



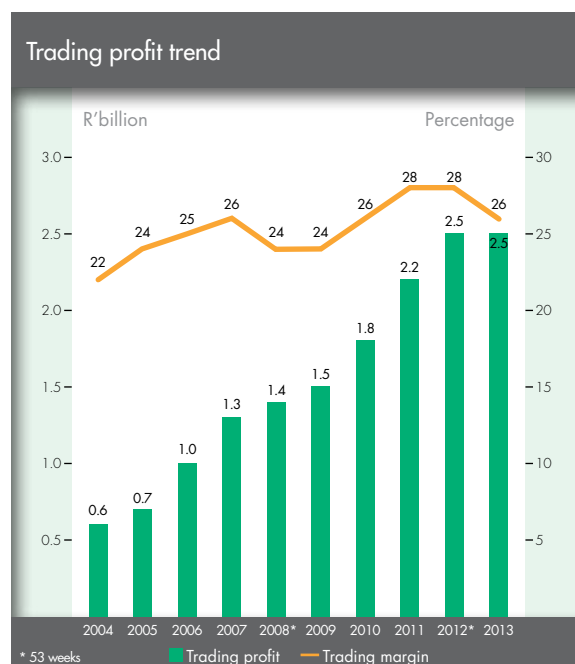
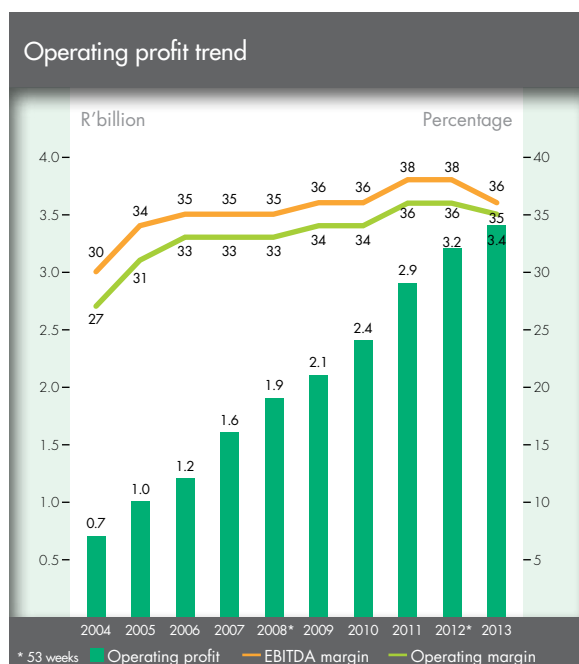
**TRUWORTHS**  
INTERNATIONAL

