

Truworths International aims to generate sustainable returns for shareholders over the short, medium and longer-term. The Group offers attractive prospects for investors wanting exposure to the South African retail market and in particular the fashion apparel industry. The Investment Case should be read in conjunction with the material topics outlined on pages 12 to 21. While the material topics are reviewed and amended annually, the Investment Case focuses on a longer time horizon.

## FOCUSED STRATEGY AND BUSINESS MODEL

Group Profile	pages 6 and 7
Our Business Philosophy	pages 8 and 9
Sustainable Future in Fashion	pages 12 to 21

- Focused on one business: retailing of fashion apparel and related merchandise
- Focused on one customer profile and not multiple market segments
- Ownership or long-term licensee of all significant retail brands
- Credit offered across all brands to facilitate sales
- Low-cost operating model and internal culture of cost-consciousness
- Integrated retail and operations structure
- Strong organic growth complemented by strategic acquisitions to extend fashion offering
- Proven ability to integrate acquisitions

## MARKET LEADERSHIP IN FASHION

Sustainable Future in Fashion	pages 12 to 21
Managing the Risk of Fashion	pages 72 to 74

- Proven ability to manage the risk of fashion
- Consistent growth in Retail Liaison Committee (RLC) clothing market share of ladies and menswear
- Exclusive fashion brands across all retail formats
- Diversified and balanced brand portfolio

## ABILITY TO MANAGE CREDIT RISK

Sustainable Future in Fashion	pages 12 to 21
Managing the Risk of Credit	pages 82 to 85

- Credit utilised as an enabler to grow merchandise sales
- Debtors' book managed to optimise profitability
- World-class credit management systems and credit scorecards
- Centralised credit-granting and approval processes
- Debtors' book internally funded and managed

## EXPERIENCED MANAGEMENT TEAM

Board and Leadership	pages 38 and 39
Human Capital Report	pages 88 to 92

- Director and divisional director team members have an average of 13 years' Group experience
- Strong divisional and executive management leadership team
- Succession management plans for senior and middle management

## SUSTAINED PERFORMANCE AND WEALTH CREATION

Wealth Creation	pages 22 and 23
Chief Financial Officer's Report	pages 42 to 49

- Track record of consistent growth in sales and profit
- Headline earnings per share: 10-year compound growth of 26%
- Dividends per share: 10-year compound growth of 34%
- Gross and operating margins at globally competitive levels
- Strong free cash flow generation
- Capital management programme enhances earnings and returns
- Strong and continually strengthening financial position
- Shareholder wealth creation of R31 billion over the last ten years
- Capital investment of R1.5 billion over the last ten years

## NATIONAL RETAIL PRESENCE

Sustainable Future in Fashion	pages 12 to 21
Store Report	pages 76 to 80

- Portfolio of well-located stores across southern Africa
- Emporium stores house multiple brands in one store
- Emporium model promotes cross-shopping across brands
- Strategy of selective growth in trading space to grow market share

## ADHERING TO GOVERNANCE BEST PRACTICES

Chairman's Report pages 28 to 31  
 Corporate Governance Report pages 102 to 114

- King III governance principles applied
- Strong independent board and committee structure
- Track record of excellence in financial reporting
- Risk management process embedded across the business

## COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Future in Fashion pages 12 to 21

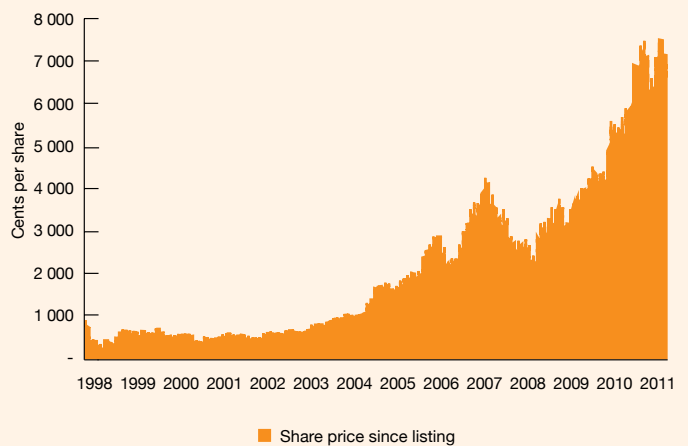
- Included in JSE SRI Index for the past three years
- Ongoing employee transformation: 91% black and 72% female
- Supporter of local textile and clothing manufacturing industry
- Significant contributor to the fiscus in all countries of operation
- Consistent creator of direct and indirect employment

## EMPLOYER OF CHOICE IN FASHION

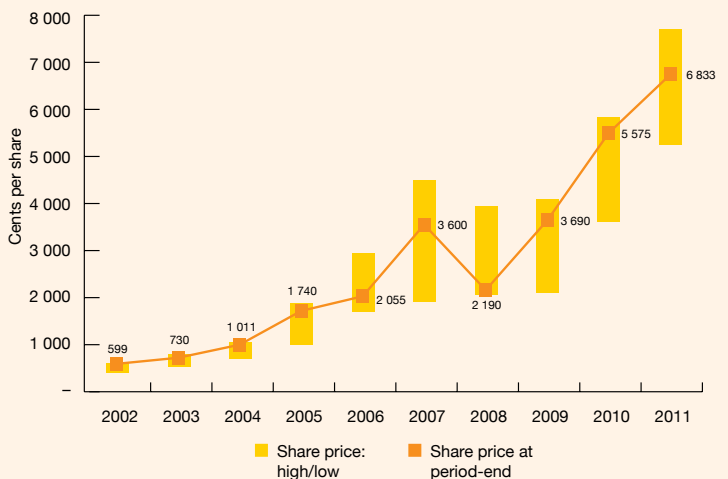
Sustainable Future in Fashion pages 12 to 21  
 Human Capital Report pages 88 to 92  
 Remuneration Report pages 94 to 99

- Recognised as an employer of choice in the fashion industry
- Values-based culture ensures employee alignment with our purpose and our vision
- Commitment to developing and promoting internal talent
- Incentives recognise individual and team performance

### SHARE PRICE SINCE LISTING



### SHARE PERFORMANCE



### FINANCIAL PERFORMANCE OVER 10 YEARS

