INTEGRATED ANNUAL REPORT **2012**

ADDITIONAL INFORMATION

TRUWORTHS INTERNATIONAL

CORPORATE SOCIAL INVESTMENT REPORT

SOCIAL INVESTMENT POLICY

Corporate social investment (CSI) contributes to the sustainable socio-economic development of the country and is an important element of the Group's transformation strategy.

The Group's CSI programme focuses primarily on healthcare, with a secondary focus on education, social development, sport, arts and culture.

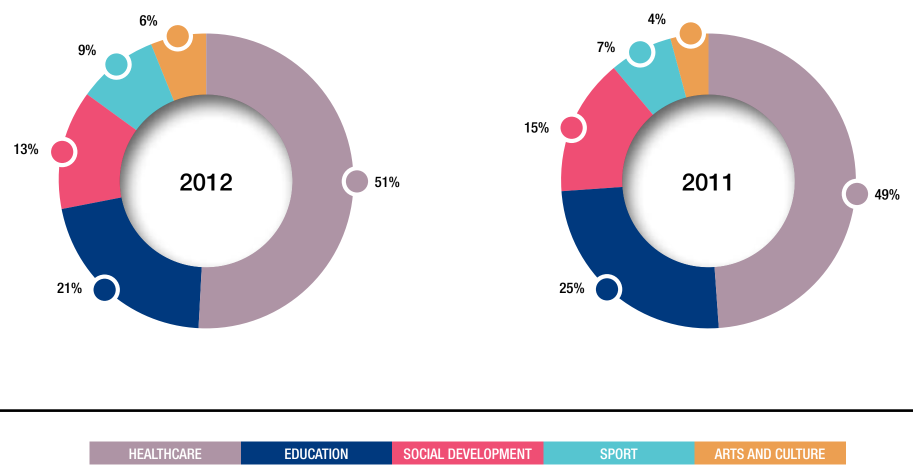
Improving access to healthcare is one of the main social priorities facing South Africa. Financial support from the private sector is critical to create a more efficient healthcare system in the country as less than 20% of the population has healthcare cover. The Group's financial support for improving public healthcare increased to 51% (2011: 49%) of the Group's annual CSI expenditure in 2012.

The Group has also realigned the CSI policy in recent years to invest in fewer but more substantial projects to make a greater impact on uplifting people from disadvantaged communities.

To qualify for funding from one of the Group's CSI trusts, projects should either require once-off funding or have the potential to become self-sustaining. The CSI team engages with the stakeholders of each project to understand the needs of the beneficiaries, rather than merely providing funding. This approach builds mutual trust and respect, and has enabled the Group to become more involved in the communities and projects it supports.

The footprint of the CSI projects is being extended beyond the Western Cape to align with the Group's expanding customer base and store presence.

INVESTMENT BY FOCUS AREA



FUNDING THE CSI PROGRAMME

The CSI programme is funded through charitable trusts which were established to accumulate funds that would ultimately enable the programme to become self-sustaining. The investments held by the trusts totalled R139.1 million (2011: R120.4 million) at the end of the financial period. The income earned on these investments provides the primary source of CSI distributions.

Truworths Social Involvement Trust	Truworths Community Foundation	Truworths Chairman's Foundation
Objective: Supports organisations and projects that do not qualify for tax-exempt status.	**Objective:** Supports beneficiaries with public benefit organisation status.	**Objective:** Supports beneficiaries with public benefit organisation status that are approved in terms of section 18A of the Income Tax Act.
Trustees: Divisional director: Human Resources Finance Executive Human Resources Executive	**Trustees:** Divisional Director: Human Resources Finance Executive Human Resources Executive	**Trustees:** Chairman of Truworths International Chief Executive Officer Finance Executive
Investments at period-end: R94.2 million	**Investments at period-end:** R39.7 million	**Investments at period-end:** R5.2 million

SUPPORTING AREAS OF SOCIAL NEED

HEALTH

The CSI programme has continued to invest in 'bricks and mortar' infrastructure through the upgrading of health facilities in disadvantaged areas. Following the completion of renovations to the Leratong Provincial Hospital in Gauteng and the Hanover Park Maternity Obstetric Unit in the Western Cape, the Group has committed to fund renovations at the Itilereng Clinic in Dobsonville, Gauteng which will be completed in the 2013 financial period. Around 200 000 patients have benefitted from these improvements during the period under review.

Other healthcare projects include sponsorship of a nurse at the Won Life Clinic in Fisantekraal and support for the Desmond Tutu HIV Foundation Youth Centre in Masiphumelele, both in the Western Cape.

EDUCATION

Primary, secondary and tertiary educational institutions were again supported by the Group's charitable trusts. Funding was provided for ballet, chess and art programmes for the Observatory Junior School in Cape Town and for the entrepreneurship module at Tsiba College. The Cape Town Holocaust Centre received assistance with educational resources for a school outreach programme.

As the Group has increased its focus on healthcare, certain of the educational programmes which have been funded over many years are now well established and support for these projects has not been renewed.

SOCIAL DEVELOPMENT

Support for the Sisanda FunDaytion enabled more than 650 children from orphanages and disadvantaged homes in the Western Cape to participate in educational outings.

SPORT

Ballroom and Latin American dance classes for able-bodied and disabled youth have been supported through the CSI programme for over 13 years. The Group sponsored 300 youngsters from 15 schools to participate in the annual Western Cape Open Differently-abled Ballroom and Latin American Dance championships. Five disabled dancers participated in an international wheelchair event in the Netherlands.

Financial support for basketball enabled eight Truworths Future Stars teams to compete in the 2012 Western Cape Basketball Association league, with nine players being selected for the Western Province basketball team.

ARTS AND CULTURE

The Group's support for the Good Hope Art Residency project at the Castle of Good Hope in Cape Town continued to provide disadvantaged emerging artists with a creative working environment. Through this programme, 46 young artists were given the opportunity to network and attend workshops, and exhibit and sell their work at the Group's head office.

A partnership with the Friends of the National Gallery provided continued support for the Meaningful Access programme which arranges musical and tactile workshops for visually and hearing impaired youth.

ASSISTING CHILDREN OF EMPLOYEES

The Group recognises that children are the future and that education is a critical part of their development. The Operation Education scheme offers grants to employees at lower income levels for the education of their children from primary school through to tertiary education. Funding is also provided to employees with disabled children requiring specialised schooling or equipment. Over 580 children benefitted from these grants.

An Enviro Club, which is managed by employees in Gauteng and supported by the CSI programme, arranges outings to educational and environmental projects for employees' children.

ENCOURAGING EMPLOYEE PARTICIPATION

Employees are encouraged to demonstrate their commitment to social upliftment by contributing time, money or in-kind donations. Donations made by employees through fund-raising projects such as the M'October Beard Fest and Mandela Day were again used to assist the Saartjie Baartman Centre (for abused women and children) and Home from Home (community-based foster care homes for children).

