

UNAUDITED INTERIM GROUP RESULTS

for the 26 weeks ended 28 December 2008

TRUWORTHS INTERNATIONAL

- ▲ **SALE OF MERCHANDISE UP 10%**
(14% excluding week 27 of prior period)
- ▲ **OPERATING PROFIT UP 11%**
(18% excluding week 27 of prior period)
- ▲ **OPERATING MARGIN REACHES 35%**

- ▲ **HEADLINE EARNINGS PER SHARE UP 16%**
(23% excluding week 27 of prior period)
- ▲ **DILUTED HEADLINE EARNINGS PER SHARE UP 16%**
(24% excluding week 27 of prior period)
- ▲ **INTERIM DIVIDEND UP 22%**

COMMENTARY

GROUP PROFILE

Truworthis International Limited is an investment holding, management and trading company listed on the JSE Limited and the Namibian Stock Exchange. Its trading subsidiaries, Truworthis Limited and Young Designers Emporium (Pty) Limited, are engaged in the retailing of fashion apparel and related merchandise. Truworthis International Limited and its subsidiaries (the Group) operate primarily in southern Africa.

FINANCIAL PERFORMANCE

In a challenging retail environment, Group sale of merchandise for the 26 week trading period to 28 December 2008 (the period) increased 10% to R3 306 million relative to the 27 week period to 30 December 2007 (the prior period).

After excluding the additional trading week in the prior period, Group sale of merchandise reflects an increase of 14% (inclusive of comparable store sales growth of 7%), with product inflation of approximately 6%. Trading space increased by 11% relative to the prior period following the opening of 17 Truworthis, 18 Identity and 2 Uzzi stand-alone stores and the closure of 6 Truworthis stores. At the end of the period, the Group had 475 stores.

	28 Dec 2008	% change on prior period (excluding week 27)	% change on prior period (including week 27)
Sale of merchandise	Rm		
Truworthis	1 892	10	6
Truworthis Man*	657	15	10
Daniel Hechter	428	14	9
Identity	438	28	24
Group retail sales	3 415	13	9
Franchise sales	23	21	21
Accounting reclassifications	(132)	2	2
Sale of merchandise	3 306	14	10
YDE agency sales	127	5	1

* Includes Truworthis Man, Uzzi, Hemisphere, Hemisphere Sport, Studio and Exstream

The Group's performance under demanding trading conditions again reflects the benefits of its clearly defined business model and a focus on satisfying customer needs for quality fashion, together with controlled spending, increased productivity and growth in trading space in appropriate locations.

These strategies have translated into an operating margin of 35% and an 11% increase in operating profit to R1 152 million. The gross margin of 55% remains at a similar level to the prior period. Expenses grew by 11%, primarily as a result of increased occupancy costs owing to the investment in new stores. Inventory levels continue to be well managed, with an inventory turn of 6.4 times.

Headline and basic earnings per share of 184.7 cents reflect a 16% increase (23% excluding week 27 of the prior period) compared to the prior period's 159.9 cents. This is in line with the forecast in the Group's trading statement issued on SENS on 15 January 2009. Diluted headline and basic earnings per share of 181.3 cents were 16% higher (24% excluding week 27 of the prior period) than the 156.4 cents achieved in the prior period. An interim cash dividend of 88 cents a share has been declared, reflecting an increase of 22% over the prior period. Dividend cover remains at 2.1 times headline earnings per share.

The Group statement of financial position continues to be strong, with net asset value per share increasing from 635 cents in the prior period to 772 cents and a return on equity of 51% (53% in the prior period) being achieved.

CREDIT MANAGEMENT

The Group continued to apply its standard credit granting criteria during the period and the active account base grew by 3% from the prior period to approximately 1.8 million accounts, with a 59% rejection rate on new account applications. The growth should be measured against the high base of active accounts established over the last five years during which active accounts have grown by approximately 1 million. Gross trade receivables grew by 9% when compared to the prior period. Group credit sales represented 68% of Group retail sales compared to 71% in the prior period. The lower mix of credit sales reflects the strong sales growth in Identity which is primarily a cash based business. Consistent with the prior period, 87% of active account holders were able to purchase at period-end.

