

**PRELIMINARY
REPORT FOR THE
52 WEEKS ENDED
28 JUNE 2015
AND NOTICE OF
ANNUAL GENERAL
MEETING**

TRUWORTHS

INTERNATIONAL



Sale of merchandise up **8%**

Gross margin at **55.2%**

Operating margin at **30.5%**

Headline earnings per share up **3%**

Fully diluted headline earnings per share up **4%**

Annual dividend per share up **5%**

CONTENTS

Commentary	1
Summarised Group Statements of Financial Position	3
Summarised Group Statements of Comprehensive Income	4
Summarised Group Statements of Changes in Equity	5
Summarised Group Statements of Cash Flows	6
Selected explanatory notes	7
Directors' holdings of shares and equity-based awards	12
Extract from Shareholder Information	14
Notice to Shareholders	15
Appendix 1	20
Shareholders' Diary	IBC



Group profile

Truworths International Ltd (the company) is an investment holding and management company listed on the JSE and the Namibian Stock Exchange. Its principal trading entities, Truworths Ltd and Young Designers Emporium (Pty) Ltd (YDE), are engaged either directly or through subsidiaries, agencies, or franchisees, in the retailing of fashion clothing and footwear apparel and related merchandise. The company and its subsidiaries (the Group) operate primarily in South Africa, and have an emerging presence in other sub-Saharan African countries.

Reporting

This Preliminary Report contains summarised information and summarised financial statements. The summarised financial statements constitute a summary of the Group's audited financial statements for the period ended 28 June 2015 that are available on the Group's website: www.truworths.co.za, and which have been prepared by the Group's Finance Department, acting under the supervision of the Group's Chief Financial Officer, DB Praff CA (SA).

To align with the increasing trend towards online reporting and electronic access to information, we have elected to no longer print our Integrated Report and rather have made it available online. This has resulted in a meaningful cost saving and has also reduced our environmental impact.

The following supplementary information is also accessible on our website:

- Annual Financial Statements
- Ten-year Review
- Application of King III Principles
- Corporate Social Investment Report
- Social and Ethics Committee Report

Trading and financial performance

Group retail sales for the 52-week period ended 28 June 2015 (the period) increased by 8.2% to R11.6 billion compared to the 52-week prior reporting period (the prior period), with cash sales growth of 9.4% and credit sales growth of 7.7%.

Retail sales in the second half of the period increased by 12.0% compared to the first half increase of 5.2%. Excluding the retail sales reported by the recently acquired Earthchild and Naartjie businesses (the acquisitions), Group retail sales for the period increased by 7.2% to R11.5 billion, comprising a second half increase of 9.8% and a first half increase of 5.2%. Credit sales accounted for 70% of retail sales during the period (2014: 71%) and increased by 10.6% in the second half after increasing by 5.4% in the first half.

Comparable store retail sales for the period increased by 1.3%. Second half comparable sales recorded positive growth of 4.2% against a reduction of 0.8% in the first half.

Group sale of merchandise, which comprises Group retail and franchise sales less accounting adjustments, grew by 8.0% and product inflation averaged 6% (2014: 9%) for the period.

Trading space increased by 7.7% (6.1% excluding space attributable to the acquisitions) as the Group added a net 106 new locations to the store network. Outside of South Africa the Group now has 44 stores (2014: 38) as four stores were added in Namibia (including one Earthchild and one Earthdiddit) and two stores each in Ghana and Zambia, while two stores were closed in Nigeria.

	28 June 2015 Rm	29 June 2014 Rm	% change on prior period
Divisional sales			
Truworths ladieswear	4 387	4 258	3
Truworths menswear	2 386	2 168	10
Identity	1 951	1 719	13
Truworths designer emporium*	1 464	1 417	3
Truworths kids emporium**	457	289	58
Other***	999	911	10
Group retail sales	11 644	10 762	8
Franchise sales	9	8	13
Accounting adjustments	(363)	(312)	16
Sale of merchandise	11 290	10 458	8
YDE agency sales	297	305	(3)

* Daniel Hechter, LTD and Earthdiddit.

** LTD Kids, Earthchild and Naartjie.

*** Cellular, Truworths Jewellery and Cosmetics.

The Group's gross margin decreased to 55.2% (2014: 55.9%) as a result of increased sales promotion activity resulting in higher markdowns, although the margin remains within the Group's target range of 54% to 57%. Trading expenses increased 12.2% to R4.1 billion (2014: R3.7 billion), mainly as a result of a 15.8% increase in employment costs and a 15.5% increase in occupancy costs. Utility costs increased by 17% and is 12.5% of total occupancy costs (2014: 12.4%). Included in the other operating costs is R5 million of foreign exchange gains (2014: R36 million loss), resulting from mark-to-market adjustments on forward exchange contracts as well as revaluations of inter-company loans to certain non-South African subsidiaries. Trading expenses as a percentage of sale of merchandise increased to 36.5% (2014: 35.1%) and interest received increased 15.9% to R1.1 billion (2014: R917 million).

Operating profit (profit before finance costs and tax) increased by 2.6% to R3.4 billion, and the operating margin declined to 30.5% from 32.1% owing to the reduction in the gross margin and the increase in trading expenses.

Excluding the inventory of Earthchild and Naartjie, strategic fabric held and work in progress, gross inventory increased 15.5%. The Group's net inventory increased by 24.4% to R1.1 billion at the end of the period, leading to a reduction in inventory turn from 5.3 times in the prior period to 4.7 times.

Headline earnings per share (HEPS) increased by 3% to 593.8 cents (2014: 576.8 cents) and fully diluted HEPS increased 4% to 592.1 cents (2014: 569.3 cents). A final dividend of 169 cents per share has been declared, bringing the total dividend for the period to 405 cents, an increase of 5.2% over the prior period. Dividend cover has been maintained at 1.5 times.

Net asset value per share increased by 11.6% to 1 790.9 cents from the prior period's 1 605.1 cents. The return on equity and the return on assets, while outside of management's target range, were high at 35% (2014: 37%) and 38% (2014: 42%) respectively. Asset turnover reduced to 1.2 times (2014: 1.3 times).

Credit management

Gross trade receivables at R5.2 billion increased by 10.8% as a result of the increase in credit sales, and a continuing shift from the six months interest-free plan to the longer-term interest-bearing payment plans. Both the percentage of active account holders able to purchase and the percentage of delinquent accounts remained unchanged at 83% and 14% of trade receivables respectively. New account acceptance rates have increased to 30% (2014: 26%) and the Group's active account base has grown by 3% to 2.7 million.

Trade receivable costs increased by 4.8% to R960 million against the R916 million in the prior period. Net bad debt to trade receivables improved to 12.5% (2014: 12.9%) and net bad debt to credit sales improved to 7.9% (2014: 8.0%). The doubtful debt allowance to trade receivables has been maintained at 12.5% (2014: 12.5%) and down from 13.0% disclosed in the interim results of December 2014. It is encouraging to note that, for the first time since the period ended June 2012, interest earned on trade receivables (including notional interest) of R969 million exceeds net bad debt and associated costs of R960 million.

Capital management

At the end of the period the Group had cash and cash equivalents of R1.5 billion (2014: R1.6 billion). Cash of R2.1 billion was generated through operations and this was utilised to fund dividend payments of R1.7 billion, capital expenditure of R380 million and acquisitions of R270 million.