A portion of the CSI budget is allocated to the Group's regional offices to support worthy causes in their areas. In the past year assistance was provided to Rock a Bye House, Abraham Kriel Children's Home, Jacaranda Children's Home, Aurora Special Care Centre and Thutong Pre-primary School.

Employees continued to demonstrate their generosity by supporting seasonal drives for charitable donations such as the annual Toys for Charity campaign in November and the winter clothing collection in June.

CLOTHING DONATIONS TO CHARITY

More than 157 000 units of quality-rejected clothing and samples with a charitable value of over R1 million were donated to community organisations during the financial period. The CSI team works with these charities to ensure the merchandise can be used by remodeling garments and fabric, and in the process prevents large quantities of fabric being consigned to landfill sites.

Enterprise development is stimulated through our charity write-off programme via The Clothing Bank, which received 24% of our quality-rejected garments. Their enterprises development project trains and then enables women from disadvantaged communities to set up micro businesses repairing and selling this merchandise in their communities.

SUMMARY OF DONATIONS AND PROJECT SUPPORT

		2012	2011
Donations by the Group to the CSI trusts	(R'000)	**11 853**	18 178
Donations of merchandise for distribution to charities	(R'000)	**1 061**	1 256
Total donations by the Group	(R'000)	**12 914**	19 434
Total donations by the Group as a percentage of after-tax profit	(%)	**0.6**	1.0
CSI disbursements and funds committed by the trusts	(R'000)	**2 720**	3 098
Number of CSI projects supported during the period		**33**	38
Number of beneficiaries assisted in ongoing projects		**3 450**	3 705
Number of CSI projects supported for over 10 years		**6**	11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RISK REPORT

Risk governance and management are integral elements of the Group's corporate governance framework. These elements aim to ensure business specific operational and strategic risks, emerging risks, as well as risks posed by the external environment, are adequately and timeously identified and mitigated. The board confirms that the Group's risk management, mitigation and monitoring processes have been effective in limiting the impact of risks on the business during the 2012 financial period.

RESPONSIBILITY FOR RISK MANAGEMENT

The board of Truworths International is accountable for risk governance and has delegated responsibility for risk management to the Truworths board. Specific oversight of risk management is the function of the Risk Committee of the Truworths board.

This committee ensures management has identified, assessed, mitigated and managed the significant risks facing the business and has developed a suitable risk management methodology and culture within the Group. The chairman of the Risk Committee reports on the committee's activities to the Truworths International and Truworths boards, as well as to the Truworths International Audit Committee.

An enterprise-wide risk management approach, based on the King III principles, aims to ensure that all areas of the business are aligned with the Group's risk management philosophy and strategy. The committee comprises two directors of Truworths International, a director of Truworths, Divisional Director: Information Systems, Divisional Director: Human Resources, Group Risk Manager, Company Secretary, Internal Audit Manager and Finance Executive.

An external consultant is retained to assist with the Group's risk governance and management processes and to periodically benchmark the risk maturity profile of the Group relative to its peers in South Africa and against the King III risk governance principles.

KEY RISKS

The Group Risk Manager co-ordinates the risk management process whereby risks, controls and mitigation plans are determined by operating business units at least annually. These risks are documented in a risk register and are rated in terms of likelihood of occurrence and impact. Senior management is required to satisfy the Risk Committee that suitable policies have been adopted and processes have been implemented to manage the risks adequately.

The overall risk profile of the Group has not changed materially in the period under review.

FINANCIAL RISKS

The Group is exposed to financial risks through currency, interest rate and market exposures. These risks are managed through various measures, including a comprehensive board-approved treasury policy which sets parameters designed to limit any negative impact on financial performance. Compliance with this policy is monitored by the Investment Committee and is subject to periodic review by the Internal Audit department.

Derivative financial instruments are used to hedge foreign exchange exposure resulting from offshore procurement and to meet the Group's obligations under the cash-settled compensation scheme. Exposure to foreign currency exchange rate fluctuations arise from the import of merchandise into South Africa and certain capital investment in information technology and warehousing equipment. No speculative foreign exchange trading is permitted. Exposures remained within the board-approved limits of authority throughout the financial period.

Forward cover contracts are purchased to cover all committed South African import exposures and there were no uncovered foreign currency liabilities at the end of the reporting period.

A summary of the Group's financial risk management and specific exposures is contained in note 24.2 to the Group annual financial statements. The Risk Committee believes that the financial risks are sufficiently mitigated not to warrant inclusion in the Group's key risks.

KEY RISKS IN 2013

The Risk Committee has made the following changes to the register of key risks for the 2013 financial period:

- The proposed amendments to labour legislation have been included as a top risk. The Labour Relations Amendment Bill and the Basic Conditions of Employment Amendment Bill could impact on the flexi-time work force and significantly increase the Group's employment costs. The Retailers' Association is engaging with the legislators on behalf of the retail sector, highlighting the cost impact and potential job losses of the proposed legislation.
- The risks relating to the 'Consumer Protection Act', and 'Legacy information technology

applications' were transferred from the key risk register to the register of mitigated risks as the probability of these risks affecting the business has been mitigated or reduced in the past financial period.

EMERGING RISKS

Emerging risks are also identified and assessed in line with the Group's risk management principles. The following risks have been included on the emerging risks register:

- Competition in the fashion retail sector is intensifying with the entry of foreign apparel chains into the South African market and the improving performance of local competitors. The Group believes that if the right fashion is available in its stores it will continue to attract customers, regardless of the level of competitor activity.
- The Protection of Personal Information (POPI) Bill is expected to be promulgated during the 2013 financial period. A project team is assessing the impact of the proposed legislation, with a focus on the usage, security, storage and transmission of the personal information of the Group's credit customers. Companies will have a transitional period, expected to be no less than 12 months, to implement the provisions of POPI and management is currently confident that the Group will be substantially compliant when the legislation comes into operation.

KEY RISKS FOR THE 2013 FINANCIAL PERIOD

Risk	Risk status	Definition of risk	Risk mitigation plans	Impact indicator
Changes to labour legislation	1	Proposed changes to labour legislation in the form of the Labour Relations Amendment Bill and the Basic Conditions of Employment Amendment Bill could impact on flexi-time work force and significantly increase employment costs.	• Proposed legislation open for public comment. • Retailers' Association engaging with legislators on behalf of the retail sector, highlighting cost impact and potential job losses from proposed legislation.	*
Managing the risk of credit	2	Credit facilities are granted to customers to grow the active account base and to facilitate retail sales growth. Credit needs to be granted in a responsible manner without compromising the health of the portfolio and affecting returns to shareholders.	• Ongoing growth in active account base. • Credit granting processes have been consistently applied using advanced analytics, credit scorecards and models. • Regular scorecard development and alignment. • Credit collection strategies constantly refined. • Champion / challenger methodology.	2
Managing the risk of fashion	2	As a leading apparel retailer the Group needs to ensure that quality fashion is provided to customers each season at appropriate margins.	• Proven processes and key executive interventions throughout the product life cycle are aimed at managing and mitigating the risk of fashion. • Suppliers are managed to ensure risk is spread across the supply chain. • Gross margin to be held within target range. • Markdowns to be maintained within comparative benchmarks through rigorous inventory management disciplines. • Inventory turn to be managed within target range.	2

