



TRUWORTHS INTERNATIONAL

UNAUDITED INTERIM RESULTS

FOR THE 27 WEEKS
ENDED 30 DECEMBER 2007

- **MERCHANDISE SALES** **UP 20%**
(26 weeks up 15%)
- **HEADLINE EARNINGS
PER SHARE** **UP 26%**
(26 weeks up 18%)
- **OPERATING PROFIT** **UP 27%**
(26 weeks up 19%)
- **INTERIM DIVIDEND** **UP 20%**



Truworths International Limited is an investment holding, trading and management company listed on the JSE and the Namibian Stock Exchanges. Its trading subsidiaries, Truworths, Young Designers Emporium ('YDE') and Uzzi, are engaged in the retailing of fashion apparel and related merchandise. Truworths International Limited and its subsidiaries ('the Group') operate primarily in southern Africa.

GROUP RESULTS

In a challenging trading environment over 27 weeks, group sale of merchandise increased to R3 018 million (R2 901 million excluding week 27). This was 20% more than in the prior period (15% excluding week 27).

The buoyant retail trading conditions of recent years slowed during the period as a result of the seven interest rate increases totalling 350 basis points over the last 18 months and a general rise in the cost of living most evidently reflected by food price inflation and an increasing fuel price. The introduction of the National Credit Act in June 2007 served to slow new credit extension and credit line increases, dampening consumer demand.

Based on a corporate tax rate of 29%, headline and basic earnings per share of 159.9 cents (149.8 cents excluding week 27) equate to a 26% increase (18% excluding week 27) compared to the prior period's 126.5 cents; this is in line with indications in the Group's trading statement on SENS on 18 January 2008. An interim cash dividend of 72 cents a share has been declared, 20% more than that declared in respect of the prior period.

Sales growth included comparable store sales growth of 11% (7% excluding week 27), with product inflation of approximately 6%. Trading space increased by 11% relative to the position at 24 December 2006 through the opening of 21 Truworths, 20 Identity, two YDE and nine Uzzi stores and the closure of four Truworths stores.

Divisional sales growth

	Sales 30 Dec 2007 27 weeks Rm	Change % 27 weeks on prior period	Change % 26 weeks on prior period
Truworths	1 790	14	10
Truworths Man	538	13	8
Daniel Hechter	390	33	28
Identity	354	39	34
Uzzi	58	32	27
Group retail sales	3 130	19	14
Franchise sales	19	46	46
Accounting reclassifications	(131)		
Sale of merchandise	3 018	20	15
YDE agency sales	126	26	21

The Group's performance under demanding circumstances reflects its single-minded focus on satisfying customer needs, enhancing processes to manage the risk of fashion and other key areas within the business, developing new initiatives and formats, improving efficiencies through targeted spending and increased productivity, increasing trading space prudently and continuing the development of brand integrity. As testimony to the success of this formula, operating profit increased by 27% to R1 037 million, and the operating margin improved from 33% to 34%. The gross margin of 55% remained at a similar level to that in the prior period with expenses growing by 20%, primarily as a result of increased debtors' costs and the expenditure related to the operation of newly opened stores.

The Group continued its investment in world class credit management systems. It also continued to apply strict credit granting criteria during the period which nonetheless saw its active account base at period end expand from approximately 1.5 to 1.8 million accounts. The debtors book grew by 24% during the period. Group credit sales represented 71% of total Group retail sales while 86% of active accountholders were able to purchase at period end versus 89% in 2006.

The increases in the Group's net bad debts and doubtful debt allowances (which are shown below) are at the upper end of management expectations but nevertheless continue to compare favourably with industry norms. The Group maintained its high qualifying payment percentage (one of the highest in the industry) and the quality of the debtors book remains good. The additional interest income earned during the period has adequately offset the increased net bad debt. The allowance for doubtful debts has been increased to 9.8% of the debtors book due to higher net bad debt which is likely to flow from the significant growth in new accounts over the last few years as well as the effects of general economic conditions on consumer behaviour.

Key debtor statistics

	Dec 07	Jun 07	Dec 06
Net bad debt write-off as a % of credit sales	5.1	3.6	3.2
Net bad debt write-off as a % of debtors' book	9.6	6.6	6.6
Doubtful debt allowance as a % of debtors' book	9.8	7.9	7.1

SHARE REPURCHASES

During the period 4 million shares were repurchased at a total cost of R109 million at an average price of R26.77 per share. A total of 21 million shares (4.7% of total shares in issue) are now held as treasury shares.

UZZI MINORITY ACQUISITION

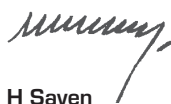
On 1 January 2008, the Group exercised its option to acquire the 49% minority shareholding in Uzzi and now holds 100%. Uzzi now operates 35 stores in the upper-end male fashion market. Trading results to date have exceeded management's expectations.

