UNAUDITED INTERIM GROUP RESULTS

for the 26 weeks ended 28 December 2008

TRUWORTHS INTERNATIONAL

- ▲ SALE OF MERCHANDISE **UP 10%** (14% excluding week 27 of prior period)
- ▲ OPERATING PROFIT **UP 11%** (18% excluding week 27 of prior period)
- ▲ OPERATING MARGIN **REACHES 35%**
- ▲ HEADLINE EARNINGS PER SHARE **UP 16%** (23% excluding week 27 of prior period)
- ▲ DILUTED HEADLINE EARNINGS PER SHARE **UP 16%** (24% excluding week 27 of prior period)
- ▲ INTERIM DIVIDEND **UP 22%**

COMMENTARY

GROUP PROFILE

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

FINANCIAL PERFORMANCE

In a challenging retail environment, Group sale of merchandise for the 26 week trading period to 28 December 2008 ('the period') increased 10% to R3 306 million relative to the 27 week period to 30 December 2007 ('the prior period').

After excluding the additional trading week in the prior period, Group sale of merchandise reflects an increase of 14% (inclusive of comparable store sales growth of 7%), with product inflation of approximately 6%. Trading space increased by 11% relative to the prior period following the opening of 17 Truworths, 18 Identity and 2 Uzzi stand-alone stores and the closure of 6 Truworths stores. At the end of the period, the Group had 475 stores.

Sale of merchandise	28 Dec 2008 26 weeks Rm	% change on prior period (excluding week 27) 2007	% change on prior period (including week 27) 2007
Truworths	**1 892**	10	6
Truworths Man*	**657**	15	10
Daniel Hechter	**428**	14	9
Identity	**438**	28	24
Group retail sales	**3 415**	13	9
Franchise sales	**23**	21	21
Accounting reclassifications	**(132)**	2	2
Sale of merchandise	**3 306**	14	10
YDE agency sales	**127**	5	1

* Includes Truworths Man, Uzzi, Hemisphere, Hemisphere Sport, Studio and Exstream

The Group's performance under demanding trading conditions again reflects the benefits of its clearly defined business model and a focus on satisfying customer needs for quality fashion, together with controlled spending, increased productivity and growth in trading space in appropriate locations.

These strategies have translated into an operating margin of 35% and an 11% increase in operating profit to R1 152 million. The gross margin of 55% remains at a similar level to the prior period. Expenses grew by 11%, primarily as a result of increased occupancy costs owing to the investment in new stores. Inventory levels continue to be well managed, with an inventory turn of 6.4 times.

Headline and basic earnings per share of 184.7 cents reflect a 16% increase (23% excluding week 27 of the prior period) compared to the prior period's 159.9 cents. This is in line with the forecast in the Group's trading statement issued on SENS on 15 January 2009. Diluted headline and basic earnings per share of 181.3 cents were 16% higher (24% excluding week 27 of the prior period) than the 156.4 cents achieved in the prior period. An interim cash dividend of 88 cents a share has been declared, reflecting an increase of 22% over the prior period. Dividend cover remains at 2.1 times headline earnings per share.

The Group statement of financial position continues to be strong, with net asset value per share increasing from 635 cents in the prior period to 772 cents and a return on equity of 51% (53% in the prior period) being achieved.

CREDIT MANAGEMENT

The Group continued to apply its standard credit granting criteria during the period and the active account base grew by 3% from the prior period to approximately 1.8 million accounts, with a 59% rejection rate on new account applications. The growth should be measured against the high base of active accounts established over the last five years during which active accounts have grown by approximately 1 million. Gross trade receivables grew by 9% when compared to the prior period. Group credit sales represented 68% of Group retail sales compared to 71% in the prior period. The lower mix of credit sales reflects the strong sales growth in Identity which is primarily a cash based business. Consistent with the prior period, 87% of active account holders were able to purchase at period-end.

Trade receivable costs increased by 8%, compared to a 61% increase in the prior period. Net bad debts and the allowance for doubtful debts, each as a percentage of gross trade receivables, were 11.9%. However, the additional interest income earned on the debtors' book during the period more than offset the increased net bad debts and associated costs. The Group maintained the qualifying payment percentage of 90% (one of the highest in the industry) necessary for customers to avoid delinquency. Management is satisfied with the improved quality of the debtors' book.

CASH AND FINANCIAL POSITION

The Group remains in a sound cash position, with cash and cash equivalents of R723 million at the end of the period. During the period, the Group increased cash and cash equivalents by R190 million compared to R139 million in the prior period, utilised R147 million to fund share repurchases and spent R80 million to fund capital expenditure.

SHARE REPURCHASES

During the period, 5 million shares were repurchased at an average price of R29.06 per share for a total of R147 million. A total of 29.5 million shares (6.5% of total shares in issue) are now held as treasury shares. Since inception of the repurchase programme in 2002, the company has spent R1.2 billion on share repurchases and 43.4 million shares (purchased at an average cost of R10.95) have been cancelled.

OUTLOOK

Group retail sales for the first seven weeks of the second half of the 2009 financial period reflect a growth of 20% on the prior comparable period, however, management does not expect retail sales to continue at this level. While the decline in interest rates and lower fuel costs are positive for consumers, the retail trading environment remains difficult and management does not expect conditions to materially improve over the remainder of the 2009 period.

The Group will continue to invest in the longer term growth of the business and plans to increase trading space in the second half of the 2009 period by opening 20 new stores across all brands and refurbishing or expanding a further 7 stores. The Group is confident of achieving real earnings growth for the financial period ending June 2009 and remains committed to achieving the financial targets detailed in the Group's 2008 annual report.

H Saven
Chairman

MS Mark
Chief Executive Officer

18 February 2009

INTERIM DIVIDEND

The directors have resolved to declare a cash dividend from retained income in respect of the 26 weeks ended 28 December 2008 in the amount of 88 (2007: 72) cents per share to holders of the company's shares reflected in the company's register on the record date, being Friday, 13 March 2009.

The last day to trade in the company's shares cum dividend is Friday, 6 March 2009. Trading in the company's shares ex dividend will commence on Monday, 9 March 2009. The dividend will be paid in South African Rand on Monday, 16 March 2009.

Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Monday, 9 March 2009 to Friday, 13 March 2009, 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
18 February 2009

Truworths International Limited: (Registration number 1944/017491/06)
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

GROUP STATEMENTS OF FINANCIAL POSITION

	at 28 Dec 2008 Unaudited Rm	at 30 Dec 2007 Unaudited Rm	at 29 June 2008 Audited Rm
ASSETS			
Non-current assets	**896**	774	848
Property, plant and equipment	**557**	496	527
Goodwill	**90**	72	90
Intangible assets	**50**	52	53
Derivative financial instruments	**42**	21	16
Loans and receivables	**97**	108	99
Deferred tax	**60**	25	63
Current assets	**3 491**	2 988	3 055
Inventories	**469**	420	397
Trade and other receivables	**2 280**	2 195	2 077
Derivative financial instruments	**8**	13	5
Prepayments	**11**	5	43
Cash and cash equivalents	**723**	355	533
Total assets	**4 387**	3 762	3 903
EQUITY AND LIABILITIES			
Equity			
Share capital and premium	**60**	45	50
Treasury shares	**(751)**	(530)	(604)
Retained earnings	**3 935**	3 189	3 457
Non-distributable reserves	**35**	17	17
Equity attributable to owners of the parent	**3 279**	2 721	2 920
Minority interest	**–**	17	–
Total equity	**3 279**	2 738	2 920
Non-current liabilities	**110**	82	85
Post-retirement medical benefit obligation	**30**	26	28
Cash-settled compensation liability	**30**	7	7
Straight-line operating lease obligation	**50**	49	50
Current liabilities	**998**	942	898
Trade and other payables	**845**	770	658
Minority interest loans	**–**	30	–
Provisions	**36**	37	43
Tax payable	**117**	105	197
Total liabilities	**1 108**	1 024	983
Total equity and liabilities	**4 387**	3 762	3 903
Number of shares in issue (net of treasury shares) (millions)	**424.7**	430.9	428.3
Net asset value per share (cents)	**772**	635	682
Key ratios			
Return on equity (%)	**51**	53	48
Return on capital (%)	**74**	79	71

GROUP STATEMENTS OF COMPREHENSIVE INCOME

	Note	26 weeks to 28 Dec 2008 Unaudited Rm	27 weeks to 30 Dec 2007 Unaudited Rm	% change	53 weeks to 29 June 2008 Audited Rm
Revenue	3	**3 684**	3 334	10	6 322
Sale of merchandise		**3 306**	3 018	10	5 651
Cost of sales		**(1 493)**	(1 359)		(2 568)
Gross profit		**1 813**	1 659	9	3 083
Other income		**74**	75		146
Trading expenses		**(1 039)**	(938)	11	(1 874)
Depreciation and amortisation		**(53)**	(48)		(96)
Employment costs		**(343)**	(308)		(600)
Occupancy costs		**(239)**	(202)		(415)
Trade receivable costs		**(242)**	(224)		(464)
Other operating costs		**(162)**	(156)		(299)
Trading profit		**848**	796	7	1 355
Interest received		**304**	241	26	525
Profit before tax		**1 152**	1 037	11	1 880
Tax expense		**(365)**	(337)		(596)
Profit for the period		**787**	700	12	1 284
Profit for the period attributable to:					
Owners of the parent		**787**	693	14	1 277
Minority interest		**–**	7		7
		787	700	12	1 284
Other comprehensive income					
Movement in effective portion of cash flow hedge		**15**	(12)		(17)
Deferred tax on movement in effective portion of cash flow hedge		**(4)**	4		5
Other comprehensive income for the period, net of tax		**11**	(8)		(12)
Total comprehensive income for the period		**798**	692	15	1 272
Total comprehensive income attributable to:					
Owners of the parent		**798**	685	16	1 265
Minority interest		**–**	7		7
		798	692	15	1 272
Cents per share:					
Basic and headline earnings		**184.7**	159.9	16	295.6
Fully diluted basic and headline earnings		**181.3**	156.4	16	289.6
Weighted average number of shares in issue (millions)		**426.0**	433.3		432.0
Key ratios					
Gross margin (%)		**55**	55		55
Trading expenses to sale of merchandise (%)		**31**	31		33
Trading margin (%)		**26**	26		24
Operating margin (%)		**35**	34		33

GROUP STATEMENTS OF CASH FLOWS

	26 weeks to 28 Dec 2008 Unaudited Rm	27 weeks to 30 Dec 2007 Unaudited Rm	53 weeks to 29 June 2008 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from trading and cash EBITDA*	**920**	857	1 474
Working capital movements	**(65)**	(110)	(104)
Cash generated from operations	**855**	747	1 370
Interest received	**304**	241	525
Tax paid	**(446)**	(391)	(595)
Cash inflow from operations	**713**	597	1 300
Dividends paid	**(309)**	(260)	(575)
Net cash from operating activities	**404**	337	725
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment to maintain operations	**(16)**	(17)	(32)
Acquisition of property, plant and equipment to expand operations	**(63)**	(69)	(129)
Acquisition of computer software	**(1)**	–	(5)
Net investment in subsidiary	**–**	–	(35)
Minority shareholder loans acquired	**–**	–	(30)
Loans advanced	**(2)**	–	–
Loans repaid	**4**	2	10
Acquisition of derivative financial instruments	**–**	(14)	(18)
Proceeds on disposal of derivative financial instruments	**10**	8	9
Settlement of cash-settled compensation liability	**(9)**	(8)	(9)
Net cash used in investing activities	**(77)**	(98)	(239)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on shares issued	**10**	9	14
Shares repurchased by subsidiaries	**(147)**	(109)	(183)
Net cash used in financing activities	**(137)**	(100)	(169)
Net increase in cash and cash equivalents	**190**	139	317
Cash and cash equivalents at the beginning of the period	**533**	216	216
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**723**	355	533
Key ratios			
Cash flow per share (cents)	**167**	138	301
Cash equivalent earnings per share (cents)	**202**	173	314
Cash realisation rate (%)	**83**	80	96

* Earnings before interest, tax, depreciation and amortisation

GROUP STATEMENTS OF CHANGES IN EQUITY

	28 Dec 2008 Unaudited Rm	30 Dec 2007 Unaudited Rm
Total equity at the beginning of the period	**2 920**	2 404
Total comprehensive income for the period	**798**	692
Dividends paid	**(309)**	(260)
Premium on shares issued	**10**	9
Shares repurchased	**(147)**	(109)
Share option expense	**7**	2
Total equity at the end of the period	**3 279**	2 738
Comprising:		
Share capital and premium	**60**	45
Treasury shares	**(751)**	(530)
Retained earnings	**3 935**	3 189
Non-distributable reserves	**35**	17
Attributable to owners of the parent	**3 279**	2 721
Minority interest	**–**	17
Total equity	**3 279**	2 738
Cents per share:		
Dividends declared in respect of the period	**88**	72

SELECTED EXPLANATORY NOTES

1 **BASIS OF PREPARATION**

The Group's interim financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the presentation and disclosure requirements of IAS 34: Interim Financial Reporting.

The 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 29 June 2008, except for the following:

During the period, the Group adopted earlier than required IAS 1 (revised), 'Presentation of Financial Statements'. Such adoption did not have any material effect on the performance or position of the Group.

The principal effect of this change is as follows:

- The revised standard affects the presentation of owner changes in equity and comprehensive income.
- Under the revised standard, all owner changes in equity are presented in the Group statements of changes in equity while all non-owner changes in equity are presented under 'other comprehensive income', a component of the Group statements of comprehensive income.
- In addition, the titles 'balance sheets' and 'cash flow statements' are replaced by 'statements of financial position' and 'statements of cash flows' respectively.

As a result of the above, the disclosure changes are as follows:

- The movement in the effective portion of the cash flow hedge and the related deferred tax is presented under 'other comprehensive income' in the statements of comprehensive income, whereas previously it was disclosed in the statements of changes in equity.
- Similarly, the items above, together with profit for the period, are replaced by 'total comprehensive income' in the statements of changes in equity.

	26 weeks to 28 Dec 2008 Unaudited Rm	27 weeks to 30 Dec 2007 Unaudited Rm	% change	53 weeks to 29 June 2008 Audited Rm
3 **REVENUE**				
Sale of merchandise	**3 306**	3 018	10	5 651
Retail sales	**3 283**	2 999		5 617
Franchise sales	**23**	19		34
Interest received	**304**	241		525
Investment interest	**33**	17		37
Trade receivables interest	**271**	224		488
Other income	**74**	75		146
Commission	**42**	47		86
Royalties	**2**	2		2
Lease rental income	**4**	3		8
Display fees	**14**	12		26
Other	**12**	11		24
Total	**3 684**	3 334	10	6 322

4 **RESTATEMENT OF COMPARATIVE FIGURES**

Some of the comparative figures relating to the 27 week period to December 2007 have been restated to align with the presentation used in the annual financial statements for the period ended 29 June 2008.

5 **SEGMENT REPORTING**

The Group's reportable segments have been identified as the Truworths and YDE business units:

- Truworths is a retailer in fashion apparel providing a local blend of clothing and other products to women, men and children.
- YDE retails, on an agency basis, the clothing and other related products of emerging South African designers.

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 evaluated based on sales and operating profit or loss.

28 December 2008		Truworths Rm	YDE Rm	Corporate# Rm	Group Rm
Total third party revenue*		**3 640**	**44**	**–**	**3 684**
Depreciation and amortisation		**51**	**2**	**–**	**53**
Interest received		**303**	**1**	**–**	**304**
Profit for the period		**770**	**15**	**2**	**787**
Profit before tax		**1 129**	**21**	**2**	**1 152**
Tax expense		**(359)**	**(6)**	**–**	**(365)**
Segment assets**		**6 368**	**96**	**(2 077)**	**4 387**
Segment liabilities		**1 154**	**18**	**(64)**	**1 108**
Capital expenditure		**80**	**–**	**–**	**80**
Gross margin	%	**55**	**–**	**–**	**55**
Trading margin	%	**25**	**45**	**–**	**26**
Operating margin	%	**34**	**48**	**–**	**35**
Inventory turn	times	**6.4**	**–**	**–**	**6.4**
Credit : cash sales mix	%	**68:32**	**21:79**	**–**	**68:32**
30 December 2007					
Total revenue*		3 233	45	56	3 334
Third party		3 233	43	58	3 334
Inter-segment		–	2	(2)	–
Depreciation and amortisation		45	2	1	48
Interest received		239	1	1	241
Profit for the period		670	14	16	700
Profit before tax		993	20	24	1 037
Tax expense		(323)	(6)	(8)	(337)
Segment assets**		5 450	85	(1 773)	3 762
Segment liabilities		961	37	26	1 024
Capital expenditure		83	3	–	86
Gross margin	%	55	–	–	55
Trading margin	%	25	45	–	26
Operating margin	%	34	47	–	34
Inventory turn	times	6.4	–	–	6.4
Credit : cash sales mix	%	72:28	21:79	–	71:29

* Segment revenue includes interest on trade receivables
** Segment assets include trade and other receivables
\# 'Corporate' represents unallocated segments and consolidation entries

Third party revenue	28 Dec 2008 Rm	%	30 Dec 2007 Rm	%
South Africa	**3 573**	97	3 249	97
Namibia	**64**	2	47	1
Swaziland	**24**	1	19	1
Franchise sales	**23**	–	19	1
Botswana	**9**	–	8	–
Middle East	**5**	–	5	–
Rest of Africa	**9**	–	6	–
Total third party revenue	**3 684**	100	3 334	100
Non-current assets^				
South Africa	**692**		614	
Namibia	**4**		5	
Swaziland	**1**		1	
Total non-current assets	**697**		620	

^ Non-current assets represent property, plant and equipment, goodwill and intangible assets

	28 Dec 2008 Unaudited Rm	30 Dec 2007 Unaudited Rm	29 Jun 2008 Audited Rm
6 **CAPITAL COMMITMENTS**			
Capital expenditure authorised but not contracted:			
Store development	**75**	80	145
Head office refurbishment	**12**	9	13
Warehousing facilities	**66**	58	69
Computer infrastructure	**25**	37	31
	178	184	258
Capital expenditure authorised and contracted:			
Land	**11**	–	11

7 **EVENTS SUBSEQUENT TO PERIOD-END**

No event, material to the understanding of the unaudited Group interim results, has occurred between the end of the interim period and date of approval.

8 **SEASONALITY**

Historically there has been no material seasonal variation in trading between the first and second halves of the financial period.

9 **RELATED PARTY TRANSACTIONS**

Related party transactions similar to those disclosed in the Group's annual financial statements for the period ended 29 June 2008 took place during the period.

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