RISK REPORT

Risk	Risk status	Definition of risk	Risk mitigation plans	Impact indicator
Availability of information technology systems (IT)	2	IT systems are critical to enable the Group to trade and to process customer transactions.	• Business continuity plans, disaster recovery facilities and back-up processes are in place. • Alternative Unix based technology to centralised mainframe allows for seamless switching between the two. • Network with multiple levels of redundancy installed. • Stores can trade offline for an extended period.	2
Warehousing facilities	2	Organic growth in the business has resulted in the need to expand distribution and warehousing capacity.	• Capital expenditure of R43 million committed for 2013 for distribution facilities. • Land purchased adjacent to Truworths Distribution Centre (TDC) to build third distribution centre. Construction to commence during 2013 financial period. • A third distribution facility will limit the risk of disruption to the supply chain. • Business continuity plan regularly reviewed and tested. • Adequate measures to ensure safety against fire, flooding and crime. • Insurance cover regularly reviewed.	2
Key supplier dependency	2	Merchandise that is locally sourced could potentially be at risk if the supplier base is eroded and unable to meet demand.	• The Group has a base of committed suppliers. • Suppliers are subject to stringent risk assessment to ensure contingency for loss of production facilities and key personnel. • Alternative suppliers can be sourced locally. • International supply can be expanded through in-house sourcing expertise. • Merchandise orders are spread across supplier base to limit risk of an individual supplier failing.	2
Point-of-sale (POS) system implementation	2	A new POS system is being introduced into stores to replace a legacy system. The project has significant change management implications and potential implementation risk.	• Dedicated project management team with internal and external expertise. • Extended pilot phase undertaken before POS system rolled out to stores on a phased basis to limit integration risk. POS system installed in over 70 stores at period-end and in 390 stores at date of completion of this report. • Project designed to limit impact on merchandise distribution and customer management systems.	3
Transformation	2	Compliance with BBBEE codes and regulations, together with a commitment to transformation, is fundamental to the sustainability of the Group.	• Employment equity plans and targets to 2014 approved by Department of Labour. • Management has retained an external consultant to advise the Group with a view to ensuring compliance.	3

Risk	Risk status	Definition of risk	Risk mitigation plans	Impact indicator
Loss of head office building	3	The loss of the head office building could affect service to store operations and impact service levels to customers.	• Business continuity plans for head office. • Disaster recovery plans developed and regularly reviewed. • Fire protection systems installed. • Insurance cover regularly reviewed. • Alternative facilities have been identified and network infrastructure installed.	3
Loss of key executives and staff	3	Executives and staff are skilled and experienced and in demand both locally and internationally.	• Board-approved succession management plans for all key executives. • Competitive remuneration and incentive schemes offered to enhance retention. • Effective contractual arrangements with key executives, including extended notice periods and restraints of trade. • Development programmes to enhance pool of leadership skills. • Merchant trainee programme develops graduates for roles in merchandise functions and support services.	3

* Too early to quantify the potential impact as the proposed legislation is still open for comment.