Acquisitions

As previously advised to shareholders, the Competition Commission granted approval for the Group to acquire 100% of the Earthchild Clothing (Waterfront) (Pty) Ltd shares and to acquire the SA Naartjie business as a going concern, together with certain trademarks from their owners. These businesses were incorporated into the Group with effect from 1 March 2015 (Earthchild) and 1 April 2015 (Naartjie), and now function as divisions of Truworths Ltd.

Directorate

The board has resolved to appoint Jean-Christophe Garbino, CEO designate, as an executive director of the company with effect from 21 August 2015.

At the request of the board, Michael Mark will remain as CEO on a month to month basis until the transition period has been suitably completed.

Outlook

Management feels that the credit environment is steadily improving despite the current tough economic environment, and are optimistic that the Group's merchandise ranges for the upcoming summer season are appealing to customers. The Group's business model has withstood the downturn in the credit cycle well.

Retail sales (excluding Earthchild and Naartjie) for the first seven weeks of the 2016 financial period reflect an encouraging increase of 15% over the corresponding seven weeks in the prior period. This increase has been underpinned by very good sales growth on current season merchandise with gross profit increasing 18%, whilst markdowns on prior season merchandise have decreased by 0.2% over the corresponding seven-week period.

Capital expenditure of R767 million has been committed for the 2016 financial period.

Product inflation is anticipated to average between 8% and 10% in the 2016 financial period and trading space is planned to grow by approximately 4% (including Earthchild and Naartjie).



H Saven
Chairman



MS Mark
Chief Executive Officer

Final dividend

The directors of the company have resolved to declare a gross cash dividend from retained earnings in respect of the 52-week period ended 28 June 2015 in the amount of 169 South African cents (2014: 169 cents) per ordinary share to shareholders reflected in the company's register on the record date, being Friday, 11 September 2015.

The last day to trade in the company's shares *cum* dividend is Friday, 4 September 2015. Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Monday, 7 September 2015 to Friday, 11 September 2015, both days inclusive. Trading in the company's shares *ex* dividend will commence on Monday, 7 September 2015. The dividend is scheduled to be payable in South African currency (ZAR) on Monday, 14 September 2015.

Dividends will be paid net of dividends tax of 15%, to be withheld and paid to the South African Revenue Service. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary documentary proof to the relevant regulated intermediary (being a broker, CSD participant, nominee company or the company's transfer secretaries Computershare Investor Services (Pty) Ltd, PO Box 61051, Marshalltown, 2107 South Africa) that they are exempt therefrom, or entitled to a reduced rate, as a result of a double taxation agreement between South Africa and the country of tax domicile of such owner.

The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 143.65 cents. The company has 429 327 350 ordinary shares in issue on 20 August 2015.

In accordance with the company's memorandum of incorporation:

- the dividend will only be paid by electronic funds transfer, and no cheque payments will be made. Accordingly, shareholders who have not yet provided their bank account details should do so to the company's transfer secretaries; and
- the directors have determined that gross dividends amounting to less than 1 000 cents, due to any one shareholder of the company's shares held in certificated form, will not be paid, unless otherwise requested in writing, but the net amount thereof will be aggregated with other such net amounts and donated to a charity to be nominated by the directors.

By order of the board



C Durham
Company Secretary

Cape Town
20 August 2015

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

		at 28 June 2015 Audited Rm	at 29 June 2014 Audited Rm
ASSETS	Note		
Non-current assets		1 876	1 360
Property, plant and equipment		1 053	934
Goodwill		346	90
Intangible assets		217	106
Derivative financial assets		–	6
Available-for-sale assets		19	9
Loans and receivables		82	99
Deferred tax		159	116
Current assets		7 281	6 716
Inventories		1 074	863
Trade and other receivables		4 637	4 182
Derivative financial assets		13	5
Prepayments		95	78
Cash and cash equivalents		1 462	1 588
Total assets		9 157	8 076
EQUITY AND LIABILITIES			
Total equity		7 504	6 642
Share capital and premium		551	368
Treasury shares		(770)	(652)
Retained earnings		7 533	6 774
Non-distributable reserves		190	152
Non-current liabilities		192	88
Post-retirement medical benefit obligation		57	51
Leave pay obligation		4	3
Cash-settled compensation obligation		–	4
Straight-line operating lease obligation		36	30
Contingent consideration obligation	6.1	95	–
Current liabilities		1 461	1 346
Trade and other payables		1 302	1 134
Provisions		54	47
Derivative financial liability		–	8
Tax payable		105	157
Total liabilities		1 653	1 434
Total equity and liabilities		9 157	8 076
Number of shares in issue (net of treasury shares)	(millions)	419.0	413.8
Net asset value per share	(cents)	1 790.9	1 605.1
Key ratios			
Return on equity	(%)	35	37
Return on capital	(%)	49	52
Return on assets	(%)	38	42
Inventory turn	(times)	4.7	5.3
Asset turnover	(times)	1.2	1.3

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

		52 weeks to 28 June 2015 Audited Rm	% change	52 weeks to 29 June 2014 Audited Rm
Revenue	Note 4	12 619	8	11 642
Sale of merchandise		11 290	8	10 458
Cost of sales		(5 060)		(4 617)
Gross profit		6 230	7	5 841
Other income	4	259		235
Trading expenses		(4 116)	12	(3 668)
Depreciation and amortisation		(221)		(184)
Employment costs		(1 186)		(1 024)
Occupancy costs		(1 102)		(954)
Trade receivable costs		(960)		(916)
Other operating costs		(647)		(590)
Trading profit		2 373	(1)	2 408
Interest received	4	1 063		917
Dividends received	4	7		32
Profit before finance costs and tax		3 443	3	3 357
Finance costs		(6)		–
Profit before tax		3 437	2	3 357
Tax expense		(977)		(951)
Profit for the period, fully attributable to shareholders of the company		2 460	2	2 406
Other comprehensive income to be reclassified to profit or loss in subsequent periods		10		(3)
Fair value adjustment on available-for-sale financial instruments		1		1
Movement in effective cash flow hedge		1		(2)
Deferred tax on movement in effective cash flow hedge		–		(2)
Movement in foreign currency translation reserve		8		–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(1)		3
Re-measurement (losses)/gains on defined benefit plans		(1)		3
Other comprehensive income for the period, net of tax		9		–
Total comprehensive income for the period, fully attributable to shareholders of the company		2 469		2 406
Basic earnings per share	(cents)	591.2	3	575.9
Headline earnings per share	(cents)	593.8	3	576.8
Fully diluted basic earnings per share	(cents)	589.5	4	568.4
Fully diluted headline earnings per share	(cents)	592.1	4	569.3
Weighted average number of shares	(millions)	416.1		417.8
Fully diluted weighted average number of shares	(millions)	417.3		423.3
Key ratios				
Gross margin	(%)	55.2		55.9
Trading expenses to sale of merchandise	(%)	36.5		35.1
Trading margin	(%)	21.0		23.0
Operating margin	(%)	30.5		32.1

SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY

2015

Balance at the beginning of the period

Profit and total comprehensive income for the period

Profit for the period

Other comprehensive income for the period

Dividends

Premium on shares issued

Premium on shares issued in terms of the restricted share scheme

Share-based payments

Balance at 28 June 2015

	Share capital and premium Rm	Treasury shares Rm	Retained earnings Rm	Non-distributable reserves Rm	Total equity Rm
Balance at the beginning of the period	368	(652)	6 774	152	6 642
Profit and total comprehensive income for the period	–	–	2 459	10	2 469
Profit for the period	–	–	2 460	–	2 460
Other comprehensive income for the period	–	–	(1)	10	9
Dividends	–	–	(1 700)	–	(1 700)
Premium on shares issued	65	–	–	–	65
Premium on shares issued in terms of the restricted share scheme	118	(118)	–	–	–
Share-based payments	–	–	–	28	28
Balance at 28 June 2015	551	(770)	7 533	190	7 504

2014

Balance at the beginning of the period

Profit and total comprehensive income for the period

Profit for the period

Other comprehensive income for the period

Dividends

Premium on shares issued

Shares repurchased

Shares repurchased and cancelled

Premium on shares issued in terms of the restricted share scheme

Share-based payments

Balance at 29 June 2014

Balance at the beginning of the period	293	(2 028)	7 830	129	6 224
Profit and total comprehensive income for the period	–	–	2 409	(3)	2 406
Profit for the period	–	–	2 406	–	2 406
Other comprehensive income for the period	–	–	3	(3)	–
Dividends	–	–	(1 568)	–	(1 568)
Premium on shares issued	44	–	–	–	44
Shares repurchased	–	(490)	–	–	(490)
Shares repurchased and cancelled	–	1 897	(1 897)	–	–
Premium on shares issued in terms of the restricted share scheme	31	(31)	–	–	–
Share-based payments	–	–	–	26	26
Balance at 29 June 2014	368	(652)	6 774	152	6 642

Dividends (cents per share):

Final – payable/paid September

Interim – paid March

Total

	2015	2014
Final – payable/paid September	169	169
Interim – paid March	236	216
Total	405	385

SUMMARISED GROUP STATEMENTS OF CASH FLOWS

	52 weeks to 28 June 2015 Audited Rm	52 weeks to 29 June 2014 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flow from trading and cash EBITDA*	2 654	2 682
Working capital movements	(476)	(105)
Cash generated from operations	2 178	2 577
Interest received	1 063	917
Dividends received	7	32
Finance costs	(4)	–
Tax paid	(1 099)	(984)
Cash inflow from operations	2 145	2 542
Dividends paid	(1 698)	(1 566)
Net cash from operating activities	447	976
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment to expand operations	(266)	(221)
Acquisition of plant and equipment to maintain operations	(61)	(54)
Acquisition of computer software	(53)	(14)
Proceeds on disposal of plant and equipment	1	2
Net acquisition of businesses	(270)	–
Premiums paid to insurance cell	(12)	–
Loans repaid	19	21
Acquisition of mutual fund units	(2)	(1)
Net cash used in investing activities	(644)	(267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on shares issued	65	44
Shares repurchased by subsidiaries	–	(490)
Contributions to post-retirement medical benefit plan asset	(2)	–
Net cash used in financing activities	63	(446)
Net (decrease)/increase in cash and cash equivalents	(134)	263
Cash and cash equivalents at the beginning of the reporting date	1 588	1 325
Net foreign exchange difference	8	–
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	1 462	1 588
Key ratios		
Cash flow per share	(cents) 515.5	608.4
Cash equivalent earnings per share	(cents) 642.9	634.8
Cash realisation rate	(%) 80	96

* Earnings before interest received, finance costs, tax, depreciation and amortisation.

SELECTED EXPLANATORY NOTES

1 STATEMENT OF COMPLIANCE

The information in the summarised financial statements has been extracted from the Group's 2015 annual financial statements. The summarised financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, IAS 34: Interim Financial Reporting, the South African Companies Act (71 of 2008, as amended) and the Listings Requirements of the JSE.

This preliminary report has been prepared under the supervision of DB Pfaff CA(SA), the Chief Financial Officer of the Group.

The Group's 2015 annual financial statements and the summarised annual financial statements have been audited by the Group's external auditors, Ernst & Young Inc., and their unqualified audit opinions on both the annual financial statements and summarised annual financial statements are available for inspection at the company's registered office.

The audit report on the summarised annual financial statements does not necessarily report on all of the information contained in this preliminary report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report on the summarised financial statements.

2 BASIS OF PREPARATION

The annual financial statements for the period ended 28 June 2015 are prepared in accordance with the going concern and historical cost bases, except where otherwise indicated. The accounting policies are applied consistently throughout the Group. The presentation and functional currency used in the preparation of the Group and company financial statements is the South African Rand [ZAR] (Rand) and all amounts are rounded to the nearest million, except where otherwise indicated.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of the Group's 2015 annual financial statements are in terms of IFRS and consistent with those applied in the preparation of the Group's annual financial statements for the period ended 29 June 2014, except for the changes resulting from the adoption of the amended statement that came into force during the period as described below:

IFRS 3: Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

The amendment has resulted in the contingent consideration liability that arose as a result of the Earthchild acquisition in the current period being classified at fair value through profit or loss.

Other IFRS, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations

Various new and amended IFRS and IFRIC have been issued and are effective, however, they are not applicable to the Group's activities.

SELECTED EXPLANATORY NOTES (CONTINUED)

	52 weeks to 28 June 2015 Audited Rm	% change	52 weeks to 29 June 2014 Audited Rm
4 REVENUE			
Sale of merchandise	11 290	8	10 458
Retail sales	11 644		10 762
Accounting adjustments*	(363)		(312)
Franchise sales	9		8
Interest received	1 063	16	917
Trade receivables interest	969		828
Investment interest	94		89
Other income	259	10	235
Commission	119		118
Display fees	61		53
Financial services income	61		50
Lease rental income	7		7
Insurance recoveries	6		3
Other	3		3
Royalties	2		1
Dividends received	7	(78)	32
Dividends received from insurance business arrangements	7		3
Dividends received from dissolution of an insurance cell captive	–		29
Total revenue	12 619	8	11 642
* Accounting adjustments made in terms of IFRS and generally accepted accounting practice relating to promotional vouchers, staff discounts on merchandise purchases, cellular retail sales, notional interest on non-interest-bearing trade receivables and the sales returns provision.			
5 RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS			
Profit for the period, fully attributable to shareholders of the company	2 460		2 406
Adjusted for:			
Loss on disposal of plant and equipment	6		4
Impairment of insurance cell captive	5		–
Headline earnings	2 471	3	2 410

SELECTED EXPLANATORY NOTES (CONTINUED)

6 BUSINESS COMBINATIONS

6.1 Acquisition of Earthchild Clothing (Waterfront) (Pty) Ltd

With effect from 1 March 2015 the company acquired 100% of the share capital of Earthchild Clothing (Waterfront) Pty Ltd (Earthchild) and, therefore, gained control over Earthchild and its wholly-owned subsidiary Earthchild Clothing (Namibia) (Pty) Ltd. Earthchild specialises in the retail sale of upper-end kids' and women's apparel.

The purchase consideration payable at the acquisition date was R330 million of which R226 million was payable immediately (cash consideration) and the remaining balance of R104 million will be payable during the 2017 (R42 million) and 2018 (R62 million) reporting periods (contingent consideration).

The fair value of the contingent consideration obligation at the acquisition date was determined using the discounted cash flow method.

