





Weekend Material











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Corporate Profile

Mr Price Group Limited and its subsidiary companies form a retail group operating 740 stores at the end of the financial year. The business has been in existence since 1885 and has been listed since 1952. Today Mr Price Group Limited is listed in the retail sector of the JSE Securities Exchange South Africa.

The group is a specialty and value retailer of clothing, footwear, accessories, homewares and jewellery and its retail operations are conducted in six retail chains operating within two divisions:

Cash division

Mr Price Weekend Material Mr Price Home

Credit division

Milady's

The Hub

Sheet Street

Galaxy & Co.







Mr Price Group Limited

(Registration number 1933/004418/06) (Incorporated in the Republic of South Africa) ("Mr Price" or "the Company")

Form of proxy for use by Mr Price ordinary shareholders

For use by Mr Price ordinary shareholders ("ordinary shareholders") at the annual general meeting of the Company to be held in the boardroom of Mr Price Group Limited at Upper Level, North Concourse, 65 NMR Avenue, Durban, on Friday 26 July 2002 at 15h00 (See note 1 overleaf).

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3. the Chairman of the meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abst general meeting of the Company and at any adjournment thereof, as follows (see no Insert) Insert In favou 1. Approval of the annual financial statements 2. Re-election of the retiring directors 3. Authorisation of the directors to fix the remuneration of the auditors 4. Ordinary resolution no. 1 to authorise the directors to allot and issue unissued ordinary shares 5. Ordinary resolution no. 2 to authorise the directors to issue new ordinary shares for cash, other than by way of a rights offer but not exceeding 15% of the number of ordinary shares in issue. 6. Special resolution	tain from tote 3 and an "X" c shares	m voting at nd instruction or the numbers s you wish to	t the annual on 2 overleaf): er of ordinary
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·			
to enable the company to acquire its own issued shares from time to time on the terms and conditions and in the amounts as the directors may from time to time decide, subject to certain statutory provisions and other regulatory requirements.			
Signed at on			2002
Signature/s			
Assisted by me(where applicable)			

Please read the notes and instructions overleaf

Notes:

- 1. The proxy form is only for use by certificated shareholders and dematerialised shareholders who have registered in their own name.
- 2. An ordinary shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be an ordinary shareholder of the Company.
- 3. Every ordinary shareholder present in person or by proxy and entitled to a vote at the meeting shall, on a show of hands, have one vote only, irrespective of the number of shares such ordinary shareholder holds, and in the event of a poll, every ordinary share in the Company shall have one vote.

Instructions on signing and lodging this form of proxy:

- 1. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space/s provided overleaf, with or without deleting "the Chairman of the meeting", but any such deletion must be initialled by the ordinary shareholder. Should this space be left blank, the proxy will be exercised by the Chairman of the meeting. The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 2. An ordinary shareholder's voting instructions to the proxy must be indicated by the insertion of an "X" or, alternatively, the number of ordinary shares such ordinary shareholder wishes to vote, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she thinks fit in respect of all the ordinary shareholder's ordinary shares. An ordinary shareholder or his/her proxy is not obliged to use all the ordinary shares held by the ordinary shareholder, but the total number of ordinary shares, or those in respect of which abstention is recorded, may not exceed the total number of ordinary shares held by the ordinary shareholder.
- 3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
- 4. To be valid the completed form of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services Limited, 7th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000), to be received by them not later than Thursday 25 July 2002 at 15h00.
- 5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the meeting.
- 6. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.
- 7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
- 8. The Chairman of the meeting may accept any form of proxy which is completed, other than in accordance with these instructions and notes, provided that the Chairman is satisfied as to the manner in which an ordinary shareholder wishes to vote.







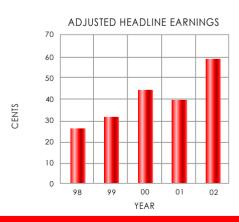




- Sales increase by 14% to R3 billion
- Earnings per share increase
 - Adjusted headline up 51% to 59,5 cents
 - Comparable up 35% to 51,4 cents
- Dividend per share increased by 50%
- Strong cash flow to fund major expansion programme

	Year Ended	Year Ended	
	31/3/2002	31/3/2001	% change
	R000	R000	
Turnover	2 979 520	2 604 211	+14
Operating profit	202 444	139 821	+45
Profit before taxation	192 897	122 442	+58
Taxation	54 243	34 318	+58
Attributable income	138 646	89 193	+55
	cents per share	cents per share	% change
Earnings per share			
- basic	58,9	38,1	+55
- headline	59,5	38,6	+54
- adjusted headline	59,5	39,4	+51
- comparable	51,4	38,2	+35
Distribution to shareholders	18,0	12,0	+50





Notes:
 The opening balances in the current period have been restated due to the adoption of AC116 (revised)-Employee Benefits.
 Comparative figures have not been restated in respect of this adoption, but have been restated where income and expense classifications have changed during the year.
 Turnover comprises sales, income from leased departments and shopfitting revenue.
 Distribution to shareholders reflected above comprises the interim dividend paid and the final dividend declared after the financial year end.

Report to Shareholders

Dear Partner,

2002 is officially in the books. For us, it was an extremely healthy year. All you have to do is look at the figures in this report to see that. We could say a lot about how we got to those figures – the passion, focus and dedication of our associates, the vision and faith of everyone involved with Mr Price and the enormous energy it takes to put a great plan in motion. Without wanting to seem to diminish the importance of all this, and what it means to us personally, we would rather fast forward to the year ahead. A year that will be approached with equal if not greater enthusiasm and gusto by our associates and suppliers. This is the year

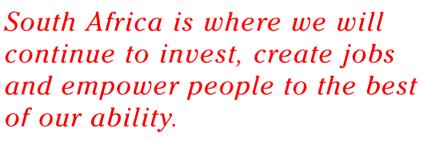
when we will begin a major expansion of our territory. What do we mean by that? Will we now be putting all our efforts into colonising foreign shores? (After all, there's a Mr Price in every major city in Southern Africa, from Gaberone to Windhoek to Cape Town.) The answer is an emphatic "No!"

in size led to a substantial increase in turnover and profitability. Which is why, over the next three years, we'll be making a major investment in this wonderful country of ours to grow the trading space in the Mr Price brand by 70% through the expansion of existing stores plus new stores.

The expansion programme in Mr Price Weekend Material will be equivalent to opening 120 new stores of the existing 350 square metres size. We'll also be opening another 80 Mr Price Home stores over the next three years and expanding our existing Home stores to allow for extended ranges and the introduction of new home departments.

There will also be 90 newly designed Sheet Streets, with the average store size increasing from 160 to 270 square metres. The Sheet Street concept perfectly captures the target market just below that of Mr Price Home's.

When we say expansion, we're talking all the way. As



Whilst we are expanding offshore, with

our first overseas stores making progress in Chile, South Africa is our home and we love it here!

So South Africa is where we will continue to invest, create jobs and empower people to the best of our ability. We've decided the best way to grow is to expand our existing premises and to open larger stores. That way, we can accommodate so much more in store – more shopping space, new ranges, new sub-brands, more variety and more entertainment. We've already put this theory to the test with outstanding results. In each case, an increase

our company has moved to value retailing it has also changed from being a predominantly credit retailer (90% credit in 1986) to a predominantly cash retailer (82% cash in 2002). This has revolutionised our business and our balance sheet and is providing the cash flows for our bold investment in new space. This year, our operations generated R270 million in cash and our forecasts indicate that this positive trend will continue.

We have been investing in South Africa for over 100 years. In the last 10 years alone, we have invested R1,2 billion in our business in South Africa. During this time, the number of stores in our group increased





from 187 to 740, making the Mr Price group the fastest growing apparel and home fashions retailer in South Africa.

Our group's share of the CFTA (clothing, footwear, textiles and accessories) market has quadrupled. It went from 1,7% to 7% in the last 10 years. And our sales increased tenfold from R294 million to R3 billion! That's a compound annual growth of 29%. Profits after tax went from R14 million to R139 million which also represents a compound annual growth of 29%. This is no small feat in anybody's books.

Expanding our stores will also make Mr Price Weekend Material stand even further apart from its competitors in terms of the value it offers its customers. Our aim is to increase Mr Price Weekend Material's share of the related RLC (Retail Liaison Committee) market from the present 11% to over 18%. The expansion programme in the cash division along with the growth in the credit division means that we'll be investing more than R0,5 billion over the next three years in both fixed assets and working capital to give our customers an even better shopping experience, better merchandise presentations and greatly improved product assortments.

This is an exciting time. A time not just for expansion but also for creating opportunities for others. When you've got a home as beautiful as South Africa, you make sure you put as much as you can into it. One of the greatest needs of our country is more employment. Within our business, we're proud to say we've created in excess of 4 500 jobs over the past decade, and more than 6000 of our associates now have shares or options in the company.

Which leads us to another issue. We have been at the receiving end of some negative publicity that has falsely accused us of a lack of confidence in our

"80% of our clothing and textiles is manufactured south of the Sahara, with 70% coming directly from South Africa."

own country and of purchasing most goods from outside South Africa. It has even been intimated that we are unpatriotic. Nothing could be further from the truth. It is clearly time to set the record straight. So here are a few facts we think you should know:

To meet with our growing requirements, our local suppliers have had to considerably increase the number of employees in their factories. 80% of our clothing and textiles is manufactured south of the Sahara, with 70% coming directly from South Africa. Our purchase of South African made merchandise has increased over the past decade from R200 million to more than R1,2 billion per annum. In fact, currently we purchase 40 million units from South Africa. Not bad for a company that is supposedly doing most of its business outside this neck of the woods.

And that's not all. Over the last 10 years, the growth in local purchasing has led to thousands of new jobs in manufacturing. An impressive number that will most likely go up to 25 000 in the next three years as our aggressive expansion programme comes into play. In short, the more we expand, the more others will too and the more jobs there will be.



Report to Shareholders (cont.)

"Our business has got to where it has on the power of dreams and the belief and tenacity to make them happen."

International expansion remains a goal. We are managing the risk and will stay with six stores in Chile until the formula is refined and the rollout can begin. We are also looking to share our risk with established retailers in foreign countries. International retailing of apparel is not easy and you have to adapt your model. We are learning all the time and as we learn so the results get better.

Expanding into new territories also brings about massive local growth. Our move into Chile has resulted in the export of almost one million units to the value of R35 million. Jobs were specially created to facilitate this. If our plans for Chile pan out, we could see the export of units to the value of more than R700 million

over the next few years. This would entail the creation of an additional 4 000 jobs in the factories of the South African suppliers who are taking part in our export programme.



Just think of it, we have the potential to become the major South African exporter of apparel and home textiles. Consider what that means to the South African economy, to how other countries view South Africa, to this country's dire need for greater employment opportunities. Every little bit helps. And a breakthrough of this proportion would be equivalent to a very large chunk.

Are we sure we can do it? Absolutely. Our business has got to where it has on the power of dreams and the belief and tenacity to make them happen. It's got there through blood, sweat and laughter. Our associates have skills and talent in abundance. They make a great team and we are truly proud of them. If we can dream it, we can do it. Period.

Speaking of our associates, many of them have risen from historically disadvantaged communities and have excelled at store management. Over 560 of them in fact. They were trained within the group and now run independent business units and control assets and sales of many millions of Rands each.

We have always asked ourselves, what good is it to be in business if you can't use it to do good?

Being able to empower people, to afford them outstanding opportunities, to give them your trust and have the immense gratification of seeing them flourish in their new positions, this we believe is a large part of what it's all about. Yes, we're in business to make money, but money can never buy the joy of watching a person reach his or her full potential. We have had the honour of witnessing this hundreds, no thousands of times within the Mr Price group and the pleasure of being part of such an awakening is certainly one of the things that gets us up in the morning.

Empowerment doesn't just stop at creating jobs for people. It applies just as much to sport. Sport has been the shared obsession of this country. South African sports men and women are an inspiration to





us all. Their dedication, skill and achievements in athletics, swimming, rugby and surfing, to name just a few, are a lesson in passion, teamwork and the ability to perform the extraordinary. These are reasons enough for us to invest in sport. Our investment is spread amongst 50 000 sports men and women (the majority of them from historically disadvantaged communities), 60 schools, 100 swimmers and surfers, three Super 12 teams and five Currie Cup rugby teams. Through the development programmes of the Sharks, Lions, Bulls and SARFU, millions of Rands go towards

in ways that have not yet been seen in South African retailing. The result will be a substantial investment in the country we love, significant job creation, and empowerment to even more people in terms of both work and sport. We set ambitious goals and we enjoy the challenge of meeting them. Often economic factors beyond our control make life difficult but we are resilient. While we expect the coming year, particularly the first six months, to be more difficult, we have no doubt that we will again show a meaningful earnings increase.

"South African sports men and women are an inspiration to us all. Their dedication, skill and achievements ... are a lesson in passion, teamwork and the ability to perform the extraordinary."

the sponsorship and development of aspiring rugby players from historically disadvantaged communities. Ploughing so much money into sport has been mutually beneficial to players, watchers and ourselves. It's an approach that has significantly enhanced the public's awareness of our brand and helped our business develop a winning team culture. We run a healthy competitive business after all. One that both attracts and produces leaders.

Whilst so many sports men and women are our heroes, we have to say the same goes for our team-mates in this wonderful game we play every day and call work. We work hard. We play hard. We make money. We have fun. We do what we can for those around us. We do our best for our country. What more could one ask for than that?

We have great confidence in the future. The future of our business and our country. We have the skills. We have the resources, the capital, and the dedication. We also have a well-tested expansion programme in place. This will help us grow our business

In short, what is good for our business will also be good for our country.

In conclusion we need to record a particular note of appreciation to an associate who helped build our business to where it is today. John Haine served our group as managing director of our Milady's division and latterly as a main board director for a total period of over 23 years. John sadly passed away in retirement during this year. We have lost a trusted and valued friend. We extend our great sympathy to his wife, Anne and to his family.

We thank you for playing and investing in our team. Sincerely,

Stewart CohenJoint chairman

Laurie Chiappini Joint chairman

Alastair McArthur
Chief executive officer

Expanding our **Territory**



The early Mr Price was a factory shop concept trading in off-prime locations. Merchandise was 'racked, packed and stacked' in small stores (average 300 square metres) with little fashion co-ordination.

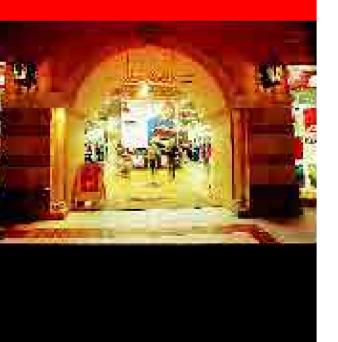
The brand had no personality and traded purely on price.

Over the past 10 years Mr Price has been built into a brand synonomous with value and equally importantly has developed a strong personality. The Mr Price brand is regarded as young, fun, sociable, humorous and adventurous.

Mr Price Weekend Material

Mr Price Weekend Material has become a fashion value retailer and trades in all the country's major shopping centres and high streets. Although not a fashion leader, Mr Price Weekend Material is no longer a fashion follower. The season's wanted fashion looks are shown in-store in an appealing and well coordinated way.

Our customers continue to demand more from the brand. We need to extend a number of product categories as well as develop clearly defined subbrands. Mr Price is under-penetrated in terms of share of the RLC in childrenswear, footwear, underwear and accessories. The recent launch of our surf lifestyle brand, 'Red', has been very successful as has our young lifestyle brand, 'Urb'. A new underwear and sleepwear brand, will be launched shortly after having been successfully tested. A range of accessories has





been tested and will also soon be launched along with a new-look men's 'Oakridge' brand. Our target is to increase Weekend Material's share of the related RLC market from the current 11% to over 18% within the next five years.

Most of our stores are currently too small to adequately display these new product and lifestyle extensions. In fact a high percentage of our stores are too small to do the current product range justice. We are not always able to be in-stock by colour and size and our customers are finding our stores too cramped which has a negative effect on their perception of our quality. Many stores have trading densities that are simply too high and we are undoubtedly losing sales because of this.

We have over the last two years tested expansions over a cross-section of our stores and have seen sales increase in these stores by between 40% and 100%. This is without the product extensions mentioned above.

We have calculated that our existing stores require over 50 000 square metres of additional space which we plan to acquire over the next three years. Larger stores will also mean a better brand presence and stores which are currently in sites with poor brand visibility will be relocated to prime sites. Along with new stores this will see Mr Price Weekend Material adding 58 000 gross square metres to its existing trading space of 132 000 square metres over the next three years.





