ANALYST PRESENTATION

FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2010

Agenda

• The economy and retail environment	Doug Murray
• Review of the period	Doug Murray
• Financial review	Ronnie Stein
• Divisional review	Doug Murray
• Financial services	Peter Meiring
• Outlook	Doug Murray
• Questions	All

THE ECONOMY AND RETAIL ENVIRONMENT

The economy and retail environment

- Global economic recovery, while facing some headwinds, continued in second and third quarter of 2010
- The South African economy exited recession in 2009 q3, and continues to strengthen
- The BER projects GDP growth of 3,1% in 2010 and 3,3% in 2011
- BER projects semi durables household consumption expenditure at 2,2% for 2010 and 5,2% for 2011
- Interest rates continue to decline since December 2008 reducing by 6,0%
- Real wage increases awarded in many sectors
- Unemployment still remains a potential risk
- Inflation continues to decline
- Retail environment experienced improved consumer spending assisted by the 2010 FIFA World Cup™
- Rand has continued to strengthen

REVIEW OF THE PERIOD

Review of the period

- Our group trades in the mass-middle market space and our customers
  - have benefited from the more positive consumer sentiment driven by real wage increases and lower inflation
  - continue to be effected by job losses
- Gross margins maintained
- RCS Group
  - performed satisfactorily
  - Its DMTN programme has been successfully implemented with R623 million raised
- Healthy debtors' book

Review of the period continued

- Group turnover up 12,5% to R4,6 billion
- Profit before tax of R885,9 million: up 17,4%
- Headline earnings per share up 16,9% to 272,3 cents
- Weighted average ordinary shares: 208,0 million, up from 207,7 million
- Operating margin increased to 22,0%
- Interim dividend increased by 16,9% to 138,0 cents per share
- Net bad debt as a percentage of closing retail debtors' book improves to 9,5% from its peak towards the end of last year of 10,1%
- Recourse gearing of 15,2%

Review of the period continued

Retail turnover by merchandise category	September 2010 (Rm)	September 2009 (Rm)	% Growth	% Same store growth
Clothing	3 081,9	2 758,0	11,7	7,6
Jewellery	494,8	448,3	10,4	7,3
Cellphones	391,6	312,0	25,5	22,0
Cosmetics	309,9	292,6	5,9	3,0
Homeware & furniture	303,4	261,8	15,9	7,9
Total	**4 581,6**	**4 072,7**	**12,5**	**8,3**

- Clothing growth pleasing against the corresponding period last year of 11,2%
- Jewellery, being a luxury commodity, surprised on the up side
- Cellphone turnover improved significantly now that supply issues have been addressed
- Cosmetics turnover softened
  - Coming off a high base (16,9%)
  - Reduction in promotional offers from suppliers
- Homeware & furniture performed adequately
  - Pleasing same store growth of 7,9%
- Product inflation for the period of approximately 2%

FINANCIAL REVIEW

Financial review: half-year to September 2010

Income Statement for the period ended	September 2010 (Rm)	September 2009 (Rm)	% change
Retail turnover	4 581,6	4 072,7	12,5
Cost of turnover	(2 674,0)	(2 392,9)	
Gross profit	**1 907,6**	**1 679,8**	
Interest received	736,3	721,9	
Dividends received	6,3	7,2	
Other revenue	434,7	343,3	
Trading expenses	(2 077,0)	(1 862,0)	
Operating profit before finance charges	**1 007,9**	**890,2**	
Interest paid	(122,0)	(135,6)	
Profit before tax	**885,9**	**754,6**	**17,4**
Income tax expense	(280,0)	(236,9)	
Profit for the period	**605,9**	**517,7**	
Attributable to:			
Equity holders of The Foschini Group Limited	566,3	483,7	17,1
Non-controlling interest	39,6	34,0	
HEPS (cents)	272,3	232,9	16,9
Diluted HEPS (cents)	268,5	231,9	15,8

Revenue

	September 2010 (Rm)	September 2009 (Rm)	% Growth
Retail turnover	4 581,6	4 072,7	12,5
Interest received	736,3	721,9	2,0
Dividends received	6,3	7,2	(12,5)
Other revenue	434,7	343,3	26,6
Group total	**5 758,9**	**5 145,1**	**11,9**