TEN-YEAR REVIEW, RATIOS,  
SHARE STATISTICS AND  
DEFINITIONS 2013

# Ten-year Review

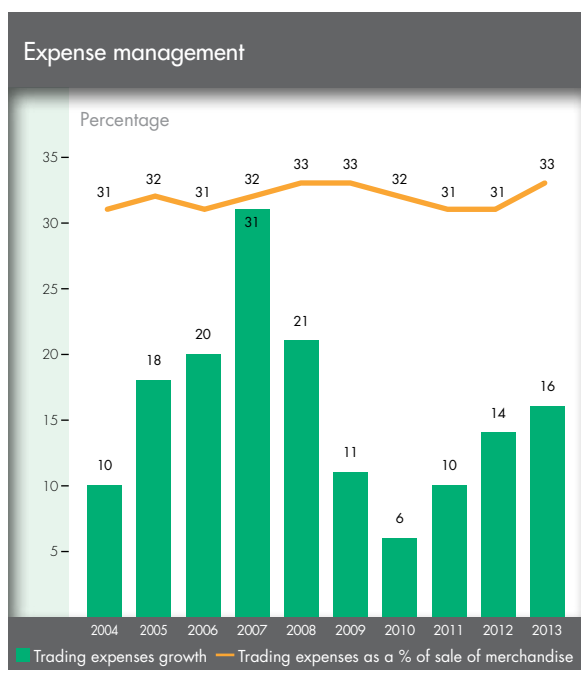
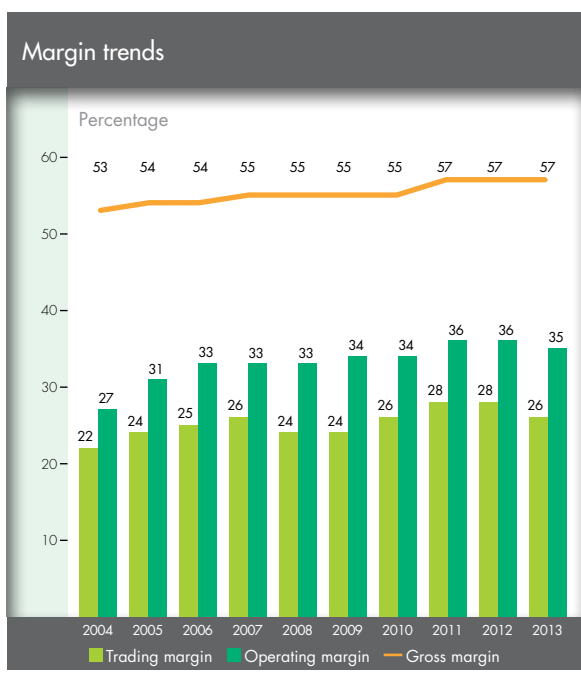
Period	10-year compound growth %	2013	2012
Number of weeks		Rm	Rm
<b>Statements of comprehensive income</b>			
Sale of merchandise	16	9 765	8 830
Cost of sales	14	(4 241)	(3 820)
<b>Gross profit</b>	17	<b>5 524</b>	5 010
Other income*		226	208
<b>Trading expenses</b>	15	<b>(3 202)</b>	(2 759)
Depreciation and amortisation	9	(160)	(138)
Employment costs	12	(986)	(890)
Occupancy costs	17	(843)	(746)
Trade receivable costs	25	(739)	(533)
Other operating costs	14	(474)	(452)
<b>Trading profit</b>	20	<b>2 548</b>	2 459
Interest received	19	814	728
Dividends received		4	3
<b>Profit before discontinued operations and tax</b>	20	<b>3 366</b>	3 190
Discontinued operations		-	-
<b>Profit before tax</b>	20	<b>3 366</b>	3 190
Tax expense		(958)	(965)
<b>Profit for the period</b>	20	<b>2 408</b>	2 225
Minority interest		-	-
<b>Profit for the period fully attributable to owners of the parent</b>	20	<b>2 408</b>	2 225

\* Other income has been separately disclosed from 2005.



2011	2010	2009	2008	2007	2006	2005	2004
52	52	52	53	52	52	52	52
Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm

7 858	6 937	6 247	5 651	4 858	3 816	3 115	2 719
(3 403)	(3 098)	(2 817)	(2 568)	(2 166)	(1 765)	(1 443)	(1 287)
4 455	3 839	3 430	3 083	2 692	2 051	1 672	1 432
189	162	153	146	123	81	58	-
(2 421)	(2 201)	(2 083)	(1 874)	(1 543)	(1 178)	(985)	(834)
(129)	(121)	(109)	(96)	(82)	(74)	(65)	(69)
(828)	(759)	(672)	(600)	(539)	(442)	(384)	(349)
(652)	(582)	(496)	(415)	(361)	(272)	(232)	(201)
(390)	(385)	(432)	(464)	(280)	(156)	(107)	(81)
(422)	(354)	(374)	(299)	(281)	(234)	(197)	(134)
2 223	1 800	1 500	1 355	1 272	954	745	598
637	560	614	525	345	290	234	148
-	-	-	-	-	-	-	-
2 860	2 360	2 114	1 880	1 617	1 244	979	746
-	-	-	-	-	-	-	15
2 860	2 360	2 114	1 880	1 617	1 244	979	761
(917)	(756)	(680)	(596)	(527)	(420)	(328)	(243)
1 943	1 604	1 434	1 284	1 090	824	651	518
-	-	-	(7)	(10)	(1)	(3)	(1)
1 943	1 604	1 434	1 277	1 080	823	648	517



## Ten-year Review (continued)

Period	10-year compound growth %	2013 52 Rm	2012 53 Rm
Number of weeks			
<b>Statements of financial position</b>			
<b>Assets</b>			
Non-current assets	12	1 280	1 197
Current assets <sup>#</sup>	15	5 991	5 720
<b>Total assets</b>	15	<b>7 271</b>	<b>6 917</b>
<b>Equity and liabilities</b>			
Attributable to owners of the parent		6 219	5 981
Minority interest		–	–
<b>Total equity</b>	17	<b>6 219</b>	<b>5 981</b>
Non-current liabilities		97	97
Current liabilities		955	839
<b>Total equity and liabilities</b>		<b>7 271</b>	<b>6 917</b>
<sup>#</sup> Included in current assets:			
Cash and cash equivalents	12	1 325	1 560
Trade and other receivables	17	3 766	3 421
Inventories	17	787	670
<b>Statements of cash flows</b>			
<b>Cash flows from trading and cash EBITDA*</b>	19	<b>2 720</b>	<b>2 653</b>
Working capital movements		(352)	(802)
<b>Cash generated from operations</b>	19	<b>2 368</b>	<b>1 851</b>
Net interest received		814	728
Dividends received		4	3
Tax paid		(988)	(964)
<b>Cash inflow from operations</b>	17	<b>2 198</b>	<b>1 618</b>
Dividends paid	29	(1 526)	(1 281)
<b>Net cash from operating activities</b>		<b>672</b>	<b>337</b>
<b>Net cash used in investing activities**</b>		<b>(242)</b>	<b>(229)</b>
<b>Net cash (used in)/from financing activities***</b>		<b>(664)</b>	<b>(37)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(234)</b>	<b>71</b>
Net cash inflow from discontinued operations		–	–
<b>Net (decrease)/increase in cash and cash equivalents for the period</b>		<b>(234)</b>	<b>71</b>
* 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		(270)	(226)
Net investments in subsidiaries (exclude minority interest loans acquired)		–	–
*** Included in net cash (used in)/from financing activities:			
Shares repurchased by subsidiaries		(691)	(83)

2011 52 Rm	2010 52 Rm	2009 52 Rm	2008 53 Rm	2007 52 Rm	2006 52 Rm	2005 52 Rm	2004 52 Rm
1 093	997	927	848	755	574	499	449
5 131	4 412	3 579	3 055	2 582	2 060	2 119	1 639
6 224	5 409	4 506	3 903	3 337	2 634	2 618	2 088
5 046	4 371	3 551	2 920	2 394	1 908	1 823	1 455
-	-	-	-	10	-	13	12
5 046	4 371	3 551	2 920	2 404	1 908	1 836	1 467
84	97	94	85	97	87	99	127
1 094	941	861	898	836	639	683	494
6 224	5 409	4 506	3 903	3 337	2 634	2 618	2 088
1 489	1 318	767	533	216	219	606	454
3 033	2 561	2 281	2 077	1 962	1 519	1 201	963
530	450	463	397	353	290	260	198
2 411	1 934	1 661	1 474	1 389	1 050	820	674
(425)	(216)	(246)	(104)	(372)	(274)	(233)	(139)
1 986	1 718	1 415	1 370	1 017	776	587	535
637	560	614	525	345	288	232	144
-	-	-	-	-	-	-	-
(895)	(711)	(777)	(595)	(549)	(563)	(261)	(205)
1 728	1 567	1 252	1 300	813	501	558	474
(968)	(785)	(683)	(575)	(456)	(362)	(266)	(194)
760	782	569	725	357	139	292	280
(275)	(211)	(191)	(239)	(210)	(144)	(77)	(88)
(314)	(20)	(144)	(169)	(150)	(382)	(36)	(193)
171	551	234	317	(3)	(387)	179	(1)
-	-	-	-	-	-	-	10
171	551	234	317	(3)	(387)	179	9
(186)	(216)	(198)	(166)	(156)	(107)	(102)	(61)
-	-	-	(35)	(29)	(26)	-	(26)
(394)	(34)	(159)	(183)	(167)	(398)	(55)	(195)

