

## HALF YEAR FINANCIAL RESULTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2016

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	6 Months 2016 Shs'000	6 Months 2015 Shs'000
REVENUE	1,026,090	949,053
NET OPERATING PROFIT	491,342	363,439
EXPENSES	48%	38%
EBITDA	(466,396)	(392,840)
	24,946	(29,400)
DEPRECIATION	(50,844)	(43,535)
FINANCE COSTS	(46,848)	(26,097)
NET FOREIGN EXCHANGE (LOSS)/GAIN	2,578	(66)
PROFIT FROM CONTINUING OPERATIONS	(70,168)	(99,098)
SHARE OF PROFIT FROM ASSOCIATE		27,425
PROFIT BEFORE TAXATION	(70,168)	(71,673)
TAXATION CREDIT / (TAXATION)	17,542	17,918
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(52,626)</b>	<b>(53,755)</b>
EXCHANGE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	(102)	(2,742)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(52,728)</b>	<b>(56,497)</b>
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS*	(0.57)	(0.80)
NO. OF SHARES	123,558	123,558

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2016

	JUNE 2016 Kshs'000	DEC 2015 Kshs'000
<b>ASSETS</b>		
Non Current Assets	823,570	793,663
Current Assets	1,073,359	1,692,409
<b>TOTAL ASSETS</b>	<b>1,896,929</b>	<b>2,486,072</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>		
Share Capital	308,896	308,896
Share Premium	548,803	548,803
Reserves	540,088	654,595
Non-current liabilities	363,919	390,632
Current Liabilities	135,222	583,146
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,896,929</b>	<b>2,486,072</b>

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 30<sup>TH</sup> JUNE 2016

	Kshs '000
<b>Operating activities</b>	
Cash generated from operations	294,784
Taxation paid	(8,129)
<b>Net cash from operating activities</b>	<b>286,655</b>
Net cashflow from Investing activities	(122,999)
Net Cashflow from Financing activities	(349,779)
<b>Net movement in cash and cash equivalents</b>	<b>(186,123)</b>
<b>Movement in cash and cash equivalents</b>	
At start of year	136,724
Increase/(decrease)	(186,123)
<b>At end of the period</b>	<b>(49,399)</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30<sup>TH</sup> JUNE 2016

	Share capital Shs '000	Share premium Shs '000	Retained earnings Shs '000	Translation reserve Shs '000	Total Shs '000
At 1 January 2015	308,896	548,803	561,159	(7,132)	1,411,726
Profit for the year	-	-	113,750	-	113,750
Other comprehensive income	-	-	-	(13,182)	(13,182)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>113,750</b>	<b>(13,182)</b>	<b>100,568</b>
At 31 December 2015	308,896	548,803	674,909	(20,314)	1,512,294
At 1 January 2016	308,896	548,803	674,909	(20,314)	1,512,294
Profit for the year	-	-	(52,626)	-	(52,626)
Other comprehensive income	-	-	-	(102)	(102)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(52,626)</b>	<b>(102)</b>	<b>(52,728)</b>
Dividends Paid	-	-	(61,779)	-	(61,779)
At 30 June 2016	308,896	548,803	560,504	(20,416)	1,397,787

### PERFORMANCE

The Group recorded Revenue growth for first half 2016 of 8% over the same period in 2015. This was driven by the Uganda operations and new stores launched at The Hub and Garden City in Q2 2016.

The Net Operating Margin for the first half of the year is 48% up from 38% last year same period. This is as a result of supply chain efficiencies, better inventory management and a favorable South African Rand against the Kenya Shilling.

Expenses were up 19% over the prior year, largely driven by the costs incurred in the development of 6 new stores in Garden City and The Hub in Kenya, as well as Acacia Mall in Uganda. In addition, US Dollar based rentals in a number of stores escalated as a result of the Dollar's appreciation against all regional currencies.

A combination of better margins and supply chain efficiencies resulted in an increase in EBITDA of KES 54M over the same period last year. The Finance Cost in H1 2016 increased, due to high bank interest rates in the region. However, the debt has subsequently been paid down following receipts from the Woolworths transaction and a positive trading performance in Uganda.

The Group successfully listed all its issued shares on the Alternative Investment Market Segment of the Nairobi Securities Exchange on 2nd August 2016.

### FUTURE OUTLOOK

The Group is confident about revenue growth in H2 2016, following the revision of prices within the Mr Price Brands, good Summer stock levels and increasing trade at the new stores.

The exciting new developments at Two Rivers (Mr Price Apparel, Mr Price Home, Bossini and Adidas) and Kigali Heights Rwanda (Mr Price Apparel and Bossini) are significantly delayed. As a result, the Group has rescheduled the openings to Q4 2016.

In addition to a positive outlook for the second half of the year from existing stores and the new developments expected to open in the last quarter of the year, the Group is pleased to announce that it will be adding a new brand to its existing stable of 10 brands by the year end. More details of this launch will be revealed in the coming weeks.

### DIVIDEND

The Directors do not recommend payment of an interim dividend.

By Order of the Board