CEO CONTRACT

The board is pleased to announce that it has concluded an agreement with the Chief Executive to renew his service contract for a further period of three years ending on 30 June 2011. Details of this contract, the material terms of which are substantially in line with those of the existing contract, will be disclosed in the Group's 2008 annual report.

OUTLOOK

Group retail sales of merchandise for the first seven weeks of the second half of the current financial period reflect growth of 16% on the prior comparable period. The retail environment is likely to be a tough one over the forthcoming months. Nonetheless, management anticipates that trading activity in the period to June 2008 is likely to yield satisfactory real earnings growth, as the Group has consistently achieved for many years, albeit at a lower level than was achieved in the 2007 period.



H Saven
Chairman

21 February 2008



MS Mark
Chief Executive Officer

GROUP BALANCE SHEETS

	30 Dec 2007 Unaudited Rm	24 Dec 2006 Unaudited Rm	24 Jun 2007 Audited Rm
ASSETS			
Non-current assets	774	708	755
Property, plant and equipment	496	431	455
Goodwill	72	72	72
Intangible assets	52	56	55
Financial assets	129	149	155
Deferred tax	25	–	18
Current assets	2 988	2 478	2 582
Inventories	420	368	353
Trade and other receivables	2 195	1 838	1 962
Financial assets	13	–	13
Prepayments	5	9	38
Cash and cash equivalents	355	263	216
Total assets	3 762	3 186	3 337
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	45	23	36
Treasury shares	(530)	(528)	(421)
Non-distributable reserve	17	20	23
Retained earnings	3 189	2 764	2 756
Attributable to equity holders of the parent	2 721	2 279	2 394
Minority interest	17	6	10
Total equity	2 738	2 285	2 404
Non-current liabilities	82	103	97
Deferred tax	–	12	–
Post-retirement medical benefit obligation	26	24	25
Cash-settled compensation liability	7	20	23
Straight-line operating lease obligation	49	47	49
Current liabilities	942	798	836
Trade and other payables	770	672	606
Minority interest loan	30	34	30
Provisions	37	26	44
Tax payable	105	66	156
Total liabilities	1 024	901	933
Total equity and liabilities	3 762	3 186	3 337
Number of shares in issue (adjusted for treasury shares)	(millions)		
	430.9	435.5	433.5
Net asset value per share	(cents)		
	635	525	555

GROUP INCOME STATEMENTS

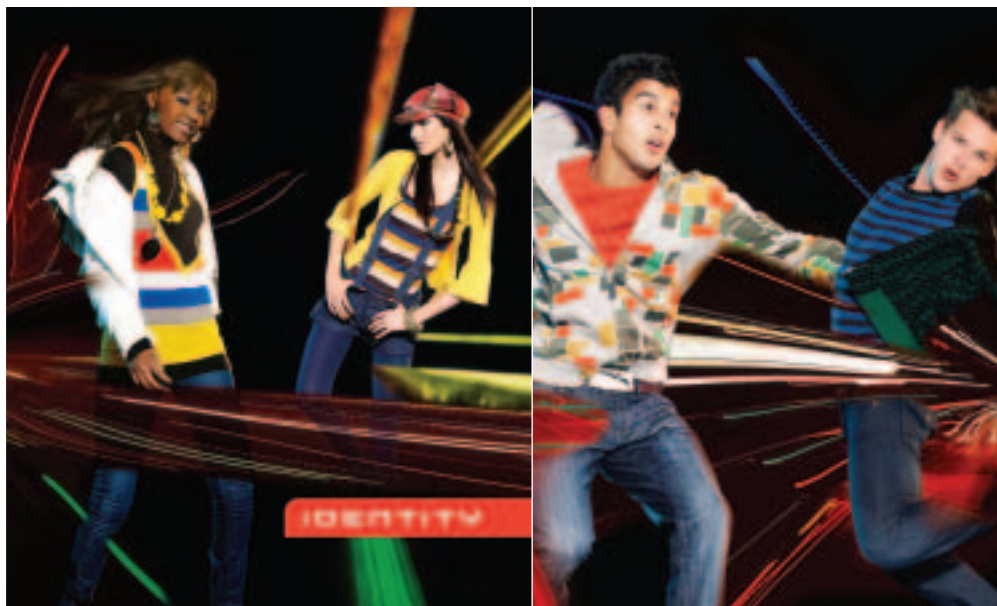
	Note	27 weeks to 30 Dec 2007 Unaudited Rm	26 weeks to 24 Dec 2006 Unaudited Rm	Change %	52 weeks to 24 Jun 2007 Audited Rm
Revenue	3	3 334	2 721	23	5 326
Sale of merchandise		3 018	2 513	20	4 858
Cost of sales		(1 359)	(1 125)		(2 166)
Gross profit		1 659	1 388	20	2 692
Net trading expenses		(863)	(720)	20	(1 420)
Other income		59	46		95
Depreciation and amortisation		(48)	(41)		(82)
Employment costs		(297)	(276)		(557)
Occupancy costs		(186)	(167)		(333)
Other operating costs		(391)	(282)		(543)
Trading profit		796	668	19	1 272
Interest received		241	151		345
Profit before tax		1 037	819	27	1 617
Tax expense		(337)	(265)		(527)
Profit for the period		700	554	26	1 090
Attributable to:					
Equity holders of the parent		693	549		1 080
Minority interest		7	5		10
		700	554		1 090
Dividends per share declared in respect of the period (cents)		72	60	20	120
Basic and headline earnings per share (cents)		159.9	126.5	26	248.6
Fully diluted basic and headline earnings per share (cents)		156.4	122.7	27	242.5
Weighted average number of shares in issue (millions)		433.3	433.9		434.5
Key ratios:					
Gross margin (%)		55	55		55
Net trading expenses to sale of merchandise (%)		29	29		29
Trading margin (%)		26	27		26
Operating margin (%)		34	33		33

