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UNAUDITED INTERIM CONDENSED
CONSOLIDATED RESULTS

**FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2014**



SALIENT FEATURES

Retail turnover
R7,3 billion

↑ **9,7%**

Strong cash sales growth
of **20,3%** now representing
44,2% of turnover

Headline earnings
per share from
continuing
operations

↑ **8,0%**

to **403,3 cents**

Total headline
earnings per share

↑ **3,3%**

to **426,5 cents**

Interim dividend
increased by **8,2%**
to **263,0 cents** per share

Sustained strong
financial position

RCS transaction
completed



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sept 2014 Unaudited Rm	Restated Sept 2013 Unaudited Rm	March 2014 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	1 813,3	1 632,6	1 696,1
Goodwill and intangible assets	91,9	120,2	63,4
RCS Group card receivables	-	376,5	-
RCS Group loan receivables	-	667,6	-
Participation in export partnerships	20,8	26,1	23,9
Deferred taxation asset	351,3	311,7	337,1
	2 277,3	3 134,7	2 120,5
Current assets			
Inventory (note 4)	2 846,6	2 635,2	2 775,9
Trade receivables - retail	5 971,0	5 502,0	5 796,6
RCS Group card receivables	-	3 046,7	-
RCS Group loan receivables	-	375,5	-
Other receivables and prepayments	454,6	928,3	465,5
Participation in export partnerships	8,5	14,3	11,9
Cash	433,1	801,3	301,3
Tax receivable	26,2	-	-
	9 740,0	13 303,3	9 351,2
Assets associated with disposal group (note 5) - RCS Group	-	-	5 631,5
Total assets	12 017,3	16 438,0	17 103,2
EQUITY AND LIABILITIES			
Equity attributable to equity holders of The Foschini Group Limited			
Non-controlling interest	2,5	784,2	861,3
Total equity	7 761,8	7 743,5	8 089,9
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	1 576,8	1 377,8	1 584,7
RCS Group external funding	-	2 261,8	-
Operating lease liability	220,4	190,8	208,2
Deferred taxation liability	36,5	71,8	42,7
Post-retirement defined benefit plan	186,4	104,5	180,4
	2 020,1	4 006,7	2 016,0
Current liabilities			
Interest-bearing debt	226,6	1 378,7	1 375,7
RCS Group external funding	-	1 014,3	-
Trade and other payables	1 999,8	2 255,3	1 853,0
Operating lease liability	9,0	21,9	8,0
Taxation payable	-	17,6	59,4
	2 235,4	4 687,8	3 296,1
Liabilities associated with disposal group (note 5) - RCS Group	-	-	3 701,2
Total liabilities	4 255,5	8 694,5	9 013,3
Total equity and liabilities	12 017,3	16 438,0	17 103,2