- More positive consumer sentiment evident in retail turnover growth
- Interest received will be dealt with separately
- Other revenue growth 26,6%
  - Club income + 15,6%
  - Insurance income + 29,5%
  - Cellular income – one2one airtime product + 42,2%
  - These products should continue growing in an improving economy

Gross profit

	September 2010	September 2009
Gross profit (Rm)	1 907,6	1 679,8
Gross margin (%)	41,6	41,3

- Input margin constant
    - Improved pricing passed on to customers
- Markdowns well controlled

Interest received

	September 2010 (Rm)	September 2009 (Rm)	% growth
Trade receivables – retail	344,4	309,7	11,2
RCS Group loan receivables	147,1	185,2	(20,6)
RCS Group private label card receivables	238,1	219,7	8,4
Sundry – retail	4,2	4,3	(2,3)
Sundry – RCS Group	2,5	3,0	(16,7)
Total	**736,3**	**721,9**	**2,0**

- Increase in interest received driven by higher average books, with the exception of the loan receivables book in RCS Group
- Interest received from retail debtors' book up 11,2%
  - Take-up of 12-month account for new customers continues to increase the retail trade receivables yield
  - 82% of balances now attracting interest
- Interest received RCS Group down 4,9%
  - reduced loan advances and
  - impact of NCA capping formula
- Peter Meiring will deal with this in more detail in his section

Trading expenses

	September 2010 (Rm)	% to turnover 2010	September 2009 (Rm)	% to turnover 2009	% growth
Depreciation and amortisation	(137,1)	3,0	(128,3)	3,2	6,9
Employee costs	(761,0)	16,6	(640,6)	15,7	18,8
Store occupancy costs	(430,3)	9,4	(381,8)	9,4	12,7
Other occupancy costs	(8,7)	0,2	(11,2)	0,3	(22,3)
Other net operating costs	(416,0)	9,1	(352,4)	8,6	18,0
	(1 753,1)	**38,3**	**(1 514,3)**	**37,2**	**15,8**
Net bad debts – retail	(186,9)	4,1	(172,9)	4,3	8,1
Net bad debts – RCS Group	(137,0)	3,0	(174,8)	4,3	(21,6)
Total trading expenses	**(2 077,0)**	**45,3**	**(1 862,0)**	**45,7**	**11,5**

- Expenses before bad debts at 15,8%, pushed up by employee and other operating costs relating to new stores
- Store occupancy costs:
  - normal lease escalations averaged 8%
  - the balance is made up of new stores
- Non-comp expenses in other operating costs
  - Electricity +37%
  - Travel (part of supply chain) +22%
  - RCS programme fee to MDD +40%
  - CRM costs – evidenced by new account openings
- Bad debts will be dealt with by Peter Meiring

Employee costs

	September 2010	September 2009	% growth
Employee costs: normal – retail (Rm)	639,6	572,2	11,8
Employee costs: share-based payments (IFRS 2) - retail (Rm)	19,0	7,0	
Employee costs: bonuses - retail (Rm)	25,8	1,6	
Total employee costs – retail (Rm)	684,4	580,8	17,8
Employee costs: RCS Group (Rm)	76,6	59,8	28,1
Total employee costs (Rm)	**761,0**	**640,6**	**18,8**
% to retail turnover	16,6	15,7	

- Staff increases this year were 5,5%, balance being in respect of new store staff
- Bonuses accrued for divisions that reach their performance targets
- RCS Group employee costs flat on last year but elevated due to
  - bonuses of R10,8 million payable in terms of the cash-settled share appreciation rights scheme
  - Massdiscounters' retrenchment costs of R7,1 million

Interest paid

	September 2010 (Rm)	September 2009 (Rm)	% growth
Interest paid	122,0	135,6	(10,0)

- Decrease due to reduced borrowing levels and lower interest rates
- Savings on our R800 million fixed facilities will only be of benefit in the next financial year
- The majority of the interest paid relates to funding of RCS Group

Segmental analysis

	September 2010 (Rm)	September 2009 (Rm)	% change
Retail	764,1	648,6	17,8
RCS Group	121,8	106,0	14,9
Total profit before tax	**885,9**	**754,6**	**17,4**