GROUP CASH FLOW STATEMENTS

	27 Weeks to 30 Dec 2007 Unaudited Rm	26 Weeks to 24 Dec 2006 Unaudited Rm	52 Weeks to 24 Jun 2007 Audited Rm	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash flow from trading	857	732	1 389	
Cash earnings before interest, tax, depreciation and amortisation	857	732	1 389	
Working capital movements	(110)	(177)	(372)	
Cash generated from operations	747	555	1 017	
Interest received	241	151	345	
Tax paid	(391)	(346)	(549)	
Cash inflow from operations	597	360	813	
Dividends paid	(260)	(195)	(456)	
Net cash from operating activities	337	165	357	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment to maintain operations	(17)	(18)	(31)	
Acquisition of property, plant and equipment to expand operations	(69)	(67)	(117)	
Acquisition of computer software	-	(5)	(8)	
Acquisition of net investment in subsidiary	-	(29)	(29)	
Minority shareholders' loans repaid	-	-	(4)	
Loans receivable advanced	-	(2)	(3)	
Loans receivable repaid	2	3	4	
Acquisition of derivative financial instruments	(14)	(12)	(22)	
Proceeds on disposal of derivative financial instruments	8	4	4	
Settlement of cash-settled compensation liability	(8)	(4)	(4)	
Net cash used in investing activities	(98)	(130)	(210)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on shares issued	9	9	22	
Shares repurchased by subsidiaries	(109)	-	(167)	
Costs incurred in cancelling shares	-	-	(3)	
Funding of post-retirement benefit obligation	-	-	(2)	
Net cash (used in)/from financing activities	(100)	9	(150)	
Net increase/(decrease) in cash and cash equivalents	139	44	(3)	
Cash and cash equivalents at the beginning of the period	216	219	219	
Cash and cash equivalents at the end of the period	355	263	216	
Key ratios:				
Cash flow per share	(cents)	138	83	187
Cash equivalent earnings per share	(cents)	173	142	268

GROUP STATEMENTS OF CHANGES IN EQUITY

	30 Dec 2007 Unaudited Rm	24 Dec 2006 Unaudited Rm
Balance at the beginning of the period	2 394	1 908
Profit for the period	693	549
Effective portion of cash flow hedge	(12)	6
Deferred tax on cash flow hedge	4	-
Dividends paid	(260)	(195)
Premium on shares issued	9	9
Shares repurchased	(109)	-
Share option expense	2	2
Balance at the end of the period	2 721	2 279
Comprising:		
Share capital and premium	45	23
Treasury shares	(530)	(528)
Non-distributable reserve	17	20
Retained earnings	3 189	2 764
Attributable to equity holders of the parent	2 721	2 279
Minority interest	17	6
Total equity	2 738	2 285



1 BASIS OF PREPARATION

The Group's interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting.

The half-year information presented has neither been audited nor reviewed by the Group's external auditors.

2 ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of these financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the period ended 24 June 2007. New accounting standards and interpretations that have become applicable to the Group since that date have been adopted and their impact has not been material.

3 REVENUE

	27 Weeks to 30 Dec 2007 Unaudited Rm	26 Weeks to 24 Dec 2006 Unaudited Rm	Change %	52 Weeks to 24 Jun 2007 Audited Rm
Sale of merchandise	3 018	2 513	20	4 858
Retail sales	2 999	2 500		4 835
Franchise sales	19	13		23
Interest received	241	151		345
Investment interest	17	12		27
Trade receivable interest	224	139		318
Fees earned	60	44		95
Commission	47	35		75
Other	11	8		18
Royalties	2	1		2
Display fees	12	10		21
Lease rental income	3	3		7
	3 334	2 721	23	5 326

4 BASIC AND HEADLINE EARNINGS

During the current and comparative period there was no difference between basic and headline earnings.