RISK STATUS KEY

1 Immediate and present danger

2 Some risk but not imminent

3 Some risk but not likely

IMPACT INDICATOR KEY

1 Intolerable losses

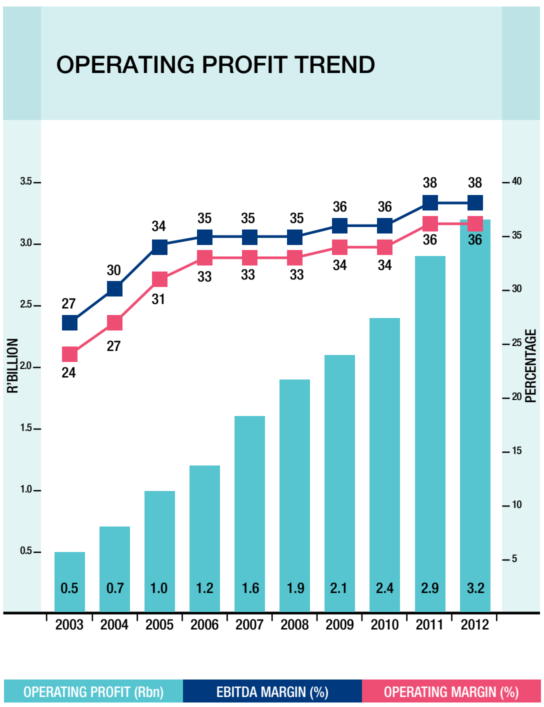
2 Tolerable losses

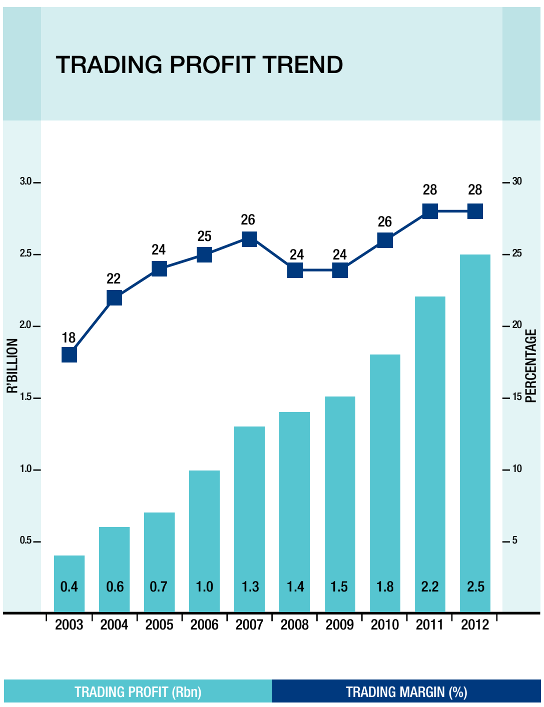
3 No losses

TEN YEAR REVIEW

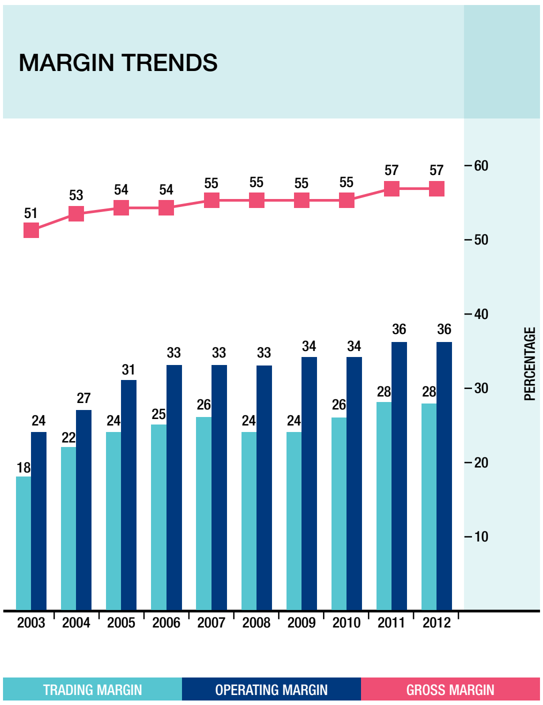
Period Number of weeks	10-year compound growth %	2012 53 Rm	2011 52 Rm
STATEMENTS OF COMPREHENSIVE INCOME			
Sale of merchandise	16	**8 830**	7 858
Cost of sales	15	**(3 820)**	(3 403)
Gross profit	17	**5 010**	4 455
Other income*		**208**	189
Trading expenses	15	**(2 759)**	(2 421)
Depreciation and amortisation	9	**(138)**	(129)
Employment costs	13	**(890)**	(828)
Occupancy costs	16	**(746)**	(652)
Trade receivable costs	24	**(533)**	(390)
Other operating costs	14	**(452)**	(422)
Trading profit	21	**2 459**	2 223
Interest received	23	**728**	637
Dividends received		**3**	–
Profit before finance costs, discontinued operations and tax	22	**3 190**	2 860
Finance costs		**–**	–
Profit before discontinued operations and tax		**3 190**	2 860
Discontinued operations		**–**	–
Profit before tax	22	**3 190**	2 860
Tax expense		**(965)**	(917)
Profit for the period	23	**2 225**	1 943
Minority interest		**–**	–
Profit for the period fully attributable to owners of the parent	23	**2 225**	1 943

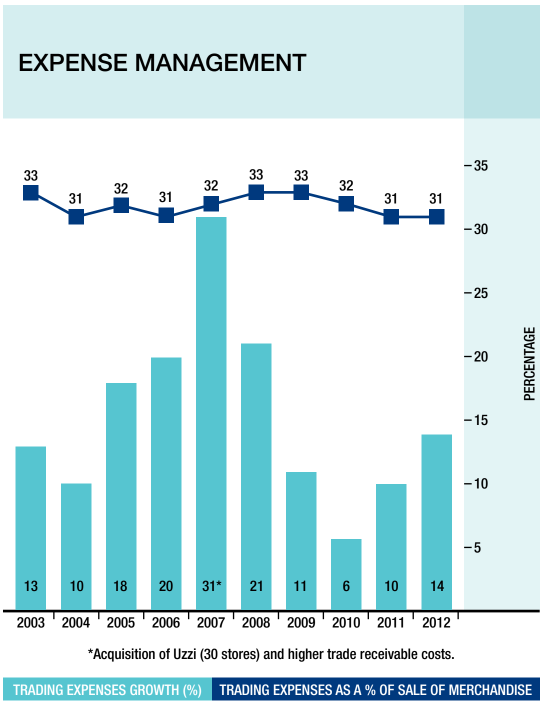
* Other income has been separately disclosed since 2005.





2010 52 Rm	2009 52 Rm	2008 53 Rm	2007 52 Rm	2006 52 Rm	2005 52 Rm	2004 52 Rm	2003 52 Rm
6 937	6 247	5 651	4 858	3 816	3 115	2 719	2 306
(3 098)	(2 817)	(2 568)	(2 166)	(1 765)	(1 443)	(1 287)	(1 141)
3 839	3 430	3 083	2 692	2 051	1 672	1 432	1 165
162	153	146	123	81	58	–	–
(2 201)	(2 083)	(1 874)	(1 543)	(1 178)	(985)	(834)	(761)
(121)	(109)	(96)	(82)	(74)	(65)	(69)	(67)
(759)	(672)	(600)	(539)	(442)	(384)	(349)	(304)
(582)	(496)	(415)	(361)	(272)	(232)	(201)	(179)
(385)	(432)	(464)	(280)	(156)	(107)	(81)	(79)
(354)	(374)	(299)	(281)	(234)	(197)	(134)	(132)
1 800	1 500	1 355	1 272	954	745	598	404
560	614	525	345	290	234	148	144
–	–	–	–	–	–	–	–
2 360	2 114	1 880	1 617	1 244	979	746	548
–	–	–	–	–	–	–	(1)
2 360	2 114	1 880	1 617	1 244	979	746	547
–	–	–	–	–	–	15	(1)
2 360	2 114	1 880	1 617	1 244	979	761	546
(756)	(680)	(596)	(527)	(420)	(328)	(243)	(159)
1 604	1 434	1 284	1 090	824	651	518	387
–	–	(7)	(10)	(1)	(3)	(1)	–
1 604	1 434	1 277	1 080	823	648	517	387





TEN YEAR REVIEW

Period Number of weeks	10-year compound growth %	2012 53 Rm	2011 52 Rm
STATEMENTS OF FINANCIAL POSITION			
Assets			
Non-current assets	11	**1 197**	1 093
Current assets#	19	**5 720**	5 131
Total assets	17	**6 917**	6 224
Equity and liabilities			
Attributable to owners of the parent		**5 981**	5 046
Minority interest		**–**	–
Total equity	20	**5 981**	5 046
Non-current liabilities		**97**	84
Current liabilities		**839**	1 094
Total equity and liabilities		**6 917**	6 224
# Included in current assets:			
Cash and cash equivalents	28	**1 560**	1 489
Trade and other receivables	18	**3 421**	3 033
Inventories	16	**670**	530
STATEMENTS OF CASH FLOWS			
Cash flows from trading and cash EBITDA*	20	**2 653**	2 411
Working capital movements		**(802)**	(425)
Cash generated from operations	22	**1 851**	1 986
Net interest received		**728**	637
Dividends received		**3**	–
Tax paid		**(964)**	(895)
Cash inflow from operations	27	**1 618**	1 728
Dividends paid	33	**(1 281)**	(968)
Net cash from operating activities		**337**	760
Net cash used in investing activities**		**(229)**	(275)
Net cash (used in)/from financing activities***		**(37)**	(314)
Net increase/(decrease) in cash and cash equivalents		**71**	171
Net cash inflow from discontinued operations		**–**	–
Net increase/(decrease) in cash and cash equivalents for the period		**71**	171
* Earnings before interest received, tax, depreciation and amortisation.			
** Included in net cash used in investing activities:			
Acquisition of property, plant, equipment and computer software to maintain or expand operations		**(226)**	(186)
Net investments in subsidiaries (exclude minority interest loans acquired)		**–**	–
*** Included in net cash (used in)/from financing activities:			
Shares repurchased by subsidiaries		**(83)**	(394)