- Retail produced an encouraging result with 17,8% growth
- RCS Group
  - Performed satisfactorily – up 14,9% on last year
  - Contribution to PBT (before minorities) = 13,8% (vs. 14,1% in September 2009)
  - Regaining momentum in growing its book, now that adequate funding is in place
  - Peter Meiring will deal with this in more detail

Balance sheet

- Our group’s balance sheet remains strong
- R297,8 million share buy-backs undertaken by share trust
- The next few slides deal with key elements of our balance sheet

Stock and creditors

	September 2010 Rm	September 2009 Rm	% growth
Stock of merchandise	1 310,6	1 367,7	(4,2)

- Stock down 4,2%
- Continue to see benefits from supply chain project

	September 2010 Rm	September 2009 Rm	% growth
Trade and other payables	1 499,5	1 215,6	23,4

- Stock now funded by creditors
- Creditors terms remain 30 days from statement

Trade receivables

	September 2010 Rm	September 2009 Rm	% growth
Loan receivables	801,0	1 052,5	(23,9)
Private label card receivables	1 905,1	1 527,3	24,7
RCS Group	**2 706,1**	**2 579,8**	**4,9**
Trade receivables – retail	**3 388,5**	**2 923,0**	**15,9**
Total receivables	**6 094,6**	**5 502,8**	**10,8**

- Total receivables on balance sheet amount to R6,1 billion of which R2,7 billion relates to RCS Group
- All receivables remain on balance sheet – no securitization
- No intention to divorce our retail receivables from our business
- Still our intention to reduce in the future our holding in RCS Group to below 50% and therefore no need to consolidate
- Peter Meiring will deal in more detail with the performance of our receivables

Borrowings and non-controlling interest loan

	September 2010	September 2009	% growth
Interest-bearing debt and non-controlling interest loan	2 134,7	2 227,9	(4,2)
Less: Preference share investment	(200,0)	(200,0)	
Less: Cash	(296,9)	(215,8)	37,6
Net borrowings	**1 637,8**	**1 812,1**	**(9,6)**
Less: SBSA loan to RCS Group (non-controlling interest loan)	(120,3)	(664,7)	(81,9)
	1 517,5	**1 147,4**	**32,3**
Less: RCS Group external funding (commercial paper + bank loan)	(692,0)	(150,0)	361,3
Recourse debt	**825,5**	**997,4**	**(17,2)**
Less: Foschini funding of RCS Group	(785,2)	(835,0)	(6,0)
Retail borrowings	**40,3**	**162,4**	**(75,2)**

- Gearing of 30,1% (September 2009: 36,1%)
- Recourse gearing of 15,2% (September 2009: 19,9%) – this is our real gearing
- Retail gearing of 0,7% (September 2009: 3,2%)
- Our current direct funding of RCS Group is R785,2 million - down R19,3 million since the year-end
- R800 million of our group's gearing remains fixed (unwinds between May and November 2011)

Cash generation and utilisation

	Rm	Total Rm
Net borrowings at the beginning of the period		**(1 485,5)**
Cash EBITDA	1 036,7	
Increase in creditors	205,7	
Inventory reduction	86,4	
Other investing activities	6,5	
Cash generated		**1 335,3**
Taxation paid	(365,8)	
Dividends paid	(366,0)	
Retail and other debtors	(234,3)	
RCS Group debtors	(75,3)	
Capital expenditure	(148,4)	
Shares purchased by share trust	(297,8)	
Cash utilised		**(1 487,6)**
Net borrowings at the end of the period		**(1 637,8)**

- Cash EBITDA of R1.04 billion remains sound
- Borrowings increased by R152,3 million
- Share buy-backs to the value of R297,8 million

Capex

	September 2010	September 2009	% growth
Stores	83,2	112,5	(26,0)
RCS Group	3,9	2,7	44,4
IT	34,8	46,0	(24,3)
Other	26,5	13,9	90,7
Total	**148,4**	**175,1**	**(15,2)**

- 56,1% of capex relates to opening of new stores, in line with our strategy of growing our floor space
- Budgeted capex for y/e 2011 will be approximately R400 million