5 RESTATEMENT OF COMPARATIVES

Some of the comparative figures relating to the 26-week period to 24 December 2006 have been restated to align with the presentation used in the annual financial statements.

6 SEGMENT REPORTING

The primary segments of the Group have been identified as the Truworths, Uzzi and YDE business units with reference to the Group's internal management structure. This basis is representative of management's review processes and the Group's financial reporting structures. The source and nature of business risks and returns are segmented on the same basis. The Group's main geographical regions consist of southern Africa and outside of southern Africa, based on the location of the Group's customers. Southern Africa comprises South Africa, Namibia, Swaziland, Botswana and Lesotho.

6.1 Primary segments

Rm	Truworths	YDE	UzziCorporate*	Total	
2007					
Segment revenue**	3 218	42	58	16	3 334
Gross profit	1 624	-	35	-	1 659
Segment result	978	20	21	(223)	796
Profit for the period	670	14	15	1	700
Segment assets	5 151	54	74	(1 517)	3 762
Segment liabilities	868	34	72	50	1 024
2006					
Segment revenue**	2 633	32	44	12	2 721
Gross profit	1 362	-	26	-	1 388
Segment result	780	12	15	(139)	668
Profit/(loss) for the period	551	10	11	(18)	554
Segment assets***	3 910	55	66	(845)	3 186
Segment liabilities	796	52	5	48	901

* "Corporate" represents unallocated segments and consolidation entries.

** Segment revenue includes interest on trade receivables.

*** Segment assets includes trade and other receivables.

6.2 Geographical segments

Rm	Southern Africa	Other	Total
2007			
Segment revenue**	3 315	19	3 334
Segment assets***	3 762	-	3 762
2006			
Segment revenue**	2 708	13	2 721
Segment assets***	3 186	-	3 186



7 CAPITAL COMMITMENTS

	30 Dec 2007 Unaudited Rm	24 Dec 2006 Unaudited Rm	24 Jun 2007 Audited Rm
Capital expenditure authorised but not contracted: Plant and equipment	184	85	270

8 EVENTS SUBSEQUENT TO PERIOD END

Acquisition

On 1 January 2008 the Group acquired the 49% shareholding owned by the minorities of Uzzi (Pty) Limited for R65 million. The Group now holds 100% of the share capital.

9 SEASONALITY

Historically there has been no material seasonal variation in trading between the first and second halves of the financial period, however, management is of view that trading for the second half will be at a rate of growth lower than was achieved in the first half due to the fact that the first half comprises an additional week of trading.

10 RELATED PARTY TRANSACTIONS

Related party transactions similar to those disclosed in the Group's annual financial statements for the period ended 24 June 2007 took place during the period.

INTERIM DIVIDEND

The directors have resolved to declare a cash dividend in respect of the 27 weeks ended 30 December 2007 in the amount of 72 (2006: 60) cents per share to holders of the company's shares reflected in the company's register on the record date, being Friday 14 March 2008.

The last day to trade in the company's shares cum dividend is Friday 7 March 2008. Trading in the company's shares ex dividend will commence on Monday 10 March 2008. The dividend will be paid in South African Rand on Monday 17 March 2008.

Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Monday 10 March 2008 to Friday 14 March 2008, both days inclusive.

In accordance with the company's articles of association, the directors have determined that dividends amounting to less than 1 000 cents due to any one holder of the company's shares held in certificated form will not be paid, unless otherwise requested in writing, but aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board



C Durham
Company Secretary

Cape Town
21 February 2008

Truworths International Limited: (Registration number 1944/O17491/06)

JSE Limited code: TRU NSX code: TRW ISIN: ZAE000028296

Registered office: No. 1 Mostert Street, Cape Town 8001. PO Box 600, Cape Town 8000, South Africa

Sponsor in South Africa: Barnard Jacobs Mellet Corporate Finance (Pty) Limited.

Sponsor in Namibia: Old Mutual Investment Services (Namibia) (Pty) Limited

Auditors: Ernst & Young Inc.

Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001. PO Box 61051, Marshalltown 2107, South Africa or Transfer Secretaries (Pty) Limited, Shop 12, Kaiserkrone Centre, Post Street Mall, Windhoek. PO Box 2401, Windhoek, Namibia

Company secretary: C Durham

Directors: H Saven (Chairman)§‡, MS Mark (CEO)*, RG Dow§‡, CT Ndlovu§‡, SM Ngebulana§‡, AE Parfett§‡, AJ Taylor*, MA Thompson§‡ and WM van der Merwe* *Executive §Non-executive ‡Independent





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