2010 52 Rm	2009 52 Rm	2008 53 Rm	2007 52 Rm	2006 52 Rm	2005 52 Rm	2004 52 Rm	2003 52 Rm
997	927	848	755	574	499	449	409
4 412	3 579	3 055	2 582	2 060	2 119	1 639	1 431
5 409	4 506	3 903	3 337	2 634	2 618	2 088	1 840
4 371	3 551	2 920	2 394	1 908	1 823	1 455	1 302
–	–	–	10	–	13	12	–
4 371	3 551	2 920	2 404	1 908	1 836	1 467	1 302
97	94	85	97	87	99	127	154
941	861	898	836	639	683	494	384
5 409	4 506	3 903	3 337	2 634	2 618	2 088	1 840
1 318	767	533	216	219	606	454	445
2 561	2 281	2 077	1 962	1 519	1 201	963	796
450	463	397	353	290	260	198	169
1 934	1 661	1 474	1 389	1 050	820	674	481
(216)	(246)	(104)	(372)	(274)	(233)	(139)	(53)
1 718	1 415	1 370	1 017	776	587	535	428
560	614	525	345	288	232	144	140
–	–	–	–	–	–	–	–
(711)	(777)	(595)	(549)	(563)	(261)	(205)	(123)
1 567	1 252	1 300	813	501	558	474	445
(785)	(683)	(575)	(456)	(362)	(266)	(194)	(118)
782	569	725	357	139	292	280	327
(211)	(191)	(239)	(210)	(144)	(77)	(88)	(56)
(20)	(144)	(169)	(150)	(382)	(36)	(193)	39
551	234	317	(3)	(387)	179	(1)	310
–	–	–	–	–	–	10	1
551	234	317	(3)	(387)	179	9	311
(216)	(198)	(166)	(156)	(107)	(102)	(61)	(63)
–	–	(35)	(29)	(26)	–	(26)	–
(34)	(159)	(183)	(167)	(398)	(55)	(195)	(13)

SHARE STATISTICS

Period Number of weeks			10-year compound growth % or 10-year average (Av.)	**2012** **53**	2011 52
PERFORMANCE ON JSE					
Traded share prices					
period-end	(cents per share)			**8 952**	6 833
high	(cents per share)			**9 290**	7 700
low	(cents per share)			**6 394**	5 240
weighted average	(cents per share)			**7 749**	6 648
Price earnings ratio				**17**	15
Share price index	(1998: 400 = 100)			**2 238**	1 708
JSE General Retailers Index	(1998: 9 551 = 100)			**598**	417
Period-end share price/net asset value per share	(times)			**6**	6
Number of shares in issue	(000's)			**461 810**	459 999
Number of shares in issue adjusted for treasury shares	(000's)			**423 967**	423 352
Volume of shares traded	(000's)			**324 298**	415 975
Number of transactions				**351 902**	362 525
Volume traded as a % of number of shares in issue	(%)			**70**	90
Value of shares traded	(Rm)			**25 130**	27 653
Market capitalisation (excluding treasury shares)	(Rm)			**37 954**	28 928
Market capitalisation (including treasury shares)	(Rm)			**41 341**	31 432
Foreign ownership	(%)			**65**	64
SHARE PERFORMANCE					
Basic earnings	(cents per share)		23	**526.3**	455.8
Headline earnings	(cents per share)		24	**526.7**	456.0
Headline earnings growth				**16**	21
Cash flow	(cents per share)			**383**	405
Cash equivalent earnings	(cents per share)			**566**	499
Net asset value	(cents per share)		20	**1 411**	1 192
Dividends declared	(cents per share)		31	**326**	262
Dividends declared growth				**24**	31
Dividend yield	(%)			**4**	4
Cumulative shares repurchased*	(Rm)			**1 748**	1 665
Cumulative shares repurchased*	(000's)			**81 258**	80 062
Shareholders' return	(%)	Av.	42	**36**	27

* Includes shares previously repurchased and cancelled – 36 million (cost of R275 million) in 2007 and 7 million (cost of R200 million) in 2006.

2010	2009	2008	2007	2006	2005	2004	2003
52	52	53	52	52	52	52	52
5 575	3 690	2 190	3 600	2 055	1 740	1 011	730
5 827	4 100	3 950	4 499	2 949	1 880	1 060	800
3 600	2 112	2 060	1 925	1 700	1 000	715	530
4 499	3 198	2 931	3 001	2 421	1 505	903	623
15	11	7	14	11	12	9	9
1 394	923	548	900	514	435	253	183
349	232	197	343	235	207	130	87
5	4	3	6	5	4	3	3
456 109	454 956	452 995	450 773	482 915	487 241	482 732	476 385
425 258	424 909	428 342	433 464	433 891	447 498	446 374	460 444
598 359	635 477	692 403	551 772	398 943	236 232	204 582	213 396
274 862	203 023	120 507	87 632	45 211	21 950	13 972	9 538
131	140	153	122	83	49	42	45
26 922	20 321	20 293	16 557	9 658	3 555	1 847	1 329
23 708	15 679	9 381	15 605	8 916	7 786	4 513	3 361
25 428	16 788	9 921	16 228	9 924	8 478	4 880	3 478
60	48	49	50	35	17	10	12
377.7	337.2	295.6	248.6	186.4	144.8	113.0	84.9
377.9	337.6	295.6	248.6	186.4	144.8	110.0	85.8
12	14	19	33	29	32	28	36
369	294	301	187	114	125	104	98
412	378	314	268	202	152	126	98
1 028	836	682	555	440	407	326	282
200	171	144	120	89	69	48	34
17	19	20	35	29	44	41	55
4	5	7	3	4	4	5	5
1 271	1 237	1 079	895	728	330	275	80
74 266	73 462	68 067	60 723	56 223	39 743	36 358	15 768
57	76	(35)	81	23	79	45	28

RATIOS

Period Number of weeks			10-year compound growth (%) or 10-year average (Av.)	**2012** **53**	2011 52
RETURNS					
Return on equity	(%)	Av.	42	**40**	41
Return on capital	(%)	Av.	62	**58**	61
Return on assets	(%)	Av.	43	**46**	46
Asset reinvestment rate*	(:1)	Av.	1.5	**1.5**	1.3
Return on invested capital (ROIC)	(%)	Av.	27	**26**	28
Weighted average cost of capital (WACC)	(%)	Av.	14	**13**	13
ROIC divided by WACC	(times)	Av.	2.0	**2.0**	2.2
PRODUCTIVITY					
Sale of merchandise per full-time equivalent (FTE) employee**	(R'000)	%	8	**1 233**	1 129
Sale of merchandise per store**	(R'000)	%	8	**15 881**	14 498
Sales trading density*	(R)	%	8	**34 849**	32 979
Net asset turn	(times)	Av.	1.8	**1.5**	1.6
Net assets per FTE employee	(R'000)	%	11	**815**	706
Gross margin	(%)	Av.	55	**57**	57
Trading margin	(%)	Av.	25	**28**	28
Operating margin	(%)	Av.	32	**36**	36
EBITDA margin	(%)	Av.	34	**38**	38
Profit for the period per FTE employee	(R'000)	%	14	**303**	272
Inventory turn	(times)	Av.	6.3	**5.7**	6.4
Asset turnover	(times)	Av.	1.4	**1.3**	1.3
SOLVENCY AND LIQUIDITY					
Net cash to total equity	(%)	Av.	24	**26**	30
Total liabilities to total equity	(%)	Av.	33	**16**	23
Current ratio	(:1)	Av.	4.0	**6.8**	4.7
Dividend cover	(times)			**1.6**	1.7
ANNUAL GROWTH					
Sale of merchandise	(%)			**12**	13
Trading profit	(%)			**11**	24
Profit before finance costs, discontinued operations and tax	(%)			**12**	21
Profit before tax	(%)			**12**	21
Profit for the period (excluding minority interest)	(%)			**15**	21

* Excluding Head Office (No. 1 Mostert Street) and its related depreciation.