Trade receivable costs increased by 8%, compared to a 61% increase in the prior period. Net bad debts and the allowance for doubtful debts, each as a percentage of gross trade receivables, were 11.9%. However, the additional interest income earned on the debtors' book during the period more than offset the increased net bad debts and associated costs. The Group maintained the qualifying payment percentage of 90% (one of the highest in the industry) necessary for customers to avoid delinquency. Management is satisfied with the improved quality of the debtors' book.

CASH AND FINANCIAL POSITION

The Group remains in a sound cash position, with cash and cash equivalents of R723 million at the end of the period. During the period, the Group increased cash and cash equivalents by R190 million compared to R139 million in the prior period, utilised R147 million to fund share repurchases and spent R80 million to fund capital expenditure.

SHARE REPURCHASES

During the period, 5 million shares were repurchased at an average price of R29.06 per share for a total of R147 million. A total of 29.5 million shares (6.5% of total shares in issue) are now held as treasury shares. Since inception of the repurchase programme in 2002, the company has spent R1.2 billion on share repurchases and 43.4 million shares (purchased at an average cost of R10.95) have been cancelled.

OUTLOOK

Group retail sales for the first seven weeks of the second half of the 2009 financial period reflect a growth of 20% on the prior comparable period, however, management does not expect retail sales to continue at this level. While the decline in interest rates and lower fuel costs are positive for consumers, the retail trading environment remains difficult and management does not expect conditions to materially improve over the remainder of the 2009 period.

The Group will continue to invest in the longer term growth of the business and plans to increase trading space in the second half of the 2009 period by opening 20 new stores across all brands and refurbishing or expanding a further 7 stores. The Group is confident of achieving real earnings growth for the financial period ending June 2009 and remains committed to achieving the financial targets detailed in the Group's 2008 annual report.



H Seven
Chairman
18 February 2009



MS Mark
Chief Executive Officer

INTERIM DIVIDEND

The directors have resolved to declare a cash dividend from retained income in respect of the 26 weeks ended 28 December 2008 in the amount of 88 (2007: 72) cents per share to holders of the company's shares reflected in the company's register on the record date, being Friday, 13 March 2009.

The last day to trade in the company's shares cum dividend is Friday, 6 March 2009. Trading in the company's shares ex dividend will commence on Monday, 9 March 2009. The dividend will be paid in South African Rand on Monday, 16 March 2009.

Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Monday, 9 March 2009 to Friday, 13 March 2009, both days inclusive.

In accordance with the company's articles of association, the directors have determined that dividends amounting to less than 1 000 cents due to any one holder of the company's shares held in certificated form will not be paid, unless otherwise requested in writing, but aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board



C Durham
Company Secretary
Cape Town
18 February 2009

Truworthis International Limited: (Registration number 1944/017491/06)

JSE Limited code: TRU NSX code: TRW ISIN: ZAE00028296

Registered office: No. 1 Mostert Street, Cape Town, 8001. PO Box 600, Cape Town, 8000, South Africa

Sponsor in South Africa: Barnard Jacobs Mellet Corporate Finance (Pty) Limited.

Sponsor in Namibia: Old Mutual Investment Services (Namibia) (Pty) Limited

Auditors: Ernst & Young Inc.

Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001, PO Box 61051, Marshalltown 2107, South Africa or Transfer Secretaries (Pty) Limited, Shop 12, Kaiserkrone Centre, Post Street Mall, Windhoek. PO Box 2401, Windhoek, Namibia

Company secretary: C Durham

Directors: H Seven (Chairman)§, MS Mark (CEO)*, RG Dow §, CT Ndlovu §, SM Ngebulana §, AE Parfett §, AJ Taylor*, MA Thompson§ and WM van der Merwe*

* Executive § Non-executive ‡ Independent

GROUP STATEMENTS OF FINANCIAL POSITION

	at 28 Dec 2008	at 30 Dec 2007	at 29 June 2008	
	Unaudited	Unaudited	Audited	
	Rm	Rm	Rm	
ASSETS				
Non-current assets	896	774	848	
Property, plant and equipment	557	496	527	
Goodwill	90	72	90	
Intangible assets	50	52	53	
Derivative financial instruments	42	21	16	
Loans and receivables	97	108	99	
Deferred tax	60	25	63	
Current assets	3 491	2 988	3 055	
Inventories	469	420	397	
Trade and other receivables	2 280	2 195	2 077	
Derivative financial instruments	8	13	5	
Prepayments	11	5	43	
Cash and cash equivalents	723	355	533	
Total assets	4 387	3 762	3 903	
EQUITY AND LIABILITIES				
Equity				
Share capital and premium	60	45	50	
Treasury shares	(751)	(530)	(604)	
Retained earnings	3 935	3 189	3 457	
Non-distributable reserves	35	17	17	
Equity attributable to owners of the parent	3 279	2 721	2 920	
Minority interest	-	17	-	
Total equity	3 279	2 738	2 920	
Non-current liabilities	110	82	85	
Post-retirement medical benefit obligation	30	26	28	
Cash-settled compensation liability	30	7	7	
Straight-line operating lease obligation	50	49	50	
Current liabilities	998	942	898	
Trade and other payables	845	770	658	
Minority interest loans	-	30	-	
Provisions	36	37	43	
Tax payable	117	105	197	
Total liabilities	1 108	1 024	983	
Total equity and liabilities	4 387	3 762	3 903	
Number of shares in issue (net of treasury shares)	(millions)	424.7	430.9	428.3
Net asset value per share	(cents)	772	635	682
Key ratios				
Return on equity	(%)	51	53	48
Return on capital	(%)	74	79	71

GROUP STATEMENTS OF COMPREHENSIVE INCOME

	26 weeks to 28 Dec 2008	27 weeks to 30 Dec 2007	53 weeks to 29 June 2008
	Unaudited	Unaudited	Audited
	Rm	Rm	Rm
Revenue	3 684	3 334	10 632
Sale of merchandise	3 306	3 018	10 561
Retail sales	23	19	34
Franchise sales	23	21	21
Interest received	304	241	525
Investment interest	33	17	37
Trade receivables interest	271	224	488
Other income	74	75	146
Commission	42	47	86
Royalties	2	2	2
Lease rental income	4	3	8
Display fees	14	12	26
Other	12	11	24
Total	3 684	3 334	10 632
Cost of sales	(1 493)	(1 359)	(2 568)
Gross profit	1 813	1 659	9 308
Other income	74	75	146
Trading expenses	(1 039)	(938)	(1 874)
Depreciation and amortisation	(53)	(48)	(60)
Employment costs	(343)	(308)	(600)
Occupancy costs	(239)	(202)	(415)
Trade receivable costs	(242)	(224)	(464)
Other operating costs	(162)	(156)	(299)
Trading profit	848	796	7 135
Interest received	304	241	525
Profit before tax	1 152	1 037	11 890
Tax expense	(365)	(337)	(598)
Profit for the period	787	700	12 284
Profit for the period attributable to:			
Owners of the parent	787	693	14 127
Minority interest	-	7	7
Other comprehensive income	15	(12)	(17)
Movement in effective portion of cash flow hedge	(4)	4	5
Deferred tax on movement in effective portion of cash flow hedge	(4)	4	5
Other comprehensive income for the period, net of tax	11	(8)	(12)
Total comprehensive income for the period	798	692	15 127
Total comprehensive income attributable to:			
Owners of the parent	798	685	16 126
Minority interest	-	7	7
Other comprehensive income for the period, net of tax	11	(8)	(12)
Total comprehensive income for the period	798	692	15 127
Cents per share:			
Basic and headline earnings	184.7	159.9	16 295.6
Fully diluted basic and headline earnings	181.3	156.4	16 289.6
Weighted average number of shares in issue (millions)	426.0	433.3	432.0
Key ratios			
Gross margin	(%)	55	55
Trading expenses to sale of merchandise	(%)	31	31
Trading margin	(%)	26	24
Operating margin	(%)	35	34