None of this will mean a change to our business model which is built on:

- low cost prices due to high volume runs
- lowest input mark-ups
- lowest markdowns
- high stock-turns
- lowest costs (head office and branch level)
- low rentals
- low fixturing costs
- low but focused adspend







Mr Price Home

Mr Price Home has grown turnover to over R400 million in just over three years and is trading at higher densities than Weekend Material. A number of categories in our existing assortment need to be extended and we have successfully tested new product extensions which are now ready for roll-out.

These include:

- kitchen
- deli
- kids
- bedroom by lifestyle
- outdoor
- bath & body
- sleepwear
- bar
- home office
- garden



Expanding our Territory (cont.)



Current store sizes are not large enough to adequately display the above product extensions and the average size of new stores will be increased. With 80 new stores planned over the next three years. Mr Price Home's space is projected to increase from a current 36 000 to 95 000 gross square metres.

Sheet Street

Sheet Street also began as a factory shop concept and currently trades in 50 stores countrywide. Sheet Street's customer is less contemporary than Mr Price Home's customer and Sheet Street also attracts a lower LSM customer. In the locations in which both Sheet Street and Mr Price Home trade, Sheet Street trades comfortably and has very little effect on Mr Price Home.

The business concept has been updated from a factory shop to a value retailer and a new store design concept has been developed. The average store size is being moved from the current 160 square metres to over 270 square metres to accommodate extensions of bed linen and the introduction of decorative housewares. With 90 new stores planned over the next three years, Sheet Street's space is projected to increase from the current 10 000 to 42 000 gross square metres.

With effect from the beginning of the new financial year, Sheet Street has been relocated from the credit division into the cash division, which has the resources to accommodate the rapid rollout of the planned new stores.

Cash Division

This expansion programme represents growth of 84% in trading space over the next three years in the cash division. Sales are expected to more than double in this period.



GROSS SQUARE METRES

WEEKEND MATERIAL HOME SHEET STREET

2002	2005
132 000	190 000
36 000	95 000
10 000	42 000
178 000	327 000



Divisional Statistics

Cash Division

MR PRICE WEEKEND MATERIAL

MR PRICE HOME

Head Office:

Upper Level, North Concourse, 65 NMR Avenue, Durban 4001. Private Bag X04, Snell Parade, Durban 4074.

Tel: (031) 336 1333 Fax: (031) 306 9898

OPERATING RESULTS	2002	2001	%
	R000	R000	CHANGE
Sales	1 993 458	1 676 600	+19%
Operating profit	137 321	88 632	+55%

Mr Price Weekend Material and Mr Price Home both produced excellent results and market share gains. A loss was, as expected, recorded by the recently established Mr Price Chile operation. There has been an encouraging improvement in the performance of the six test stores in Chile in the current winter season, which will need to be sustained to justify the opening of further stores.

Number of stores 412 376 Trading area (square metres) 142 449 127 911 Sales per square metre * R14 493 R13 837 Associates 3 744 3 392 Sales per associate * R546 961 R525 022	COMBINED STATISTICS #	2002	2001
Sales per square metre * R14 493 R13 837 Associates 3 744 3 392	Number of stores	412	376
Associates 3 744 3 392	Trading area (square metres)	142 449	127 911
7,000010100	Sales per square metre *	R14 493	R13 837
Sales per associate * R546 961 R525 022	Associates	3 744	3 392
	Sales per associate *	R546 961	R525 022

[#] Excludes operating statistics for the six (2001: three) stores in Chile.

^{*} Weighted average on timing of store openings/closures and changes in number of associates





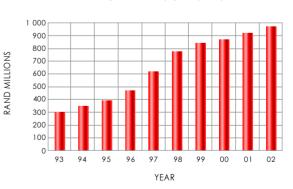
Miladys STYLE OF A WOMAN







CREDIT DIVISION - SALES



Credit Division

MILADY'S

THE HUB

SHEET STREET

GALAXY & CO.

MILADY'S Head Office:

Upper Level, North Concourse, 65 NMR Avenue, Durban 4001. PO Box 3562, Durban 4000.

Tel: (031) 310 1111 Fax: (031) 304 4815

SHEET STREET Head Office:

1 Chancery Lane, Durban 4001.

PO Box 1708, Durban 4000.

Tel: (031) 307 1941 Fax: (031) 301 1004

THE HUB Head Office:

1 Chancery Lane, Durban 4001. PO Box 1708, Durban 4000.

Tel: (031) 307 1941 Fax: (031) 301 1004

GALAXY & CO. Head Office:

Galaxy House, 55 Loop Street, Cape Town 8001.

PO Box 3282, Cape Town 8000.

Tel: (021) 423 0760 Fax: (021) 423 8404

OPERATING RESULTS	2002 R000	2001 R000	% CHANGE
Sales	968 041	911 596	+6%
Operating profit	78 532	63 742	+23%

The credit division grew sales by 6% and operating profit by 23%. Milady's had a very good year, significantly exceeding budgeted profitability. The Hub produced a profit comparable with the previous year and the profits of Galaxy and Sheet Street were also in line with the previous year's figures despite significant stock clearance in both chains.

COMBINED STATISTICS#	2002	2001
Number of stores	322	329
Trading area (square metres)	84 274	83 480
Sales per square metre *	R11 567	R11 073
Associates	2 414	2 211
Sales per associate *	R412 987	R403 540

[#] Includes income from leased departments.

Weighted average on timing of store openings/closures and changes in number of associates.



Divisional Statistics

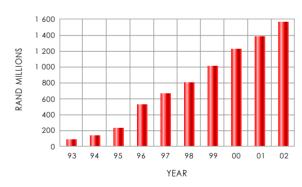
MR PRICE WEEKEND MATERIAL

Mr Price Weekend Material, which now includes Mr Price Heroes, is a value retailer offering merchandise for cash only. It operates in 320 stores throughout Southern Africa with sales for the year of R1,6 billion. In addition there are six test stores in Chile. The chain sells contemporary casualwear targeted at the 14 to 35 year old, children and infants. Store sizes average approximately 350 square metres.

OPERATING STATISTICS#	2002	2001
Sales (R000)	1 550 526	1 384 568
Number of stores	320	311
Trading area (square metres)	111 797	106 984
Sales per square metre*	R14 292	R13 618
Associates	2 979	2 850
Sales per associate*	R510 863	R493 617

Excludes operating statistics for the six (2001: three) stores in Chile.

MR PRICE WEEKEND MATERIAL - SALES



Weighted average on timing of store openings/closures and changes in number of associates.





MR PRICE HOME

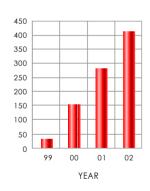
Mr Price Home, a cash value retail chain of 92 Home stores, sells contemporary home textiles and related accessories and achieved sales for the year of R413 million. Store sizes average approximately 390 square metres.

OPERATING STATISTICS	2002	2001
Sales (R000)	413 063	279 727
Number of stores	92	65
Trading area (square metres)	30 652	20 927
Sales per square metre*	R15 854	R15 032
Associates	765	542
Sales per associate*	R616 229	R576 855

 $[\]mbox{*Weighted}$ average on timing of store openings/closures and changes in number of associates.



MR PRICE HOME - SALES



RAND MILLIONS



Divisional Statistics

MILADY'S

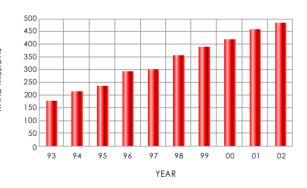
Milady's is a national chain of ladies' specialty stores with sales for the year of R482 million and 163 branches nationwide selling predominantly on credit.

Milady's customers are women mainly aged between
25 and 45 with classic lifestyles. Store sizes average approximately 300 square metres.

OPERATING STATISTICS	2002	2001
Sales (R000)	481 914	456 308
Number of stores	163	167
Trading area (square metres)	44 669	44 602
Sales per square metre*	R10 743	R10 363
Associates	1 168	1 027
Sales per associate*	R425 562	R439 815

^{*} Weighted average on timing of store openings/closures and changes in number of associates.

MILADY'S - SALES







THE HUB

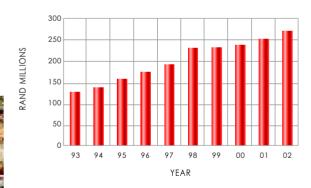
The Hub, targeted at value conscious families in the middle income group achieved sales for the year of R269 million. It sells family apparel, footwear, home textiles and housewares for both cash and on credit. The chain comprises 11 large stores all located in KwaZulu-Natal. Store sizes range from 1 800 to 6 400 square metres with the average being 2 300 square metres.

OPERATING STATISTICS#	2002	2001
Sales (R000)	268 880	250 105
Number of stores	11	10
Trading area (square metres)	25 398	24 438
Sales per square metre *	R10 945	R10 413
Associates	639	588
Sales per associate *	R436 494	R413 261

[#] Includes income from leased departments.

Weighted average on timing of store openings/closures and changes in number of associates.









Divisional Statistics

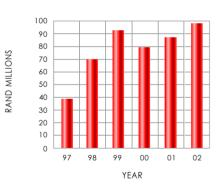
SHEET STREET

Sheet Street, a cash value retail chain of 50 home textile stores, achieved sales for the year of R98 million. Store sizes average approximately 160 square metres.

OPERATING STATISTICS	2002	2001
Sales (R000)	97 703	86 783
Number of stores	50	50
Trading area (square metres)	7 853	7 853
Sales per square metre*	R12 442	R11 379
Associates	186	199
Sales per associate*	R519 470	R423 164

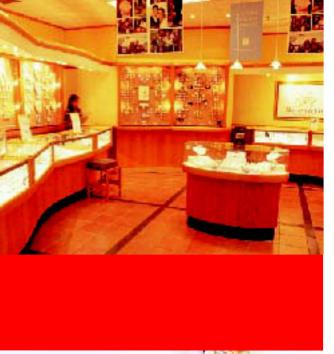
^{*}Weighted average on timing of store openings/closures and changes in number of associates.

SHEET STREET - SALES

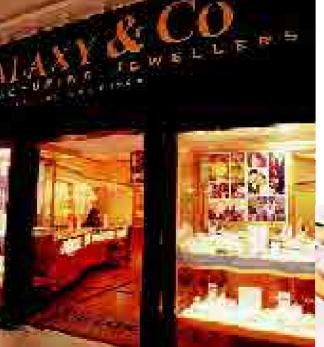














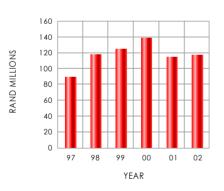
GALAXY & CO.

Galaxy & Co., a national chain of 98 value jewellery stores with a dominant diamond jewellery offering, which operates its own manufacturing facility, achieved sales for the year of R120 million. Store sizes average approximately 90 square metres.

OPERATING STATISTICS	2002	2001
Sales (R000)	119 544	118 400
Number of stores	98	102
Trading area (square metres)	6 354	6 587
Sales per square metre *	R18 639	R17 814
Associates	421	397
Sales per associate *	R293 360	R275 723

^{*}Weighted average on timing of store openings/closures and changes in number of associates

GALAXY & CO. SALES





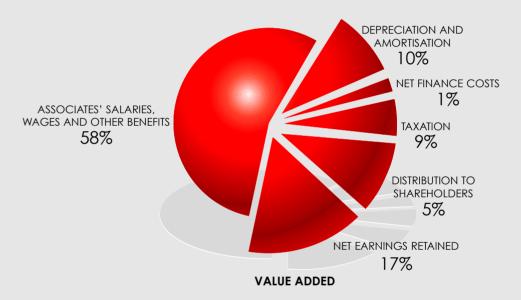


VALUE ADDED STATEMENT

for the year ended 31 March 2002



		2002		2001		
	Notes	R000	%	R000	%	
		52 weeks		53 weeks		
Turnover Other income Cost of merchandise and services	4	2 979 520 41 936 (2 367 449)		2 604 211 39 415 (2 123 596)		
Value added		654 007	100	520 030	100	
Applied as follows: Associates' salaries, wages and other benefits Depreciation and amortisation Net finance costs Taxation Distribution to shareholders Net earnings retained	2 3	377 421 67 027 9 547 61 358 30 618 108 036	58 10 1 9 5	319 848 54 220 17 379 39 374 27 914 61 295	62 10 3 8 5	
		654 007	100	520 030	100	



Notes to the value added statement:

1. Value added

Value added is the wealth that the group has created by purchasing, manufacturing and selling its merchandise and services. The above statement shows how this wealth created has been applied among the group's stakeholders leaving an amount to fund the replacement of assets and facilitate future growth.

	2002	2001
	R000	R000
2. Taxation		
Taxation	54 243	34 318
JSB and RSC levies	7 115	5 056
	61 358	39 374
3. Distribution to shareholders		
Distribution to ordinary and B ordinary shareholders	30 610	27 898
Preference dividends paid	8	16
	30 618	27 914

- 4. Turnover comprises sales, income from leased departments and shopfitting revenue.
- 5. The opening balances in the current period have been restated due to the adoption of AC116 (revised)-Employee Benefits. Comparative figures have not been restated in respect of this adoption, but have been restated where income and expense classifications have changed during the year.

FIVE YEAR FINANCIAL REVIEW

4	year					
compo	ound					
	inual	2002	2001	2000	1999	1998
grow	/th %	R000	R000	R000	R000	R000
Trading results						
Turnover	17.0	2 979 520	2 604 211	2 259 914	1 889 086	1 590 530
Profit from operating activities	23,3	202 444	139 821	141 772	111 454	87 549
Profit before taxation	23,6	192 897	122 442	138 976	101 155	82 561
Profit attributable to ordinary	-,-					
and B ordinary shareholders	25,6	138 646	89 193	99 651	69 998	55 769
Balance sheet						
Property, plant, equipment and investments	14,7	190 062	188 742	162 556	140 254	109 834
Intangibles		8 044	8 559	8 880	7 267	113 338
Long-term receivables		242 972	224 382	194 275	150 902	150 295
Deferred taxation assets		2 658	1 702	636	422	_
Current assets	19,6	1 036 126	820 768	648 702	530 246	506 940
Current assets (excluding bank and cash)		753 442	695 235	570 786	464 617	461 606
Bank balances and cash		282 684	125 533	77 916	65 629	45 334
Total assets	13,9	1 479 862	1 244 153	1 015 049	829 091	880 407
	11 /	470.010	5 (0. 71 5	400 000	205.040	100 500
Capital and reserves	11,6	673 010	560 715	480 309	385 248	433 500
Minority interest		-	1	-	100.041	100.000
Non-current liabilities		324 249	299 041	164 801	129 941	123 239
Long-term liabilities		86 488	106 267	507	33	130
Deferred taxation liabilities	10.5	237 761	192 774	164 294	129 908	123 109
Current liabilities	10,5	482 603	384 396	369 939	313 902	323 668
Current liabilities (excluding borrowings)		482 603	384 396	369 586	313 605	323 342
Borrowings				353	297	326
Total equity and liabilities	13,9	1 479 862	1 244 153	1 015 049	829 091	880 407
Cash flow information						
Cash inflows from operating activities		269 870	177 294	110 994	98 858	77 778
Cash outflows from investing activities		(93 168)	(236 737)	(104 667)	(79 453)	(44 125)
Cash (outflows)/inflows from		(73 100)	(200 / 3/)	(104 007)	(// 455)	(44 123)
financing activities		(19 551)	107 403	5 904	885	(150)
						· · ·
Net increase in cash and cash equivalents		157 151	47 960	12 231	20 290	33 503





Notes:

- 1. The opening balances in the current period have been restated due to the adoption of AC116 (revised)-Employee Benefits. Comparative figures have not been restated in respect of this adoption, but have been restated where income and expense classifications have changed during the year.
- 2. Profit attributable to ordinary and B ordinary shareholders comprises net profit for the year less preference dividends. (Prior to the restructuring in October 2000 the interest of ordinary and B ordinary shareholders was held in an equivalent number of ordinary and 'N' ordinary shares.)
- 3. Turnover comprises sales, income from leased departments and shopfitting revenue.