DIVISIONAL REVIEW

Divisional review: Overall

	September 2010 Turnover (Rm)	% Growth	% Same store growth	Number of stores
Foschini division	1 745,7	7,2	3,8	463
Markham	750,1	16,4	13,2	239
Exact	426,0	20,2	16,8	203
Sports division	819,1	17,1	11,6	303
Jewellery division	537,3	10,9	7,8	369
@home	303,4	16,1	7,9	79
Group	**4 581,6**	**12,5**	**8,3**	**1 656**
Cash sales	1 751,0	18,4		
Credit sales	2 830,6	9,1		
Total	**4 581,6**	**12,5**		

- Credit sales represent 61,8%
- Cash sales growth assisted by
  - 2010 FIFA World Cup ™
  - Strong growth in sports and @home

Divisional review: Overall

- Foschini
  - Clothing turnover growth of 5,7% against a high base (+13,2% in corresponding period)
  - Stock mix between smart and casual corrected for this summer
  - Initial indication of summer merchandise promising
- Markham
  - Traded well
  - Grew clothing turnover by 13,7% with clothing same store turnover growth of 10,8%
- Exact
  - The focus on reducing clothing price points has been extremely successful
  - Clothing turnover growth of 20,1% and clothing same store turnover growth of 17,0%
- Sports division
  - Traded well, with Totalsports assisted by the 2010 FIFA World Cup ™
  - Grew its turnover by 17,1% with same store turnover growth of 11,6%
- Jewellery division
  - Performed above expectation
  - Jewellery merchandise turnover growth of 10,4% and same store turnover growth of 7,2%
- @home
  - Grew turnover by 16,1%
  - Pleasing same store turnover growth of 7,9% - first time positive in a number of years, now that store openings have reduced and efficiencies been improved