CONDENSED CONSOLIDATED INCOME STATEMENT

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	%	Year ended 31 March 2014 Audited Rm
			change	
<i>Continuing operations</i>				
Revenue (note 6)	8 538,3	7 750,7		16 362,9
Retail turnover	7 305,1	6 660,9	9,7	14 159,0
Cost of turnover	(3 986,3)	(3 627,7)		(7 579,4)
Gross profit	3 318,8	3 033,2		6 579,6
Interest income (note 7)	663,5	548,2		1 148,1
Other revenue (note 8)	569,7	541,6		1 055,8
Trading expenses (note 9)	(3 305,0)	(2 959,1)		(6 246,6)
Operating profit before finance charges	1 247,0	1 163,9		2 536,9
Finance costs	(85,6)	(66,3)		(161,8)
Profit before tax	1 161,4	1 097,6		2 375,1
Income tax expense	(339,8)	(323,1)		(691,5)
Profit from continuing operations	821,6	774,5	6,1	1 683,6
<i>Discontinued operations</i>				
Profit from discontinued operations, net of tax (note 5) - RCS Group	86,2	149,2		321,1
Profit on disposal of discontinued operations (note 5) - RCS Group	273,2	-		-
Profit for the period	1 181,0	923,7	27,9	2 004,7
Attributable to:				
Continuing operations	821,4	774,3		1 683,1
Discontinued operations	320,6	82,5		176,5
Equity holders of The Foschini Group Limited	1 142,0	856,8	33,3	1 859,6
Non-controlling interest	39,0	66,9		145,1
Profit for the period	1 181,0	923,7	27,9	2 004,7
Earnings per ordinary share (cents)				
Total				
Basic	559,6	412,1	35,8	902,8
Headline	426,5	413,0	3,3	908,9
Diluted (basic)	557,4	410,3	35,9	896,6
Diluted (headline)	424,8	411,2	3,3	902,7
Continuing operations				
Basic	402,5	372,7	8,0	817,1
Headline	403,3	373,6	8,0	818,7
Diluted (basic)	400,9	371,0	8,0	811,5
Diluted (headline)	401,7	371,9	8,0	813,1
Discontinued operations				
Basic	157,1	39,4	298,7	85,7
Headline	23,2	39,4	(41,1)	90,2
Diluted (basic)	156,5	39,3	298,2	85,1
Diluted (headline)	23,1	39,3	(41,2)	89,6
Weighted average ordinary shares in issue (millions)	204,1	207,9		206,0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	%	Year ended 31 March 2014 Audited Rm
			change	
Profit for the period	1 181,0	923,7		2 004,7
Other comprehensive income:				
Items that will never be reclassified to profit or loss				
Actuarial losses on post-retirement defined benefit plan	-	-		(69,8)
Deferred tax on items that will never be reclassified to profit or loss	-	-		19,5
Items that are or may be reclassified to profit or loss				
Movement in effective portion of changes in fair value of cash flow hedges	24,2	64,7		40,6
Continuing operations	32,4	26,6		6,9
Discontinued operations	(8,2)	38,1		33,7
Foreign currency translation reserve movements	0,8	5,7		(3,2)
Continuing operations	0,8	4,7		(5,0)
Discontinued operations	-	1,0		1,8
Deferred tax on items that are or will be reclassified to profit or loss	(6,8)	(19,4)		(11,3)
Other comprehensive income for the period, net of tax	18,2	51,0		(24,2)
Total comprehensive income for the period	1 199,2	974,7		1 980,5
Attributable to:				
Continuing operations	845,5	798,2		1 632,8
Discontinued operations	317,4	97,8		191,6
Equity holders of The Foschini Group Limited	1 162,9	896,0	29,8	1 824,4
Non-controlling interest	36,3	78,7		156,1
Total comprehensive income for the period	1 199,2	974,7		1 980,5

SUPPLEMENTARY INFORMATION

	Sept 2014 Unaudited	Sept 2013 Unaudited	March 2014 Audited
Net ordinary shares in issue (millions)	204,1	206,2	204,3
Weighted average ordinary shares in issue (millions)	204,1	207,9	206,0
Tangible net asset value per ordinary share (cents)	3 756,8	3 317,4	3 507,2

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 2013	7 043,8	705,5	7 749,3
Total comprehensive income for the period	896,0	78,7	974,7
Profit for the period			
Continuing operations	774,3	0,2	774,5
Discontinued operations	82,5	66,7	149,2
<i>Other comprehensive income</i>			
Continuing operations			
Movement in effective portion of changes in fair value of cash flow hedges	26,6	-	26,6
Foreign currency translation reserve movements	4,7	-	4,7
Deferred tax on movement in other comprehensive income	(7,4)	-	(7,4)
Discontinued operations			
Movement in effective portion of changes in fair value of cash flow hedges	20,9	17,2	38,1
Foreign currency translation reserve movements	1,0	-	1,0
Deferred tax on movement in other comprehensive income	(6,6)	(5,4)	(12,0)
Contributions by and distributions to owners			
Share-based payments reserve movements	43,8	-	43,8
Dividends paid	(566,0)	-	(566,0)
Cancellation of issued shares*	-	-	-
Repurchase of shares	(350,5)	-	(350,5)
Shares purchased in terms of share incentive schemes	(127,5)	-	(127,5)
Current tax on shares purchased	6,5	-	6,5
Deferred tax on shares purchased	13,2	-	13,2
Equity at 30 September 2013	6 959,3	784,2	7 743,5
Total comprehensive income for the period	928,4	77,4	1 005,8
Profit for the period			
Continuing operations	908,8	0,3	909,1
Discontinued operations	94,0	77,9	171,9
<i>Other comprehensive income</i>			
Continuing operations			
Actuarial losses on post-retirement defined benefit plan	(69,8)	-	(69,8)
Movement in effective portion of changes in fair value of cash flow hedges	(19,7)	-	(19,7)
Foreign currency translation reserve movements	(9,7)	-	(9,7)
Deferred tax on movement in other comprehensive income	25,0	-	25,0
Discontinued operations			
Movement in effective portion of changes in fair value of cash flow hedges	(2,4)	(2,0)	(4,4)
Foreign currency translation reserve movements	0,8	-	0,8
Deferred tax on movement in other comprehensive income	1,4	1,2	2,6
Contributions by and distributions to owners			
Share-based payments reserve movements	46,5	-	46,5
Dividends paid	(500,9)	(0,3)	(501,2)
Cancellation of issued shares	(0,1)	-	(0,1)
Repurchase of shares	(250,0)	-	(250,0)
Proceeds on delivery of shares by share trust	45,5	-	45,5
Deferred tax on shares purchased	(0,1)	-	(0,1)
Equity at 31 March 2014	7 228,6	861,3	8 089,9