# Share Statistics

Period		10-year compound growth %	2013	2012
Number of weeks			52	53
<b>Performance on JSE</b>				
Traded share prices				
period-end	(cents per share)		8 695	8 952
high	(cents per share)		11 736	9 290
low	(cents per share)		7 456	6 394
weighted average	(cents per share)		9 384	7 749
Price earnings ratio			15	17
Share price index	(1998: 400 = 100)		2 174	2 238
JSE General Retailers Index	(1998: 9 551 = 100)		629	598
Period-end share price/net asset value per share	(times)		6	6
Number of shares in issue	(000's)		463 806	461 810
Number of shares in issue (net of treasury shares)	(000's)		417 765	423 967
Weighted average number of shares	(000's)		421 905	422 754
Volume of shares traded	(000's)		473 345	324 298
Number of transactions			443 184	351 902
Volume traded as a % of number of shares in issue	(%)		102	70
Value of shares traded	(Rm)		44 421	25 130
Market capitalisation (excluding treasury shares)	(Rm)		36 325	37 954
Market capitalisation (including treasury shares)	(Rm)		40 328	41 341
Foreign ownership	(%)		61	65
<b>Share performance</b>				
Basic earnings	(cents per share)	21	570.8	526.3
Headline earnings	(cents per share)	21	570.8	526.7
Headline earnings growth	(%)		8	16
Cash flow	(cents per share)		521	383
Cash equivalent earnings	(cents per share)		605	566
Net asset value	(cents per share)	18	1 489	1 411
Dividends declared	(cents per share)	27	362	326
Dividends declared growth	(%)		11	24
Dividend yield	(%)		4	4
Cumulative shares repurchased*	(Rm)		2 439	1 748
Cumulative shares repurchased*	(000's)		88 842	81 258
Shareholders' return	(%)		1	36

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

2011 52	2010 52	2009 52	2008 53	2007 52	2006 52	2005 52	2004 52
6 833	5 575	3 690	2 190	3 600	2 055	1 740	1 011
7 700	5 827	4 100	3 950	4 499	2 949	1 880	1 060
5 240	3 600	2 112	2 060	1 925	1 700	1 000	715
6 648	4 499	3 198	2 931	3 001	2 421	1 505	903
15	15	11	7	14	11	12	9
1 708	1 394	923	548	900	514	435	253
417	349	232	197	343	235	207	130
6	5	4	3	6	5	4	3
459 999	456 109	454 956	452 995	450 773	482 915	487 241	482 732
423 352	425 258	424 909	428 342	433 464	433 891	447 498	446 374
426 289	424 737	425 284	431 974	434 532	441 582	447 561	457 787
415 975	598 359	635 477	692 403	551 772	398 943	236 232	204 582
362 525	274 862	203 023	120 507	87 632	45 211	21 950	13 972
90	131	140	153	122	83	49	42
27 653	26 922	20 321	20 293	16 557	9 658	3 555	1 847
28 928	23 708	15 679	9 381	15 605	8 916	7 786	4 513
31 432	25 428	16 788	9 921	16 228	9 924	8 478	4 880
64	60	48	49	50	35	17	10
455.8	377.7	337.2	295.6	248.6	186.4	144.8	113.0
456.0	377.9	337.6	295.6	248.6	186.4	144.8	110.0
21	12	14	19	33	29	32	28
405	369	294	301	187	114	125	104
499	412	378	314	268	202	152	126
1 192	1 028	836	682	555	440	407	326
262	200	171	144	120	89	69	48
31	17	19	20	35	29	44	41
4	4	5	7	3	4	4	5
1 665	1 271	1 237	1 079	895	728	330	275
80 062	74 266	73 462	68 067	60 723	56 223	39 743	36 358
27	57	76	(35)	81	23	79	45

