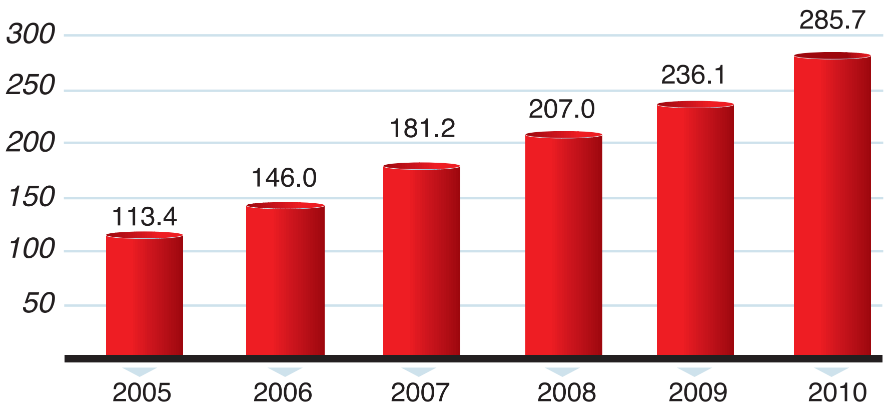


Core Headline Earnings Per Share (cents)

Compound annual growth rate • 5 years 19% • 24 years 23%

Mr Price Group Limited

AUDITED GROUP RESULTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 31 MARCH 2010

Registration number 1933/004418/06 • Incorporated in the Republic of South Africa • ISIN: ZAE 000026951 • JSE share code: MPC

(“Mr Price” or “the company” or “the group”)

Highlights 2010

OPERATING PROFIT	CORE HEPS	CASH FLOW FROM OPERATIONS	FINAL DIVIDEND
+ 20%	+ 21%	+ 30%	+ 37%

RESULTS

South Africa experienced negative GDP growth in the fourth quarter of 2008 and technically went into recession in the first quarter of 2009, emerging tentatively in the third quarter of 2009. This period proved to be a very difficult trading environment. Despite this, the group has continued to capture market share and achieved sales growth of 10.0% to R9.5 billion. Comparable sales, which include sales of expanded and relocated stores in like-for-like locations, increased by 8.2%.

Correct fashion interpretations and merchandise calls resulted in lower markdowns and the gross profit percentage increased from 39.0% to 39.9%. Selling expenses were well controlled, up 9.9% as a consequence of inflation and weighted average space growth of 4.5%. Administrative expenses, prior to the effect of mark-to-market adjustments relating to forward exchange contracts, were up 8.7%. Operating profit increased by 19.9% to R991.5 million and the operating margin increased from 9.6% to 10.5%. Despite the bank rate decreasing by 300 basis points to 6.5%, net finance income was positively affected by increased cash balances, contributing to profit after net finance income increasing by 20.6%.

The company took advantage of favourable exchange, interest and tax rates and in agreement with all relevant stakeholders, terminated its involvement in export partnerships. The elimination of this non-retail activity will also simplify the reporting of earnings in the future. The net impact on the income statement which includes a release from deferred taxation, is fully set out in note 4 below.

Core headline earnings per share grew by 21.0%. After accounting for the effect of the unbundling referred to above, headline earnings per share were up 9.9%.

The board extends its appreciation to each of the group’s 17 300 associates, whose efforts made these results possible.

TRADING

The Apparel chains increased sales and other income by 13.1% to R6.9 billion and operating profit by 18.3% to R980.3 million. The operating margin increased from 14.0% to 14.6%. Mr Price Apparel once again delivered an excellent trading result and grew sales by 15.9% to R5.2 billion. The division has now gained market share for 48 consecutive months with profits well ahead of the previous year. Miladys’ annual sales were down 1.3% to R1.0 billion. Profits were lower than the previous year, but showed an improved performance in the second half. Mr Price Sport increased sales by 19.1% to R437.0 million and exceeded internal profitability targets.