* Zero as a result of rounding.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2014	7 228,6	861,3	8 089,9
Total comprehensive income for the period	1 162,9	36,3	1 199,2
Profit for the period			
Continuing operations	821,4	0,2	821,6
Discontinued operations	320,6	38,8	359,4
<i>Other comprehensive income</i>			
Continuing operations			
Movement in effective portion of changes in fair value of cash flow hedges	32,4	-	32,4
Foreign currency translation reserve movements	0,8	-	0,8
Deferred tax on movement in other comprehensive income	(9,1)	-	(9,1)
Discontinued operations			
Movement in effective portion of changes in fair value of cash flow hedges	(4,5)	(3,7)	(8,2)
Deferred tax on movement in other comprehensive income	1,3	1,0	2,3
Contributions by and distributions to owners			
Share-based payments reserve movements	47,9	-	47,9
Dividends paid	(603,7)	-	(603,7)
Realisation of non-controlling interest on disposal of discontinued operations	-	(895,1)	(895,1)
Realisation of reserves on disposal of discontinued operations	24,2	-	24,2
Proceeds from sale of shares in terms of share incentive schemes	35,7	-	35,7
Shares purchased in terms of share incentive schemes	(171,2)	-	(171,2)
Current tax on shares purchased	11,6	-	11,6
Deferred tax on shares purchased	23,3	-	23,3
Equity at 30 September 2014	7 759,3	2,5	7 761,8
	6 months ended 30 Sept 2014	6 months ended 30 Sept 2013	Year ended 31 March 2014
	Unaudited	Unaudited	Audited
Dividend per ordinary share (cents)			
Interim	263,0	243,0	243,0
Final			293,0
Total	263,0	243,0	536,0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
Cash flows from operating activities			
Operating profit before working capital changes (note 10)	1 506,0	1 733,1	3 000,6
Increase in working capital	(113,5)	(754,8)	(930,3)
Cash generated from operations	1 392,5	978,3	2 070,3
Interest income	9,5	13,7	17,6
Finance costs	(85,6)	(192,5)	(161,8)
Taxation paid	(419,6)	(432,7)	(730,7)
Dividends paid	(603,7)	(566,0)	(1 067,2)
Net cash inflows (outflows) from operating activities	293,1	(199,2)	128,2
Cash flows from investing activities			
Purchase of property, plant and equipment	(321,5)	(271,4)	(554,2)
Proceeds from sale of property, plant and equipment	3,5	3,4	4,1
Repayment of participation in export partnerships	6,5	8,0	12,6
Proceeds from disposal of discontinued operations	1 442,7	-	-
Net cash inflows (outflows) from investing activities	1 131,2	(260,0)	(537,5)
Cash flows from financing activities			
Repurchase of shares	-	(350,5)	(600,5)
Shares purchased in terms of share incentive schemes	(171,2)	(127,5)	(127,5)
Proceeds from sale of shares in terms of share incentive schemes	35,7	-	45,5
Increase in RCS Group external funding	-	327,0	-
(Decrease) increase in interest-bearing debt	(1 157,0)	818,1	1 022,0
Net cash (outflows) inflows from financing activities	(1 292,5)	667,1	339,5
Net increase (decrease) in cash during the period	131,8	207,9	(69,8)
Cash at the beginning of the period	301,3	593,4	593,4
Cash at the beginning of the year - discontinued operations	-	-	(222,4)
Effect of exchange rate fluctuations on cash held	-	-	0,1
Cash at the end of the period	433,1	801,3	301,3