# Ratios

Period				10-year compound growth % or 10-year average Av.	2013	2012
Number of weeks					52	53
<b>Returns</b>						
Return on equity	(%)	Av.	42		39	40
Return on capital	(%)	Av.	62		55	58
Return on assets	(%)	Av.	45		46	46
Asset reinvestment rate*	(: 1)	Av.	1.6		1.5	1.5
Return on invested capital (ROIC)	(%)	Av.	27		25	26
Weighted average cost of capital (WACC)	(%)	Av.	14		13	13
ROIC divided by WACC	(times)	Av.	2.0		1.9	2.0
<b>Productivity</b>						
Sale of merchandise per store**	(R'000)	%	8		16 523	15 881
Sales trading density*	(Rm <sup>2</sup> )	%	7		35 656	34 849
Net asset turn	(times)	Av.	1.8		1.6	1.5
Gross margin	(%)	Av.	55		57	57
Trading margin	(%)	Av.	25		26	28
Operating margin	(%)	Av.	33		35	36
EBITDA margin	(%)	Av.	35		36	38
Inventory turn	(times)	Av.	6.1		5.4	5.7
Asset turnover	(times)	Av.	1.4		1.3	1.3
<b>Solvency and liquidity</b>						
Net cash to total equity	(%)	Av.	23		21	26
Total liabilities to total equity	(%)	Av.	30		17	16
Current ratio	(: 1)	Av.	4.3		6.3	6.8
Dividend cover	(times)				1.58	1.62
<b>Annual growth</b>						
Sale of merchandise	(%)				11	12
Trading profit	(%)				4	11
Profit before finance costs, discontinued operations and tax	(%)				6	12
Profit before tax	(%)				6	12
Profit for the period (excluding minority interest)	(%)				8	15

\* 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.



2011	2010	2009	2008	2007	2006	2005	2004
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52	52	52	53	52	52	52	52
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41	40	44	48	50	44	39	38
61	60	65	71	75	66	59	54
46	44	47	48	48	47	37	36
1.3	1.8	1.9	1.8	2.0	1.5	1.6	1.0
28	27	27	31	28	27	26	25
13	13	13	16	13	13	13	15
2.2	2.1	2.1	1.9	2.2	2.1	2.0	1.7

14 498	13 340	12 444	12 727	11 678	10 997	9 889	9 186
32 979	30 462	29 307	29 965	28 802	24 719	22 335	20 481
1.6	1.6	1.8	1.9	2.0	2.0	1.7	1.9
57	55	55	55	55	54	54	53
28	26	24	24	26	25	24	22
36	34	34	33	33	33	31	27
38	36	36	35	35	35	34	30
6.4	6.9	6.1	6.5	6.1	6.1	5.6	6.5
1.3	1.3	1.4	1.5	1.5	1.5	1.2	1.3