FINANCIAL SERVICES

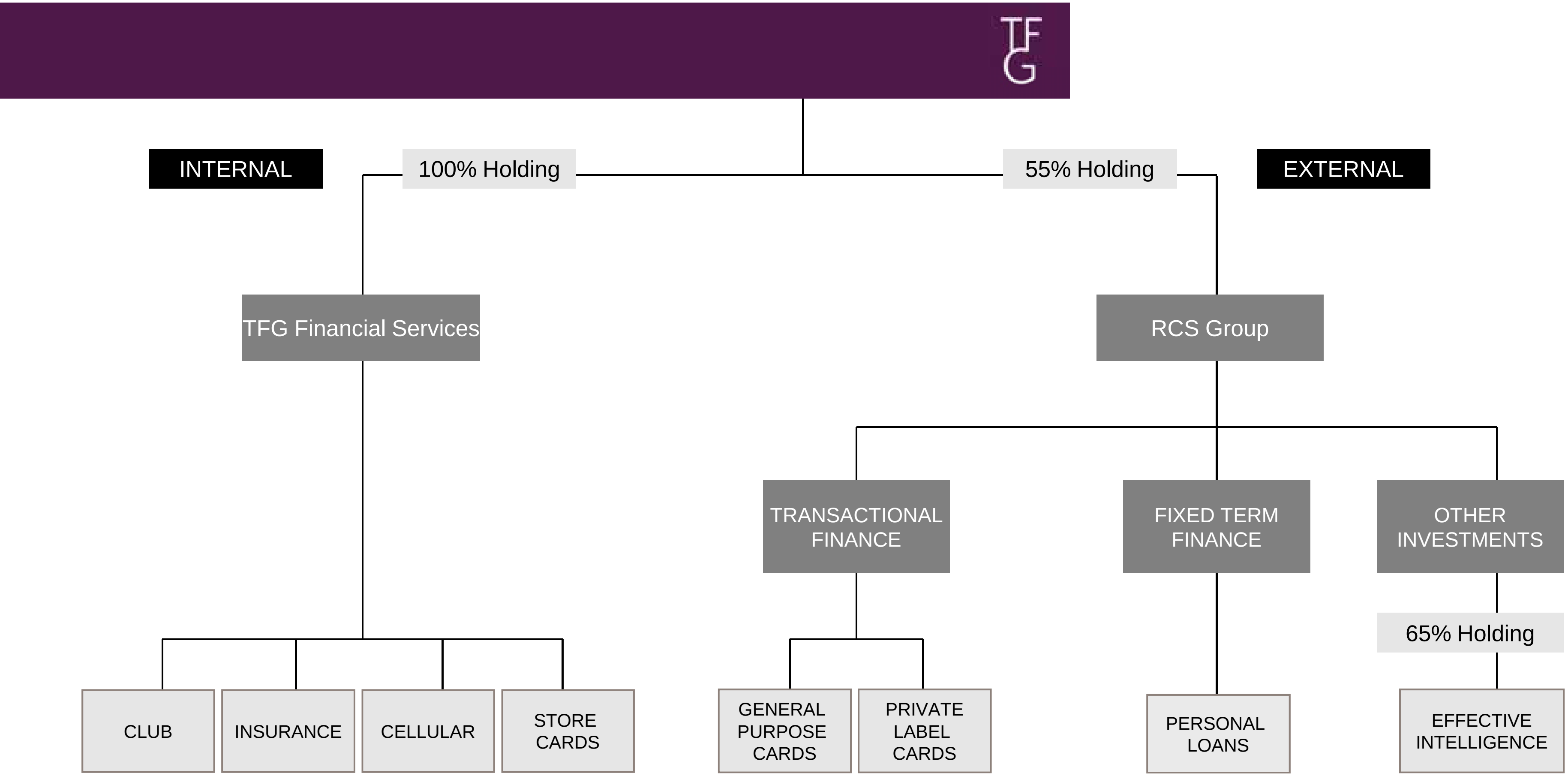
Financial services: Agenda

- Financial Services Overview
  - Credit Landscape
  - Structure
- TFG Financial Services
  - Period overview
  - Performance
  - Book
  - Statistics
  - Strategy & outlook
- RCS Group
  - Structure
  - Overview
  - Financial review
  - Performance
  - Strategy & outlook

Financial services overview: Credit landscape last 6 months

- Unemployment remains a cause for concern
- Wage increases outstrip inflation
- Bad debt trend improving
- Volume and value of accounts going under debt review stabilising and cash flows from debt review matters improving
- Appetite for new credit remains cautious
- Repo rate decreases to 6.0% (LY Sept 7.0%)
- Centralisation of group cellular supports increase of 25,5% in cellular revenues
- Successful launch of LIVINGSPACE and SOCCERclub publications, and Men's Only insurance offering

Financial services overview: Structure



TFG FINANCIAL SERVICES

TFG financial services: Period overview

- Debt Review matters move to R91,1m from R76,8m in March 2010
- Performance of book remains good
- Focus on new accounts generated a growth of 11,9% year on year
- Financial services initiatives increase other net income by 43,8%
- Interest income rises by 11,2%, despite repo rate cuts

TFG financial services: Performance

	September 2010 Rm	% change	September 2009 Rm
Interest income	**344,4**	11,2	**309,7**
Net bad debt	**(186,9)**	8,1	**(172,9)**
Net credit costs	**(105,8)**	(2,5)	**(108,5)**
Net risk-adjusted income	**51,7**	82,7	**28,3**
Other net income	**139,4**	43,7	**97,0**
Profit before tax	**191,1**	52,5	**125,3**

- Interest growth
  - constrained by rate decreases
  - offset by book growth and migration to 12-month product
- Other income growing strongly

- Bad debt growth of 8,1% (LY 51,9%) due to:
  - Economic improvement
  - Improvement in late delinquency
  - Debt review stabilising
  - Cost pressures offset by increased collection fee income

TFG financial services: Book

Key debtor statistics	September 2010	September 2009
Number of active accounts with debit balances (‘000)	**2 121,7**	**2 003,1**
Credit sales as a % of total retail sales	**61,8**	**63,7**
Net debtors’ book (Rm)	**3 388,5**	**2 923,0**

- Active accounts growth by 5,9%
- Growth in cash sales outperforms increase in credit sales
- Book growth at 15,9% reflects the continued growth in 12-month accounts and stronger credit sales than the prior year
- Account balances attracting interest now at 82%
- Extended credit plans now 55,0% (LY 48,9%) of all plans

TFG financial services: Statistics

Key debtor statistics	September 2010	March 2010
Arrear debtors % to debtors book	**21,6**	22,1
Net bad debt write off as a % of credit transactions	**4,7**	4,8
Net bad debt write off as a % of debtors book	**9,5**	9,9
Doubtful debt provision as a % of debtors book	**9,0**	8,8
% able to purchase	**82,2**	81,7