GROUP SEGMENTAL ANALYSIS

	Retail trading divisions	Customer value added products	Credit	Central and shared services	Total Retail	Discontinued operations - RCS Group	Consolidated
6 months ended 30 September 2014	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm
External revenue	7 305,1	410,5	151,8	7,4	7 874,8	164,5	8 039,3
External interest income	-	-	654,0	9,5	663,5	298,2	961,7
Total revenue*	7 305,1	410,5	805,8	16,9	8 538,3	462,7	9 001,0
Inter-segment revenue				9,6	9,6	2,7	12,3
External finance costs				(85,6)	(85,6)	(65,0)	(150,6)
Depreciation and amortisation				(198,2)	(198,2)	(4,8)	(203,0)
Group profit before tax					1 161,4	480,4	1 641,8
Segmental profit (loss) before tax	1 501,9	229,1	70,9	(580,2)	1 221,7	480,4	1 702,1
Other material non-cash items							
Foreign exchange transactions					0,8	-	0,8
Share-based payments					(47,9)	-	(47,9)
Operating lease liability adjustment					(13,2)	-	(13,2)
Capital expenditure					321,5	4,9	326,4
Segment assets					12 017,3	-	12 017,3
Segment liabilities					4 255,5	-	4 255,5
Restated 6 months ended 30 September 2013	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm
External revenue [†]	6 660,9	394,9	143,9	2,8	7 202,5	299,4	7 501,9
External interest income	-	-	540,4	7,8	548,2	541,5	1 089,7
Total revenue*	6 660,9	394,9	684,3	10,6	7 750,7	840,9	8 591,6
Inter-segment revenue				25,9	25,9	4,3	30,2
External finance costs				(66,3)	(66,3)	(126,2)	(192,5)
Depreciation and amortisation				(173,2)	(173,2)	(8,2)	(181,4)
Group profit before tax					1 097,6	207,2	1 304,8
Segmental profit (loss) before tax	1 452,3	224,3	11,8	(530,8)	1 157,6	207,2	1 364,8
Other material non-cash items							
Foreign exchange transactions					(0,1)	-	(0,1)
Share-based payments					(43,8)	-	(43,8)
Operating lease liability adjustment					(16,1)	-	(16,1)
Capital expenditure					256,2	15,2	271,4
Segment assets					10 966,9	5 471,1	16 438,0
Segment liabilities					4 983,0	3 711,5	8 694,5
Year ended 31 March 2014	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm
External revenue	14 159,0	763,1	287,6	5,1	15 214,8	634,5	15 849,3
External interest income	-	-	1 130,5	17,6	1 148,1	1 118,7	2 266,8
Total revenue*	14 159,0	763,1	1 418,1	22,7	16 362,9	1 753,2	18 116,1
Inter-segment revenue				53,5	53,5	8,3	61,8
External finance costs				(161,8)	(161,8)	(252,2)	(414,0)
Depreciation and amortisation				(365,5)	(365,5)	(17,4)	(382,9)
Group profit before tax					2 375,1	458,7	2 833,8
Segmental profit (loss) before tax	3 078,4	453,9	10,1	(1 052,3)	2 490,1	456,9	2 947,0
Other material non-cash items							
Foreign exchange transactions					(5,0)	1,8	(3,2)
Share-based payments					(90,3)	-	(90,3)
Operating lease liability adjustment					(19,7)	-	(19,7)
Capital expenditure					554,2	22,9	577,1
Segment assets					11 471,7	5 631,5	17 103,2
Segment liabilities					5 312,1	3 701,2	9 013,3

* Includes retail turnover, interest income and other income.

[†] March 2014 reflected a change in reportable segments as defined by the board, being the chief operating decision-maker. The September 2013 comparatives have been restated accordingly.

These unaudited interim condensed consolidated results were prepared by the TFG Finance and Advisory department of The Foschini Group Limited acting under supervision of Ronnie Stein CA(SA), CFO of The Foschini Group Limited.

