billion. Office's trading space decreased by 7% compared to the prior period and is expected to decrease by approximately 5% for the full 2020 financial period as Office continues to exit unprofitable space.

The Group's gross trade receivables at 27 October 2019 increased by 4% to R5.9 billion compared to R5.7 billion at 28 October 2018. The number of active accounts increased by 3%. The percentage of active account holders able to purchase and overdue balances as a percentage of gross trade receivables were at 85% and 13%, respectively.

Although the trading environment is expected to remain challenging, the Group continues 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 29 December 2019 are scheduled for release on or about Thursday, 20 February 2020.

7 November 2019
Cape Town

JSE Sponsor: One Capital
NSX Sponsor: Merchantec Capital