** Excludes YDE stores and sale of merchandise made by YDE to customers as these sales are on behalf of the designers. YDE earns commission which is reported in the Group's revenue and is classified as other income.

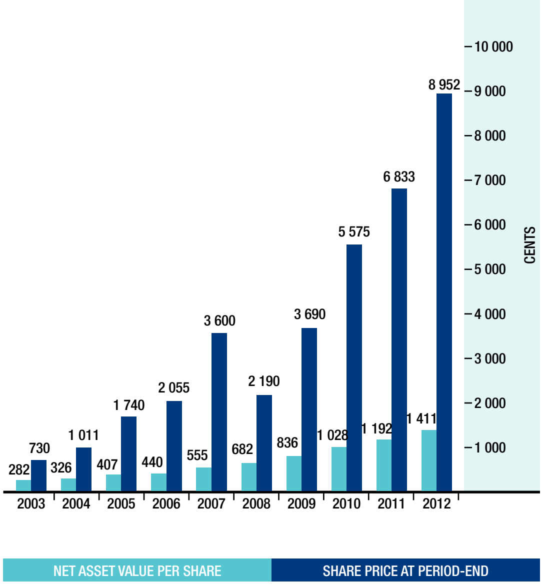
2010 52	2009 52	2008 53	2007 52	2006 52	2005 52	2004 52	2003 52
40	44	48	50	44	39	38	34
60	65	71	75	66	59	54	48
44	47	48	48	47	37	36	30
1.8	1.9	1.8	2.0	1.5	1.6	1.0	1.0
27	27	31	28	27	26	25	21
13	13	16	13	13	13	15	14
2.1	2.1	1.9	2.2	2.1	2.0	1.7	1.5
1 050	973	930	843	765	707	695	622
13 340	12 444	12 727	11 678	10 997	9 889	9 186	8 007
30 462	29 307	29 965	28 802	24 719	22 335	20 481	18 120
1.6	1.8	1.9	2.0	2.0	1.7	1.9	1.8
643	536	464	404	368	399	361	351
55	55	55	55	54	54	53	51
26	24	24	26	25	24	22	18
34	34	33	33	33	31	27	24
36	36	35	35	35	34	30	27
236	217	203	183	159	141	127	104
6.9	6.1	6.5	6.1	6.1	5.6	6.5	6.7
1.3	1.4	1.5	1.5	1.5	1.2	1.3	1.3
30	22	18	9	11	33	31	34
24	27	34	39	38	43	42	41
4.7	4.2	3.4	3.1	3.2	3.1	3.3	3.7
1.9	2.0	2.1	2.1	2.1	2.1	2.3	2.5
11	11	16	27	23	15	18	16
20	11	7	33	28	25	48	13
12	12	16	30	27	31	36	22
12	12	16	30	27	29	39	21
12	12	18	31	27	25	34	33

RATIOS

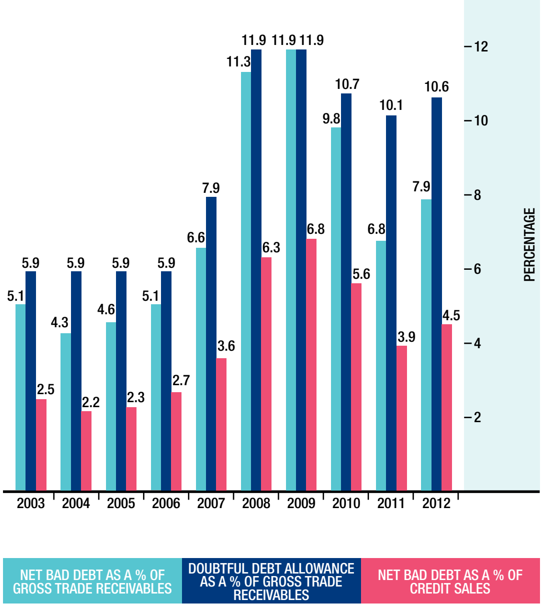
Period Number of weeks			10-year compound growth (%) or 10-year average (Av.)	**2012** **53**	2011 52
KEY TRADE RECEIVABLE STATISTICS					
Number of active accounts	(000's)			**2 411**	2 194
Overdue values as a % of gross trade receivables	(%)	Av.	14	**13**	13
Net bad debts as a % of credit sale of merchandise	(%)	Av.	4.0	**4.5**	3.9
Credit:cash sales ratio*	(%)			**73:27**	71:29
Net bad debts as a % of gross trade receivables	(%)			**7.9**	6.8
Doubtful debt allowance as a % of gross trade receivables	(%)			**10.6**	10.1
Cost of credit: surplus/(cost)	(Rm)			**26**	78
OPERATING STATISTICS					
Total number of FTE employees excluding YDE				**7 163**	6 961
Total number of FTE employees including YDE				**7 341**	7 148
Total number of Group stores excluding franchisees				**569**	543
Total number of franchise stores				**6**	18
Total number of corporate stores in the rest of Africa				**29**	17
Total number of YDE stores				**19**	19
Total trading area, excluding franchisees and YDE	(m^2)	(%)	8	**265 988**	249 894
Total trading area for YDE stores	(m^2)			**6 365**	6 150
Trading expenses as a % of sale of merchandise	(%)	Av.	32	**31**	31
Depreciation costs as a % of sale of merchandise	(%)	Av.	2	**2**	2
Employment costs as a % of sale of merchandise	(%)	Av.	11	**10**	11
Occupancy costs as a % of sale of merchandise	(%)	Av.	8	**8**	8
Trade receivable costs as a % of sale of merchandise	(%)	Av.	5	**6**	5
Other operating costs as a % of sale of merchandise	(%)	Av.	6	**5**	5

* Excludes sale of merchandise made by YDE to customers as these sales are on behalf of the designers. YDE earns commission which is reported in the Group's revenue and is classified in other income.

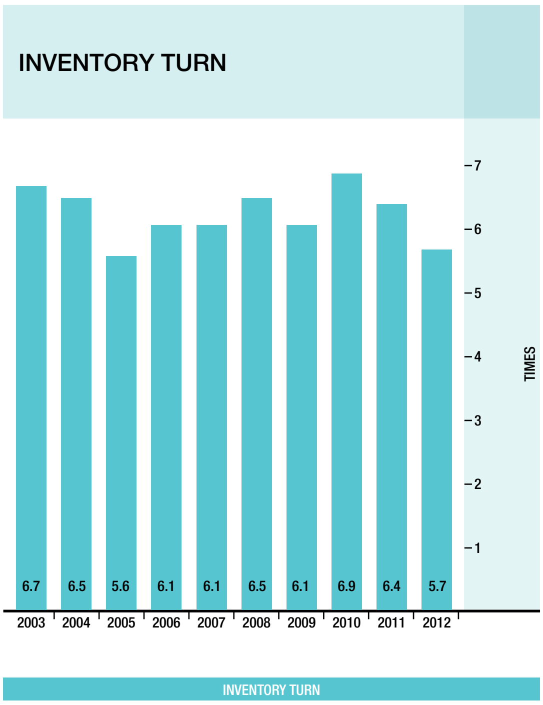
NET ASSET VALUE PER SHARE AND SHARE PRICE AT PERIOD-END

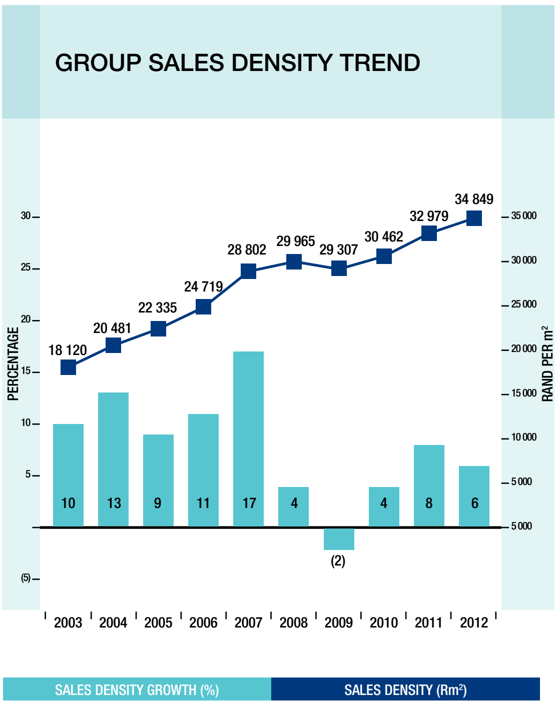


GROUP BAD DEBT TREND



2010	2009	2008	2007	2006	2005	2004	2003
52	52	53	52	52	52	52	52
1 975	1 856	1 799	1 689	1 371	1 074	857	780
14	16	17	15	14	14	14	14
5.6	6.8	6.3	3.6	2.7	2.3	2.2	2.5
70:30	69:31	70:30	73:27	74:26	74:26	73:27	72:28
9.8	11.9	11.3	6.6	5.1	4.6	4.3	5.1
10.7	11.9	11.9	7.9	5.9	5.9	5.9	5.9
35	61	(17)	3	60	41	(11)	(3)
6 605	6 421	6 079	5 762	4 991	4 403	3 912	3 710
6 802	6 623	6 288	5 950	5 180	4 604	4 062	3 710
523	495	436	408	342	311	291	269
16	24	24	22	17	17	17	19
16	14	14	12	11	10	10	10
19	17	16	14	12	13	12	–
237 122	224 120	199 579	182 327	162 847	146 285	133 604	127 072
6 174	5 632	5 290	4 837	3 772	3 909	3 649	–
32	33	33	32	31	32	31	33
2	1	2	2	2	2	3	3
11	11	11	11	12	12	13	13
8	8	7	7	7	8	7	8
6	7	8	6	4	3	3	3
5	6	5	6	6	7	5	6





DEFINITIONS

Asset reinvestment rate
Capital expenditure for the period divided by depreciation.

Asset turnover
Sale of merchandise divided by total assets.

Cash EBITDA
Cash flow from trading plus dividends received.

Cash equivalent earnings per share
Profit for the period, adjusted for non-cash items and deferred tax, divided by the weighted average number of shares.

Cash flow from trading
Profit before finance costs and tax, adjusted for dividends, interest received and non-cash items.

Cash flow per share
The cash inflow from operations for the period divided by the weighted average number of shares.

Cash realisation rate
Represents the potential cash earnings realised and is derived by dividing cash flow per share by cash equivalent earnings per share.

Cost of credit
Comprises interest received on customer accounts (including notional interest) and financial services income, less net bad debt (which includes the movement in the doubtful debt allowance), collection and other direct costs incurred in providing credit.

Current ratio
Current assets divided by current liabilities.

Debtors' days
Gross trade receivables divided by credit sales (including YDE) multiplied by the number of days in the period.

Dividend cover
Headline earnings per share divided by annual dividends declared per share.

Dividend yield
Annual dividends declared per share divided by the period-end share price on the JSE.

Earnings yield
Basic earnings per share divided by the period-end share price on the JSE.

EBITDA
Earnings before interest paid, tax, depreciation and amortisation.

EBITDA margin
EBITDA divided by sale of merchandise.

Free cash flow
Cash flow from operations less capital expenditure to maintain operations.

Free float
The percentage of the total number of shares issued, excluding any shares held as treasury shares, held by directors or held by employee share schemes, that can be traded.

Full-time equivalent (FTE) employees
Determined by converting the actual number of flexi-time employees into a lesser number of full-time equivalent employees (through dividing the aggregate working hours of all flexi-time employees by standard working hours), and adding this result to the actual number of permanent employees.

Fully diluted weighted average number of shares
The weighted average number of shares in issue, adjusted for treasury shares held by subsidiaries, diluted by the share options outstanding in respect of the equity-settled share incentive scheme.

Gross margin
Gross profit divided by sale of merchandise.

Headline earnings
Profit for the period attributable to owners of the parent, adjusted for items relating to the capital platform of the business including the after tax effect of certain remeasurements.

Headline earnings per share
Headline earnings divided by the weighted average number of shares in issue for the period.

Inventory turn
Cost of sales for the period divided by inventories on hand at the end of the reporting period.

Market capitalisation (including treasury shares)
The period-end share price on the JSE multiplied by the number of shares in issue at the end of the reporting period.

Market capitalisation (excluding treasury shares)
The period-end share price on the JSE multiplied by the number of shares in issue (excluding treasury shares) at the end of the reporting period.

Net assets
Total assets less total liabilities.

Net asset turn
Sale of merchandise divided by closing net assets.

Net asset value per share
Net assets divided by the number of shares in issue (net of treasury shares) at the end of the reporting period.

Net cash to total equity
Cash and cash equivalents, divided by total equity at the end of the reporting period.

Notional interest
Interest recognised on a time-apportionment basis using the effective interest rate implicit in the underlying transaction.

Operating profit
Profit before tax.

Operating margin
Operating profit divided by sale of merchandise.

Price earnings ratio
The period-end share price on the JSE divided by headline earnings per share for the period.