The fair value of the purchase consideration at acquisition date was as follows:

	Fair value Rm
Cash consideration	226
Contingent consideration obligation	93
Purchase consideration	319
Contingent consideration obligation at acquisition date	93
Fair value adjustment recognised through profit or loss	2
Contingent consideration obligation at fair value	95
The fair value and carrying amount of the identifiable assets and liabilities of the Earthchild business, at and immediately before acquisition date respectively, were as follows:	
Plant and equipment	12
Inventories	45
Trade and other receivables	12
Deferred tax asset	2
Cash and cash equivalents	(13)
Trade and other payables	(35)
Net asset value	23
Trademarks	73
Deferred tax on the fair value adjustment of the trademarks	(20)
Total fair value	76
Purchase consideration	(319)
Goodwill arising on the acquisition	(243)

Trade and other receivables are carried at the gross contractual amount receivable and there are no contractual cash flows expected not to be recovered.

The goodwill of R243 million arising on the acquisition is attributable to the Earthchild business' superior store locations, long-term supplier relationships, good profitability and cash flow generation, and loyal customer base. These intangible assets were not separately recognised as it was not possible to measure their fair values reliably.

6.2 Pooling of interest: Truworths Ltd and Earthchild Clothing (Waterfront) (Pty) Ltd

On 27 June 2015 the company's wholly-owned major retailing subsidiary, Truworths Ltd, acquired the Earthchild business as a going concern from another wholly-owned subsidiary, Earthchild Clothing (Waterfront) (Pty) Ltd, at the net asset value on this effective date. The acquisition was accounted for using the pooling of interest method. This transaction had no financial impact on the consolidated results of the Group. From this date Earthchild and Earthaddict have become trading departments within Truworths Ltd.

6.3 Naartjie

With effect from 1 April 2015 Truworths Ltd acquired the Naartjie business, which specialises in the retail sale of upper-end kids' apparel, as a going concern from ZA One (Pty) Ltd and Naartjie Custom Kids, Inc. From this date Naartjie became a trading department within Truworths Ltd.

The total purchase consideration payable was US\$2.7 million of which US\$0.27 million was paid as a deposit on 22 January 2015, and the remaining US\$2.43 million was paid on 31 March 2015. The total purchase consideration paid was R33 million (calculated at the exchange rate of US\$1:R12.23).

SELECTED EXPLANATORY NOTES (CONTINUED)

The fair value and carrying amount of the identifiable assets and liabilities of the Naartjie business, at and immediately before acquisition date respectively, were as follows:

	Fair value Rm
Plant and equipment	5
Intangible assets	1
Inventories	24
Trade and other receivables	3
Cash and cash equivalents	2
Trade and other payables	(19)
Net asset value	16
Trademarks	6
Deferred tax on the fair value adjustment of the trademarks	(2)
Total fair value	20
Purchase price	(33)
Goodwill arising on the acquisition	(13)

7 SEGMENT REPORTING

The Group's reportable segments have been identified as the Truworths and YDE business units. The Truworths business unit comprises all the retailing activities conducted by the Group through which the Group retails fashion apparel comprising clothing, footwear and other fashion products to women, men and children, other than by the YDE business unit. The YDE business unit comprises the agency activities through which the Group retails clothing, footwear and related products on behalf of emerging South African designers.

As discussed in note 6.1 to 6.3, Earthchild, Earthaddict and Naartjie are divisions within the Truworths business unit and are therefore not reported on individually.

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 reported on an IFRS basis and evaluated based on revenue and profit before tax.

	Truworths Rm	YDE Rm	Consolidation entries Rm	Group Rm
2015				
Total third party revenue	12 489	130	–	12 619
Third party	12 481	130	8	12 619
Inter-segment	8	–	(8)	–
Depreciation and amortisation	217	4	–	221
Employment costs	1 180	14	(8)	1 186
Occupancy costs	1 064	38	–	1 102
Trade receivable costs	960	–	–	960
Other costs	710	16	(79)	647
Interest received	1 078	3	(18)	1 063
Profit for the period	2 404	41	15	2 460
Profit before tax	3 365	57	15	3 437
Tax expense	(961)	(16)	–	(977)
Segment assets	12 598	192	(3 633)	9 157
Segment liabilities	1 731	10	(88)	1 653
Capital expenditure	378	2	–	380
Gross margin	(%) 55.2		–	55.2
Trading margin	(%) 20.5	42.8	–	21.0
Operating margin	(%) 29.9	45.1	–	30.5
Inventory turn	(times) 4.7		–	4.7
Credit:cash sales mix	(%) 70:30	73:27	–	70:30

SELECTED EXPLANATORY NOTES (CONTINUED)

	Truworths Rm	YDE Rm	Consolidation entries Rm	Group Rm
2014				
Total third party revenue	11 519	123	–	11 642
Third party	11 485	123	34	11 642
Inter-segment	34	–	(34)	–
Depreciation and amortisation	179	5	–	184
Employment costs	1 005	14	5	1 024
Occupancy costs	917	37	–	954
Trade receivable costs	916	–	–	916
Other costs	613	15	(38)	590
Interest received	913	2	2	917
Profit for the period	2 334	38	34	2 406
Profit before tax	3 271	52	34	3 357
Tax expense	(937)	(14)	–	(951)
Segment assets	11 372	197	(3 493)	8 076
Segment liabilities	1 563	7	(136)	1 434
Capital expenditure	283	6	–	289
Gross margin (%)	55.9	–	–	55.9
Trading margin (%)	22.5	41.5	–	23.0
Operating margin (%)	31.3	43.1	–	32.1
Inventory turn (times)	5.3	–	–	5.3
Credit:cash sales mix (%)	71:29	24:76	–	71:29

	2015		2014	
	Contribution to revenue Rm	%	Contribution to revenue Rm	%
Third party revenue	12 141	96.2	11 219	96.4
South Africa	237	1.9	201	1.7
Namibia	78	0.6	70	0.6
Swaziland	75	0.6	63	0.5
Botswana	24	0.2	20	0.2
Zambia	22	0.2	17	0.1
Ghana	15	0.1	15	0.1
Lesotho	12	0.1	10	0.1
Mauritius	6	0.0	19	0.2
Nigeria	9	0.1	8	0.1
Franchise sales – Kenya				
Total third party revenue	12 619	100	11 642	100

8 CAPITAL COMMITMENTS

Capital expenditure authorised but not contracted

Store renovation and development

Buildings

Distribution facilities

Computer infrastructure

Head office refurbishment

Motor vehicles

Total capital commitments

	28 June 2015 Audited Rm	29 June 2014 Audited Rm
	322	356
	170	–
	163	17
	86	65
	21	7
	5	3
Total capital commitments	767	448

The capital commitments will be financed from cash generated from operations and available cash resources and are expected to be incurred in the 2016 reporting period.

