2. There have been no adverse material changes to the guarantees provided by the Notes:

TRADING

The Apparel chain (Mr Price, Midade and Mr Price Sport), which constituted 61.9% of the group’s sales, grew by 23.7% to R766.6 million and the operating margin increased from 13.8% to 14.0% in the current year. Mr Price grew sales by 24.0% to R5.4 billion on an increase in average trading space of 6.7%. Comparable sales were 20.3% higher and the dividend recorded selling price inflation of 6.0%. Unit sales were up 15.7%. Profit from operating activities increased by 15.5% and the operating margin expanded from 9.9% to 10.0% of sales. Profit attributable to shareholders was affected by an increase in the effective tax rate from 28.4% to 31.0%. This arose as a consequence of dividends attracting full secondary tax on company sources. The key drivers in the current reporting period, when compared to the prior period, were: higher sales growth and improved gross margins, with higher selling and administrative expenses.

FINANCE

The group has increased its return on capital employed to 52.5%. Our cash-driven business model, with efficiency in the mix of the comparative period and based on a maintained cover of 1.9 times.

RESULTS

During the current reporting period, consumer spending was inhibited by high interest rates as well as high fuel and food costs. Although these factors started to abate during the second half of the year, high levels of consumer debt and a lack of consumer confidence resulted in a continuation of negative sales growth in the retail sector. The fact that value continues to be above-average growth in the MRP Group has been able to counter this negative trend, with all divisions having gained market share as measured by the Retail Trade Monitor Committee.

Retail sales for the year ended 31 March 2009 grew by 19.3% to R6.8 billion. Comparable sales, which include sales of expanded and relocated stores in Like-For-Like locations, were 14.6%. Profit from operating activities increased by 15.5% and the operating margin expanded from 9.9% to 10.0% of sales. Profit attributable to shareholders was affected by an increase in the effective tax rate from 28.4% to 31.0%. This arose as a consequence of dividends attracting full secondary tax on company sources. The key drivers in the current reporting period, when compared to the prior period, were: higher sales growth and improved gross margins, with higher selling and administrative expenses.

Mr Price Group has continued to expand its footprint and opened a net 58 new stores, which in turn has enabled it to create in excess of 400 full-time jobs in the financial year. Our associates have benefited from their participation in the Partners Share Trust and since inception just a few years ago, approximately R131 million of tax holidays have been awarded to them. In addition, associates should benefit materially in the long term from an enhanced share price. The final dividend has been set at 92.8 cents per share which reflects an increase of 16.7% over the comparable period and is materially in the long term from an enhanced share price.

Mr Price International opened an additional 10 franchise stores in the Mr Price, Mr Price Home and Sheet Street formats, bringing the total stores operated by the division to 31. Sales of R631.6 million were generated off a weighted average trading space of 38,846 sq.m. Sales in the Home (Mr Price Home and Sheet Street) segment, which constitute 30.6% of group sales, were up 12.3% to R2.8 billion (15.5% million units sold and retail selling price inflation of 6.8% was recorded. Comparable sales were up 12.8%. This segment has been the most affected by the reduction in consumer spend on semi-durable products which has resulted in operating profits being 29.3% lower at R88.3 million.

Mr Price Home grew sales by 13.3% to R1.9 billion and weighted average trading space increased by 24.3%. Retail selling price inflation of 4.9% was recorded and comparable sales were up 22.5%. Unit sales were 4.4% higher.

The Mr Price Group has continued to expand its footprint and opened a net 58 new stores, which in turn has enabled it to create in excess of 400 full-time jobs in the financial year. Our associates have benefited from their participation in the Partners Share Trust and since inception just a few years ago, approximately R131 million of tax holidays have been awarded to them. In addition, associates should benefit materially in the long term from an enhanced share price. The final dividend has been set at 92.8 cents per share which reflects an increase of 16.7% over the comparable period and is materially in the long term from an enhanced share price.

The five year compound growth rate in operating profit increased from 13.8% to 14.0% in the current year. Retail sales for the year ended 31 March 2009 grew by 19.3% to R6.8 billion. Comparable sales, which include sales of expanded and relocated stores in Like-For-Like locations, were 14.6%. Profit from operating activities increased by 15.5% and the operating margin expanded from 9.9% to 10.0% of sales. Profit attributable to shareholders was affected by an increase in the effective tax rate from 28.4% to 31.0%. This arose as a consequence of dividends attracting full secondary tax on company sources. The key drivers in the current reporting period, when compared to the prior period, were: higher sales growth and improved gross margins, with higher selling and administrative expenses.

The group has increased its return on capital employed to 52.5%. Our cash-driven business model, with efficiency in the mix of the comparative period and based on a maintained cover of 1.9 times.

Mr Price Group has continued to expand its footprint and opened a net 58 new stores, which in turn has enabled it to create in excess of 400 full-time jobs in the financial year. Our associates have benefited from their participation in the Partners Share Trust and since inception just a few years ago, approximately R131 million of tax holidays have been awarded to them. In addition, associates should benefit materially in the long term from an enhanced share price. The final dividend has been set at 92.8 cents per share which reflects an increase of 16.7% over the comparable period and is materially in the long term from an enhanced share price.

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