The Home chains’ performance continued to be hampered by consumers’ lower expenditure on discretionary home purchases. Sales and other income increased by 3.3% to R2.8 billion and operating profit by 21.5%. The operating margin increased from 3.1% to 3.7%. Mr Price Home recorded sales of R1.9 billion, an increase of 2.6% and gained considerable market share in the second half of the year. Operating profit improved due to an increased gross profit percentage and tight expense control. Sales in Sheet Street increased by 4.9% to R846.4 million and profits were in line with the previous year.

FINANCIAL POSITION

The cash flows associated with being a predominantly cash retailer (83.9% of sales were for cash) has resulted in the financial position strengthening, and the group ended the year with cash resources of R1.2 billion. This was mainly attributable to an increase in operating profit before working capital changes of 17.3%, sound inventory management and restrained capital expenditure.

Aided by Project Redgold, gross inventories were R71.8 million lower than last year, and the group improved its stock turn from 5.5 times to 5.9 times. Notably, the Apparel chains achieved an increase in sales of 13.1% off an increase in inventory of only 6.5% and the Home chains achieved a reduction in stock levels of 24.3%.

There was a continued aggressive focus on credit management and risk processes in response to tougher economic conditions. An improved collections strategy, coupled with a conservative credit granting philosophy resulted in the group maintaining its leading position with regard to the state of its credit portfolio, as highlighted by benchmarking services to which it subscribes. Net bad debt amounted to 3.7% of credit sales or 7.0% of the debtors’ book and the provision for impairment is 9.1%.

PROSPECTS

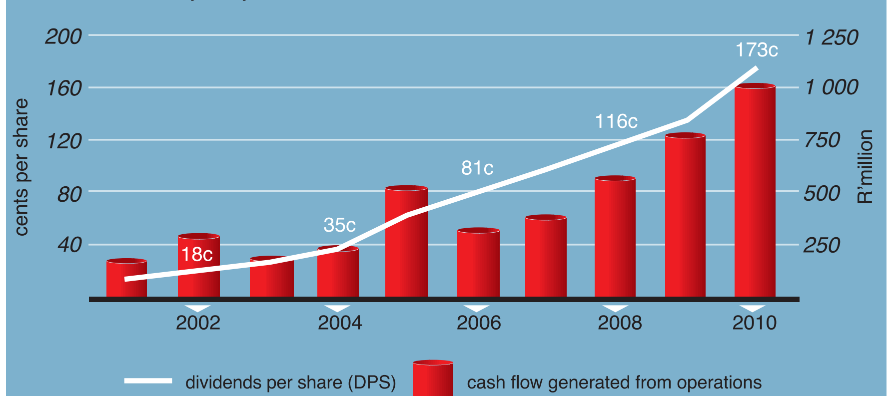
Both the economy and consumers’ personal finances remain under pressure. Although interest rates are at a 30 year low and inflation has decreased to within target range, cost pressures exist in relation to electricity, rates and fuel. The recent increase in consumer confidence reported by the Bureau for Economic Research is not yet reflected in retail sales data and the expected slow pace of the recovery will mean another tough trading year lies ahead.

The group is cautiously optimistic given the success achieved in the second half of the year through initiatives undertaken to improve performance as well as the recovery prospects of the divisions hardest hit by the recession. The group will continue looking for trading space opportunities and, in order to maintain its historical track record of sales growth, will consider new business concepts and opportunities, including acquisitions should the business fit be right. Experience has confirmed that a well executed fashion-value strategy of selling fashionable products at everyday low prices, is successful in both good and bad economic times.

DIVIDEND POLICY

The group aims to be the top performing retailer in Africa by delivering superior returns to shareholders. This vision will be enabled by plans to achieve strong sales and earnings growth as well as enhancing dividends to sustainable levels.

The group’s cash-generative business model and strong financial position, coupled with the board’s confidence with regard to future performance, has resulted in a reduction in dividend cover from 1.9 to 1.6 times. Accordingly, the final dividend has increased by 36.6% and total dividends for the year by 30.0%.



Compound annual growth rate in DPS • 5 years 24% • 24 years 24%

FINAL CASH DIVIDEND DECLARATION

Notice is hereby given that a final cash dividend of 126.8 cents per share has been awarded to the holders of ordinary and unlisted B ordinary shares.