FIVE YEAR FINANCIAL STATISTICS



	4 year					_
con	npound					
	annual	2002	2001	2000	1999	1998
gı	rowth %	R000	R000	R000	R000	R000
Per ordinary and B ordinary share						
Number of shares on which earnings						
are based (000's)		235 525	233 896	230 010	225 228	220 599
Earnings (cents)						
- basic	23,8	58,9	38,1	43,3	30,9	25,1
– headline	23,9	59,5	38,6	43,5	30,9	25,3
 adjusted headline 	23,9	59,5	39,4	43,5	30,9	25,3
Distribution to shareholders (cents)	24,5	18,0	12,0	12,0	9,0	7,5
Net worth (cents)	10,0	286	238	207	170	195
Tangible net worth (cents)	18,3	282	235	203	166	144
Financial ratios						
Debt/equity		_	_	-	-	_
Current assets/current liabilities		2,1	2,1	1,7	1,6	1,5
Cover of distribution to ordinary and						
B ordinary shareholders		3,3	3,2	3,6	3,4	3,3
Profitability (%)						
Operating margin		6,8	5,4	6,3	5,9	5,5
Return on gross capital employed						
 including intangibles 		28,0	29,6	39,2	31,5	23,2
 excluding intangibles 		28,3	30,2	40,1	37,9	32,8
Return on ordinary and B ordinary						
shareholders' funds						
 including intangibles 		22,7	17,1	23,0	17,0	13,7
 excluding intangibles 		23,0	17,4	23,5	20,0	18,8
Number of associates	9,9	6 774	6 085	5 514	5 157	4 644

Notes:

1. Earnings

Prior to the restructuring in October 2000, the interest of ordinary and B ordinary shareholders was held in an equivalent number of ordinary and 'N' ordinary shares.

2. Distribution to shareholders
The figures include the final dividend declared after the financial year end.

Definitions:

Debt

Total net interest bearing borrowings less cash resources. Equity

Capital and reserves.

Gross capital employed

Capital and reserves plus long-term liabilities and short-term borrowings less cash resources.

Net worth per ordinary and B ordinary share
Ordinary and B ordinary shareholders' interest divided by the combined number of shares in issue at year end.

Tangible net worth per ordinary and B ordinary share Ordinary and B ordinary shareholders' interest less intangible assets divided by the combined number of shares in issue at year end.

Return on gross capital employed

Profit from operating activities as a percentage of average gross capital employed.

Return on ordinary and B ordinary shareholders' funds Headline earnings attributable to ordinary and B ordinary shareholders as a percentage of average ordinary and B ordinary shareholders' interest.

SHAREHOLDER INFORMATION

Shareholders' diary

May Announcement of annual results and declaration of final distribution to shareholders

June Publication of annual report in respect of the year ended 31 March

June Settlement of final distribution to shareholders
July Annual general meeting of shareholders

November Announcement of interim distribution to shareholders

November Publication of interim report covering the six months ended 30 September

December Settlement of interim distribution to shareholders

Ordinary and B ordinary share ownership at 31 March 2002 **Ordinary shares** B ordinary shares No. of No. of shareshare-No. of No. of **Holdings** holders % shares % holders % shares % 1 - 5 000 1 723 65,41 2 639 826 1,22 5 001 - 10 000 347 13.17 2 582 588 1.20 10 001 - 50 000 364 13,84 7 712 635 3,57 50 001 -100 000 47 1,78 3 324 814 1,54 Over 100 000 153 5,80 199 645 528 92,47 7 100,00 19 700 000 100,00 2 634 100,00 215 905 391 100,00 100,00 19 700 000 100,00 No. of No. of shareshare-No. of No. of holders % % holders % % Category shares shares 26 191 067 Pension funds 39 1.48 12.13 Nominee companies and 151 768 691 corporate bodies 361 13.70 70.29 Individuals and trusts 84,74 29 686 174 7 100,00 19 700 000 100,00 2 2 3 2 13,75 Staff share schemes 2 0,08 8 259 459 3,83 2 634 100,00 215 905 391 7 100,00 19 700 000 100,00 100,00

Due to the recent change over to Strate the company does not at present have information which will enable it to reliably establish the foreign holdings of its shares.

Public and non-public shareholders

At 31 March 2002 the percentage direct or indirect shareholdings of public and non-public shareholders in the listed ordinary shares of the company was as follows:

	Number of	%	
	shareholders	holding	
Public shareholders	2 622	58,86	
Non-public shareholders	12	41,14	
Directors of the company or its subsidiaries	6	3,70	
Trustees of employees' share schemes or retirement benefit schemes	5	4,33	
Shareholders interested in more than 10% of the shares	1	33,11	

Major shareholders

The following shareholders held a beneficial interest of 5% or more in the issued ordinary shares of the company at 31 March 2002.

	Ordinary shares
	%
Old Mutual Life Assurance Company (South Africa) Limited	33,11
Menteith Investments Limited	7,91

Details of the beneficial interest in B ordinary shares are reflected on page 33.

SHAREHOLDER INFORMATION



Ordinary share performance JSE Securities Exchange South Africa

	2002	2001	2000	1999	1998
Market price per share (cents)					
- Year end (31 March)	450	280	683	535	560
- Highest	545	800	770	580	560
- Lowest	270	250	450	260	278
Number of shares in issue (000's)	215 905	215 680	231 762	227 249	222 434
Number of deals recorded	3 710	4 828	3 451	2 766	4 038
Volume of shares traded (000's)	68 922	48 818	33 441	26 646	28 362
Volume of shares traded as a					
percentage of total issued shares	31,9%	22,6%	14,4%	11,7%	12,8%
Value of shares traded (R000's)	286 525	203 480	216 069	99 256	104 799
Earnings yield	13,2%	13,8%	6,4%	5,8%	4,5%
Distribution yield	4,0%	4,3%	1,8%	1,7%	1,3%
Price/earnings ratio	7,6	7,3	15,7	17,3	22,1

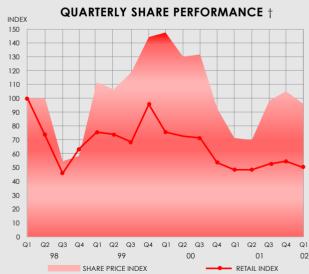
Note

Pursuant to the restructuring in October 2000, 103 217 505 'n' ordinary shares in the company were converted to ordinary shares on a one-for-one basis and 19 700 000 ordinary shares were subdivided into unlisted B ordinary shares. In order to provide a fair comparison the figures above are established as follows:-

- The market prices are the prices of the ordinary shares of the company.
- The earnings and distribution yields and the price earnings ratio are based on the headline earnings and distribution per ordinary share and the year end closing price of the ordinary shares.
- The number of shares in issue at 2002 and 2001 are the closing number of ordinary shares at the financial year end whereas in the years prior to 2001 the shares in issue incorporate the 'n' ordinary shares.
- The number of deals recorded, volume of shares traded, volume of shares traded as a percentage
 of total issued shares and value of shares traded incorporate ordinary shares after the restructuring
 and ordinary and 'n' ordinary shares prior to the restructuring.
- No adjustment has been made to comparative figures on account of the 19 700 000 ordinary shares which were converted into unlisted B ordinary shares in October 2000.



* Based on the closing price of the ordinary shares at the financial year end.



† The share price index reflected above represents the growth in the average closing prices of the ordinary shares for each calendar quarter using the average closing price for the first quarter of 1998 as a base. Similarly the retail index reflected above represents the growth in the JSE retail index using the first quarter of 1998 as a base.

NOTICE OF MEETING

Notice is hereby given that the 69th annual general meeting of shareholders will be held in the boardroom of Mr Price Group Limited, Upper Level, North Concourse, 65 NMR Avenue, Durban on Friday 26 July 2002 at 15h00 for the following business:

- 1. to consider and approve the annual financial statements for the year ended 31 March 2002;
- 2. to elect directors. The following directors will retire by rotation and, being eligible, offer themselves for re-election: Mr C Hultzer, Mr A E McArthur and Professor L J Rina;
- 3. to authorise the directors to fix the remuneration of the auditors for the past audit;
- 4. to consider, and if deemed fit, to pass with or without modification, the following ordinary resolution:

Ordinary Resolution No. 1

"Subject to resolution No. 2 below, resolved that all the authorised but unissued ordinary shares in the capital of the company be and they are hereby placed under the control of the directors of the company as a general authority to them to allot and issue the same at their discretion in terms of and subject to the provisions of sections 221 and 222 of the Companies Act, 61 of 1973 (as amended)".

5. to consider, and if deemed fit, to pass with or without modification, the following ordinary resolution:

Ordinary Resolution No. 2

Resolved that the company's directors be hereby authorised by way of a general authority to issue unissued shares in the company for cash as and when suitable opportunities arise, subject to the following limitations:

- that this authority shall not extend beyond 15 months from the date of this meeting or the date of the next annual general meeting, whichever is the earlier date;
- that the issue shall be to public shareholders, as defined in paragraph 4.26 of the Listings Requirements of the JSE Securities Exchange South Africa ('the JSE'), and not to related parties;
- that a paid press release, giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of ordinary shares issued prior to the issue;
- that issues in the aggregate in any financial year shall not exceed 15% of the number of ordinary shares in the company's issued share capital, including instruments which are convertible into ordinary shares;
- that, in determining the price at which an issue for shares will be made in terms of this authority, the
 maximum discount permitted be 10% of the weighted average traded price of the shares in question
 over the 30 business days prior to the date that the price of the issue is determined or agreed to by the
 company's directors; and
- any other requirements the JSE may have.
 The approval of 75% of the votes cast by shareholders present or represented by proxy at this meeting is required for this ordinary resolution to become effective.
- 6. to consider, and if deemed fit, to pass with or without modification, the following special resolution:

Special Resolution

"Resolved that the company hereby approves as a general approval contemplated in section 85(2) and 85(3) of the Companies Act, 61 of 1973 (as amended) ('the Companies Act'), the acquisition by the company of issued shares from time to time of the company, on such terms and conditions and in such amounts as the directors of the company may from time to time decide, but always subject to the approval to the extent required of the provisions of the Companies Act and the Listings Requirements from time to time of the JSE Securities Exchange South Africa ('the JSE') and any other relevant authority, which general approval shall endure until the next annual general meeting of the company (whereupon this approval shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of registration of this special resolution), it being recorded that the current Listings Requirements of the JSE provide that the company may make a general repurchase of securities, provided that:

- (a) the general repurchase of securities is implemented on the main board of the JSE;
- (b) the company is authorised thereto by its articles of association;
- (c) the company is authorised by shareholders in terms of a special resolution of the company in a general meeting, which authorisation shall be valid only until the next annual general meeting, provided it shall not extend beyond 15 months from the date of the resolution;
- (d) the general repurchase is limited to a maximum of 20% in any one financial year of the company's issued share capital of that class at the time the authority is granted;

NOTICE OF MEETING



Special Resolution (cont.)

- (e) the general repurchase is not made at a price of more than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date the repurchase was agreed; and
- (f) the sponsor to the company provides a letter on the adequacy of working capital in terms of section 2.14 of the JSE Listings Requirements prior to any repurchases being implemented on the open market of the JSE."

Reason

The reason for the special resolution is to authorise the company, by way of general approval, to acquire its own issued shares on the terms and conditions and in such amounts to be determined from time to time by the directors of the company, subject to certain statutory provisions.

Effect

The effect of the special resolution is to enable the company to acquire its own issued shares from time to time on the terms and conditions and in the amounts as the directors may from time to time decide, subject to certain statutory provisions.

Statement of directors

- As at the date of this report, the company's directors undertake that, having considered the effect of purchasing the maximum number of shares, they will not implement any such repurchase in the 12 months following the date of this general meeting unless:
- the company and the group would in the ordinary course of business be able to pay their debts;
- the assets of the company and the group would exceed the liabilities of the company and the group, respectively, both assets and liabilities being fairly valued in accordance with South African Statements of Generally Accepted Accounting Practice;
- the company and the group would have adequate ordinary capital and reserves; and
- the company and the group would have sufficient working capital for their requirements.
- The company's board of directors has no immediate intention of utilising the general authority for the share buy-back as provided for in the special resolution incorporated in the notice convening the general meeting.
- As the company's board of directors has no immediate intention of implementing a share buy-back, the method, number of shares, price and date of repurchase are unknown.
- 7. to transact such other business as may be transacted at an annual general meeting.

PROXIES

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and on a poll, to vote or abstain from voting in his stead. Such proxy need not be a member of the company.

A form of proxy which sets out the relevant instructions for its completion is enclosed for use by any certificated shareholder or any dematerialised shareholder who has registered in his/her own name who wishes to be represented at this meeting. The completion of a form of proxy will not preclude a shareholder from attending the meeting.

Duly completed forms of proxy must be received by the transfer secretaries of the company, Computershare Investor Services Limited, 7th Floor, 11 Diagonal Street, Johannesburg 2001 (P O Box 1053, Johannesburg, 2000) not less than twenty-four hours before this meeting.

All other dematerialised shareholders should contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the meeting.

By order of the board

C S YUILL Secretary

Upper Level, North Concourse, 65 NMR Avenue, Durban 4001 22 May 2002

CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS AND GROUP MANAGEMENT SUBSCRIBE TO THE VALUES OF GOOD CORPORATE GOVERNANCE AS SET OUT IN THE KING II REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA. BY SUPPORTING THIS CODE OF CORPORATE PRACTICES AND CONDUCT, THE GROUP RECOGNISES THE NEED TO CONDUCT ITS BUSINESS WITH OPENNESS, INTEGRITY AND ACCOUNTABILITY AND IT IS THE INTENTION OF THE GROUP TO COMPLY FULLY WITH THE PROVISIONS OF THE CODE AS SOON AS POSSIBLE.

Board of directors

Mr Price Group has a unitary board structure comprising four executive and five non-executive directors. Included in this number are two joint executive chairmen and a separate chief executive officer.

The board has in terms of the guidelines established by the King II report, reviewed the independent status of the non-executive directors. Accordingly, where a nonexecutive director has a beneficial interest in the shares of the company or is associated with a shareholder that has such a holding, the board has satisfied itself that such director does not have the ability to control or significantly influence management and that such holding or relationship does not interfere with the individual's capacity to act in an independent manner. Four of the five non-executive directors are considered to be independent. The other non-executive director and the alternate director are professional advisers to the company and are therefore not regarded as independent. The board does not feel that it is in the best interests of the company to have a non-executive chairman at the present time.

No executive director of the board has a long-term service contract and non-executive directors are not automatically re-appointed.

The board meets at least four times per annum and is responsible for the overall strategic direction and control of the group. In fulfilling this responsibility, the board, amongst other functions:

- provides strategic direction to the group and in so doing reviews, evaluates and gives guidance on strategies, policies and business plans;
- reviews management reports and monitors ongoing performance against strategic plans, budgets and targets;
- monitors development of the process to identify key risk areas and key performance indicators;
- monitors the group's compliance with sound codes of business practice and its management of those nonfinancial aspects which are relevant to its business; and
- ensures that there is open and timeous communication with the shareholders and other stakeholders of the group.

Generally all directors attend the annual general meeting and are available to answer questions from shareholders. All directors have access to the advice and services of the company secretary.

Committees and group management board

The board operates with two main sub-committees, the remuneration committee and the audit committee.

Responsibility for managing the day-to-day operations of the group is devolved to a group management board whose membership comprises senior executives of the group and which operates under the chairmanship of the chief executive officer. The board meets on a regular basis, usually once a month.

Remuneration committee and remuneration philosophy

The remuneration committee is comprised of two independent non-executive directors namely:

M R Johnston (chairman) and W J Swain.

It meets, as required, to review and approve the remuneration of executive directors.

Remuneration levels are set at market related levels in order to attract and retain the directors and senior management required to run the group's business successfully. Performance related incentives form a material part of the remuneration package and share option awards provide a direct link to profitable corporate performance and growth.

Audit committee

An audit committee operates with formal, written terms of reference, to monitor and control the finance, accounting and business risks to which the company is inherently exposed and meets at least four times per annum. The committee is comprised of three independent non-executive directors, all of whom are financially literate, namely:

W J Swain (chairman), C Hultzer and M R Johnston.

All meetings are attended by one of the joint executive chairmen, the chief executive officer and the group financial director, who are present by invitation. The external and internal auditors have unrestricted access to the audit committee meetings.

The committee reviews the audit plan and other significant audit issues. The committee also reviews the adequacy and effectiveness of accounting systems and internal controls and in this regard has access to the findings of both internal and external auditors. It is the responsibility of the audit committee to review the annual and interim financial statements of the group, and to make appropriate recommendations regarding their approval by the board.

Internal audit

The centralised internal audit department under the control of a group internal audit manager reports directly to the audit committee and operates in terms of a formal charter.

The department independently reviews the adequacy and effectiveness of internal controls and the systems which support them and determines that there is appropriate compliance with board approved policies and all appropriate laws and regulations which impact on the group. The internal audit plan is based on ongoing risk assessment and, where necessary, internal audit responsibilities are outsourced to persons or organisations with the appropriate skills. The department has the full support of the board of directors and management and any matters of concern identified by the department are brought to the attention of the directors and management.

CORPORATE GOVERNANCE



Financial reporting and controls

The directors are responsible for preparing the financial statements and other information contained in this annual report which in their opinion fairly presents the state of affairs and the results of the operations of the company and the group. The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies which are consistently applied and are supported by reasonable and prudent judgements and estimates.