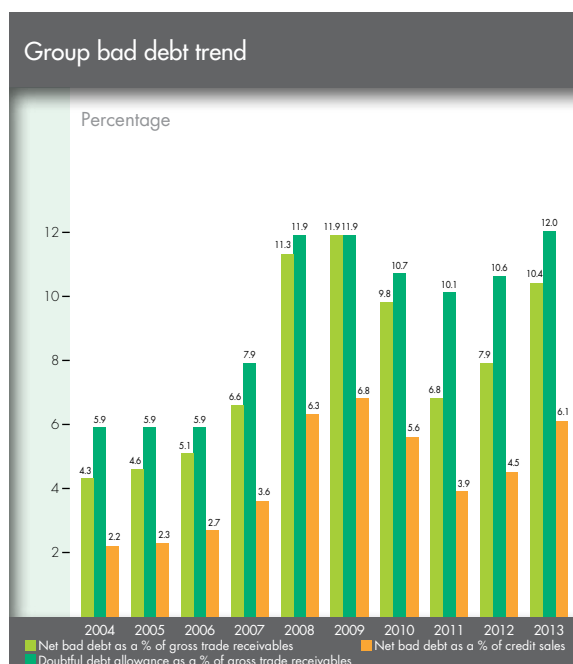
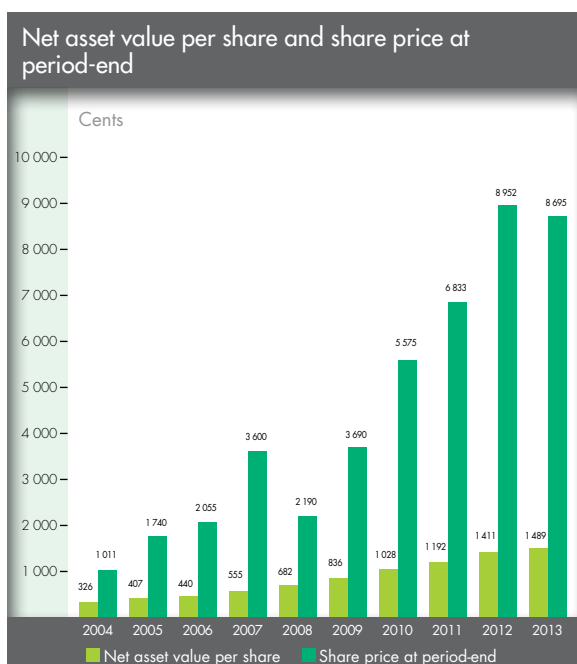
30	30	22	18	9	11	33	31
23	24	27	34	39	38	43	42
4.7	4.7	4.2	3.4	3.1	3.2	3.1	3.3
1.74	1.89	1.97	2.05	2.07	2.09	2.10	2.29

13	11	11	16	27	23	15	18
24	20	11	7	33	28	25	48
21	12	12	16	30	27	31	36
21	12	12	16	30	27	29	39
21	12	12	18	31	27	25	34