- Arrears showing improvement
- New scorecards introduced for application processing yields lift in good/bad differentiation
- Opted for a prudent view on the sustainability of bad debt trend

TFG financial services: Strategy and outlook

- Active account base growth remains a key focus area
- Maintain double digit growth in publishing, insurance and O2O
- Explore diversified mobile offering
- Investment in CRM platform is expected to generate further cross selling opportunities


RCS GROUP

RCS Group: Structure

- **RCS Group**
  - **Transactional Finance**
    - **General purpose** RCS Card
    - **Private labels** Queenspark, Game, Dion Wired
    - **Co-branded cards** AD Spitz, Cape Union Mart
  - **Fixed Term Finance**
    - **Personal loans**
    - **Insurance**
  - **Investments**
    - **Effective Intelligence (60%)**

Shared services
(HR, ICT,risk analytics, collections, finance, compliance and marketing)

RCS Group: Overview

- Improvements in half year results (profit before tax and balance sheet health)
- Interest margin compression counter balanced by
  - Increased non-interest revenue
  - Better asset quality resulting in lower net bad debt
- Continued success in the capital markets
- Continued focus on cost control yielding positive results
- Stable cards turnover through repeat customer spend
- Significant milestones:
  - Completed the rollout of the new MDD business model resulting in greater efficiencies and a growing positive profit contribution
  - MassBuild private label card deal concluded
  - Telemarketing distribution channel rolled out

RCS Group: Financial review – 2010 half-year

	September 2010 Rm	% change	September 2009 Rm
Interest income	387,7	(4,9)	407,9
Other income	193,0	10,8	174,2
Total credit income	**580,7**	(0,2)	**582,1**
Net bad debt	(137,0)	(21,6)	(174,8)
Operating costs	(230,1)	12,4	(204,7)
EBIT	**213,6**	5,4	**202,6**
Interest paid	(91,8)	(5,0)	(96,6)
Profit before tax	**121,8**	14,9	**106,0**

- Total Credit Income
  - Continued interest yield pressure due to Repo rate cuts
    - Off-set by growth in non-interest income including insurance income
- Net Bad Debts
  - Savings in write off due to better collections management and portfolio diversification
  - Healthy provisioning levels maintained
- Operating costs
  - Excluding non-comp costs flat YoY growth & Cost to income ratio maintained
- Strong balance sheet
  - Debt : equity ratio at 62% & surplus funding for growth

RCS Group: Performance

Key debtor statistics	September 2010	September 2009
Number of active accounts ('000)	**646**	660
Net debtors' book (Rm)	**2 706**	2 580
Arrear debt as percentage of total debt[1]	**12,4%**	16,1%
Non-performing loans as percentage of total debt[2]	**9,0%**	11,2%
Net bad debt write-off as percentage of turnover (cards)	**15,4%**	22,0%
Net bad debt write-off as percentage of debtors' book	**10,5%**	12,4%
Doubtful debt provision as percentage of debtors' book	**8,5%**	9,3%
Provisions as percentage of non-performing loans	**96,2%**	80,7%
Percentage of applicants granted credit on cards portfolios[3]	**43,1%**	45,9%

[1] Arrear debt defined as 60 days+

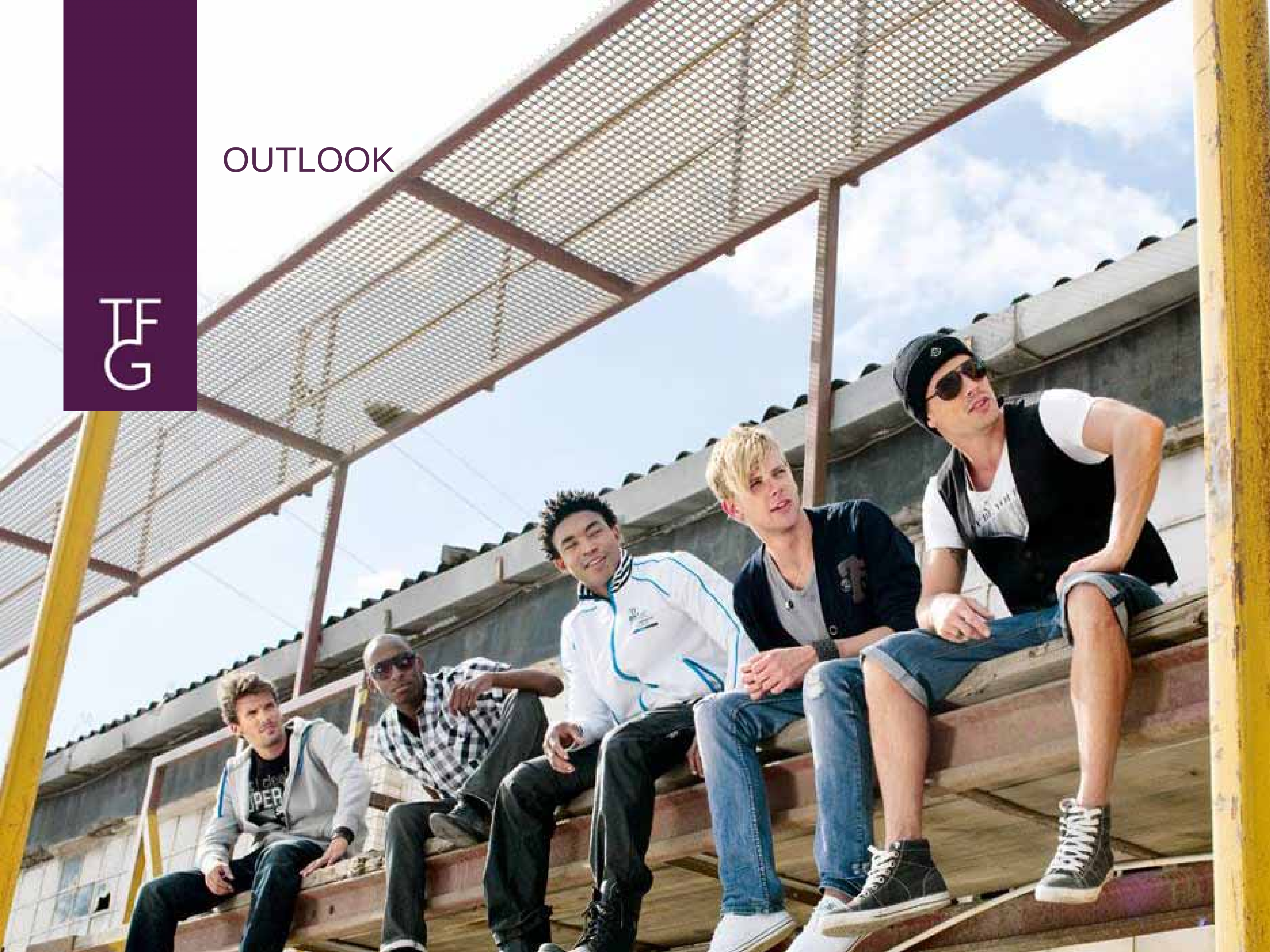
[2] Non-performing loans defined as 90 days+

[3] Current and prior year include the MDD portfolio

RCS Group: Strategy and outlook

- Outlook
  - Maintain positive profit trend for the remainder of the year
  - Adequate funding facilities in place to deliver business plans
  - Funding strategy aimed at:
    - lowering the weighted average cost of funds
    - and diversifying the funding pool
  - Maintain gains in asset quality and keep cost control a priority
- Growth
  - Expand Private label and co-branded portfolios
  - Grow new loans customer base through different acquisition channels
  - Explore card opportunities in foreign territories (Namibia & Botswana)
  - Improve quality RCS retailer base with new blue chip retailers offering greater card utility
  - Grow non-interest income
- Investment
  - Consolidate IT platforms for future growth
  - Investment to enhance and grow the RCS Brand
  - Investigate complimentary acquisition opportunities

OUTLOOK



Outlook for the second half of 2011

- Continued unemployment in the economy remains a potential risk
- Cautiously optimistic regarding trading in the second half of this year
- Focus on managing delivery challenges
- Continued focus on cost and inventory management
- 76 stores planned for second half
- No product inflation in the current summer season
- Second half heavily dependent on Christmas trading, which will largely determine the performance of the group in the second half and for the year as a whole
- Retail sales for the first seven weeks of the second half encouraging at 16,1%, with same store growth of 12,0%

THANK YOU

Disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of The Foschini Group Limited and its subsidiaries, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future.