The group maintains internal accounting and administrative control systems which are designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the group's policies and procedures. There were no material breakdowns in the systems of internal control during the period under review.

The group's external auditors review and test aspects of these systems in the course of their statutory audit.

Having due regard to the group's current financial position and resources, together with its forecast results, cash flows and financial position in the coming year, the directors and the external auditors confirm that the group is a going concern.

Risk management

The board is responsible for the overall process of risk management and internal control. Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the daily activities of the group.

During the past financial year, under the sponsorship of the audit committee, a formal risk assessment process was initiated and was implemented by senior management of the group. The process, in which all trading divisions and operational service centres participated, was directed at identifying major operational and financial risks to the business of the group and assessing the controls and actions needed to address these risks. The initial findings and recommendations have been presented to meetings of the audit committee and the board of directors.

The process, which is ongoing, is monitored by the audit committee and it is intended that this assessment of risks will be formally reviewed and updated annually. The group is committed to the development of documented and tested programmes which will allow continuance of critical business processes in the event of a disastrous incident impacting on its activities.

Routine systems of internal control are reviewed on a regular basis throughout the group. Each retail trading operation has a divisional audit committee which meets monthly to consider the report of the internal audit department and to consider changes or improvements to the systems of internal control.

Minutes of these meetings are reviewed at the audit committee meetings and significant internal control issues are considered at the regular meetings of the board of directors.

Corporate code of conduct

Directors and associates are required to maintain the

highest ethical standards. A code of conduct has been issued to every associate of the company and its subsidiaries and its provisions are reinforced on an annual basis. The board believes that the ethical standards embodied in the code are effectively observed within the business. A further code has also been developed to set standards and practices which the group expects its suppliers to adhere to.

The group operates a 'closed period' policy for a designated period preceding the announcement of its financial results and in any other period that may be considered sensitive. During this period directors, officers and other selected associates are prohibited from dealing in the company's securities. Regard is also had to the Listings Requirements of the JSE Securities Exchange South Africa in respect of the dealings of the directors in the securities of the company.

Employment equity

The group has in place comprehensive employment equity plans.

The group promotes a climate which encourages all associates to reach their maximum potential irrespective of gender, race or creed. A core belief of the group is that all associates are recognised and rewarded as partners in the business. Through the operation of comprehensive share option and share purchase schemes, associates are given the opportunity to acquire equity ownership in the business and to share in the success of their group. Good communication, trust and recognition are integral values of the partnership concept which seeks to add worth to the life of every associate and there are in place a number of participative structures at various levels for handling issues which affect associates directly and materially.

Considerable importance is attached by the group to the training and advancement of its people and a major commitment has been made to the 'retail university' which operates at the group head office and affords educational opportunities to a large number of associates every year.

Safety and health

The group is committed to the advancement of workplace safety and ensures that suitable standards are set within its operational practices and that there is compliance with the appropriate legislation.

The group has adopted employment guidelines relating to HIV/Aids and has distributed awareness and information communications to employees. This campaign will be ongoing.

Communication with stakeholders

The communication takes place not only through the formal statutory reporting channels and through the company's web site (www.mrpricegroup.com) but also through the ongoing dialogue between senior management and the media.

Sponsor

Rand Merchant Bank Corporate Finance has been appointed as the company's sponsor and amongst other functions it advises the board on compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

DIRECTORATE AND ADMINISTRATION

Executive directors	Years of	Group management board
	service	
L J Chiappini (Joint chairman)	15	A E McArthur (Chairman)
S B Cohen (Joint chairman)	15	S I Bird
A E McArthur (Chief executive officer)	10	R Butterfield
C S Yuill (Financial director)	24	R J du Preez
		S A Ellis
Non-executive directors	Appointed	F J Haupt
	to the board	F V Lochrie
C Hultzer * (Independent)	5/11/1999	R L Maingard
M R Johnston * † (Independent)	1/02/1998	S van Niekerk
Prof L J Ring (USA)	1/02/1998	A P van Wyk
S M Rubinstein (USA) (Independent)	1/02/1998	C S Yuill
W J Swain * † (Independent)	1/02/1998	
N P Woodroffe (Alternate)	2/09/1997	

^{*} Member of audit committee

Secretary and registered office

C S Yuill

Upper Level North Concourse 65 NMR Avenue Durban 4001

PO Box 912 Durban 4000

Tel: (031) 336 1222 Fax: (031) 304 3725

Registration number

1933/004418/06

Web site

www.mrpricegroup.com

Transfer secretaries

Computershare Investor Services Limited

10th floor 11 Diagonal Street Johannesburg 2001

PO Box 1053 Johannesburg 2000

Tel: (011) 370 5000

Auditors

Ernst & Young

Bankers

The Standard Bank of South Africa Limited

Sponsor

Rand Merchant Bank Corporate Finance

[†]Member of remuneration committee

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The preparation and presentation of the annual financial statements and all other information included in this annual report are the responsibility of the directors. The information provided in this annual report has been prepared in accordance with the provisions of the Companies Act and complies with South African Statements of Generally Accepted Accounting Practice. In discharging their responsibilities, both for the integrity and fairness of these statements, the directors rely on the internal controls and the risk management procedures applied by the management.

Based on the information and explanations given by management and the internal auditors and on comment by the independent auditors on the results of their statutory audit, the directors are of the opinion that:

- The internal controls are adequate;
- The financial records may be relied upon in the preparation of the financial statements;
- Appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been applied;
 and
- The financial statements fairly present the results and the financial position of the group.

The financial statements are prepared on the going concern basis and nothing has come to the attention of the directors to indicate that the company will not remain a going concern.

The group annual financial statements which appear on pages 32 to 60 were approved by the board of directors on 22 May 2002 and are signed on its behalf by;

L J Chiappini

Joint chairman

S B Cohen

Joint chairman

A E McArthur

Chief executive officer

COMPANY SECRETARY STATEMENT

I hereby certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

C S Yuill

Company secretary 22 May 2002

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MR PRICE GROUP LIMITED

We have audited the annual financial statements and group annual financial statements of Mr Price Group Limited set out on pages 32 to 60 for the year ended 31 March 2002. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management;
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 31 March 2002 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Erest 1/5mg.

Ernst & Young

Chartered Accountants (SA)
Durban

22 May 2002

REPORT OF THE DIRECTORS

for the year ended 31 March 2002

Nature of business

The main business of the group is retail distribution through specialty stores.

Corporate governance

The directors subscribe to the values of good corporate governance as set out in the King II Code of Corporate Practices and Conduct. By supporting the code the directors have recognised the need to conduct the business with integrity and to account to stakeholders in accordance with South African Statements of Generally Accepted Accounting Practice. Specific disclosure requirements are dealt with on page 28 of this report.

Retail calendar

The group reports on the retail calendar of trading weeks incorporating trade from Sunday to Saturday each week. Accordingly the results for the financial year under review are for the 52 week period from 1 April 2001 to 30 March 2002 (2001: 53 week period from 26 March 2000 to 31 March 2001).

Financial results

The financial results of the company and the group are set out in the income statements on page 39. An analysis of group profit is set out in note 30 to these financial statements.

Distribution to shareholders

Ordinary and B ordinary shareholders

It is the group's policy to pay two dividends each year, an interim in December and a final in June.

Interim: A cash dividend of 4,0 cents per share was paid on 24 December 2001 to shareholders registered on

21 December 2001 (2001: capitalisation award of 0,73 ordinary shares for every 100 ordinary and

B ordinary shares held, with an optional cash dividend of 3,0 cents per share).

Final: A cash dividend of 14,0 cents (2001: 9,0 cents) per share has been declared payable on 27 June 2002

to shareholders registered on 26 June 2002.

Preference shareholders

The 5,5% cumulative preference shares were redeemed on 28 September 2001 and the dividend accrued to that date was paid on redemption.

The amount of the distribution paid during the year is set out in note 18 to the annual financial statements.

Subsidiaries

The aggregate amount of group profits and losses after taxation applicable to subsidiaries was:

	Year ended 31 March 2002 R000 52 weeks	Year ended 31 March 2001 R000 53 weeks
Profits	31 387	11 172
Losses	(24 388)	(9 223)
	6 999	1 949

During the year the group purchased the 15% interest held by a minority shareholder in Mr Price Chile S.A., the operating subsidiary in Chile, for a purchase price of R1,147 million.

Details of the financial interest in subsidiaries are set out on page 58 of this report.

Share capital and share premium

Authorised share capital

There were no changes in the authorised share capital during the year.

Issued share capital and share premium

225 644 ordinary shares were issued during the year as a consequence of the exercise of staff share options.

The 5,5% cumulative preference shares were redeemed on 28 September 2001 and an amount of R300 000 was transferred from retained income to capital redemption reserve fund.

Details of the authorised and issued share capital are set out in note 9 to the annual financial statements.

REPORT OF THE DIRECTORS

for the year ended 31 March 2002



Directorate

Mr D N Prout-Jones resigned as a director on 15 June 2001.

Particulars of the present directors and secretary are given on page 30 of this report.

None of the directors have long-term service contracts with the company or any of its subsidiaries.

The emoluments of executive and non-executive directors were as follows:

	Salary	Bonuses &	Expense	Pension	Other	Fees	Tot	al
		performance	allowances	contributions	material		2002	2001
	R000	related payments R000	R000	R000	benefits R000	R000	R000	R000
Executive directors		1,000	- Nooo	1,000	1,000		11000	
L J Chiappini	858	1 015	122	196	36		2 227	893
						_		
S B Cohen	864	1 015	4	197	96	_	2 176	722
A E McArthur	1 083	1 092	129	238	34	_	2 576	1 925
C S Yuill	647	454	113	150	32	-	1 396	1 063
Total	3 452	3 576	368	781	198	_	8 375	4 603
Non-executive directors								
C Hultzer	-	_	-	-	-	43	43	47
M R Johnston	_	_	-	_	-	43	43	43
D N Prout-Jones	-	_	-	-	-	21	21	25
L J Ring	-	_	-	-	191	25	216	363
S M Rubinstein	_	_	-	_	-	-	-	-
W J Swain	_	_	-	_	-	47	47	47
N P Woodroffe (Alternate)	-	-	-	_	-	_	_	-
Total	-	_	-	-	191	179	370	525

Interest in the shares of the company at year end Beneficial interests – direct and indirect

	Ordin	nary shares	B ord	inary shares
	2002	2001	2002	2001
L J Chiappini	3 468 680	3 468 680	7 517 208	7 517 208
S B Cohen	3 598 741	3 598 887	7 517 208	7 517 208
M R Johnston	1 370 884	1 372 886	1 444 122	1 444 122
A E McArthur	813 290	814 390	994 022	994 022
S M Rubinstein	47	47	2 227 440	2 227 440
C S Yuill	1 390 085	1 390 085		
	10 641 727	10 644 975	19 700 000	19 700 000

There have been no changes in the above interests between the year end and the date of approval of these financial statements.

REPORT OF THE DIRECTORS

for the year ended 31 March 2002

Details of the interest of individual directors in the shares of the company through The Mr Price Group Staff Share Trust and Share Purchase Scheme are as follows:

	Options held at beginning of year	Granted during the year	Weighted average price	Exercised or taken up during the	Options held at year end	Closing price	Latest expiry date
Deferred Implementation Share Scheme			granted	year			
L J Chiappini	164 469	-	R4,80	-	164 469	R4,50	25.05.2010
S B Cohen	164 469	-	R4,80	-	164 469	R4,50	25.05.2010
A E McArthur	1 807 312	_	R2,64	-	1 807 312	R4,50	13.11.2008
C S Yuill	527 043	-	R0,91	-	527 043	R4,50	20.08.2009
Share Option Scheme							
A E McArthur	150 000	_	R0,49	-	150 000	R4,50	22.05.2003
C S Yuill	300 000	-	R0,52	-	300 000	R4,50	22.05.2003

Strate

The company moved to the new electronic settlement and custody system with effect from 17 September 2001.

Export partnerships

As indicated in previous annual reports, the company has participated in export partnerships for several years. SARS have given rulings on the tax treatment of the partnership participation and have on previous occasions raised queries which have always been satisfactorily resolved, resulting in tax assessments which accepted fully the tax principles of the export partnerships. In May 2001 the company received revised assessments for the 1996 and 1997 years reflecting taxes that were due for payment on 31 July 2001 of R30 354 170. Objections were raised against these assessments. In September 2001 the company received further queries from SARS relating to the export partnerships' activities from 1991. These queries are in the process of being responded to. The company's view, supported by tax and legal advice, is that the tax treatment adopted in relation to participation in these partnerships has been appropriate.

Post balance sheet events

No event, material to the understanding of this report, has occurred between the financial year end and the date of this report.

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2002



The financial statements have been prepared on the historical cost basis. The principal accounting policies which have been applied are set out in this statement. They are in compliance with South African Statements of Generally Accepted Accounting Practice and are consistent with those applied in the previous year save for the change more fully described in policy note 21 and note 27 to the financial statements.

1. Consolidation

The group financial statements include the results of the company and its subsidiaries from their effective dates of acquisition and up to their effective dates of disposal.

Subsidiaries are defined as those companies in which the group, either directly or indirectly, has more than one half of the voting rights, has the power to appoint more than one half of the board of directors or otherwise has the power to control the financial and operating activities of the entity.

Financial statements of subsidiaries are consolidated for the same reporting period as the holding company, although their reporting dates may be different, using consistent accounting policies. Where subsidiaries have different reporting dates, the difference is not more than three months.

In the group the rights to the future issue of equity instruments are offset against related debt where the settlement of the debt is concurrent with the allotment of equity instruments and any revaluation and expenditure relating to these amounts are also offset in the group income statement.

Unrealised intergroup profits and intercompany balances are eliminated on consolidation.

2. Property, plant and equipment

Furniture, fittings, equipment, vehicles, computer equipment and improvements to leasehold premises are stated at historic cost less accumulated depreciation and are depreciated, using the straight line basis, over the estimated useful lives of the assets concerned which are as follows:

Furniture, fittings, equipment

and vehicles 5 to 7 years

Computer equipment 3 to 4 years

Improvements to Over period of lease subject
leasehold premises to a maximum of 10 years

3. Intangibles

Goodwill paid to acquire favourable leases over retail outlets is amortised over the period of the leases.

Goodwill arising on acquisition of businesses or operations and representing the excess of the cost of acquisition over the fair value of the net attributable assets acquired, together with trademarks purchased, is amortised on a straight-line basis over a period not exceeding 20 years.

Computer software not regarded as an integral part of related hardware is stated at historic cost less accumulated amortisation and is amortised, using the straight-line basis over its estimated useful life of between two to five years.

4. Investments

Investments in subsidiaries and other investments are shown at cost plus any revaluations less provisions for impairment.

Investments which entitle the group to rights to the future issue of equity instruments in subsidiaries are reflected as investments in subsidiaries, in accordance with the substance of the transaction.

5. Joint ventures

The equity method is used to account for investments in joint ventures. These are long-term investments where there are contractual arrangements entitling the company to exercise joint control over the investee companies.

Under the equity method of accounting the carrying amount of the company's investment is adjusted to take account of the attributable share of changes in the net equity of the investee since acquisition.

6. Long-term receivables

The company participates in export partnerships and the recoverable portions of its contributions to these partnerships are carried as long-term receivables.

Other long-term receivables are carried at their net present values which are determined by applying financing rates applicable to equivalent dated bonds.

7. Impairment

The carrying value of assets, including intangibles, is reviewed at each balance sheet date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount such assets are written down to their recoverable amount.

8. Inventories

Inventories are valued at the lower of cost and net realisable value.

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2002

8. Inventories (cont.)

Cost is determined on the following bases:

- the cost of merchandise purchased for resale is determined using the weighted average method;
- manufactured products are valued at raw material cost plus labour cost and a proportion of manufacturing overhead expense;
- work-in-progress is valued at raw material cost plus labour cost and a proportion of manufacturing overhead expense;
- consumables are valued at invoice cost on a first-in, first-out basis;
- factory raw materials are valued at invoice cost on a first-in, first-out basis.

9. Trade and other payables

Liabilities for trade and other accounts payable, which are normally settled on 30 to 90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group.

10. Loans and borrowings

All loans and borrowings are recognised at cost, being the fair value of the consideration received and include acquisition charges associated with the borrowing/loan.

11. Deferred taxation

Deferred taxation is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Current taxation rates are used to determine the deferred taxation balance.

Deferred taxation assets are only recognised to the extent they are separately disclosed and it is probable that the temporary differences will reverse in the foreseeable future and that future taxable profit will be available to allow all or part of the deferred taxation asset to be utilised.