## Ratios (continued)

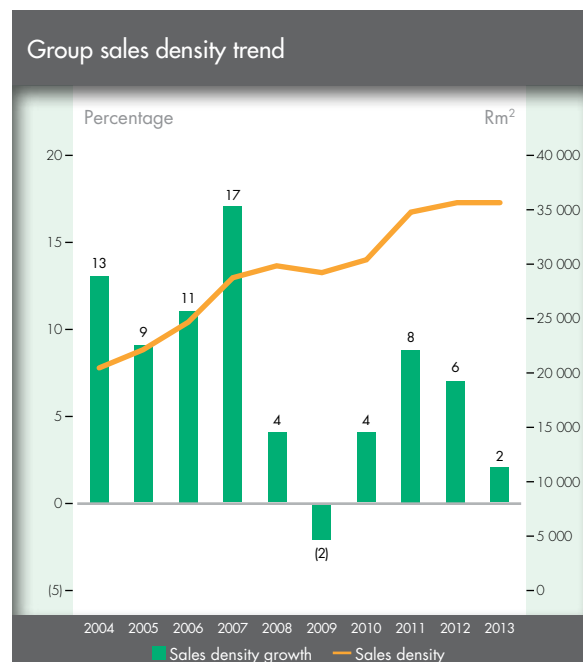
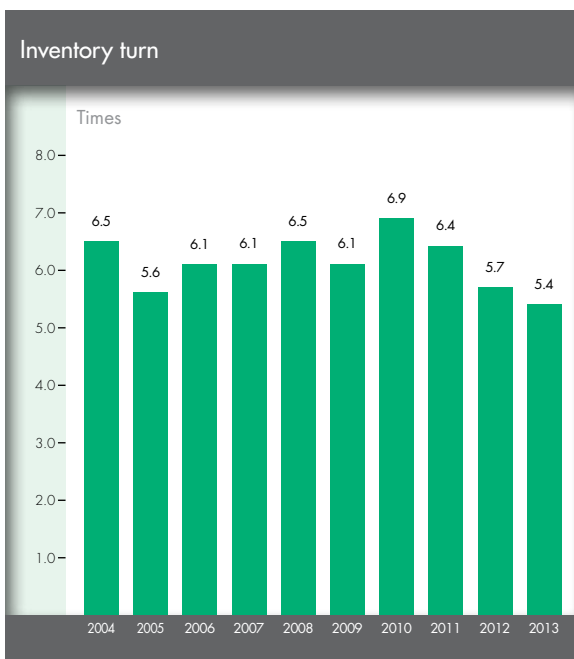
Period				10-year compound growth % or 10-year average Av.	2013	2012
Number of weeks					52	53
<b>Trade receivable statistics</b>						
Number of active accounts	(000's)				2 554	2 411
Overdue values as a % of gross trade receivables	(%)	Av.	14		15	13
Net bad debts as a % of credit sale of merchandise	(%)	Av.	4.4		6.1	4.5
Credit:cash sales ratio *	(%)				72:28	73:27
Net bad debts as a % of gross trade receivables	(%)	Av.	7.9		10.4	7.9
Doubtful debt allowance as a % of gross trade receivables	(%)	Av.	9.3		12.0	10.6
Cost of credit: (cost)/surplus	(Rm)				(92)	26
<b>Operating statistics</b>						
Total number of Group stores excluding franchisees					604	569
Total number of franchise stores					5	6
Total number of corporate stores in the rest of Africa					40	29
Total number of YDE stores					18	19
Total trading area, excluding franchisees and YDE	(m <sup>2</sup> )	(%)	9		287 587	265 988
Total trading area for YDE stores	(m <sup>2</sup> )				6 005	6 365
Trading expenses as a % of sale of merchandise	(%)	Av.	32		33	31
Depreciation costs as a % of sale of merchandise	(%)	Av.	2		2	2
Employment costs as a % of sale of merchandise	(%)	Av.	11		10	10
Occupancy costs as a % of sale of merchandise	(%)	Av.	8		9	8
Trade receivable costs as a % of sale of merchandise	(%)	Av.	6		7	6
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.



2011	2010	2009	2008	2007	2006	2005	2004
52	52	52	53	52	52	52	52
2 194	1 975	1 856	1 799	1 689	1 371	1 074	857
13	14	16	17	15	14	14	14
3.9	5.6	6.8	6.3	3.6	2.7	2.3	2.2
71:29	70:30	69:31	70:30	73:27	74:26	74:26	73:27
6.8	9.8	11.9	11.3	6.6	5.1	4.6	4.3
10.1	10.7	11.9	11.9	7.9	5.9	5.9	5.9
78	35	61	(17)	3	60	41	(11)

543	523	495	436	408	342	311	291
18	16	24	24	22	17	17	17
17	16	14	14	12	11	10	10
19	19	17	16	14	12	13	12
249 894	237 122	224 120	199 579	182 327	162 847	146 285	133 604
6 150	6 174	5 632	5 290	4 837	3 772	3 909	3 649
31	32	33	33	32	31	32	31
2	2	1	2	2	2	2	3
11	11	11	11	11	12	12	13
8	8	8	7	7	7	8	7
5	6	7	8	6	4	3	3
5	5	6	5	6	6	7	5



# 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 reporting date.

## **Inventory turn (merchandising)**

Past 52 weeks retail sales divided by the moving average of the past 53 weeks closing inventory.

## **Market capitalisation (including treasury shares)**

The period-end share price on the JSE multiplied by the number of shares in issue at the reporting date.

**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 reporting date.

**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 reporting date.

**Net cash to total equity**

Cash and cash equivalents, divided by total equity at the reporting date.

**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 reporting date.

**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 reporting date.

**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 reporting date.

**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 reporting date 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 reporting date 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.

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