The following dates are applicable:

Last date to trade ‘cum’ the dividend	Friday	18 June 2010
Date trading commences ‘ex’ the dividend	Monday	21 June 2010
Record date	Friday	25 June 2010
Date of payment	Monday	28 June 2010

Shareholders may not dematerialise or rematerialise their share certificates between Monday 21 June 2010 and Friday 25 June 2010, both dates inclusive.

On behalf of the board

SB Cohen - Joint Chairman

LJ Chiappini - Joint Chairman — Durban

AE McArthur - Deputy Chairman and CEO — 26 May 2010

DIRECTORS

LJ Chiappini* (Joint chairman), SB Cohen* (Joint chairman), AE McArthur (Deputy chairman and Chief executive officer), SI Bird (Deputy chief executive officer), MM Blair, SA Ellis, K Getz*, MR Johnston*, RM Motanyane*, NG Payne*, Prof. LJ Ring (USA)*, MJD Ruck*, SEN Sebotsa*, WJ Swain*, M Tembe*, S van Niekerk, CS Yuill . * Non-executive director

SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited

consolidated statement of comprehensive income

R'000	2010 March 52 weeks	2009 March 52 weeks	% change
Revenue	9 747 910	8 857 229	10
Retail sales	9 454 130	8 591 258	10
Other income	214 149	190 129	13
Retail sales and other income	9 668 279	8 781 387	10
Costs and expenses	8 676 761	7 954 199	9
Cost of sales	5 685 157	5 240 547	8
Selling expenses	2 313 226	2 104 880	10
Administrative and other operating expenses	678 378	608 772	11
Profit from operating activities	991 518	827 188	20
Net finance income	36 761	25 757	43
Profit after net finance income	1 028 279	852 945	21
Net adjustment to contributions to export partnerships (note 4)	(164 688)	39 258	(520)
Profit before taxation	863 591	892 203	(3)
Taxation (note 4)	190 023	276 480	(31)
Profit attributable to shareholders	673 568	615 723	9
Other comprehensive income:			
Currency translation adjustments	(8 979)	(1 190)	
Defined benefit fund net actuarial loss	(2 976)	(8 926)	
Total comprehensive income	661 613	605 607	
Earnings per share (cents)			
- basic	273.5	249.1	10
- headline	276.9	251.9	10
- core headline	285.7	236.1	21
- diluted basic	259.7	241.8	7
- diluted headline	263.0	244.6	8
- diluted core headline	271.3	229.2	18
Dividend cover (times)	1.6	1.9	
Dividends per share (cents)	173.0	133.0	30

consolidated statement of cash flows

R'000	2010 March 52 weeks	2009 March 52 weeks
Cash flows from operating activities		
Operating profit before working capital changes	1 100 117	937 825
Working capital changes	89 444	(50 242)
Net interest received	178 350	168 700
Restraint of trade	-	(1 667)
Taxation paid	(346 467)	(271 463)
Net cash inflows from operating activities	1 021 444	783 153
Cash flows from investing activities		
Net receipts in respect of long-term receivables	42 361	14 142
Proceeds on disposal of investment in subsidiary	18 452	-
Additions to and replacement of intangible assets	(44 816)	(31 586)
Property, plant and equipment		
- replacement	(26 430)	(110 673)
- additions	(91 722)	(92 111)
- proceeds on disposal	1 231	982
Net cash outflows from investing activities	(100 924)	(219 246)
Cash flows from financing activities		
Proceeds from disposal of investments by staff share trust	26	40
Decrease in lease obligations	(7 236)	(5 054)
Sale/(purchase) of shares by staff share trusts	25 426	(34 255)
Deficit on treasury share transactions	(71 284)	(28 631)
Dividends to shareholders	(348 731)	(299 235)
Net cash outflows from financing activities	(401 799)	(367 135)
Change in cash and cash equivalents	518 721	196 772
Cash and cash equivalents at beginning of the year	660 787	465 277
Exchange losses	(8 765)	(1 262)
Cash and cash equivalents at end of the year	1 170 743	660 787

segmental reporting

For management purposes, the group is organised into business units based on their products and services, and has three reportable segments as follows:

- The Apparel segment retails clothing, footwear, sportswear, sporting equipment and accessories;
- The Home segment retails homewares; and
- The Central Services segment provides services to the trading segments including information technology, internal audit, human resources, group real estate and finance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and for performance assessment. Segment performance is evaluated based on operating profit or loss. Net finance income and income taxes are managed on a group basis and are not allocated to operating segments.

R'000	2010 March	2009 March	% change
Retail sales and other income			
Apparel	6 878 458	6 081 677	13
Home	2 778 311	2 688 976	3
Central Services	75 716	73 747	
Eliminations	(64 206)	(63 013)	
Total	9 668 279	8 781 387	10
Profit from operating activities			
Apparel	980 308	828 633	18
Home	101 147	83 275	21
Central Services	(89 937)	(85 905)	
Eliminations	-	1 185	
Total	991 518	827 188	20
Segment assets			
Apparel	1 509 056	1 429 953	6
Home	626 977	750 987	(17)
Central Services	1 474 211	1 089 738	
Eliminations	-	192	
Total	3 610 244	3 270 870	10

consolidated statement of financial position

R'000	2010 March	2009 March
Assets		
Non-current assets	686 475	893 460
Property, plant and equipment	530 407	603 299
Intangible assets	69 970	45 163
Long-term receivables and prepayments	338	222 748
Defined benefit fund asset	16 795	19 009
Deferred taxation assets	68 965	3 241
Current assets	2 923 769	2 377 410
Inventories	934 671	1 002 456
Trade and other receivables	818 355	714 167
Cash and cash equivalents	1 170 743	660 787
Total assets	3 610 244	3 270 870
Equity and liabilities		
Equity attributable to shareholders	2 070 823	1 764 187
Non-current liabilities	200 966	225 673
Lease obligations	180 329	145 785
Deferred taxation liabilities	782	69 926
Long-term provisions	8 462	-
Post retirement medical benefits	11 393	9 962
Current liabilities	1 338 455	1 281 010
Trade and other payables	1 310 170	1 208 450
Current provisions	4 388	-
Current portion of lease obligations	14 133	29 976
Taxation	9 764	42 584
Total equity and liabilities	3 610 244	3 270 870

statement of changes in equity

R'000	2010 March	2009 March
Equity attributable to shareholders at 1 April	1 764 187	1 479 331
Total comprehensive income for the year	661 613	605 607
Treasury share transactions	(35 772)	(50 381)
Recognition of share-based payments	29 526	28 865
Dividends to shareholders	(348 731)	(299 235)
Equity attributable to shareholders at 31 March	2 070 823	1 764 187

supplementary information

	2010 March	2009 March
Weighted average number of shares in issue (000)	246 320	247 175
Number of shares in issue (000)	247 298	245 946
Net asset value per share (cents)	837	717
Reconciliation of headline earnings (R'000)		
Attributable profit	673 568	615 723
Loss on disposal and impairment of property, plant and equipment and intangible assets	10 897	9 441
Taxation adjustment	(2 330)	(2 440)
Headline earnings	682 135	622 724
Impact of export partnerships (note 4)	21 569	(39 258)
Core headline earnings	703 704	583 466
Capital expenditure (R'000)		
- expended during the year	162 968	234 370
- authorised or committed at year end	187 058	193 034
Number of stores	962	954

notes

1. The results have been audited by Ernst & Young Inc. A copy of their unqualified audit report is available for inspection at the company’s registered office.
2. The accounting policies and estimates applied are in compliance with International Financial Reporting Standards including IAS 34 Interim Financial Reporting and are consistent with those applied in the 2009 financial statements. All new and revised Standards and Interpretations that became effective during the year were adopted and did not lead to any significant changes in accounting policies.
3. There have been no adverse changes to the contingent liabilities and guarantees provided by the company as disclosed in the 2009 annual financial statements.
4. The net impact of the export partnerships transactions for the year is as follows:

R'000	Net impairment	Interest amortisation for the year	Net income statement effect
Adjustments to:			
Long-term receivable	202 155	(37 467)	164 688
Deferred taxation	(143 119)	-	(143 119)
	59 036	(37 467)	21 569

The taxation charge in the income statement prior to the deferred taxation adjustment relating to the export partnerships amounted to R333.1 million and the effective rate was 32.4%.

This report and the supporting presentation are available on our website: www.mrpricegroup.com