12. Trade and other receivables

Trade receivables, which generally have either six or 12 month terms, are recognised and carried at original invoice amount plus associated costs and interest charges less a provision for doubtful debts.

Other receivables are recognised and carried at cost.

13. Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

14. Revenue recognition

Retail sales comprise net income from the sale of merchandise and are recognised when the risks and rewards of ownership pass to the customer. Income from leased departments is related to the turnover of those businesses and is recognised in the month when the turnover occurs. Shopfitting revenue comprises sales to external customers and is recognised on a proportionate basis relative to the stage of completion of the contract. Interest earned on trade account balances and other interest received is accrued on a time proportion basis. Other income comprises income from the participation in export partnerships and is brought to account over the period in which it is earned.

15. Leases

Assets held under finance leases are capitalised. Such assets are depreciated in terms of the accounting policy on property, plant and equipment. Lease finance charges are allocated to accounting periods over the duration of the leases by the effective interest rate method.

Operating lease payments are charged to the income statement in a systematic manner related to the period of use of the assets concerned.

16. Borrowing costs

Borrowing costs are recognised as an expense when incurred.

17. Restraint of trade payments

Restraint of trade payments are expensed over the period of the restraint.

18. Distribution to ordinary and B ordinary shareholders

The distribution to shareholders includes the value of cash dividends and capitalisation awards made in lieu of cash dividends.

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 March 2002



19. Foreign currencies

Transactions in foreign currencies are translated to Rand at the approximate rates of exchange ruling at the time of the transaction. Assets and liabilities designated in foreign currencies are translated at the approximate rates of exchange ruling at the financial year end.

Foreign currency gains and losses are taken to the income statement in the period that they arise.

The company has investments in foreign subsidiary companies which are classified as integrated foreign operations. The financial statements of these subsidiaries are translated for incorporation into the group financial statements on the following bases:

- monetary balances at closing rate;
- non-monetary balances and components of equity at historic rates;
- income statement items at a weighted average rate for the period;
- all exchange differences are taken to the income statement.

20. Derivative financial instruments

The group uses derivative financial instruments such as foreign exchange contracts to hedge its risks associated primarily with foreign currency fluctuations. It is the group's policy not to trade in derivative financial instruments.

Gains or losses arising from changes in the fair value of the hedged item and the hedging instrument are taken directly to the income statement for the year.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

21. Associates' benefits

Defined benefit retirement fund:

The cost of providing post employment benefits to associates is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses arising are recognised as income or expenditure when the cumulative unrecognised gains or losses for each fund exceed the greater of 10% of the defined benefit obligation and the fair value of fund assets. These gains or losses are recognised over the expected average remaining working lives of the associates participating in that fund. Where the fair value of fund assets exceeds the present value of the obligation, the resulting net asset is not recognised due to the legal status of the surplus in South Africa. Should a deficit occur it would be funded by increased future contributions by the group.

Defined contribution retirement funds:

Contributions to these funds are charged to the income statement in the period that the related service is provided.

Post retirement medical aid benefits:

The obligation for the post retirement medical aid benefits of associates is provided for and is reviewed at each balance sheet date. Any shortfall in the provision is expensed during the year under review.

Share incentive schemes:

The company has share incentive schemes for the granting of non-transferable options to associates. The charges associated with the share incentive schemes are expensed in the income statement when incurred.

22. Segment information

On a primary segment basis the retailing operations are reported within two business segments being Cash division and Credit division. Other operations, represented mainly by the group's shopfitting activities, are reported in a separate seament.

On a secondary segment basis, significant geographic operating regions have been identified.

The basis of segment reporting is representative of the internal structure used for reporting to the board.

23. Cash and cash equivalents

The cash and cash equivalents amounts disclosed in the cash flow statement comprise cash in hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value, net of bank overdrafts.

24 Cost of sales

Cost of sales comprises the direct cost of merchandise sold and incorporates the cost of distribution, stock losses and provisions for markdowns.

25. Selling expenses

Selling expenses comprise the costs incurred in the marketing and advertising of merchandise, store operations and the provision of credit facilities.

26. Administrative and other operating expenses

These expenses comprise costs related to the operation of the support functions within the group other than those referred to in selling expenses.

27. Distribution income

Distribution income includes the value of cash dividends and capitalisation awards received in lieu of cash dividends.

BALANCE SHEETS

at 31 March 2002

		(Group		mpany	
		2002	2001	2002	2001	
	Notes	R000	R000	R000	R000	
Assets						
Non-current assets		443 736	423 385	627 387	593 066	
Property, plant and equipment	1	190 060	188 740	172 674	176 497	
Intangibles	2	8 044	8 559	8 034	8 549	
Investment	3	2	2	2	2	
Subsidiaries	4			203 705	183 636	
Long-term receivables	5	242 972	224 382	242 972	224 382	
Deferred taxation assets	12	2 658	1 702	_	-	
Current assets		1 036 126	820 768	734 512	524 110	
Inventories	1	418 453	382 596	395 081	367 139	
Accounts receivable	6 7	334 987	312 637	60 893	38 880	
Amount owing by joint venture	3	2	2	2	2	
Amounts owing by subsidiaries	4		2	18 593	28 246	
Bank balances and cash	7	282 684	125 533	259 943	89 843	
bank balances and cash		202 004	120 000	207 740	07 0 10	
Total assets		1 479 862	1 244 153	1 361 899	1 117 176	
Equity and liabilities						
Capital and reserves		673 010	560 715	623 567	538 986	
Issued capital	8	182 096	181 561	182 096	181 561	
Retained income	-	490 614	378 854	441 171	357 125	
Preference share capital	9	_	300	_	300	
Capital redemption reserve fund	10	300	-	300	-	
Minority interest		-	1			
Non-current liabilities		324 249	299 041	239 736	194 779	
Long-term liabilities	11	86 488	106 267	237 738	2 395	
Deferred taxation liabilities	12	237 761	192 774	237 371	192 384	
Deferred taxarion liabilities	12	257 701	1/2//4	257 57 1	172 304	
Current liabilities		482 603	384 396	498 596	383 411	
Amounts owing to subsidiaries	4			26 302	5 697	
Trade and other payables	13	451 842	354 516	441 974	342 673	
Provisions	14	20 128	23 547	27 485	32 858	
Current portion of long-term liabilities	11	_	7	_	-	
Taxation		10 633	6 326	2 835	2 183	
Total equity and liabilities		1 479 862	1 244 153	1 361 899	1 117 176	

INCOME STATEMENTS



			Group	Company		
		2002	2001	2002	2001	
		R000	R000	R000	R000	
	Notes	52 weeks	53 weeks	52 weeks	53 weeks	
Revenue						
Retail sales		2 957 773	2 583 088	2 854 417	2 515 610	
Income from leased departments		6 169	7 418	6 169	7 418	
Shopfitting revenue		15 578	13 705	_	_	
Interest		39 308	37 817	3 458	5 808	
Income from subsidiaries				14 038	13 356	
Other income		2 628	1 598	22 409	15 335	
Total revenue		3 021 456	2 643 626	2 900 491	2 557 527	
Costs and expenses						
Cost of sales		1 899 212	1 720 465	1 843 437	1 682 920	
Selling expenses		726 670	620 823	697 216	605 624	
Administrative and other operating expenses		193 130	160 678	203 402	153 573	
Total costs and expenses		2 819 012	2 501 966	2 744 055	2 442 117	
Profit from operating activities before						
restructuring costs		202 444	141 660	156 436	115 410	
Restructuring costs			1 839		1 839	
Profit from operating activities	15	202 444	139 821	156 436	113 571	
Net finance costs/(income)	16	9 547	17 379	(2 302)	4 343	
Profit before taxation		192 897	122 442	158 738	109 228	
Taxation	17	54 243	34 318	47 758	30 041	
Net profit after taxation		138 654	88 124	110 980	79 187	
Minority interest			1 085			
Net profit for the year		138 654	89 209	110 980	79 187	
Earnings per ordinary and B ordinary						
share (cents)						
- basic	19	58,9	38,1			
- headline	19	59,5	38,6			
– adjusted headline	19	59,5	39,4			
- comparable	19	51,4	38,2			
- diluted	19	58,3	37,6			

CASH FLOW STATEMENTS

,		(Group		npany
		2002	2001	2002	2001
		R000	R000	R000	R000
	Notes	52 weeks	53 weeks	52 weeks	53 weeks
Cash inflows from operating activities		269 870	177 294	244 895	183 262
Operating profit before working capital changes	21.1	232 600	164 088	217 595	170 688
Working capital changes	21.2	48 059	13 605	60 747	28 656
Cash generated from operations		280 659	177 693	278 342	199 344
Interest received/(paid)		35 836	34 347	(11)	2 339
Finance (costs)/income	21.3	(8 378)	(17 667)	1 009	(5 513)
Taxation paid	21.4	(7 629)	(5 778)	(3 827)	(1 607)
Dividends paid	21.5	(30 618)	(11 301)	(30 618)	(11 301)
Cash outflows from investing activities		(93 168)	(236 737)	(105 288)	(144 337)
Acquisition of rights to future shares in subsidiary	21.10			_	(108 354)
Investment in foreign subsidiaries				(21 140)	(28 966)
Advances in respect of long-term receivables	21.7	(25 228)	(38 104)	(25 228)	(38 104)
Repurchase of accounts receivable from		,	, ,		`
financial institution		_	(118 001)	_	_
Sale of accounts receivable to subsidiary			`	_	109 461
Replacement of property, plant and equipment		(13 175)	(20 472)	(13 065)	(20 472)
Additions to property, plant and equipment		(51 080)	(58 088)	(43 233)	(55 481)
Additions to intangible assets		(5 124)	(2 708)	(3 977)	(2 708)
Proceeds on disposal of property,			(, , , , ,	(, , , , ,	(, , , , ,
plant and equipment		1 439	636	1 355	287
Cash (outflows)/inflows from financing activities		(19 551)	107 403	30 493	(10 352)
Proceeds from issue of shares	21.8	535	581	535	581
Allotment of shares in subsidiary to outside					
shareholder		_	1 086		
Redemption of preference share capital		(300)	_	(300)	_
(Increase)/decrease in net advances to		(117)			
group companies	21.9	_	(21)	30 258	(10 416)
(Decrease)/increase in long-term liabilities	21.10	(19 779)	106 263	_	_
Payment of capital element of secured liabilities		(7)	(506)	_	(517)
,		(1)	()		1 7
Net increase in cash and cash equivalents		157 151	47 960	170 100	28 573
Cash and cash equivalents at beginning of year		125 533	77 573	89 843	61 270
Cash and cash equivalents at end of year	21.11	282 684	125 533	259 943	89 843

STATEMENTS OF CHANGES IN EQUITY



	Share capital	Share premium	Capital redemption reserve	Retained income	Total
	R000	R000	R000	R000	R000
Group					
Balance at 31 March 2000	3 565	160 602	_	317 559	481 726
Shares issued	89	17 811		017 337	17 900
Share issue expenses	07	(206)			(206)
Reduction of share capital on restructuring	(3 241)	3 241			(200)
Net profit for the year	(0 241)	0 2-11		89 209	89 209
Preference dividends				(16)	(16)
Ordinary and B ordinary distribution				(27 898)	(27 898)
Balance at 31 March 2001	413	181 448		378 854	560 715
Effect of adoption of AC116 (revised) (note 27.3)	4.0	101 440		4 024	4 024
Restated balance at 1 April 2001	413	181 448		382 878	564 739
Shares issued	-	535		002 070	535
Redemption of preference share capital	(300)	505			(300)
Transfer to capital redemption reserve fund	(500)		300	(300)	(500)
Net profit for the year			000	138 654	138 654
Preference dividends				(8)	(8)
Ordinary and B ordinary distribution				(30 610)	(30 610)
Balance at 31 March 2002	113	181 983	300	490 614	673 010
Datanee at 01 March 2002		101 700		470 014	070 010
Company					
Balance at 31 March 2000	3 565	160 602	_	305 852	470 019
Shares issued	89	17 811			17 900
Share issue expenses		(206)			(206)
Reduction of share capital on restructuring	(3 241)	3 241			. –
Net profit for the year	, ,			79 187	79 187
Preference dividends				(16)	(16)
Ordinary and B ordinary distribution				(27 898)	(27 898)
Balance at 31 March 2001	413	181 448	_	357 125	538 986
Effect of adoption of AC116 (revised) (note 27.3)				3 984	3 984
Restated balance at 1 April 2001	413	181 448	-	361 109	542 970
Shares issued	_	535			535
Redemption of preference share capital	(300)				(300)
Transfer to capital redemption reserve fund	, ,		300	(300)	
Net profit for the year				110 980	110 980
Preference dividends				(8)	(8)
Ordinary and B ordinary distribution				(30 610)	(30 610)
Balance at 31 March 2002	113	181 983	300	441 171	623 567

for the year ended 31 March 2002

		Group		Cor	mpany
		2002 R000	2001 R000	2002 R000	2001 R000
		KUUU	KUUU	KUUU	KUUU
1.	Property, plant and equipment				
	Owned At cost	445 341	392 352	417 624	372 471
	Accumulated depreciation	255 281	203 638	244 950	195 998
	Net book value	190 060	188 714	172 674	176 473
	Leased				
	At cost	1 623	1 623	1 564	1 564
	Accumulated depreciation	1 623	1 597	1 564	1 540
	Net book value	-	26	-	24
	Total net book value	190 060	188 740	172 674	176 497
	An analysis of the movement of property, plant	170 000	100 / 40	172 074	170 477
	and equipment is shown on page 59.				
2.	Intangibles				
۷.	At cost	135 770	130 646	134 613	130 636
	Accumulated amortisation	127 726	122 087	126 579	122 087
	Net book value	8 044	8 559	8 034	8 549
	An analysis of the movement of integralibles is				
	An analysis of the movement of intangibles is shown on page 60.				
3.	Investment				
	Joint venture Milady's Financial Services Limited				
	2 000 shares at cost	2	2	2	2
	Current account balance	2	2	2	2
	Total investment	4	4	4	4
	The interest in the joint venture comprises a 50% interest				
	in Milady's Financial Services Limited. The directors'				
	valuation of the shares is R2 000 (2001: R2 000) based				
	on the net asset value at the date of the latest				
	financial statements of the company which did not trade during the current year.				
4.	Subsidiaries Reals yellus of shares			1/5 704	145 747
	Book value of shares Shares and rights to future shares at cost			165 794 160 003	145 746 138 862
	Revaluation of rights			33 516	13 737
	Impairment provisions			(27 725)	(6 853)
	Book value of long-term loans			37 911	37 890
	Long-term loans at cost			42 560	42 539
	Impairment provisions			(4 649)	(4 649)
				203 705	183 636
	Current amounts owing by a desiding is			10 500	20.047
	Current amounts owing by subsidiaries Indebtedness to subsidiaries			18 593 (28 663)	28 246 (8 088)
	Loans from subsidiaries			(2 361)	
	Current amounts owing to subsidiaries			(26 302)	(5 697)
				193 635	203 794

An analysis of the financial interest in subsidiaries is shown on page 58.

		Group		Company		
		2002	2001	2002	2001	
		R000	R000	R000	R000	
5.	Long-term receivables					
5.1	Carrying value of contributions made by the					
	company to export partnerships	242 972	199 171	242 972	199 171	
	The company participates in export partnerships which					
	are engaged in the construction and export sale of ships in terms of credit arrangements with repayment					
	terms extending over a 14 to 15 year period.					
	Tomb oxionaling ever a rine to year penea.					
5.2	Other receivables	28 680	25 211	28 680	25 211	
	These receivables which fall due in 2002 are interest					
	free and are reflected at their net present value. Notional interest to bring the net present value to the					
	face value has been taken to revenue each year					
	over the outstanding period.					
		271 652	224 382	271 652	224 382	
	Less receivables due for payment within one year					
	reflected as accounts receivable	28 680	_	28 680	_	
		242 972	224 382	242 972	224 382	
6.	Inventories					
0.	Merchandise purchased for resale	389 686	354 818	371 492	343 279	
	Finished goods	12 838	15 848	12 838	15 848	
	Work-in-progress and consumable stores	10 233	5 293	7 714	4 989	
	Raw materials	5 696	6 637	3 037	3 023	
		418 453	382 596	395 081	367 139	
	Inventories carried at net realisable value	77 547	76 928	72 754	73 248	
-	Accounts receivable					
7.	Trade receivables (note 11)	255 645	265 143	107	1 505	
	Prepayments	14 720	27 065	10 090	22 840	
	Short-term portion of long-term receivables	28 680	_	28 680	_	
	Other receivables	35 942	20 429	22 016	14 535	
		334 987	312 637	60 893	38 880	
8.	Issued capital					
	Issued ordinary and B ordinary shares (note 9.2)	113 181 983	113	113	113	
	Share premium account		181 448	181 983	181 448	
		182 096	181 561	182 096	181 561	

for the year ended 31 March 2002

		G	roup	Company		
		2002 R000	2001 R000	2002 R000	2001 R000	
9.	Share capital					
9.1	Authorised					
	323 300 000 ordinary shares of 0,025 cent each	81	81	81	81	
	19 700 000 B ordinary shares of 0,3 cent each	59	59	59	59	
		140	140	140	140	
	150 000 5,5% cumulative preference shares of R2 each					
	(2001: non-redeemable)	300	300	300	300	
	Total authorised share capital	440	440	440	440	
9.2	Issued					
7.2						
	215 905 391 (2001: 215 679 747) ordinary shares of	54	EA	54	54	
	0,025 cent each		54		~ .	
	19 700 000 B ordinary shares of 0,3 cent each	59	59	59	<u>59</u>	
		113	113	113	113	
	Nil 5,5% cumulative preference shares of R2 each					
	(2001: 150 000 non-redeemable)	_	300	-	300	
	Total issued share capital	113	413	113	413	

- 9.3 The B ordinary shares are unlisted and are convertible into ordinary shares on a one-for-one basis at the instance of the B ordinary shareholders.
- 9.4 The preference shares were converted to redeemable shares and were redeemed at par during the current year.