GROUP STATEMENTS OF CASH FLOWS

	26 weeks to 28 Dec 2008	27 weeks to 30 Dec 2007	53 weeks to 29 June 2008	
	Unaudited	Unaudited	Audited	
	Rm	Rm	Rm	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash flow from trading and cash EBITDA*	920	857	1 474	
Working capital movements	(65)	(110)	(104)	
Cash generated from operations	855	747	1 370	
Interest received	304	241	525	
Tax paid	(446)	(391)	(595)	
Cash inflow from operations	713	597	1 300	
Dividends paid	(309)	(260)	(575)	
Net cash from operating activities	404	337	725	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of plant and equipment to maintain operations	(16)	(17)	(32)	
Acquisition of property, plant and equipment to expand operations	(63)	(69)	(129)	
Acquisition of computer software	(1)	-	(5)	
Net investment in subsidiary	-	-	(35)	
Minority shareholder loans acquired	-	-	(30)	
Loans advanced	(2)	-	-	
Loans repaid	4	2	10	
Acquisition of derivative financial instruments	-	(14)	(18)	
Proceeds on disposal of derivative financial instruments	10	8	9	
Settlement of cash-settled compensation liability	(9)	(8)	(9)	
Net cash used in investing activities	(77)	(98)	(239)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on shares issued	10	9	14	
Shares repurchased by subsidiaries	(147)	(108)	(183)	
Net cash used in financing activities	(137)	(100)	(169)	
Net increase in cash and cash equivalents	190	139	317	
Cash and cash equivalents at the beginning of the period	533	216	216	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	723	355	533	
Key ratios				
Cash flow per share	(cents)	167	138	301
Cash equivalent earnings per share	(cents)	202	173	314
Cash realisation rate	(%)	83	80	96

* Earnings before interest, tax, depreciation and amortisation

GROUP STATEMENTS OF CHANGES IN EQUITY

	28 Dec 2008	30 Dec 2007	29 June 2008
	Unaudited	Unaudited	Audited
	Rm	Rm	Rm
Total equity at the beginning of the period	2 920	2 404	2 404
Total comprehensive income for the period	798	692	692
Dividends paid	(309)	(260)	(260)
Premium on shares issued	10	9	14
Shares repurchased by subsidiaries	(147)	(108)	(183)
Share option expense	7	2	2
Total equity at the end of the period	3 279	2 738	2 738
Comprising:			
Share capital and premium	60	45	50
Treasury shares	(751)	(530)	(604)
Retained earnings	3 935	3 189	3 457
Non-distributable reserves	35	17	17
Attributable to owners of the parent	3 279	2 721	2 920
Minority interest	-	17	-
Total equity	3 279	2 738	2 738
Cents per share:			
Dividends declared in respect of the period	88	72	72

SELECTED EXPLANATORY NOTES

1 BASIS OF PREPARATION

The Group's interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34: Interim Financial Reporting.

The information presented has neither been audited nor reviewed by the Group's external auditors.

2 ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of these financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the period ended 29 June 2008, except for the following:

During the period, the Group adopted earlier than required IAS 1 (revised), 'Presentation of Financial Statements'. Such adoption did not have any material effect on the performance or position of the Group.

The principal effect of this change is as follows:

- The revised standard affects the presentation of owner changes in equity and comprehensive income.
- The Group income statements have been replaced by the Group statements of comprehensive income.
- Under the revised standard, all owner changes in equity are presented in the Group statements of changes in equity while all non-owner changes in equity are presented under 'other comprehensive income', a component of the Group statements of comprehensive income.
- In addition, the titles 'balance sheets' and 'cash flow statements' are replaced by 'statements of financial position' and 'statements of cash flows' respectively.

As a result of the above, the disclosure changes are as follows: