RETAIL TURNOVER UP
17,0% TO R11,6 BILLION

HEADLINE EARNINGS PER SHARE UP
22,1% TO 772,0 CENTS

DILUTED HEADLINE EARNINGS PER SHARE UP
23,6% TO 766,1 CENTS

FINAL DIVIDEND PER SHARE INCREASED BY
25,0% TO 265,0 CENTS

TOTAL DIVIDEND PER SHARE FOR THE YEAR INCREASED BY
30,0% TO 455,0 CENTS

CONTINUED
GROWTH IN NEW ACCOUNTS

SUSTAINED
STRONG FINANCIAL POSITION

STRONG
MARKET SHARE GAINS

THE FOSCHINI GROUP LIMITED

REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 2012 Reviewed Rm	March 2011 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**1 313,2**	1 086,9
Goodwill and intangible assets	**109,8**	37,0
Staff housing loans	**-**	0,7
RCS Group private label card receivables	**465,1**	320,8
RCS Group loan receivables	**610,1**	521,7
Participation in export partnerships	**53,4**	72,5
Deferred taxation asset	**254,3**	249,9
	2 805,9	2 289,5
Current assets		
Inventory (note 10)	**2 155,0**	1 804,7
Trade receivables – retail	**4 569,9**	3 823,0
RCS Group private label card receivables	**1 917,8**	1 709,4
RCS Group loan receivables	**457,5**	336,7
Other receivables and prepayments	**226,4**	194,3
Participation in export partnerships	**13,0**	6,4
Preference share investment	**-**	200,0
Cash	**710,9**	338,5
	10 050,5	8 413,0
Total assets	**12 856,4**	10 702,5
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**6 293,1**	5 462,9
Non-controlling interest	**571,1**	485,6
Total equity	**6 864,2**	5 948,5
Non-current liabilities		
Interest-bearing debt	**1 006,8**	262,8
RCS Group external funding	**1 140,2**	491,0
Non-controlling interest loans	**242,4**	144,3
Operating lease liability	**159,5**	134,1
Deferred taxation liability	**100,5**	165,2
Post-retirement defined benefit plan	**97,9**	91,0
	2 747,3	1 288,4
Current liabilities		
Interest-bearing debt	**722,1**	1 246,8
RCS Group external funding	**626,2**	417,0
Trade and other payables	**1 827,0**	1 710,7
Operating lease liability	**12,3**	12,0
Taxation payable	**57,3**	79,1
	3 244,9	3 465,6
Total liabilities	**5 992,2**	4 754,0
Total equity and liabilities	**12 856,4**	10 702,5

SUPPLEMENTARY INFORMATION

	March 2012 Reviewed	March 2011 Audited
Net ordinary shares in issue (millions)	**206,4**	205,3
Weighted average ordinary shares in issue (millions)	**205,2**	206,5
Tangible net asset value per ordinary share (cents)	**2 995,8**	2 642,9

CONDENSED CONSOLIDATED INCOME STATEMENT

	Year ended 31.03.2012 Reviewed Rm	Year ended 31.03.2011 Audited Rm	% change
Revenue (note 5)	**14 530,8**	12 370,6	
Retail turnover	**11 630,5**	9 936,5	17,0
Cost of turnover (note 6)	**(6 750,1)**	(5 768,1)	
Gross profit	**4 880,4**	4 168,4	
Interest income (note 7)	**1 712,1**	1 486,2	
Dividend income	**9,9**	12,1	
Other revenue (note 8)	**1 178,3**	935,8	
Trading expenses (note 9)	**(4 994,2)**	(4 301,3)	
Operating profit before finance charges	**2 786,5**	2 301,2	21,1
Finance cost	**(284,9)**	(250,1)	
Profit before tax	**2 501,6**	2 051,1	22,0
Income tax expense	**(809,8)**	(662,3)	
Profit for the year	**1 691,8**	1 388,8	
Attributable to:			
Equity holders of The Foschini Group Limited	**1 582,1**	1 301,8	21,5
Non-controlling interest	**109,7**	87,0	
Profit for the year	**1 691,8**	1 388,8	
Earnings per ordinary share (cents)			
Basic	**771,0**	630,4	22,3
Headline	**772,0**	632,3	22,1
Diluted (basic)	**765,1**	618,1	23,8
Diluted (headline)	**766,1**	619,9	23,6
Weighted average ordinary shares in issue (millions)	**205,2**	206,5	(0,6)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31.03.2012 Reviewed Rm	Year ended 31.03.2011 Audited Rm
Profit for the year	**1 691,8**	1 388,8
Other comprehensive income		
Movement in effective portion of changes in fair value of cash flow hedges	**7,2**	(0,6)
Foreign currency translation reserve movements	**0,3**	1,0
Movement in insurance cell reserves	**–**	2,9
Other comprehensive income for the year before tax	**7,5**	3,3
Deferred tax on movement in effective portion of changes in fair value of cash flow hedges	**(2,0)**	0,1
Other comprehensive income for the year, net of tax	**5,5**	3,4
Total comprehensive income for the year	**1 697,3**	1 392,2
Attributable to:		
Equity holders of The Foschini Group Limited	**1 587,6**	1 305,2
Non-controlling interest	**109,7**	87,0
Total comprehensive income for the year	**1 697,3**	1 392,2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2010	5 058,3	427,0	5 485,3
Total comprehensive income for the year	1 305,2	87,0	1 392,2
Profit for the year	1 301,8	87,0	1 388,8
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	(0,6)	–	(0,6)
Foreign currency translation reserve movements	1,0	–	1,0
Deferred tax on movement in effective portion of changes in fair value of cash flow hedges	0,1	–	0,1
Movement in insurance cell reserves	2,9	–	2,9
Contributions by and distributions to owners			
Share-based payments reserve movements	55,9	–	55,9
Dividends paid	(637,5)	(28,4)	(665,9)
Proceeds on delivery of shares by share trust	134,8	–	134,8
Shares purchased in terms of share incentive schemes	(453,8)	–	(453,8)
Equity at 31 March 2011	**5 462,9**	**485,6**	**5 948,5**
Total comprehensive income for the year	**1 587,6**	**109,7**	**1 697,3**
Profit for the year	**1 582,1**	**109,7**	**1 691,8**
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	**7,2**	**-**	**7,2**
Foreign currency translation reserve movements	**0,3**	**-**	**0,3**
Deferred tax on movement in effective portion of changes in fair value of cash flow hedges	**(2,0)**	**-**	**(2,0)**
Contributions by and distributions to owners			
Share-based payments reserve movements	**72,2**	**-**	**72,2**
Dividends paid	**(828,6)**	**(20,4)**	**(849,0)**
Sale of subsidiary	**-**	**(3,8)**	**(3,8)**
Proceeds on delivery of shares by share trust	**54,4**	**-**	**54,4**
Shares purchased in terms of share incentive schemes	**(77,2)**	**-**	**(77,2)**
Deferred tax on shares purchased	**14,5**	**-**	**14,5**
Current tax on shares purchased	**7,3**	**-**	**7,3**
Equity at 31 March 2012	**6 293,1**	**571,1**	**6 864,2**

Dividend per ordinary share (cents)	Year ended 31.03.2012 Reviewed	Year ended 31.03.2011 Audited
Interim	**190,0**	138,0
Final	**265,0**	212,0
Total	**455,0**	350,0
Dividend cover	**1,7**	1,8

NOTES

The reviewed preliminary condensed consolidated results of The Foschini Group Limited for the year ended 31 March 2012 have been reviewed by the company's auditors, KPMG Inc. Their unqualified review report is available at the company's registered office. These results were prepared by the TFG Finance and Administration department of The Foschini Group Limited acting under supervision of Ronnie Stein CA(SA), CFO of The Foschini Group Limited.

1. These results have been prepared in accordance with the presentation and disclosure requirements of the South African Companies Act (No. 71 of 2008), and IAS 34 Interim Financial Reporting, applying the group's accounting policies, that are in line with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and the AC 500 Standards as issued by the Accounting Practices Board or its successor and have been consistently applied to prior periods except as described in note 2.
2. During the year, the group adopted the following revised accounting standards:
   - IFRS 7 Financial Instruments: Disclosures (amendments resulting from May 2010 Annual Improvements to IFRSs)
   - IAS 1 Presentation of Financial Statements (amendments resulting from May 2010 Annual Improvements to IFRSs)
   - IAS 24 Related Party Disclosures (revised definition of related parties)
   - IAS 34 Interim Financial Reporting (amendments resulting from May 2010 Annual Improvements to IFRSs)

   The adoption of these standards has had no significant effect on these results.
3. These financial statements incorporate the financial statements of the company, all its subsidiaries and all entities over which it has operational and financial control.
4. Included in share capital are 24,0 (March 2011: 24,0) million shares which are owned by a subsidiary of the company, and 10,1 (March 2011: 11,1) million shares which are owned in terms of share incentive schemes. These have been eliminated on consolidation.

	March 2012 Reviewed Rm	March 2011 Audited Rm
5. Revenue		
Retail turnover	**11 630,5**	9 936,5
Interest income (refer note 7)	**1 712,1**	1 486,2
Dividend income	**9,9**	12,1
Other revenue (refer note 8)	**1 178,3**	935,8
	14 530,8	12 370,6
6. Cost of turnover		
Cost of goods sold	**(6 097,5)**	(5 239,7)
Costs of purchase, conversion and other costs	**(652,6)**	(528,4)
	(6 750,1)	(5 768,1)
7. Interest income		
Trade receivables – retail	**853,7**	705,2
Receivables – RCS Group	**842,4**	764,2
Sundry	**16,0**	16,8
	1 712,1	1 486,2
8. Other revenue		
Merchants' commission	**36,4**	30,9
Club income	**297,5**	253,5
Customer charges income	**411,5**	305,1
Insurance income	**372,2**	294,0
Cellular income – one2one airtime product	**52,8**	47,5
Sundry income	**7,9**	4,8
	1 178,3	935,8

	March 2012 Reviewed Rm	March 2011 Audited Rm
9. Trading expenses		
Depreciation	**(311,2)**	(282,3)
Amortisation	**(0,4)**	(0,4)
Goodwill impairment	**-**	(5,8)
Employee costs: normal	**(1 857,4)**	(1 600,2)
Employee costs: share-based payments	**(72,2)**	(55,9)
Occupancy costs: normal	**(1 041,9)**	(912,7)
Occupancy costs: operating lease liability adjustment	**(25,7)**	(9,2)
Net bad debt	**(721,2)**	(632,8)
Other operating costs	**(964,2)**	(802,0)
	(4 994,2)	(4 301,3)
10. Inventory		
Merchandise	**1 990,0**	1 678,8
Raw materials	**101,4**	82,3
Goods in transit	**30,2**	22,5
Shopfitting stock	**30,9**	17,1
Consumables	**2,5**	4,0
	2 155,0	1 804,7
Inventory write-downs included above	**94,9**	92,7
11. Operating profit before working capital changes		
Profit before tax	**2 501,6**	2 051,1
Finance cost	**284,9**	250,1
Operating profit before finance charges	**2 786,5**	2 301,2
Interest income – sundry	**(16,0)**	(16,8)
Dividend income	**(9,9)**	(12,1)
Non-cash items	**419,8**	358,0
Operating profit before working capital changes	**3 180,4**	2 630,3
12. Reconciliation of profit for the year to headline earnings		
Profit for the year attributable to equity holders of The Foschini Group Limited	**1 582,1**	1 301,8
Adjusted for the after-tax effect of:		
Goodwill impairment – effective portion	**-**	3,2
Goodwill impairment	**-**	5,8
Less: non-controlling interest	**-**	(2,6)
Profit on disposal of property, plant and equipment	**(0,3)**	(0,2)
Loss on disposal of property, plant and equipment	**2,4**	0,8
Headline earnings	**1 584,2**	1 305,6

13. **Contingent liabilities**
The group has provided RCS Group with a total facility of R835,3 million (2011: R835,3 million) in respect of their domestic medium-term notes (DMTN) programme. As at 31 March, the utilised portion of this facility was R291,9 million (2011: R733,5 million), which is included in the group's statement of financial position. The unused liquidity facility at this date was R543,4 million (2011: R101,75 million), which constitutes a contingent liability.

14. **Related parties**
Related party transactions similar to those disclosed in the group's annual financial statements for the year ended 31 March 2011 took place during the year.

15. **Business combinations**

Jeffdee Clothing CC trading as Fabiani
On 1 October 2011 the group acquired the business of Jeffdee Clothing CC trading as Fabiani as a going concern. Fabiani is a leading, premium menswear retailer in South Africa. As a result of the acquisition, the group has now gained an entry into the high wealth customer segment in menswear.

Prestige Clothing CC
On 1 March 2012, as part of our ongoing supply chain initiatives, the group acquired the business of Prestige Clothing CC as a going concern. Prestige Clothing is a long-standing clothing manufacturing supplier of our group. This acquisition will improve the group's competitive advantage and enable the group to meet the increased demands for seasonal fast-fashion merchandise.

G-Star
As a consequence of the group's acquisition of Fabiani, with effect from 1 April 2012, the group has acquired two G-Star franchise stores in South Africa, with the rights to roll out further stores. These stores will be managed together with the Fabiani stores.

Fair value of assets acquired and liabilities assumed through these business combinations:

	March 2012 Reviewed Rm	March 2011 Audited Rm
Property, plant and equipment	**10,3**	–
Inventory	**12,2**	–
Trade and other payables	**(4,7)**	–
Total identifiable net assets	**17,8**	–
Trademark	**60,0**	–
Goodwill	**24,1**	–
Total purchase price	**101,9**	–
Cash flow		
Business combinations occurring during the reporting period	**82,5**	–
Business combinations effected after the end of the reporting period	**19,4**	–
	101,9	–

16. **Sale of subsidiary**
During the year under review, the RCS Group disposed of one of their subsidiaries, Effective Intelligence (Pty) Ltd. The disposal did not have a material effect on the consolidated results of The Foschini Group Limited.

17. **Comparative figures**
In order to provide improved disclosure in the condensed consolidated statement of financial position, a portion of the operating lease liability has been reclassified to current liabilities. This change has no impact on overall equity, net assets or profitability.
The effect on the comparative statement of financial position is as follows:

Movement in operating lease liability – non-current portion	**-**	(12,0)
Movement in operating lease liability – current portion	**-**	12,0
Movement in total liabilities	**-**	–

THE FOSCHINI GROUP LIMITED

REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2012

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	March 2012 Reviewed Rm	March 2011 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 11)	3 180,4	2 630,3
Increase in working capital	(1 568,4)	(824,1)
Cash generated by operations	1 612,0	1 806,2
Interest income	16,0	16,8
Finance cost	(284,9)	(250,1)
Taxation paid	(880,9)	(769,0)
Dividend income	9,9	12,1
Dividends paid	(849,0)	(665,9)
Net cash (outflows) inflows from operating activities	(376,9)	150,1
Cash flows from investing activities		
Purchase of property, plant and equipment	(541,1)	(382,8)
Acquisition of assets through business combinations	(82,5)	–
Proceeds from sale of property, plant and equipment	6,5	7,5
Sale of subsidiary	0,1	–
Redemption of preference share investment	200,0	–
Repayment of participation in export partnerships	12,5	6,1
Repayment of staff housing loans	0,7	0,2
Net cash outflows from investing activities	(403,8)	(369,0)
Cash flows from financing activities		
Proceeds on delivery of shares by share trust	54,4	134,8
Shares purchased in terms of share incentive schemes	(77,2)	(453,8)
Increase (decrease) in non-controlling interest loans	98,1	(334,0)
Increase in RCS Group external funding	858,4	535,9
Decrease in interest-bearing debt	219,3	390,5
Net cash inflows from financing activities	1 153,0	273,4
Net increase in cash during the year	372,3	54,5
Cash at the beginning of the year	338,5	284,0
Effect of exchange rate fluctuations on cash held	0,1	–
Cash at the end of the year	710,9	338,5

GROUP SEGMENTAL ANALYSIS

	Retail trading divisions	TFG Financial Services	Central and shared services	Total retail	RCS Group	Consolidated
Year ended 31.03.2012	Reviewed Rm	Reviewed Rm	Reviewed Rm	Reviewed Rm	Reviewed Rm	Reviewed Rm
External revenue#	11 630,5	673,8	70,6	12 374,9	443,8	12 818,7
External interest income	–	853,7	10,0	863,7	848,4	1 712,1
Total revenue*	11 630,5	1 527,5	80,6	13 238,6	1 292,2	14 530,8
Inter-segment revenue			126,5	126,5	8,9	135,4
External finance cost			(105,7)	(105,7)	(179,2)	(284,9)
Depreciation and amortisation			(295,8)	(295,8)	(15,8)	(311,6)
Group profit before tax				2 156,4	345,2	2 501,6
Segmental profit before tax#	2 610,7	395,4	(757,3)	2 248,8	345,2	2 594,0
Other material non-cash items						
Foreign exchange transactions				5,5	–	5,5
Share-based payments				(72,2)	–	(72,2)
Operating lease liability adjustment				(25,7)	–	(25,7)
Capital expenditure				525,7	21,7	547,4
Segment assets				8 998,3	3 858,1	12 856,4
Segment liabilities				3 350,5	2 641,7	5 992,2
Year ended 31.03.2011	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm
External revenue#	9 936,5	507,5	64,4	10 508,4	376,0	10 884,4
External interest income	–	705,2	8,9	714,1	772,1	1 486,2
Total revenue*	9 936,5	1 212,7	73,3	11 222,5	1 148,1	12 370,6
Inter-segment revenue			95,5	95,5	11,2	106,7
External finance cost			(138,7)	(138,7)	(111,4)	(250,1)
Depreciation and amortisation			(268,7)	(268,7)	(14,0)	(282,7)
Group profit before tax				1 775,5	275,6	2 051,1
Segmental profit before tax#	2 192,5	311,2	(664,4)	1 839,3	281,4	2 120,7
Other material non-cash items						
Goodwill impairment				–	(5,8)	(5,8)
Foreign exchange transactions				1,3	–	1,3
Share-based payments				(55,9)	–	(55,9)
Operating lease liability adjustment				(9,2)	–	(9,2)
Capital expenditure				367,4	15,4	382,8
Segment assets				7 599,3	3 103,2	10 702,5
Segment liabilities				2 675,8	2 078,2	4 754,0

* Includes retail turnover, interest income, dividend income and other income.
# During 2012 the board being the chief operating decision-maker, refined the reportable segments. Amounts previously reported as part of TFG Financial Services are now reported as part of Retail Trading Divisions and Central and shared services. These amounts are not material and the 2011 comparatives have been restated accordingly.

TO VIEW THE RESULTS ONLINE VISIT www.tfg.co.za

COMMENTARY

GROUP OVERVIEW

The strategic initiatives undertaken by our group have produced a good result for this year.

Notwithstanding the strong comparative base, retail turnover increased by 17,0% to R11,6 billion whilst headline earnings per share increased by 22,1% to 772,0 cents. Diluted headline earnings per share increased by 23,6% to 766,1 cents.

In line with our strategy of driving top line growth, buying efficiencies achieved during the year were once again passed on to our customers resulting in the gross margin being the same as the previous year.

The group's operating margin for the year increased to 24,0% from 23,2%, moving closer to our medium-term target of 25%.

The final dividend has been increased by 25,0% to 265,0 cents per share. In declaring this dividend the STC saving which the company will make due to the abolition of STC, has been passed through to shareholders. Accordingly, the dividend declared in respect of the full year amounts to 455,0 cents per share, an increase of 30,0%.

Supporting our strategy of investing for the longer term, the group continued to grow trading space in the second half by opening a further 79 stores. 150 stores were opened in the full year whilst 20 were closed. At the year-end the group was trading out of 1 857 stores, with an increase in trading area of 7,7% compared to the previous year.

MERCHANDISE CATEGORIES

Total sales have grown by 17,0% over the previous year with growths in the various merchandise categories as follows:

- Clothing 18,3%
- Jewellery 7,9%
- Cosmetics 10,3%
- Homewares and furniture 18,0%
- Cellphones 23,9%

All merchandise categories continued to perform well with strong gains in market share in all categories.

TRADING DIVISIONS

Retail turnover and growths in the various trading divisions were as follows:

	Number of stores	Retail turnover Rm	% change
@home	88	801,8	18,0
Exact	215	1 118,1	19,9
Foschini division	516	4 254,3	14,3
Jewellery division	395	1 334,4	9,2
Markham division	266	1 991,1	21,7
TFG Sports division	377	2 130,8	21,8
Total	**1 857**	**11 630,5**	**17,0**

Same store turnover grew by 10,6% whilst product inflation averaged approximately 6% for the year. Cash sales as a percentage of total sales increased to 39,0% from 38,5%.

@home increased its store base by 5 stores and is now trading out of 88 stores, 14 of which are the larger @homelivingspace stores. Turnover grew by 18,0% with same store turnover growth of 13,5%. Over the last two years greater focus has been placed on merchandise efficiencies with excellent results.

Exact increased its store base by 7 stores and is now trading out of 215 stores. Clothing turnover increased by 21,8% with clothing same store turnover growth of 18,0%. The focus on clothing price points continues to be very successful. Cellphone turnover increased by 10,8% with total same store turnover increasing by 16,4%.

The **Foschini division** comprising Foschini, Donna-Claire, Fashion Express, Luella and Charles & Keith, increased its store base by 32 stores and is now trading out of 516 stores. Clothing turnover grew by 15,6% with clothing same store turnover growth of 10,0%. Cosmetics same store turnover grew by 5,6%. Same store turnover of cellphones increased by 9,8%, whilst total same store turnover increased by 8,9%.

The **Jewellery division** comprising American Swiss Jewellers, Sterns and Matrix increased its store base by 14 stores and is now trading out of 395 stores. Jewellery merchandise turnover grew by 8,5% whilst cellphone turnover increased by 13,9%. Jewellery same store turnover grew by 3,0% and total same store turnover increased by 4,1%.

The **Markham division** including Fabiani increased its store base by 19 stores and is now trading out of 266 stores. Clothing turnover growth was 22,1% whilst cellphone turnover increased by 19,1%. Clothing same store turnover grew by 15,5% whilst cellphone same store turnover increased by 14,3%. Total same store turnover increased by 15,4%.

TFG Sports division, trading as Totalsports, Sportscene and Duesouth, increased its store base by 53 stores and is now trading out of 377 stores. Clothing turnover growth was 17,6%, notwithstanding the 2010 FIFA World Cup™ inflated base. During the year, this division introduced cellphones into its product offering with positive results. Clothing same store turnover grew by 6,8% whilst total same store growth was 10,8%. Excluding the base effect of the World Cup months of May and June last year, same store clothing growth was 12,2%.

TFG Financial Services' retail debtors' book, which amounts to R4,6 billion, increased by 19,5% during the year, reflecting the impact of good account growth, increased credit sales and the increase in the number of 12-month accounts. New accounts have been sourced in the main from in-store account openings, where there is an inherently greater risk of bad debt than from established accounts. Having regard to the increase in unsecured lending and the growth in new accounts, bad debt as a percentage of closing debtors' book was within management expectations, increasing to 9,4% from 9,2% in the previous year.

RCS GROUP

The RCS Group is an operationally independent consumer finance business that provides a broad range of financial services under its own brand in South Africa, Namibia and Botswana. It is structured into two operating business units, namely transactional finance and fixed term finance. The transactional finance business comprises the RCS general-purpose card and other private label card programmes, whilst the fixed term finance business comprises RCS personal loans.

Despite interest margin compression arising from the interest-capping formula under the National Credit Act, the RCS Group performed well during the year with net profit before tax increasing by 25,3% to R345,2 million. Net bad debt further improved with a reduction of 13,9% compared to the previous year. Its debtors' book of R3,4 billion increased by 19,5% during the year as its advances to customers increased.

Its domestic medium-term note (DMTN) programme continues to be successfully implemented with R1,9 billion of funding being raised in a mixture of long- and short-term paper. At the year-end the RCS Group had surplus funding of approximately R1 billion which is available to support its future growth.

Our group's shareholding in RCS Group is 55% with the balance being held by The Standard Bank of South Africa Limited.

As mentioned in our 2011 Integrated Annual Report, it remains our intention to list RCS at some point in the future.

NEW ACQUISITIONS

Effective from 1 October 2011, our group acquired the luxury menswear brand Fabiani which gave our group an entry into the high end customer segment where we previously did not operate. Fabiani currently trades out of 7 stores and has great potential for expansion. As a consequence of the group's acquisition of Fabiani, with effect from 1 April 2012, the group has acquired the two G-Star franchise stores in South Africa, with the rights to roll out further stores.

With effect from 1 March 2012, the group has acquired its long standing clothing manufacturing supplier, Prestige Clothing as part of the group's ongoing supply chain initiatives. This will improve the group's competitive advantage and enable the group to meet the increased demands for seasonal fast-fashion merchandise.

During the year our group entered into a franchise agreement with an exciting international footwear and accessory brand, Charles & Keith.

AFRICA EXPANSION

The group currently trades out of 87 stores outside of South Africa, with 58 in Namibia, 11 in Botswana, 12 in Zambia, 2 in Lesotho and 4 in Swaziland. Over the next two years a further 39 stores are planned to be opened in the countries where we already operate as well as Mozambique and Nigeria.

PROSPECTS

Whilst there has been a softening in turnover since January of this year, retail turnover for the first eight weeks of the new financial year has been satisfactory, though some caution is warranted given the impact of fuel and utility increases on our customers, as well as the very strong comparative base. In line with our strategy of investing for long-term growth, we will continue to open new stores in certain of our formats. We anticipate opening in excess of 140 new stores in the year ahead which will increase trading space by approximately 6%.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend no. 151 of 3,25% (6,5 cents per share) (gross) in respect of the six months ending 30 September 2012 has been declared from income reserves, payable on Tuesday, 25 September 2012 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 21 September 2012.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 14 September 2012. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Monday, 17 September 2012 and the record date, as indicated, will be Friday, 21 September 2012.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 17 September 2012 to Friday, 21 September 2012, both dates inclusive.

In terms of the new Dividends Tax effective 1 April 2012, and the amendments to section 11.17 of the JSE Listings Requirements, the following additional information is disclosed:

1) Local dividend tax rate is 15%;
2) No STC credits were utilised in determining the net dividend;
3) The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 5,52500 cents;
4) The issued preference share capital of The Foschini Group Limited is 200 000 shares at 29 May 2012; and
5) The Foschini Group Limited's tax reference number is 9925/133/71/3P.

FINAL ORDINARY DIVIDEND ANNOUNCEMENT

The directors have declared a gross final ordinary dividend of 265,0 cents per ordinary share from income reserves, for the period ended 31 March 2012, payable on Monday, 9 July 2012 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 6 July 2012.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 29 June 2012. The Foschini Group Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Monday, 2 July 2012 and the record date, as indicated, will be Friday, 6 July 2012.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 2 July 2012 to Friday, 6 July 2012, both dates inclusive.

In terms of the new Dividends Tax effective 1 April 2012, and the amendments to section 11.17 of the JSE Listings Requirements, the following additional information is disclosed:

1) Local dividend tax rate is 15%;
2) No STC credits were utilised in determining the net dividend;
3) The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 225,25000 cents;
4) The issued gross ordinary share capital of The Foschini Group Limited is 240 498 241 shares at 29 May 2012; and
5) The Foschini Group Limited's tax reference number is 9925/133/71/3P.

Signed on behalf of the Board.

D M Nurek — Chairman
A D Murray — CEO

Cape Town
29 May 2012

CORPORATE INFORMATION

Executive directors: A D Murray, R Stein, P S Meiring
Non-executive directors: D M Nurek (Chairman), Prof F Abrahams, S E Abrahams, W V Cuba, M Lewis, E Oblowitz, N V Simamane
Company secretary: D Sheard
Registered office: Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500
Registration number: 1937/009504/06
Share codes: TFG – TFGP
ISIN: ZAE000148466 – ZAE000148516
Transfer secretaries: Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001
Sponsor: UBS South Africa (Proprietary) Limited