Issued share capital was increased by the issue of 225 644 shares at a premium of R535 397 in respect of share options exercised during the year.

9.5 The Mr Price Group Staff Share Trust and Share Purchase Scheme

The company operates a share trust, a share option scheme and a deferred implementation share scheme for the benefit of associates including directors, employed by the company and its subsidiaries. In terms of the deed of trust, ordinary shares in Mr Price Group Limited may be acquired by the trust or awarded under the option schemes for the benefit of associates of the group, including directors (subject to a maximum of 45 492 153 shares).

Details of shares and options held in terms of the deed of trust and the schemes are as follows:

9.5.1 Share Trust

This trust is currently dormant.

9.5.2 Deferred Implementation Share Scheme Ordinary shares in Mr Price Group Limited

	, 0 0 0 0 0		222.2.2.000000		
	2002	2001	2002	2001	
Beginning of year	6 472 930	6 723 322	1 376 399	1 215 996	
Additional shares acquired	-	_	958	_	
Capitalisation awards	_	-	_	201 618	
New options granted	73 200	427 805	(73 200)	(427 805)	
Taken up by participants	(333 009)	(255 032)	_	-	
Surrendered by participants	(324 902)	(389 008)	324 902	389 008	
Reduction in options due to conversion on restructuring	_	(34 157)	-	(2 418)	
End of year	5 888 219	6 472 930	1 629 059	1 376 399	

Allocated shares

Unallocated shares

for the year ended 31 March 2002

Group



9. Share capital (continued)

9.5.3 Share Option Scheme

Ordinary shares in Mr Price Group Limited

	2002	2001
	shares	shares
Options held at beginning of year	18 309 162	18 361 157
New options granted	2 956 666	4 833 000
Surrendered by participants	(2 783 761)	(4 505 945)
Options exercised	(353 810)	(379 050)
Options held at end of year	18 128 257	18 309 162

Options held at the beginning of the year were exercisable at prices between 33 cents and R6,40 per share in a period between three years and 10 years after the dates of the offers which commenced in May 1989. The last date may be extended, at the discretion of the directors, for a further period of up to 10 years.

New options were granted during the year at prices ranging from R2,80 per share to R5,25 per share all exercisable in a period between three and 10 years after the dates of the offers.

Option prices have been restated where necessary to recognise subdivisions and capitalisation issues. The earliest opportunity at which share options are exercisable falls within the financial years ending 31 March as follows:

Year end	Average prices	Options
2003	R3,80	8 451 129
2004	R4,80	3 405 270
2005	R4,86	3 307 414
2006	R4,32	2 073 389
2007	R4,29	891 055
		18 128 257

9.6 The Mr Price Group Share Investment Trust

The company operates a staff share purchase scheme which facilitates the purchase of shares in the company for the benefit of associates, including executive directors, employed by the company and its subsidiaries. The acquisition of shares is funded by contributions from participants while the company is authorised to provide additional funding of up to 15% of the contributions made.

9.7 Unissued share capital

The remainder of the unissued share capital is under the control of the directors until the conclusion of the forthcoming annual general meeting.

		Group		Company	
		2002	2001	2002	2001
		R000	R000	R000	R000
10.	Capital redemption reserve fund				
	Transfer in terms of redemption of 5,5% cumulative				
	preference shares during the year	300	_	300	_
	Balance at end of year	300	_	300	_

for the year ended 31 March 2002

				G	roup	Company	
				2002 R000	2001	2002 R000	2001
				KUUU	R000	RUUU	R000
11.	Long-term liabilities	D = al = a = a = ala a /	1				
		Redeemable/ Repayable	rates				
	Secured loans	Ropayable	14103	86 484	106 270	_	_
	Net secured loan			86 484	106 263	_	_
			15.1%				
	Loan secured by cession of trade receivables	2005	payable quarterly	228 354	228 354		_
	Less acquisition and	2005	quarterly	220 004	220 334		
	revaluation of rights to future s	hares		(141 870)	(122 091)	_	_
	_						
	Capitalised finance lease agreements			_	7	_	_
	Unsecured loans		. 191	4	4	2 365	2 395
	Loans from subsidiaries Loan from joint venture	Indefinite Indefinite	Nil Nil	4	4	2 361	2 391
	Loan norm joint vernore		1 411				
	Total long-term			86 488	106 274	2 365	2 395
	Less instalments due			00 100			20.0
	for repayment within						
	one year reflected as						
	short-term loans			-	(7)	-	-
				86 488	106 267	2 365	2 395
12.	Deferred taxation						
	Prepayments Prepayments			211	844	211	844
	Provisions			(10 675)	(9 965)	(10 675)	(9 965)
	Export partnerships Other temperary differences			242 972 2 595	199 171 1 022	242 972 4 863	199 171 2 334
	Other temporary differences			235 103	191 072	237 371	192 384
				233 103	171 072	237 371	172 304
	Balance at beginning of year	aviacal (mata 07	2)	191 072	163 658	192 384	164 294
	Effect of adoption of AC116 (re Restated balance	evisea) (note 27.	3)	1 724 192 796	163 658	1 708 194 092	164 294
					. 55 555		
	Temporary differences			42 307	27 414	43 279	28 090
	Prepayments Provisions			(632) (2 418)	(554) 2 001	(632) (2 418)	(554) 2 001
	Export partnerships			43 801	26 638	43 801	26 638
	Other temporary differences			1 556	(671)	2 528	5
	Balance at end of year			235 103	191 072	237 371	192 384
	Deferred tayation liabilities			227 7/1	100 774	227 271	100 204
	Deferred taxation liabilities Deferred taxation assets			237 761 (2 658)	192 774 (1 702)	237 371	192 384 –
	2 310110 G TOMOTH GUUDIU			235 103	191 072	237 371	192 384
				200 100	+0 DOO OEO 70		

Deferred tax assets arising from estimated assessed losses amounting to R28 950 784 (2001: R9 837 202) have not been recognised due to the uncertainty of their recoverability.



for the year ended 31 March 2002

		Group		Company	
		2002	2001	2002	2001
		R000	R000	R000	R000
13.	Trade and other payables		0.,,00,,		0.40.40.4
	Trade creditors Accruals and other creditors	319 396 132 446	266 836	319 257	263 406 79 267
	Accidais and other creations		87 680	122 717	
		451 842	354 516	441 974	342 673
14.	Provisions				
14.1	Pension fund contribution holiday				
	Carrying value at beginning of year	10 584	10 827	10 528	10 771
	Decrease in provision during the year	-	(243)	-	(243)
	Recognised on adoption of AC116 (revised) (note 27.3)	(10 584)		(10 528)	
	Carrying value at end of year		10 584		10 528
14.2	Provision for debtors' recourse				
17.2	Carrying value at beginning of year	_	4 279	9 407	4 279
	(Decrease)/increase in provision during the year	-	(4 279)	4 162	5 128
	Carrying value at end of year	_	_	13 569	9 407
14.3	Provision for onerous contracts	7 100	1 500	7 100	1 500
	Carrying value at beginning of year Increase in provision during the year	7 190 6 200	1 500 5 690	7 190	1 500 5 690
	Unused provision reversed	(1 769)	-	(1 769)	-
	Carrying value at end of year	11 621	7 190	5 421	7 190
14.4	Post retirement medical aid				
	Carrying value at beginning of year	624	111	624	111
	Recognised on adoption of AC116 (revised) (note 27.3) Net increase in provision during the year	4 836 1 180	- 513	4 836 1 180	513
	Carrying value at end of year	6 640	624	6 640	624
	Carrying value at end of year	0 040		0 040	024
14.5	Other provisions				
	Carrying value at beginning of year	5 149	1 187	5 109	1 187
	Increase in provisions during the year	1 800	7 164	1 794	7 124
	Unused provisions reversed	(5 082)	(3 202)	(5 048)	(3 202)
	Carrying value at end of year	1 867	5 149	1 855	5 109
	Total provisions	20 128	23 547	27 485	32 858

Notes:

- 1. Provision for onerous contracts represents the net present value of future losses attributable to rental commitments for uneconomic stores. The rental agreements expire between August 2003 and September 2007.
- 2. In 2001 a provision of R4 968 000 for impairment in respect of The Mr Price Group Staff Share Trust and Share Purchase Scheme resulting from the reduction in the market value of the company's shares was carried in other provisions. This was reversed in the current year due to the recovery in the value of the shares.

		Group		Company	
		2002 R000	2001 R000	2002 R000	2001 R000
15	Due fil for an annual	ROOO	ROOO	KOOO	ROOO
15.	Profit from operating activities is arrived at after				
	Profit from operating activities is arrived at after crediting the following:				
	Income from subsidiaries			14 038	13 356
	Distribution income			30	30
	Fees			9 926	10 544
	Interest received			4 082	2 782
	Revaluation of rights to future shares in subsidiary			19 779	13 737
	Gain on foreign exchange	21 706	4 857	8 075	7 098
	and after charging the following:				
	Administration fees paid to subsidiary			21 049	36 877
	Amortisation of intangibles (page 60)	5 639	3 529	4 492	3 529
	Associates' costs	377 421	319 848	341 254	272 089
	Salaries, wages and other benefits	354 429 19 870	300 072 17 278	321 734 16 398	256 301 13 488
	Defined contribution pension funds expense Defined benefit pension fund net benefit expense	1 8 7 6	1 985	1 876	1 787
	Current service cost	1 686	1 705	1 686	1 7 0 7
	Interest cost	3 203		3 203	
	Expected return on fund assets	(3 899)		(3 899)	
	Net actuarial loss	886		886	
	Expense under previous accounting policy		2 228		2 030
	Movement in provision		(243)		(243)
	Post retirement medical aid benefit provision	1 246	513	1 246	513
	Current service cost	400		400	
	Interest cost Expense under previous accounting policy	846	513	846	513
	Expense under previous accounting policy		313	L	313
	Auditors' remuneration	1 742	2 075	1 571	1 951
	Audit fees	1 497	1 446	1 340	1 322
	Other services	245	629	231	629
	Consultants' fees	3 343	3 935	3 267	3 657
	Technical services	2 929	3 088	2 889	3 064
	Administrative and secretarial services	414	847	378	593
	Depreciation of property, plant and equipment (page 59)	61 388	50 691	58 664	48 957
	Owned assets	61 362	49 885	58 640	48 163
	Capitalised leased assets	26	806	24	794
	Provisions				
	Provision for loss in subsidiaries	(4.0.0)		20 872	6 853
	Provision for impairment (note 14)	(4 968)	4 968	(4 968)	4 968
	Movements in provisions other than the provision for impairment and post retirement medical aid reflected				
	above and pension fund contributions (note 14)	6 117	405	4 107	9 772
	Loss on disposal of property, plant and equipment	108	1 047	102	1 074
	Operating leases	246 715	202 004	232 564	196 420
	Land and buildings	234 385	193 022	220 245	187 447
	Equipment	8 121	5 694	8 110	5 685
	Motor vehicles	4 209	3 288	4 209	3 288

for the year ended 31 March 2002

		G	roup	Company	
		2002	2001	2002	2001
		R000	R000	R000	R000_
1,	Not finance costs (finance)				
16.	Net finance costs/(income)				5.000
	Interest paid	16 304	20 019	1 139	5 932
	Interest received Finance charges on capitalised finance leases	(6 757) -	(2 643) 3	(3 441)	(1 589)
	Tilidice charges on capitalised littarice leases				
		9 547	17 379	(2 302)	4 343
17.	Taxation				
17.1	South African taxation and foreign taxes				
	South African taxation				
17.1.1	This period	46 774	31 332	46 740	29 701
	Current	40774	01 002	40 7 40	27 701
	Normal tax	1 006	2 696		_
	Secondary tax on companies	3 823	1 412	3 823	1 412
	Deferred				
	Current year temporary differences	41 945	27 224	42 917	28 289
	Prior years	362	(199)	362	(199)
	Current	-	-	-	-
	Deferred	362	(199)	362	(199)
1710		- 10-	0.105		500
17.1.2	Foreign taxes	7 107	3 185	656	539
	Current	7 107	2 796	656	539
	Deferred	_	389	_	_
	Charge per income statements	54 243	34 318	47 758	30 041
17.2	Reconciliation of tax rate	%	%	%	%
	Standard tax rate	30,0	30,0	30,0	30,0
	Adjusted for:				
	Secondary tax on companies	2,0	1,2	2,4	1,3
	Exempt income	(1,1)	(1,5)	(1,4)	(1,7)
	Tax deduction for trademarks	(1,6)	(2,5)	(1,9)	(2,8)
	Revaluation of rights to future shares	(2,3)	(3,4)	(3,7)	(3,8)
	Impairment provisions Losses attributable to subsidiaries	(0,8)	1,2	3,0	3,2
	Other	3,5 (1,6)	2,2 0,8	1,7	1,3
	Effective tax rate	28,1	28,0	30,1	27,5

17.3 The estimated tax losses of subsidiaries available for set off against future taxable income are

31 706 9 837

17.4 In the 2001 year the company received revised assessments for the 1996 and 1997 years reflecting taxes due for payment on 31 July 2001 of R30 354 170. The company and its advisers do not agree with these assessments in that, in their view, these amounts only become payable in future years. Accordingly, no interest has been provided on the abovementioned amount. Objections have been raised against these assessments. Until this issue is resolved, the company continues to treat these taxes which are fully provided for at the current tax rate as being deferred (refer note 12).

for the year ended 31 March 2002

		Group		Company	
		2002 R000	2001 R000	2002 R000	2001 R000
18.	Distribution to shareholders				
18.1	Ordinary and B ordinary shares Prior year final distribution Interim distribution	21 186 9 424	20 871 7 027	21 186 9 424	20 871 7 027
	Total distribution to ordinary and B ordinary shareholders	30 610	27 898	30 610	27 898
18.2	5,5% cumulative preference shares Interim paid Final paid	8 -	8 8	8 -	8 8
	Total preference dividends	8	16	8	16
	Total distribution to shareholders	30 618	27 914	30 618	27 914
	Comprising: Dividends paid Capitalisation share award in lieu of dividend	30 618	11 301 16 613	30 618	11 301 16 613
		30 618	27 914	30 618	27 914

19. Earnings per ordinary and B ordinary share

- 19.1 The calculation of basic earnings per share is based on net income attributable to shareholders of R138 646 000 (2001: R89 193 000) and the weighted average number of shares in issue of 235 525 375 (2001: 233 896 027).
- 19.2 The calculation of headline earnings, adjusted headline earnings and comparable earnings per share is based on 235 525 375 (2001: 233 896 027) shares being the weighted average number of shares in issue and earnings attributable to shareholders calculated as follows:

Group

	σ.σ.ρ		
	2002 R000	2001 R000	
Net attributable income	138 646	89 193	
Adjusted for: Amortisation of goodwill Loss on disposal of property, plant and equipment Taxation adjustment	1 515 108 (32)	326 1 047 (314)	
Headline earnings	140 237	90 252	
Restructuring costs	_	1 839	
Adjusted headline earnings	140 237	92 091	
Foreign exchange gains	(19 284)	(2 728)	
Gross gains	(21 706)	(4 857)	
Taxation effect	2 422	2 129	
Comparable earnings	120 953	89 363	

Due to the material decline in the value of the Rand in the second half of the 2002 financial year, the group benefited from unusually high foreign exchange gains amounting to R21,7 million. The comparable earnings figure has been provided in order to indicate the growth in earnings achieved without these gains.