Profit for the period per FTE employee
Profit for the period attributable to owners of the parent, divided by the number of FTE employees in service at the end of the reporting period.

Retail sales
Sale of merchandise through retail outlets excluding agency and franchise sales.

Return on assets
Profit before interest paid and tax (EBIT) divided by total assets.

Return on capital
Profit before finance costs and tax divided by the average of the current and prior periods' total net assets.

Return on equity
Profit for the period divided by the average of the current and prior periods' total equity.

Return on invested capital (ROIC)
Profit before tax adjusted for operating lease costs, less depreciation subsequently calculated on the value of operating leases which are capitalised for the purposes of this ratio, less the adjusted tax charge and divided by the sum of core capital and capitalised operating leases at the end of the reporting period.

Sale of merchandise
Represents sale of merchandise through retail outlets, together with sale of merchandise to franchisees excluding discounts, value-added tax and agency sale of merchandise to customers.

Sales trading density
Represents annualised retail sales, which takes into account stores that opened and closed during the period, divided by trading square metres at the end of the reporting period.

Share-based payments
The expense recognised in profit or loss over the vesting period of options granted to employees in terms of the equity-settled and cash-settled compensation schemes.

Shareholders' return
Share price at the end of the period minus share price at the beginning of the period plus dividends declared, divided by share price at the beginning of the period.

Trading profit
Gross profit plus other income less trading expenses.

Trading margin
Trading profit divided by sale of merchandise.

Weighted average cost of capital (WACC)
The risk-free rate at the end of the reporting period as extracted from the yield curve furnished by a financial institution adjusted by a risk premium appropriate for the Group.

Weighted average number of shares in issue
The number of shares in issue at the beginning of the period, increased by shares issued during the period, and decreased by share repurchases, weighted on a time basis for the period during which they were in issue.

Weighted average price per share traded
The total value of shares traded divided by the total volume of shares traded for the period on the JSE.

GLOBAL REPORTING INITIATIVE INDEX

The Global Reporting Initiative (GRI) guidelines are recognised as the international framework for sustainability reporting. While the Group has not yet formally adopted these GRI guidelines as a reporting tool to assess and measure sustainability, management uses the Index to inform the sustainability strategy and plans to expand its reporting in relation to these guidelines in future.

The following table addresses where GRI indicators have been covered in the Integrated Annual Report or on the Group's website, also noting where indicators have not been assessed, reported on or do not apply to the Group.

Stakeholders can access the detailed guidelines of the GRI Index on www.globalreporting.org

GRI reference	Topic	Page reference	Web reference	Description
Profile disclosures				
Strategy and analysis				
1.1	Vision and strategy	8 – 9	✓	Our Business Philosophy
1.2	Key impacts, risks and opportunities	10 – 27	✓	Sustainable Future in Fashion
		34 – 37	✓	Chairman's Report
		42 – 47	✓	Chief Executive Officer's Report
Organisational profile				
2.1 – 2.10	Organisational profile	7	✓	Our Business
		IBC	✓	Administration
Report parameters				
3.1 – 3.4	Report profile	–	✓	Group Annual Financial Statements
		IBC	✓	Administration
3.5 – 3.11	Report scope and boundary	2 – 3	✓	Commitment to Integrated Reporting
		–	✓	Group Annual Financial Statements
3.12	GRI Index content	–	✓	Global Reporting Initiative Index
3.13	Assurance	2 – 3	✓	Commitment to Integrated Reporting
Governance, commitments and engagements				
4.1 – 4.10	Governance	8 – 9	✓	Our Business Philosophy
		100 – 105	✓	Remuneration Report
		106 – 125	✓	Corporate Governance
4.11 – 4.13	Commitments to external initiatives	–	–	Not assessed
4.14 – 4.17	Stakeholder engagement	10	✓	Sustainable Future in Fashion
Economic performance indicators				
EC1	Economic value generated and distributed	30 – 31	✓	Wealth Creation
EC2	Financial implications of climate change	–	–	Not assessed
EC3	Defined benefit plan obligations	–	✓	Group Annual Financial Statements
EC4	Financial assistance from government	–	–	Not applicable
EC5	Minimum wages	–	–	Not reported
EC6	Spending on locally-based suppliers	81 – 82	✓	Managing the Risk of Fashion
EC7	Hiring of local labour	96	✓	Employer of Choice in Fashion
EC8	Infrastructure investment and services	–	–	Not applicable
EC9	Indirect economic impacts	–	–	Not assessed

GRI reference	Topic	Page reference	Web reference	Description
Environmental performance indicators				
EN1	Material usage	–	–	Not reported
EN2	Percentage of materials recycled	–	–	Not assessed
EN3 – 7	Energy consumption	–	–	Not assessed
EN8 – 10	Total water consumption	–	–	Not assessed
EN11 – 15	Biodiversity	–	–	Not assessed
EN16 – 25	Emissions, effluent and waste	–	–	Not reported
EN26 – 27	Products and services	–	–	Not assessed
EN28	Compliance	106 – 125	✓	Corporate Governance
EN29	Transport	–	–	Not assessed
EN30	Environmental protection	–	–	No assessed

Social performance indicators				
Labour practices and decent work				
LA1	Total workforce	94	✓	Employer of Choice in Fashion
LA2	Employee turnover	94	✓	Employer of Choice in Fashion
LA3	Employee benefits	97 and 102 – 104	✓	Employer of Choice in Fashion and Remuneration Report
LA4 – 5	Labour relations	98 – 99	✓	Employer of Choice in Fashion
LA6 – 12	Occupational health and safety	–	–	Not reported
LA13 – 14	Diversity and equal opportunity	95 – 96	✓	Employer of Choice in Fashion
Human rights				
HR1 – 3	Investment and procurement practices	–	–	Not assessed
HR4	Non-discrimination	95 – 96	✓	Employer of Choice in Fashion
HR5	Collective bargaining	98 – 99	✓	Employer of Choice in Fashion
HR6	Child labour	82	✓	Managing the Risk of Fashion
HR7	Forced and compulsory labour	82	✓	Managing the Risk of Fashion
HR8	Security practices	–	–	Not assessed
HR9	Indigenous rights	–	–	Not assessed
HR10	Assessment	–	–	Not assessed
HR11	Remediation	–	–	Not assessed
Society				
SO1	Community	–	✓	Corporate Social Investment Report
SO2 – 4	Corruption	–	–	Not assessed
SO5 – 6	Public policy	–	–	Not assessed
SO7	Anti-competitive behaviour	123	✓	Corporate Governance Report
SO8	Compliance	106 – 125	✓	Corporate Governance
Product responsibility				
PR1 – 2	Customer health and safety	–	–	Not assessed
PR3 – 5	Product and service labelling	–	–	Not reported
PR6 – 7	Marketing communications	–	–	Not reported
PR8	Customer privacy	121	✓	Corporate Governance Report
PR9	Compliance	106 – 125	✓	Corporate Governance

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