

Mr Price Group Limited
 Registration number 1933/004418/06
 Incorporated in the Republic of South Africa
 ISIN: ZAE 000200457
 JSE share code: MRP
 ("the Group")

TRADING UPDATE FOR THE THIRD QUARTER AND NINE MONTH PERIOD ENDED
 29 DECEMBER 2018

Group retail sales and other income (RSOI) for the nine month period ended 29 December 2018 increased 5.8% over the corresponding period in the prior year ("Corresponding Period"). The Group's South African retail sales growth exceeded the combined sales growth of Type D and Type E retailers per Stats SA for April to November (the period for which market information is available) indicating continued market share gains.

During the third quarter (30 September 2018 to 29 December 2018) of the financial year ending 30 March 2019, RSOI grew 3.5% to R7.1bn. Total retail sales of R6.7bn (including franchise) were 2.0% higher. Corporate owned store performance was as follows:

	Total sales	Comparable Store sales	Units	*RSP Inflation
Apparel Segment				
MRP Apparel	0.4%	-2.7%	-4.3%	5.9%
MRP Sport	12.7%	12.1%	8.9%	4.5%
Miladys	0.2%	-0.7%	1.6%	-0.9%
	1.4%	-1.6%	-3.3%	5.7%
Home Segment				
MRP Home	4.9%	3.0%	-2.0%	8.0%
Sheet Street	1.0%	-1.4%	-0.1%	2.0%
	3.7%	1.6%	-1.3%	6.0%
Group	1.9%	-0.8%	-2.9%	5.8%

*Includes South African VAT increase effect from 14% to 15% in April 2018

The corporate store sales performance detailed above was below expectations and analysis thereof should consider:

- sales growth of 8.5% in the Corresponding Period, which included a strong performance by the largest division, MRP Apparel, which grew sales 11.3%.
- the prevailing poor economic and retail environments in several markets in which the Group trades. In our largest market, South Africa, the following factors have reduced consumer spending power: low GDP growth, rising unemployment and inflation levels, a VAT rate increase, higher average fuel prices and an interest rate increase in November 2018.

- The deterioration in South African consumer confidence into Q3. This was in contrast to the optimism experienced in December 2017 post the ANC election outcome and subsequent change in South Africa's president, which provided temporary support to the retail sector.
- November trade being impacted by lower Black Friday sales.
- December school holidays commencing a week later than the Corresponding Period. These holidays will return to normal in 2019.

South African retail sales grew 1.1% to R6.2bn. Store sales were up 0.7% and online sales up 38.7%. The MRP Apparel online channel achieved sales growth of 35.4%, MRP Home 54.9% and MRP Sport 40.5%. Non-South African corporate owned stores sales increased by 13.1% to R505.8m.

Trading space increased 1.4% on a weighted average basis and 3.1% on a closing basis.

Despite high levels of competitor price discounting and promotional activity over the quarter, the gross margin % improved slightly on the prior year in all divisions.

Other income grew 35.3% to R411.1m, driven by an 85.9% increase in mobile and cellular. Interest and fees relating to the credit portfolio grew 7.7%, while insurance revenue declined 0.5%.

Consumers continue to favour transacting in cash, with cash sales increasing 2.2%(constituting 84.7% of sales), and credit sales increasing 1.4%.

The trading environment in Q4 is expected to remain very challenging. Global and domestic market uncertainty continues and improvements in the economy and consumer health are likely to be muted until the risk events settle and the general elections in South Africa take place in May 2019. Key focus areas are inventory management (including clearing Q3 excess stock and controlling Q4 fresh inputs) and delivering merchandise that offers great value to our customers.

The above-mentioned figures and any information contained herein do not constitute an earnings forecast and have not been reviewed and reported on by the Company's external auditors.

Durban

17 January 2019

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Ltd)