19.3 The calculation of diluted earnings per share is based on net income attributable to shareholders of R138 646 000 (2001: R89 193 000) and the weighted average number of shares of 237 918 744 (2001: 236 968 744) calculated as follows:

	Group		
	2002	2001	
	shares	shares	
Number of shares per basic earnings per share			
calculation	235 525 375	233 896 027	
Adjusted for:			
Weighted average number of ordinary shares			
under option deemed to have been issued			
for no consideration	2 393 369	3 072 717	
Number of shares for calculation of diluted earnings		00/0/07//	
per share	237 918 744	236 968 744	

		Group		Com	pany
		2002	2001	2002	2001
		R000	R000	R000	R000
20.	Directors' emoluments				
20.	The emoluments received by the directors from				
	the company and its subsidiaries were:				
	Executive directors				
	Salary			3 452	2 339
	Bonuses and performance-related payments			3 576	901
	Expense allowances Pension contributions			368 781	541 554
	Other material benefits			198	268
				8 375	4 603
	Non-executive directors Fees			179	187
	Other material benefits			177	338
				370	525
	Details of individual director's emoluments are				
	reflected on page 33.				
21.	Notes to the cash flow statements				
21.1	Operating profit before working capital changes				
	Profit before taxation	192 897	122 442	158 738	109 228
	Adjustment for: Depreciation of property, plant and equipment	61 388	50 691	58 664	48 957
	Amortisation of intangibles	5 639	3 529	4 492	3 529
	Loss on disposal of property, plant and equipment	108	1 047	102	1 074
	Investment income Net finance costs/(income)	9 547	- 17 379	(30) (2 302)	(30) 4 343
	Interest received	(39 308)	(37 817)	(3 458)	(5 808)
	Revaluation of rights to future shares in subsidiary	, ,		(19 779)	(13 737)
	Other non-cash items Effect of adoption of AC116 (revised) (note 27.3)	2 329 5 748	6 817	21 168 5 692	23 132
	Movement in provisions	(3 419)	5 643	(5 373)	15 010
	Other		1 174	20 849	8 122
		232 600	164 088	217 595	170 688
21.2	Working capital changes				
	Net decrease/(increase) in accounts receivable	6 330	(11 725)	6 667	3 086
	(Increase)/decrease in accounts receivable Transfer of short-term portion of long-term receivables	(22 350) 28 680	(11 725)	(22 013) 28 680	3 086
	(Increase)/decrease in inventories	(35 857)	5 277	(27 942)	12 480
	Increase in trade and other payables	77 586	20 053	82 022	13 090
		48 059	13 605	60 747	28 656
21.3	Finance costs/(income)	00.157	01.404	(1.000)	5 510
	Interest paid/(received) Revaluation of rights to future shares	28 157 (19 779)	31 404 (13 737)	(1 009)	5 513
0.1 /	g The state of the	8 378	17 667	(1 009)	5 513
21.4	Taxation paid Amounts unpaid at beginning of year	199 122	168 858	196 275	166 133
	Taxation	6 326	5 200	2 183	1 839
	Deferred taxation – restated due to adoption of AC116 (revised) (note 27.3)	192 796	163 658	194 092	164 294
	Amounts charged to the income statements Taxation	54 243 11 936	34 318 6 904	47 758 4 479	30 041 1 951
	Deferred taxation	42 307	27 414	43 279	28 090
	Amounts unpaid at end of year	(245 736)	(197 398)	(240 206)	•
	Taxation Deferred taxation	(10 633) (235 103)	(6 326)	(2 835)	(2 183)
			(191 072)	(237 371)	
	Amounts paid	7 629	5 778	3 827	1 607

Notes to the cash flow statements (continued) Dividends poid Dividends poid Distribution Preference dividends Distribution to ordinary and 8 ordinary shareholders Iransfer to share capital and reserves Acquisition of businesses, net of cash acquired Intangibles Shares issued as part of purchase price Cash acquired Intangibles Inta			Group		Company	
21. Notes to the cash flow statements (continued) Dividends paid Dividends paid Dividends paid Dividends paid Dividends paid Dividends paid Distributions Preference dividends Transfer to share capital and reserves - (16 613) - (
21.5 Dividends poid Distributions Preference dividends Distributions Preference dividends Distribution to archinary and B ordinary shareholders Transfer to share capital and reserves 30 610 27 898 30 610 27 898 (16 613) 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 11 301 30 618 30 610 27 898 30 610 27 898 30 610 27 898 30 610 27 898 30 610 27 898 30 610 27 898 30 610 27 898 30 618 30 618 30 618 30 618 30 610 32 804 30 618			ROOU	KOOO	KOOO	KOOO
Preference dividends Distribution to ordinary and 8 ordinary shareholders Transfer to share capital and reserves Amounts poid 30 610 27 89% (16 613) 30 610 27 89% (16 613) 30 618 11 301 30 618		Dividends paid				
Transfer to share capital and reserves		Preference dividends	8	16	8	
Amounts paid Acquisition of businesses, net of cash acquired introngibles Shares issued as part of purchase price Capitalisation and businesses, net of cash acquired introngibles Shares issued as part of purchase price Capitalisation and state premium capitalisation of business Share issued from the state election reserve and distribution to shareholders Adjustment to cost of acquisition of business Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Share issue expenses Capitalisation of share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation of share premium Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation awarenest Capitalisation of share premium Capitalisation of share premium Capitalisation of shares			30 610		30 610	
21.6 Acquisition of businesses, net of cash acquired Intangibles -			30 618	<u>`</u>	30 618	
Intangibles -			- 00 010	11 001	00010	11 001
Shares Issued as part of purchase price	21.6		_	500		500
21.7 Advances in respect of long-term receivables Related contributions: Unpoid at beginning of year 32 824 44 290 32 824 44 290 Attributable for the year 43 801 26 638 44 801 26 638 45 64 26 638			_		_	
Related contributions: Unpaid at beginning of year					_	
Attributable for the year Unpaid at end of year (\$51377) (32 824) (\$1377) (32 824) (\$32 824) (\$13377) (32 824) (\$32 824) (\$25 228] 38 104 (\$25	21.7					
Unpaid at end of year Amounts paid 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 21.8 Proceeds from issue of shares Movement in share capital and share premium Capitalisation awards Issue of B ordinary shares Adjustment to cost of acquisition of business Exercise of share options Share issue expenses Non-cash movements Transfer from share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Exercise of share options Share issue expenses Transfer from share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Exercise of share options Transfer from share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Exercise of share options Transfer from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise from share election reserve and distribution to shareholders Exercise of share options Exercise						
Amounts paid 25 228 38 104 25 228 38 104 27 25 228 38 104 28 25 228 38 104 29 25 228 38 104 20 25 228 38 104 21 28 28 38 104 21 28 28 38 104 22 25 228 38 104 23 25 228 38 104 24 25 228 38 104 25 228 38 104 27 25 228 38 104 28 25 228 38 104 28 25 228 38 104 29 25 228 38 104 29 25 228 38 104 29 25 228 38 104 29 25 228 38 104 29 25 228 38 104 29 25 228 38 104 20 25 228 38 104 21 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 228 38 104 26 25 28 38 104 26 25 28 38 104 26 25 28 38 104 26 25 28 38 104 26 25 28 38 104 26 25 28 38 104 27 20 401 28 26 27 28 354 29 28 354 20 405 4 504 20 405 4						
Movement in share capital and share premium S35 17 694 Capitalisation awards			_ `	<u> </u>		
Movement in share capital and share premium 535 17 694 Capitalisation awards - 16 613 - 16 613 - 16 613 16 613 16 613 18 614 18 614 18 614 18 614 18 614 18 614 18 614 18 614 18 614 18 614 18 614	01.0	Dra a a a de france ioni a a f als areas				
Capitalisation awards Susue of B ordinary shares Adjustment to cost of acquisition of business Subject of Share options Subject of Subject	21.0		535	17 694	535	17 694
Adjustment to cost of acquisition of business Exercise of share options Share issue expenses Non-cash movements Transfer from share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Cash movement 21.9 (Increase)/decrease in net advances to group companies Decrease in net amounts owing to former holding and ultimate holding companies Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease)/increase in long-term liabilities Long-term finance raised Acquisition of rights to future shares Revaluation of rights to future shares 21.11 Cash and cash equivalents		Capitalisation awards	-	16 613	-	
Exercise of share options S35 733 C206 Non-cash movements C306 Non-cash movements C306 C3			_	-	_	_
Share issue expenses			535		535	
Transfer from share election reserve and distribution to shareholders Adjustment to cost of acquisition of business Cash movement 535 581 21.9 (Increase)/decrease in net advances to group companies Decrease in net amounts owing to former holding and ultimate holding companies Decrease in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing Decrease/(increase) in curr			_	(206)	_	(206)
Shareholders			-	(17 113)	_	(17 113)
Adjustment to cost of acquisition of business			_	(16 613)	_	(16 613)
21.9 (Increase)/decrease in net advances to group companies Decrease in net amounts owing to former holding and ultimate holding companies Decrease in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing possible in current		Adjustment to cost of acquisition of business	-		-	
21.9 (Increase)/decrease in net advances to group companies Decrease in net amounts owing to former holding and ultimate holding companies Decrease in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease/(increase) in current amounts owing possible in current		Carb mayoment	525		525	F01
group companies Decrease in net amounts owing to former holding and ultimate holding companies Increase in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries Decrease)/increase in long-term liabilities Long-term finance raised Acquisition of rights to future shares Revaluation of rights to future shares 21.11 Cash and cash equivalents - (21) - (21) - (21) - (21) - (21) - (21) - (21) - (21) - (21) - (21) - (108 354) - (108 354) - (108 354) - (108 354) - (108 354)		Casi movemeni	333		535	381
holding and ultimate holding companies Increase in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries - (21) 20 605 4 504 20 605 4 504 P 653 (14 899) - (21) Observed as a subsidiaries Observed as a subsidiaries - (21) Observed as a subsidiaries - (21) Observed as a subsidiaries Observed as a subsidiaries - (21) Observed as a subsidiaries Obse	21.9					
Increase in current amounts owing to subsidiaries Decrease/(increase) in current amounts owing by subsidiaries - (21) 20 605 4 504 P 653 (14 899) - (21) 21.10 (Decrease)/increase in long-term liabilities Long-term finance raised Acquisition of rights to future shares Revaluation of rights to future shares (19 779) (13 737) (19 779) 106 263 - (108 354) 21.11 Cash and cash equivalents						
Decrease/(increase) in current amounts owing by subsidiaries - (21) 21.10 (Decrease)/increase in long-term liabilities Long-term finance raised Acquisition of rights to future shares Revaluation of rights to future shares (19 779) (13 737) (19 779) 106 263 - (108 354) 21.11 Cash and cash equivalents		e e e e e e e e e e e e e e e e e e e	-	(21)	20.405	
by subsidiaries - (21) 21.10 (Decrease)/increase in long-term liabilities Long-term finance raised					20 605	4 304
21.10 (Decrease)/increase in long-term liabilities Long-term finance raised Acquisition of rights to future shares Revaluation of rights to future shares (19 779) (13 737) (19 777) 106 263 21.11 Cash and cash equivalents					9 653	(14 899)
Long-term finance raised			-	(21)	30 258	(10 416)
Acquisition of rights to future shares Revaluation of rights to future shares (19 779) (13 737) (19 779) 106 263 - (108 354) - (108 354) - (108 354) 21.11 Cash and cash equivalents	21.10					
Revaluation of rights to future shares (19 779) (13 737) (19 779) 106 263 - (108 354) 21.11 Cash and cash equivalents		<u> </u>	-			(100.05.4)
21.11 Cash and cash equivalents - (108 354)			(19 779)		_	(108 354)
21.11 Cash and cash equivalents				<u> </u>	_	(108 354)
			(17777)	100 200		(100 004)
	21.11	Cash and cash equivalents				
			282 684	125 533	259 943	89 843

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for the year ended 31 March 2002

		G	roup	(Company
		2002	2001	2002	2001
		R000	R000	R000	R000
22.	Capital expenditure				
22.1	The capital expenditure authorised by the directors of the company or its subsidiaries but not provided for				
	in the financial statements amounts to	100 000	68 871	99 138	62 536
	of which contracts have been placed for	20 402	10 253	20 402	9 560
	The above capital expenditure is expected to be financed				
	from future cash flow and existing borrowing facilities.				
23.	Operating lease commitments				
	Future minimum rentals under non-cancellable leases at				
	31 March 2002 are as follows:				
	Within one year	224 772	205 976	208 371	202 142
	After one year but less than five years	516 536	529 589	473 068	520 332
	More than five years	297 159	333 148	296 402	332 915
		1 038 467	1 068 713	977 841	1 055 389
24.	Contingent liabilities				
24.1	Guarantees in respect of bank facilities related to:				
	Staff share trust	24 000	24 000	24 000	24 000
	Subsidiary company			228 354	228 354

- 24.2 In terms of The Pension Funds Second Amendment Act, legislated effective 7 December 2001, the company may have a contingent liability to make an additional contribution to the company's defined benefit pension fund in respect of any deemed improper use of past surplus in terms of the Act. The fund's trustees in conjunction with the fund's consultants are reviewing the matter but have not at this stage determined that there is any such liability.
- 24.3 The company has guarantees in regard to the export partnerships with an exposure at year end of R40 million (2001: R40 million). No loss is anticipated under these guarantees.
- 24.4 The company is a joint defendant against a claim for the refund of R20 million of allowances in terms of the GEIS regulations received by the export partnerships. Based on legal advice no loss is expected under these circumstances. Should any liability arise the company has a counter claim against a third party for the same amount.

25. Financial risk management

The group is exposed to market risk, including primarily changes in interest rates and currency exchange rates and uses derivatives and other instruments in connection with its risk management activities. The group does not hold or issue derivative financial instruments for trading purposes.

- 25.1 Foreign exchange risk management
 - The primary purpose of the group's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases of merchandise and other assets and liabilities created in the normal course of business. The group primarily utilises forward exchange contracts and foreign-currency-denominated financial assets, liabilities and firm commitments. Increases or decreases in the group's foreign-currency-denominated financial assets, liabilities and firm commitments are partially offset by gains and losses on the hedging instruments. The group does not use foreign currency forward exchange contracts or purchase currency options for trading purposes.
- 25.2 Treasury risk management

The treasury function is administered at group level where strategies for the funding of working capital requirements and capital expenditure projects are implemented taking into account cash flow projections and expected movements in interest rates. At the financial year end the group held positive net cash resources.

25.3 Credit risk management

Credit risk is concentrated principally in trade debtor receivables, contributions to export partnerships and periodic short-term cash investments. The granting of credit to trade debtors is controlled with statistical scoring models and performance parameters which are reviewed on a regular basis. Contributions to the export partnerships are regularly evaluated and future contributions, to be made over the next five years and which will not exceed those already made, will be subject to the company satisfying itself that such contributions will be adequately secured (refer note 5). The group deposits short-term cash surpluses only with major banks of high quality credit standing. At 31 March 2002 the group did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

for the year ended 31 March 2002

			Group	Co	mpany
		2002	2001	2002	2001
		R000	R000	R000	R000
25.	Financial risk management (continued)				
25.4	Liquidity management				
	The group has minimised its risk of illiquidity with its				
	growth in cash retailing and has a considerable reserve				
	borrowing capacity and substantial banking facilities. The year end position was as follows:				
	Banking facilities				
	Total facilities	443 354	478 354	443 354	478 354
	Less drawn down portion	(228 354)	(228 354)	(228 354)	(228 354)
	Total undrawn banking facilities	215 000	250 000	215 000	250 000
	Borrowing powers				
	In terms of the company's articles of association				
	borrowing powers at the year end were limited to 150% of group capital and reserves.	1 009 515	841 073	1 009 515	841 073
	130% of group capital and reserves.	1 007 515	041 0/3	1 007 515	041 0/3
	Actual borrowings outside the group at the year end were: Non-interest bearing borrowings	4	4	4	4
	Interest bearing borrowings	86 484	106 270	_	4 –
	Total borrowings	86 488	106 274	4	4
	At the year end bank balances totalled	281 864	124 811	259 207	89 161
	Net cash resources were	195 376	18 537	257 207	89 157
		.,,,,,,			

25.5 Fair value of financial instruments

The estimated net fair value of financial instruments at 31 March 2002 and 31 March 2001 approximated their carrying amounts. The estimated net fair values have been determined using available market information and appropriate valuation methodologies and are not necessarily indicative of the amounts that the group could realise in the normal course of business.

Forward exchange commitments

As a general rule the group takes out forward exchange contracts to cover major imports of merchandise. For details of exchange contract commitments refer to note 29.