DIRECTORS' HOLDINGS

OF SHARES AND EQUITY-BASED AWARDS

2015

In aggregate

Balance at the beginning of the period

Granted during period

Exercised during the period

Share movements during the period

Balance at the reporting date

By director

The direct and indirect interest of each of the directors in the company's shares, which are held either beneficially or pursuant to the equity-settled share scheme, are as follows:

Executive directors

Michael Mark

David Pfaff

Non-executive directors

Hilton Saven

Thandi Ndlovu

Tony Taylor

Balance at the reporting date

Comprising:

Direct interest

Indirect interest

Total

	RSPs ¹ 000's	PSPs ² 000's	SARs ³ 000's	PARs ⁴ 000's	Shares 000's	Options 000's	Total 000's
Balance at the beginning of the period	153	132	31	32	1 626	4 453	6 427
Granted during period	28	28	–	–	–	–	56
Exercised during the period	–	–	–	–	–	(4 003)	(4 003)
Share movements during the period	–	–	–	–	(3)	–	(3)
Balance at the reporting date	181	160	31	32	1 623	450	2 477
	181	160	31	32	1 550	450	2 404
Michael Mark	120	121	–	–	1 550	450	2 241
David Pfaff	61	39	31	32	–	–	163
	–	–	–	–	73	–	73
	–	–	–	–	50	–	50
	–	–	–	–	20	–	20
	–	–	–	–	3	–	3
Balance at the reporting date	181	160	31	32	1 623	450	2 477
	181	160	31	32	1 573	450	2 427
Direct interest	–	–	–	–	50	–	50
Indirect interest	181	160	31	32	1 623	450	2 477
Total							

¹ Restricted share plan shares.

² Performance share plan shares.

³ Share appreciation rights.

⁴ Performance appreciation rights.

2014

In aggregate

	RSPs 000's	PSPs 000's	SARs 000's	PARs 000's	Shares 000's	Options 000's	Total 000's
Balance at the beginning of the period	70	49	–	–	2 618	5 453	8 190
Granted during period	83	83	31	32	–	–	229
Exercised during the period	–	–	–	–	–	(1 000)	(1 000)
Share movements during the period	–	–	–	–	(992)	–	(992)
Balance at the reporting date	153	132	31	32	1 626	4 453	6 427

By director

The direct and indirect interest of each of the directors in the company's shares, which are held either beneficially or pursuant to the equity-settled share scheme, are as follows:

Executive directors

Michael Mark
David Pfaff

153	132	31	32	1 553	4 453	6 354
120	121	–	–	1 553	4 453	6 247
33	11	31	32	–	–	107

Non-executive directors

Hilton Saven
Thandi Ndlovu
Tony Taylor

–	–	–	–	73	–	73
–	–	–	–	50	–	50
–	–	–	–	20	–	20
–	–	–	–	3	–	3
153	132	31	32	1 626	4 453	6 427

Balance at the reporting date

Comprising:

Direct interest	153	132	31	32	1 573	4 453	6 374
Indirect interest	–	–	–	–	53	–	53
Total	153	132	31	32	1 626	4 453	6 427

There have been no changes to these interests between the reporting date and the date of the directors' report.

It is the Group's policy that all directors and officers, as well as those employees who have access to price-sensitive information, should not deal in company shares, or receive or exercise share options or share appreciation rights of the company during the closed period. The closed periods commence two weeks before the end of the interim (December) and annual (June) reporting periods and end twenty-four hours after announcement of the financial results on the JSE news service.

Loans pursuant to share scheme

The shares held by executive directors in terms of the Truworths International Ltd share option scheme have been acquired by way of secured loans pursuant to such scheme. The shares are pledged against the outstanding loan balances (refer to note 28.1 in the Group's 2015 annual financial statements) and will become releasable upon the later of vesting or repayment of the loans (refer to note 7.1 in the Group's 2015 annual financial statements). Refer to section 3 of Annexure Two in the Group's 2015 annual financial statements for details of options exercised and shares so acquired in terms of such scheme during the reporting period.

All 1 550 000 shares held by Mr Mark pursuant to the share scheme have vested at the reporting date. All 1 553 741 shares held by Mr Mark pursuant to the share scheme in 2014 had vested at the reporting date.

EXTRACT FROM SHAREHOLDER INFORMATION

Holders of major beneficial interests in shares

According to the company's register of disclosures of beneficial interests made by registered shareholders acting in a nominee capacity, and the disclosures made by fund managers in terms of section 56 of the Companies Act (71 of 2008, as amended), the following persons had beneficial interests in excess of 3% of the company's shares at the reporting date:

	Country	2015		2014	
		Number of shares	% of issued capital	Number of shares	% of issued capital
Government Employees Pension Fund	South Africa	64 155 300	14.9	65 280 416	15.5
Aberdeen Emerging Markets Fund	United Kingdom	26 948 395	6.3	26 659 395	6.3
Aberdeen Emerging Opportunities Fund	United Kingdom	15 839 676	3.7	15 381 512	3.6
Aberdeen Institutional Commingled Funds	United Kingdom	12 901 975	3.0	–	–

Major fund managers

According to the disclosures made by nominee and asset management companies in terms of section 56 of the Companies Act (71 of 2008, as amended), the following fund managers administered portfolios (including those of the holders of the major beneficial interests above) in excess of 3% of the company's shares at the end of the reporting period:

	Country	2015		2014	
		Number of shares	% of issued capital	Number of shares	% of issued capital
Aberdeen Asset Managers Ltd	United Kingdom	75 042 518	17.5	76 844 038	18.2
Public Investment Corporation	South Africa	56 948 634	13.3	59 088 097	14.0
Westwood Global Investments LLC	United States of America	30 276 083	7.1	30 026 825	7.1
Aberdeen Asset Managers Inc	United States of America	20 908 638	4.9	20 835 466	4.9
Foord Asset Management (Pty) Ltd	South Africa	15 385 060	3.6	21 872 419	5.2
Coronation Fund Managers Ltd	South Africa	13 899 968	3.2	16 270 450	3.8
Lazard Asset Management LLC	United States of America	–	–	18 381 956	4.3

Shareholder spread at the end of the period

Pursuant to the Listings Requirements of the JSE and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at the end of the reporting period was as follows:

Non-public shareholders

Treasury shares

	2015			2014		
	Number of share-holdings	Number of shares	%	Number of share-holdings	Number of shares	%
Truworths Limited, held on behalf of participants in terms of the 2012 share plan:	1	2 551 687	0.6	1	1 049 641	0.3
Directors of the company and subsidiaries		556 141	0.1		396 124	0.1
Non-director participants		1 995 546	0.5		653 517	0.2
Truworths International Limited Share Trust	1	146 956	0.0	1	146 561	0.0
Truworths Trading (Pty) Ltd	1	7 668 876	1.8	1	7 668 876	1.8
Directors of the company and subsidiaries	6	1 740 272	0.4	6	1 833 716	0.4
Associates of directors of the company and subsidiaries	1	50 000	0.0	2	53 741	0.0
Non-director share scheme participants	5	257 768	0.1	8	497 259	0.1
Total non-public shareholders	15	12 415 559	2.9	19	11 249 794	2.6
Public shareholders	6 268	416 911 791	97.1	4 808	411 389 179	97.4
Total	6 283	429 327 350	100.0	4 827	422 638 973	100.0

NOTICE TO SHAREHOLDERS

Notice is hereby given that the annual general meeting of shareholders of Truworths International Limited ("the company") is scheduled to be held in the Auditorium, First Floor, No.1 Mostert Street, Cape Town, South Africa on Thursday, 5 November 2015 at 09:30 for the purpose of conducting the following items of business:

1. To receive and adopt the Group and the company Audited Annual Financial Statements, which include the Directors' Report and the Audit Committee Report, for the period ended 28 June 2015. The audited Group Annual Financial Statements are available on the company's website www.truworths.co.za or can be obtained upon request to the company secretary by calling (+27) (0)21 460 7956 or e-mailing skohlhofer@truworths.co.za.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

2. To elect directors of the company in accordance with the Companies Act (71 of 2008, as amended) ("the Act") and the company's memorandum of incorporation which provide that:
 - At least one third of the directors, being those longest in office at the date of the annual general meeting, should retire, but that such directors may offer themselves for re-election.
 - Any director appointed by the board of directors since the previous annual general meeting must be elected by shareholders at the next annual general meeting.