At balance sheet date there were no uncovered foreign currency monetary items.

			.oop	Company		
		2002	2001	2002	2001	
		R000	R000	R000	R000	
26.	Interest bearing borrowings					
	Long-term	86 484	106 263	-	_	
	Short-term	-	7	- 1	-	
	Total	86 484	106 270		_	

27. Retirement benefits

27.1 Pension schemes

27.1.1 Membership

Retirement benefits for the majority of associates employed in South Africa and Swaziland are provided in a funded defined benefit fund and two funded defined contribution funds. The limited number of associates employed in Namibia, Botswana and Chile are provided for in separate retirement funding or social security structures operating in terms of the legislation in those countries. The defined benefit fund has been closed to new entrants with effect from 1 June 1997. All new entrants since that date have joined the defined contribution funds.

The funds are registered in terms of the Pension Funds Act and provide for pensions and related benefits for all associates on the permanent staff of the group who have completed at least one year's service in the employ of the group. At the year end 5 309 out of a total of 6 774 associates representing 78,4% (2001: 77,0%) of all associates were members of one of the abovementioned funding arrangements.

for the year ended 31 March 2002



Retirement benefits (continued)

27.1.2 Contributions

In the case of the group defined benefit fund, pensions are based on length of service and highest average annual salary earned over two years during the last 10 years of employment. The members are required to contribute to the funds mainly at the rate of 7,0% of their pensionable remuneration while the employer is required to contribute to the defined contribution funds mainly at the rate of 11,0% and, in terms of the new surplus legislation, to the defined benefit fund mainly at the rate of 8,74% (excluding disability benefits). In the case of the defined benefit fund, the employer rate has been calculated based on the Projected Unit Credit method. This rate will be reviewed at the next valuation.

27.1.3 Valuations

Defined benefit pension fund

In terms of the Pension Funds Act the defined benefit fund should be actuarially valued every three years. The last statutory valuation of this fund was performed as at 1 January 2000. Past service liabilities were determined by valuing all future payments expected to be made out of the fund in respect of benefits accrued up to the valuation date. The actuarial value of assets was R37,2 million and the liability for accrued benefits was R33,2 million resulting in a surplus of R4,0 million and a funding level of 112%. In the opinion of the actuary the fund was in a sound financial position. The following main assumptions were used in performing the valuation:

Discount rate – 15,0% per annum

Rate of return on assets – 17,7% per annum

Future salary increases – 19,4% at age 20 to 13,0% after age 50.

The Pension Funds Second Amendment Act was legislated effective 7 December 2001. The two main issues arising from this Act are:

Any surplus is to be distributed amongst relevant stakeholders by the fund's surplus apportionment date of 1 January 2003.

Minimum benefits must be paid from 1 January 2004.

The funded status of the defined benefit retirement fund in terms of the current actuarial calculation is as follows:

	Group and Compa 2002 R000	ny
Benefit obligation	26 663	
Fund assets	(45 626)	
Funded benefit fund asset	(18 963)	
Unrecognised net actuarial gains	<u>8 150</u>	
Benefit fund asset	(10 813)	
Unrecognised fund asset	10 813	
Benefit fund asset recognised		
Activity in the benefit fund asset during the year was as follows: Benefit asset at beginning of year Benefit expense	(9 927) 990	
Contributions	(1 876)	
Benefit asset at end of year	(10 813)	
Unrecognised fund asset	10 813	
Actual return on fund assets	9 237	

Defined contribution pension funds

The defined contribution funds are valuation exempt in terms of Regulation 2 of the Pension Funds Act but are subject to annual actuarial reviews. The most recent reviews received were undertaken as at 31 December 2000 and in the opinion of the actuary the funds were in a sound financial position.

for the year ended 31 March 2002

27. Retirement benefits (continued)

27.2 Post retirement medical aid benefits

The obligation of the group to pay medical aid contributions for members who have retired is no longer part of the conditions of employment for new associates. A limited number of pensioners and current associates who remain members of the defined benefit fund remain entitled to this benefit. The entitlement to the benefit for current associates is dependent upon the associate remaining in service until retirement age. An actuarial valuation, in terms of AC 116 (revised), of the group's liability at 31 March 2002 for this future benefit was undertaken. The obligation for post-retirement medical aid benefits is unfunded.

The following main assumptions were used in performing the valuation:

Liability is based on current membership

Health care cost inflation – 14,5% per annum for 5 years and 9,5% per annum thereafter

Discount rate - 11,5% per annum

Salary inflation – 8,0% per annum

Average retirement age - 62 years

Continuation at retirement - 100%

Activity during the year was as follows (note 14.4):

	Group and Company
	2002 R000
Restated benefit obligation at beginning of year Benefit provision	5 460 1 246
Contributions	(66)
Benefit obligation at end of year	6 640

27.3 Effect of adoption of AC116 (revised)-Employee Benefits

This statement was adopted during the current period. This was implemented by adjusting the opening balances of the current period based on an actuarial calculation. The comparative figures have not been restated.

	2002 R000	2002 R000
Retained income Balance at 31 March 2001 as previously stated	378 854	357 125
Net adjustment to retained income	4 024	3 984
Adjustment to provisions Pension fund contribution holiday Post retirement medical aid	5 748 10 584 (4 836)	5 692 10 528 (4 836)
Deferred tax effect Pension fund contribution holiday Post retirement medical aid	(1 724) (3 175) 1 451	(1 708) (3 159) 1 451
Restated balance at 1 April 2001	382 878	361 109

Group

Company

28. Related party disclosures

The only related parties of the group are:

1. subsidiaries – refer to page 58

2. directors - refer to page 30

All transactions with these related parties have been disclosed in these financial statements.

29. Forward exchange contracts

At balance sheet date the group and the company had the following exchange contract commitments relating to items not yet shown in the balance sheets:

	2002	
Current liabilities US\$	13 500 000	6 390 000
Exchange rate US\$1=	R11,351	R7,754

These contracts will mature between one and eight months after the year end.

for the year ended 31 March 2002

30. Segmental reporting

30.1 Business segments

The group's retail activities are organised into two divisions for operational and management purposes. The main constituent of Other is the group's shopfitting business.

	Cash	division	Credit	division	Otl	her	Central	services	Eliminations		Total	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Revenue	1 993 458	1 676 600	1 006 323	948 253	40 673	42 447	10 673	7 627	(29 671)	(31 301)	3 021 456	2 643 626
External	1 993 458	1 676 600	1 006 323	948 253	15 578	13 705	6 097	5 068	-	-	3 021 456	2 643 626
Internal	_	-	-	-	25 095	28 742	4 576	2 559	(29 671)	(31 301)	_	-
Profit from operating												
activities before												
restructuring costs	137 321	88 632	78 532	63 742	533	4 326	(13 205)	(13 406)	(737)	(1 634)	202 444	141 660
Restructuring costs											-	1 839
Profit from operating												
activities											202 444	139 821
Net finance costs											9 547	17 379
Profit before taxation											192 897	122 442
Taxation											54 243	34 318
Net profit after												
taxation											138 654	88 124
Divisional assets	433 103	388 137	427 876	450 983	16 739	13 376	608 474	402 750	(6 330)	(11 093)	1 479 862	1 244 153
Divisional liabilities	281 726	200 673	131 987	137 846	17 559	6 572	377 086	350 699	(1 506)	(12 353)	806 852	683 437
Capital expenditure	46 067	52 014	8 986	13 525	1 026	138	15 315	18 165	(2 015)	(2 574)	69 379	81 268
Depreciation and												
amortisation	40 559	28 840	14 619	16 289	485	360	12 470	9 535	(1 106)	(804)	67 027	54 220

30.2 Geographical segments

Revenue Total assets Capital expenditure

Sc	South Africa			Africa	Interno	ational	Total			
2002	2	2001	2002	2001	2002	2001	2002	2001		
R000)	R000	R000	R000	R000	R000	R000	R000		
2 903 8	339	2 566 589	80 469	63 781	37 148	13 256	3 021 456	2 643 626		
1 401 0)55	1 206 068	39 527	14 889	39 280	23 196	1 479 862	1 244 153		
59 2	287	76 227	3 337	1 396	6 755	3 645	69 379	81 268		

FINANCIAL INTEREST IN SUBSIDIARIES

at 31 March 2002

			ssued apital	Percentage of equity held		Percentage of preference capital held		Book value of shares		Indebtedness less impairment provisions	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
No	otes	R	R	%	%	%	%	R000	R000	R000	R000
Operating subsidiaries											
Incorporated in Bermuda											
Mr Price International											
Limited	1	21 140 039		100				21 140		-	
Incorporated in Botswana											
Specialty Stores (Botswana)											
(Pty) Limited	2	100	100	100	100					14 540	18 310
Incorporated in Chile											
Inversiones Mr Price											
Limitada	3	28 965 517	28 965 517	100	100			1 242	22 113	2 801	1 397
Mr Price Chile S.A.	4	7 241 379	7 241 379	100	85					1 251	820
Incorporated in Namibia											
Mr Price Group											
(Namibia) (Pty) Limited	5	100	100	100	100					(2 249)	1 986
Raava Jewellers (Namibia)											
(Pty) Limited	6	100	100	100	100					(343)	76
Incorporated in South Africa											
Mr Price Group											
Credit Finance	7	100	100	100	100			141.070	100 001	(0.24/)	00 202
Company (Pty) Limited	7	100	100	100	100			141 870	122 091	(2 346)	22 383
Millews Fashions											
(Johannesburg) (Pty)	0	28 000	28 000	100	100					10 911	10.000
Limited Retail Shopfitting Sonices	8	20 000	26 000	100	100					10 711	10 090
Retail Shopfitting Services (Pty) Limited	9	1 600	1 600	100	100			8	8	2 537	2 691
Storeco Management	7	1 000	1 000	100	100				O	2 337	2 07 1
Services (Pty) Limited	10	200	200	100	100			4	4	4 171	2 957
Services (Fry) Elithied	10	200	200	100	100			7	4	4 17 1	2 / 3 /
Dormant subsidiaries											
Hughes Extension 17											
Township (Pty) Limited		100	100	100	100						
Madame Lorraine Fashion			100		. 50						
Holdings (Pty) Limited		100	100	100	100						
Orr-Co Properties Limited		1 000 000	1 000 000	100	100	100	100	1 520	1 520	(2 352)	(2 382)
Trend Textiles (Pty) Limited		4 000	4 000	100	100			10	10		(1 080)
(//										, ,	, ,
Total								165 794	145 746	27 841	58 048

Notes:

- 1. Investment holding company
- 2. Operates Mr Price stores in Botswana
- 3. Holding company for Mr Price operation in Chile
- 4. Indirect subsidiary operating Mr Price stores in Chile
- 5. Operates Mr Price stores in Namibia
- 6. Operates Galaxy store in Namibia
- 7. Finances the trade receivables of the Mr Price group
- 8. Develops and leases premises to group operations
- 9. Supplies shopfitting services to group and non-group operations
- 10. Provides management services to group operations

ANALYSIS OF THE MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT



		Furniture, fittings				Com	puter		Improve	ements	Total	
	equ	uipment a	ınd vehicle	S		equip	oment		to leas			
	200	02	2001		200)2	200	01	prem 2002	2001	2002	2001
	Owned	Leased	Owned		Owned	Leased	Owned	Leased				
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Group												
Beginning of year												
Net book value	145 844	26	123 738	832	22 577	_	17 403	_	20 293	20 581	188 740	162 554
Assets at cost	297 220	1 435	239 334	1 435	67 368	188	54 599	188	27 764	24 748	393 975	320 304
Accumulated depreciation	151 376	1 409	115 596	603	44 791	188	37 196	188	7 471	4 167	205 235	157 750
necombiated depreciation	131 070	1 407	110 070	000	77//1	100	0/ 1/0	100	7 771	4 107	203 203	107 700
Current year movements												
Additions/(transfers)	51 433	_	60 910	_	12 885	_	14 830	_	(63)	2 820	64 255	78 560
Disposals	(1 517)	_	(384)	_	(25)	_	(839)	_	(5)	(460)	(1 547)	(1 683)
Depreciation	(49 699)	(26)	(38 420)	(806)	(8 959)	_	(8 817)	_	(2 704)	(2 648)	(61 388)	(50 691)
Doprocianon	(•,	(=0)	(00 120)	(000)	(6 .6.,		(0 0 17)		(= ,	(2 0 10)	(0.000)	(00 07 17
Balance at end of year	146 061	_	145 844	26	26 478	_	22 577	_	17 521	20 293	190 060	188 740
,												
Made up as follows:												
Net book value	146 061	-	145 844	26	26 478	-	22 577	-	17 521	20 293	190 060	188 740
Assets at cost	338 405	1 435	297 220	1 435	79 324	188	67 368	188	27 612	27 764	446 964	393 975
Accumulated depreciation	192 344	1 435	151 376	1 409	52 846	188	44 791	188	10 091	7 471	256 904	205 235
Company												
Beginning of year	140.010	0.4	101 000	010	01.000		17.174		11 5/5	11.050	17/ 407	150.070
Net book value	142 910	24	121 829	818	21 998	-	17 164	100	11 565	11 052	176 497	150 863
Assets at cost	291 401	1 376	235 177	1 375	64 148	188	51 921	188	16 922	13 925	374 035	302 586
Accumulated depreciation	148 491	1 352	113 348	557	42 150	188	34 757	188	5 357	2 873	197 538	151 723
O												
Current year movements	44.000		50.007		11.0/0		1.4.07.7		((0)	0.000	F/ 000	75.050
Additions/(transfers)	44 399	-	58 887	-	11 962	-	14 266	-	(63)	2 800	56 298	75 953
Disposals	(1 427)	- (04)	(62)	(70.4)	(25)	-	(840)	-	(5)	(460)	(1 457)	(1 362)
Depreciation	(48 267)	(24)	(37 744)	(794)	(8 492)	-	(8 592)	-	(1 881)	(1 827)	(58 664)	(48 957)
Balance at end of year	137 615	-	142 910	24	25 443	-	21 998	-	9 616	11 565	172 674	176 497
Made up as follows:												
Net book value	127 415		142 910	24	25 443		21 998		9 616	11 565	172 674	176 497
Assets at cost	137 615 325 673	1 376	291 401	1 376	75 181	188	64 148	188	16 770	16 922	419 188	374 035
Accumulated depreciation	1		148 491		1							
Accumulated depreciation	188 058	1 376	140 471	1 352	49 738	188	42 150	188	7 154	5 357	246 514	197 538

ANALYSIS OF THE MOVEMENT OF INTANGIBLES

	Computer software		Good	dwill	Trade	marks	Total		
	2002	2001	2002	2001	2002	2001	2002	2001	
	R000	R000	R000	R000	R000	R000	R000	R000	
Group									
Beginning of year									
Net book value	6 173	6 668	2 386	2 212	_	_	8 559	8 880	
Intangibles at cost	14 423	11 715	11 069	10 569	105 154	105 154	130 646		
Accumulated amortisation	8 250	5 047	8 683	8 357	105 154	105 154	122 087		
Accombiated amortisation	0 230	3 047	0 000	0 007	103 134	100 104	122 007	110 330	
Current year movements									
Additions arising from external									
development	3 977	2 708	1 147	500			5 124	3 208	
Amortisation					_	_	1		
Amonisation	(4 124)	(3 203)	(1 515)	(326)	_	_	(5 639)	(3 529)	
Balance at end of year	6 026	6 173	2 018	2 386	_	_	8 044	8 559	
Made up as follows:									
Net book value	6 026	6 173	2 018	2 386	_	_	8 044	8 559	
Intangibles at cost	18 400	14 423	12 216	11 069	105 154	105 154	135 770	130 646	
Accumulated amortisation	12 374	8 250	10 198	8 683	105 154	105 154	127 726	122 087	
Company									
Beginning of year									
Net book value	6 173	6 668	2 376	2 202	_	_	8 549	8 870	
Intangibles at cost	14 423	11 715	11 059	10 559	105 154	105 154	130 636		
Accumulated amortisation	8 250	5 047	8 683	8 357	105 154	105 154	122 087		
					100 101				
Current year movements									
Additions arising from external									
development	3 977	2 708	_	500	_	_	3 977	3 208	
Amortisation	(4 124)	(3 203)	(368)	(326)	_	_	(4 492)		
ATTOMISMICH	(4 124)	(5 200)	(500)	(320)			(4 4/2)	(0 027)	
Balance at end of year	6 026	6 173	2 008	2 376	_	_	8 034	8 549	
Made up as follows:									
Net book value	6 026	6 173	2 008	2 376	_	_	8 034	8 549	
Intangibles at cost	18 400	14 423	11 059	11 059	105 154	105 154	134 613	130 636	
	1								