Messrs RJA Sparks, DB Pfaff and MS Mark are required to retire by rotation at the annual general meeting and, being entitled thereto, have offered themselves for re-election. Voting for the directors seeking re-election will be conducted individually.

Mr J-C S Garbino was appointed as an executive director by the board with effect from 21 August 2015 and is required to be elected by shareholders at the annual general meeting.

A brief *résumé* of each of these directors is attached at the end of this notice.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

3. To renew the directors' general authority, which shall be limited in aggregate to 21 466 368 shares, being 5 (five) percent of the company's shares in issue at 28 June 2015, over both the un-issued and the repurchased ordinary shares of the company until the following annual general meeting, only for the purposes

of allotting or selling such shares in connection with an acquisition or empowerment transaction by the Group, and for no other purpose. This general authority shall include the power to allot or to sell, as the case may be, such shares for cash subject to the provisions of the Act and the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"). In particular this ordinary resolution which, if passed, would constitute a waiver by members of their pre-emptive rights, is in terms of the Listings Requirements subject to not less than 75% of the votes of all shareholders entitled to vote and in attendance or represented at the meeting, being cast in favour of the resolution, and is further subject to paragraphs 5.52, 5.75 and 11.22 of the Listings Requirements, which in summary provide as follows:

- such shares may only be issued or sold, as the case may be, to public shareholders as defined in the Listings Requirements, and not to related parties;
- such shares may not exceed 15% of the company's issued shares in any financial year, the number that may be issued or sold (as the case may be) being determined in accordance with subparagraph 5.52 (c) of the Listings Requirements;
- the maximum discount (if any) at which such shares may be issued or sold (as the case may be) is 10% of the weighted average traded price of such shares on the JSE over the 30 business days preceding the date of determination or agreement of the issue or selling price, as the case may be;
- after the company has issued shares in terms of this general authority representing, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company will publish an announcement containing full details of the issue, including:
 - the number of shares issued;
 - the average discount (if any) to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue was determined or agreed by the directors; and
 - the effects of the issue on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and diluted earnings and headline earnings per share.

The reason for proposing this resolution is to grant a restricted authorisation to the directors to issue the un-issued shares of the company and to sell the treasury shares held by subsidiaries, such shares together being limited to 5 (five) percent of the shares in issue at 28 June 2015, subject to such authority only being exercised for the purposes of an acquisition or

NOTICE TO SHAREHOLDERS (CONTINUED)

empowerment transaction and applicable regulatory and statutory limitations, either for cash or in respect of the acquisition of assets, or otherwise.

The effect of this resolution, were it to be passed, would be that the directors will have a restricted authority to issue a limited number of the un-issued shares of the company and to use a limited number of the treasury shares held by subsidiaries only for the stated purposes, subject to the applicable provisions of the Listings Requirements, the Act and the provisions of this resolution.

4. To consider and if deemed fit to pass, with or without modification, the following as special resolution 1, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Listings Requirements:

“That the company hereby approves, as a general approval contemplated in the Listings Requirements, the acquisition from time to time, either by the company itself or by its subsidiaries, of up to a maximum of 21 466 368 shares, being 5% of the company’s shares in issue at 28 June 2015, and further approves the acquisition by the company of any of its issued shares held by any of its subsidiaries as treasury stock, upon such terms and conditions and in such amounts as the directors of the company may from time to time decide, subject however to the provisions of the Act and the Listings Requirements relating to general repurchases of shares, it being recorded that it is currently required by such Listings Requirements that general repurchases of a company’s shares can be made only if:

- (a) the company and its subsidiaries are enabled by their memoranda of incorporation to acquire such shares;
- (b) the company and its subsidiaries are authorised by their shareholders in terms of special resolutions taken at general meetings, to make such general repurchases, such authorisation being valid only until their next annual general meetings or for 15 months from the date of the special resolutions, whichever period is shorter;
- (c) such repurchases are effected through the order book operated by the JSE trading system and without any prior understanding or arrangement between the company and a counterparty, unless the JSE otherwise permits;
- (d) such repurchases are limited to a maximum of 20% per financial year of the company’s issued shares of that class at the time the aforementioned authorisation is given, it being noted that in terms of the Act a maximum of 10% in aggregate of the company’s issued shares that may have been repurchased are capable of being held by subsidiaries of the company;

- (e) such repurchases are made at a price no greater than 10% above the weighted average market price at which the company’s shares traded on the JSE over the five business days immediately preceding the date on which the transaction is effected;
- (f) at any point in time, the company appoints only one agent to effect any repurchase on the company’s behalf; and
- (g) such repurchases are not conducted during prohibited periods as defined by the Listings Requirements, unless the company has complied with the conditions set out in paragraph 5.72(h) of the Listings Requirements.”

The reason for this special resolution is to grant a limited authorisation to the company and its subsidiaries generally to repurchase the company’s shares by way of bona fide open market transactions on the JSE or otherwise as permitted by the JSE, subject to statutory and regulatory limitations and controls.

The effect of this special resolution, were it to be passed, would be that the company and its subsidiaries will have been authorised generally to repurchase up to 5% of the company’s shares by way of bona fide open market transactions on the JSE or otherwise as permitted by the JSE, subject to statutory and regulatory limitations and controls.

The intention of the directors is that the repurchase of the company’s shares will be effected within the parameters laid down by this resolution as well as by the Act, the JSE and the board, as and when the directors of the company deem such repurchases to be appropriate, having regard for prevailing market and business conditions. The directors will ensure that the requisite prior resolution of the board has been taken authorising such repurchases, confirming that the company and its subsidiaries engaged in such repurchases have passed the solvency and liquidity test envisaged in the Act and confirming that since such tests were performed there have been no material adverse changes to the financial position of the Group. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 months after the date of the annual general meeting referred to in this notice:

- *the company and the Group would in the ordinary course of their business be able to pay their debts;*
- *the consolidated assets of the company and the Group would exceed the consolidated liabilities of the company and the Group respectively, such assets and liabilities being fairly valued and recognised and measured in accordance with the accounting policies used in the 2015 audited Annual Financial Statements of the company and the Group;*

- the issued capital and reserves of the company and the Group would be adequate for the purposes of the company and the Group's ordinary business; and
- the company and the Group's working capital would be adequate for ordinary business purposes.

Notes:

- (i) The company will publish an announcement complying with the Listings Requirements if and when an initial and successive 3% tranche(s) of its shares have been repurchased in terms of the aforementioned general authority.
- (ii) The company undertakes to comply with all Listings Requirements in force and effect at the time of the general repurchase.

5. To elect an independent external auditor to audit the company and the Group's annual financial statements for the period ending 26 June 2016.

The Group's current external auditor is Ernst & Young Inc, which has indicated that Ms Tina Rookledge, being a partner of that firm and a registered auditor, will undertake the audit, and the directors endorse the recommendation of the company's Audit Committee that this firm be re-appointed for the ensuing period, and that the terms of its engagement and fees be determined by such committee.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

6. To approve by way of special resolution 2, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Act, the proposed fees of the non-executive directors for services as directors for the twelve-month period from 1 January 2016 to 31 December 2016, as follows:

- Non-executive chairman
R770 000 (2015: R690 000)
- Non-executive deputy chairman
R500 000 (2015: n/a)
- Non-executive directors
R280 000 (2015: R280 000)
- Audit Committee chairman
R235 000 (2015: R200 000)
- Audit Committee member
R125 000 (2015: R115 000)
- Remuneration Committee chairman
R140 000 (2015: R120 000)

- Remuneration Committee member
R80 000 (2015: R75 000)
- Risk Committee chairman
R140 000 (2015: n/a)
- Risk Committee member
R80 000 (2015: R80 000)
- Non-executive and Nomination Committee chairman
R100 000 (2015: R40 000)
- Non-executive and Nomination Committee member
R50 000 (2015: R20 000)
- Social and Ethics Committee chairman
R50 000 (2015: R30 000)
- Social and Ethics Committee member (non-executive only)
R25 000 (2015: R18 000)

The reason for special resolution 2 is to obtain the approval of the shareholders of the company for the fees of the non-executive directors for their services as directors of the company for the 2016 calendar year, as recommended by the company's Remuneration Committee and as required by the Act. The Act provides that such fees be approved by shareholders in advance.

The effect of special resolution 2 were it to be passed would be that the company's shareholders will have approved the fees of the non-executive directors for their services as directors of the company for the 2016 calendar year, as recommended by the company's Remuneration Committee and as required by the Act.

7. Subject where necessary to their re-appointment as directors of the company in terms of the resolutions proposed under agenda item 2 above, to confirm by separate resolutions the appointment of the following qualifying independent non-executive directors to the company's Audit Committee for the period until the next annual general meeting of the company, in terms of the requirements of the Act:

Messrs MA Thompson, RG Dow and RJA Sparks.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

8. To approve, by way of an advisory non-binding vote, the Group's remuneration policy as set out on pages 84 to 89 of the Group's Integrated Annual Report for the period ended 28 June 2015, in terms of the King III principles.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

NOTICE TO SHAREHOLDERS (CONTINUED)

9. To consider the report to shareholders of the Social and Ethics Committee, as published on the Group's website www.truworths.co.za, for the period ended 28 June 2015, in accordance with the Companies Regulations, 2011 published in terms of the Act.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

10. Subject where necessary to their re-appointment as directors of the company in terms of the resolutions proposed under agenda item 2 above, to confirm by separate resolutions the appointment of the following qualifying directors to the company's Social and Ethics Committee for the period until the next annual general meeting of the company, in terms of the requirements of the Companies Regulations, 2011 published in terms of the Act:

Messrs MA Thompson and DB Pfaff and Dr CT Ndlovu.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

11. To approve by way of special resolution 3, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Act, the provision of financial assistance as authorised by the board in accordance with section 45 of the Act, whether directly or indirectly and including the lending of money, the guaranteeing of any obligation and the securing of any debt, by the company from time to time, to any related or interrelated company, on condition that the board is satisfied that immediately after providing such financial assistance the company will satisfy the solvency and liquidity test, and that the terms of the financial assistance are fair and reasonable to the company.

The reason for special resolution 3 is to obtain the approval of the shareholders of the company for the company to provide financial assistance as may be authorised by the board, whether by way of loan, guarantee or security, to other entities in the Group, subject to the requirements of the Act as regards solvency, liquidity, fairness, reasonableness and notification.

The effect of special resolution 3, were it to be passed, would be that the company's shareholders will have approved the provision of financial assistance by the company, as may be authorised by the board, whether by way of loan, guarantee or security, to other entities in the Group, subject to the requirements of section 45 of the Act.

Directors' and Management's Responsibility Statement

The directors of the company, whose names are given on page 92 of the Group's Integrated Annual Report (available on the Group's website www.truworths.co.za), collectively and individually accept full responsibility for the accuracy of the

information given in this notice, and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by the Listings Requirements.

The other general information referred to in paragraph 11.26 (b) of the Listings Requirements regarding the company is contained in the Group's Annual Financial Statements for the period ended 28 June 2015 (available on the Group's website www.truworths.co.za) as follows:

- *major shareholders on pages 122 and 125*
- *material changes since year-end, on page 89 (note 36)*
- *company's share capital, on page 43 (note 13)*

Record date for receiving this notice

The directors have set the notice record date for the purposes of determining which shareholders are entitled to receive this notice of the company's annual general meeting as 17:00 on Friday, 18 September 2015. The last day to trade in order to be entitled to receive the notice of the meeting will therefore be Friday, 11 September 2015.

Electronic participation in the meeting

Shareholders or their proxies may participate in the meeting by way of teleconference call and, if they wish to do so:

- Must contact the company secretary by email to skohlhofer@truworths.co.za no later than 17:00 on Friday, 30 October 2015 to obtain dial-in details
- Will be required to provide reasonably satisfactory identification when they do dial-in
- Will be billed separately by their telephone service providers for the dial-in call
- Will, if they wish to vote at the meeting, still be required to appoint a proxy or a representative to do so on their behalf in accordance with the below provisions, given the current technical limitations relating to remote electronic voting.

Attendance, representation and voting at the meeting

By registered shareholders

Natural persons

Any natural person registered as a shareholder of the company, either as a holder of shares in certificate (i.e. paper) form or as an "own name" holder of shares in dematerialised (i.e. electronic) form, may in person attend, participate in and vote at the annual general meeting. **The meeting record date for participation and voting by such persons at the meeting is 17:00 on Friday, 30 October 2015. The last day to trade in order to be entitled to vote at the meeting will therefore be Friday, 23 October 2015.**

Alternatively every such shareholder may appoint one or more proxies, who need not be shareholders of the company, to attend, participate in and vote at the meeting on his/her behalf. Presentation of suitable identification by such persons when registering their attendance at the meeting will be required.

Juristic persons

Any juristic (legal) person or corporate body registered as a shareholder of the company may either appoint a representative to attend the annual general meeting and speak and vote thereat on its behalf, or alternatively may appoint one or more proxies for this purpose.

By non-registered shareholders

Shareholders who have dematerialised their company shareholdings, in such a manner that these holdings are no longer recorded in their own names in the sub-registers maintained by Central Securities Depository Participants (CSDPs), are not company shareholders as defined. Similarly, shareholders whose shares held in certificate form are registered in the name of nominee companies, are also not company shareholders as defined.

Both such categories of non-registered shareholders who wish to attend the company's annual general meeting in person should arrange with their CSDPs or brokers to be furnished with the necessary authorisation to do so either as the representative or proxy of such CSDPs or brokers.

Both such categories of non-registered shareholders who do not wish, or are unable, to attend the annual general meeting, but nonetheless wish to be represented thereat, should provide their CSDPs or brokers with their voting instructions.

These instructions should be given in sufficient time, and in accordance with the agreement between them and their CSDPs or brokers, to enable the CSDPs or brokers to lodge appropriate forms of proxy or appoint suitable representatives for the meeting in accordance with such instructions.

Documentary requirements relating to proxies

Where a proxy is appointed, the enclosed proxy form must be completed, signed and lodged, together with proof of the authority of the person signing the form in a representative capacity, with Computershare Investor Services (Pty) Limited, the transfer secretaries of the company, so as to be received at least forty eight hours before the appointed time of the meeting, i.e. by 09:30 on Tuesday, 3 November 2015.

The meeting record date for participation and voting by shareholders at the meeting through such proxies is 17:00 on Friday, 30 October 2015. The last day to trade in order for shareholders to be entitled to participate and vote at the meeting via such proxies will therefore be Friday, 23 October 2015. Presentation of suitable identification by the proxy when registering his/her attendance on the day of the meeting will be required.

Documentary requirements relating to representatives

Where a representative is appointed, proof of such appointment is required to be furnished, to the satisfaction of the directors of the company, to Computershare Investor Services (Pty) Limited, the transfer secretaries of the company, so as to be received at least forty eight hours before the appointed time of the meeting, i.e. by 09:30 on Tuesday, 3 November 2015.

The meeting record date for participation and voting by shareholders at the meeting through such representatives is 17:00 on Friday, 30 October 2015. The last day to trade in order for shareholders to be entitled to participate and vote via such representatives at the meeting will therefore be Friday, 23 October 2015.

Such proof can take the form of either a certified copy of a resolution of the juristic person or corporate body or a letter of representation signed by a duly authorised director or officer thereof (other than the representative). Presentation of suitable identification by the representative when registering his attendance on the day of the meeting will be required.

By order of the board



Chris Durham FCIS
Chartered Secretary
Company Secretary

Cape Town
20 August 2015

APPENDIX 1

BRIEF RÉSUMÉS

Directors standing for re-election

RODERICK JOHN ALWYN SPARKS (56)

BCom (Hons), CA (SA), MBA

Independent Non-executive Director

Member of the Audit Committee

Member of the Non-executive and Nomination Committee

Roderick Sparks was appointed to the Truworths International Board with effect from 1 February 2012. He is a qualified chartered accountant and an experienced business executive, and a member of the company's Audit Committee.

He is a chartered accountant by profession carrying the CA (SA) designation.

He serves as a non-executive on various boards, including FoodBank Foundation, Imperial Holdings Limited, NMC (Pty) Ltd, Regent Life Assurance Company, Trencor Limited and World Wildlife Fund for Nature.

DAVID BRIAN PFAFF (50)

BCom, CTA, CA (SA), Dip Soc (Oxon)

Executive Director

Chief Financial Officer

Member of the Social and Ethics Committee

Member of the Risk Committee

Member of the Sustainability Committee

David Pfaff joined the Group on 1 April 2013, when he was appointed as designate Chief Financial Officer and has been appointed as an executive director of the company and as Chief Financial Officer of the Group with effect from 1 September 2013.

He is a chartered accountant by profession carrying the CA (SA) designation.

He previously spent seven years with a large JSE listed information technology group in the period up to 2008 as chief financial officer. During the four year period prior to his joining the Group he operated as an independent consultant in the United Kingdom, where he was instrumental in setting up a number of entrepreneurial ventures.

MICHAEL SAMUEL MARK (62)

BCom, MBA, ACMA

Executive Director

Chief Executive Officer

Chairman of the Risk Committee

Michael Mark has been the Chief Executive Officer of Truworths International since 1996, having been appointed as a director of the company in 1988. In 2000 he was appointed as executive chairman of the group, a position which he relinquished in 2004 when the roles of chairman and chief executive were separated. In 1991 he became managing director of Truworths and in 1998 its executive chairman.

He combines over 30 years of experience in the retail industry with an ability to retain focus on the Group's key competencies and an unrivalled understanding of the dynamics of fashion retailing.

His vision and leadership has enabled the group to achieve exceptional financial performance, including significant growth in turnover, earnings, trading density and return on equity on a consistent basis over an extended period, such that it enjoys international recognition as retailer of excellence.

New director appointment

JEAN-CHRISTOPHE (J-C) SERGE GARBINO (45)

BA (Business Administration)

Member of the Association pour le Progrès du Management (APM)

Executive Director

Jean-Christophe Garbino was appointed CEO Designate of the Group with effect from 1 March 2015, and as an executive director of the company with effect from 21 August 2015.

Prior to his employment with the Group he was the chief executive officer of the prominent Kiabi fashion retailer in France having been in its employ since 1992. He was appointed to this position in 2007 after successfully serving as Managing Director for Spain, and since then the retailer had grown from 200 stores in three countries to over 450 stores in 8 countries across Europe and Russia. Kiabi is an omni-channel fashion retail chain which sells commercially priced fashion to ladies, men and children. It employs more than 7 500 people and delivered revenue of approximately €1.5 billion in its most recent reporting period.

J-C will work closely with the Group's current CEO until the transition process has been suitably completed.

SHAREHOLDERS' DIARY

Annual general meeting

5 November 2015

Reports

Annual results for the period ended 28 June 2015 announced

20 August 2015

Preliminary report for the period ended 28 June 2015 mailed

30 September 2015

Interim results for the period ended 27 December 2015 announced

18 February 2016*

Dividends

In respect of the period ended 28 June 2015

(Dividend number 35)

Dividend declared

20 August 2015

Dividend paid

14 September 2015

For the period ended 27 December 2015

(Dividend number 36)

18 February 2016*

7 March 2016*

* These are approximate dates.

ADMINISTRATION

Truworths International Limited

Registration number 1944/017491/06

Tax reference number 9875/145/71/7

JSE code: TRU

NSX code: TRW

ISIN: ZAE000028296

Company secretary

Chris Durham, FCIS, PG Dip. Adv. Co Law (UCT)

Registered office

No.1 Mostert Street, Cape Town, 8001, South Africa

Postal address

PO Box 600, Cape Town, 8000, South Africa

Contact details

Tel: +27 (21) 460 7911 • Telefax: +27 (21) 460 7132

www.truworths.co.za

Principal bankers

The Standard Bank of South Africa Ltd

Auditors

Ernst & Young Inc.

Attorneys

Bernadt Vukic Potash and Getz

Edward Nathan Sonnenbergs Inc.

Spoor & Fisher

Webber Wentzel

Bowman Gilfillan

Sponsor in South Africa

One Capital Sponsor Services (Pty) Ltd

Sponsor in Namibia

Old Mutual Investment Services (Namibia) (Pty) Ltd

Transfer secretaries

In South Africa

Computershare Investor Services (Pty) Ltd

70 Marshall Street, Johannesburg, 2001, South Africa

PO Box 61051, Marshalltown, 2107, South Africa

Contact details

Tel: +27 (11) 370 5000 • Telefax: +27 (11) 688 5248

www.computershare.com

In Namibia

Transfer Secretaries (Pty) Ltd

Robert Mugabe Avenue No. 4

Windhoek, Namibia

PO Box 2401, Windhoek, Namibia

Contact details

Tel: +264 (61) 22 7647 • Telefax: +264 (61) 24 8531

Directors

H Saven (Chairman)§‡, MS Mark (CEO)*, DB Pfaff (CFO)*,

J-C S Garbino*, RG Dow§‡, KI Mampeule§‡, CT Ndlovu§‡,

RJA Sparks§‡, AJ Taylor§‡ and MA Thompson§‡

* Executive § Non-executive ‡ Independent

TRUWORTHS

elements
TRUWORTHS BEAUTY DESTINATION

Inwear

TRUWORTHS
JEWELLERY

TRUWORTHS
MAN

U
UZZI

EARTH
CHILD EARTHADDICT

LTD KIDS
EXCELLENCE TO INSPIRATION

naartjie Kids

DANIEL HECHTER
PARIS

LTD

IDENTITY

DE

the young designers emporium

TRUWORTHS
INTERNATIONAL

www.truworths.co.za