1. The unaudited interim condensed consolidated results for the half-year ended 30 September 2014 have been prepared in accordance with the group's accounting policies, which comply with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, Financial Reporting Guides as issued by the Accounting Practice Committee of the South African Institute of Chartered Accountants, Financial Pronouncements as issued by Financial Reporting Standards Council and disclosures required by the Companies Act No. 71 of 2008 and the JSE Listings Requirements, and, except as mentioned in note 2, have been consistently applied with those in the prior year.
2. During the period, the group adopted the following revised accounting standards:
 - Investment Entities (Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements)
 - Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 Financial Instruments: Presentation)
 - Recoverable Amount Disclosure for Non-Financial Assets (Amendment to IAS 36 Impairment of Assets)
 - Novation of Derivatives and Continuation of Hedge Accounting (Amendment to IAS 39 Financial Instruments: Recognition and Measurement)
 - IFRIC 21 Levies

The adoption of these standards had no material impact on these interim financial statements.
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. For the year ended 31 March 2014, the RCS Group was treated as a discontinued operation held for disposal in terms of IFRS 5. The comparatives for the period in the income statement and in the statement of comprehensive income have been restated accordingly. The RCS Group was disposed of on 30 June 2014 (refer to note 5).

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
4. Inventory			
Inventory at period end	2 846,6	2 635,2	2 775,9
Inventory write-downs included above	73,2	56,3	140,4

5. Discontinued operations (RCS Group)

As was announced on SENS on 10 April 2014, the group together with The Standard Bank of South Africa Limited, entered into agreements which resulted in BNP Paribas Personal Finance S.A. becoming the 100% shareholder of the RCS Group. Accordingly, the RCS Group was treated as a discontinued operation in terms of IFRS 5 for the year ended 31 March 2014. The closing date of the transaction was 6 August 2014 and the effective date was 30 June 2014. TFG's share of the proceeds was R1,4 billion. For the period 1 April 2014 to 30 June 2014, the RCS Group has been disclosed as a discontinued operation, and the profit on disposal of the RCS Group has been disclosed separately from continuing operations.

NOTES (CONTINUED)

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
5. Discontinued operations (RCS Group) (continued)			
INCOME STATEMENT*			
Interest income	298,2	541,5	1 118,7
Other income	164,5	302,4	634,5
Total credit income	462,7	843,9	1 753,2
Net bad debt	(111,1)	(166,4)	(373,6)
Operating costs	(166,6)	(342,0)	(668,7)
Operating profit before finance charges	185,0	335,5	710,9
Finance costs	(65,0)	(128,3)	(252,2)
Profit before tax	120,0	207,2	458,7
Income tax expense	(33,8)	(58,0)	(137,6)
Profit from discontinued operations	86,2	149,2	321,1
Profit on disposal of discontinued operations	273,2	-	-
Profit for the period	359,4	149,2	321,1

* 6 months ended 30 September 2014 represents 3 months of trading prior to the disposal of RCS Group.

In accordance with IFRS 5 the statement of financial position for the period ended 30 September 2013 and accordingly the related cash flow statement has not been restated. Refer below for the statement of financial position of the RCS Group as at 30 September 2013:

	Restated 6 months ended 30 Sept 2013 Unaudited Rm
STATEMENT OF FINANCIAL POSITION	
Assets and liabilities	
Assets of disposal group	
Property, plant and equipment	42,4
Goodwill and intangible assets	56,9
RCS Group card receivables	3 423,2
RCS Group loan receivables	1 043,1
Deferred taxation asset	29,2
Other receivables and prepayments	518,6
Cash	341,6
Tax receivable	16,1
	5 471,1
Liabilities of disposal group	
RCS Group external funding	3 276,1
Deferred taxation liability	20,5
Trade and other payables	414,9
	3 711,5

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
6. Revenue			
Retail turnover	7 305,1	6 660,9	14 159,0
Interest income (refer note 7)	663,5	548,2	1 148,1
Other revenue (refer note 8)	569,7	541,6	1 055,8
	8 538,3	7 750,7	16 362,9
7. Interest income			
Trade receivables - retail	654,0	540,4	1 130,5
Sundry	9,5	7,8	17,6
	663,5	548,2	1 148,1
8. Other revenue			
Publishing income	193,5	185,5	379,0
Collection cost recovery	151,8	143,9	287,6
Insurance income	173,6	170,1	299,6
Mobile one2one airtime income	43,4	39,3	84,5
Sundry income	7,4	2,8	5,1
	569,7	541,6	1 055,8
9. Trading expenses			
Depreciation	(198,2)	(173,2)	(365,5)
Employee costs	(1 056,8)	(974,0)	(2 048,3)
Occupancy costs	(748,7)	(663,3)	(1 393,0)
Net bad debt	(485,2)	(441,3)	(935,5)
Other operating costs	(816,1)	(707,3)	(1 504,3)
	(3 305,0)	(2 959,1)	(6 246,6)
	6 months ended 30 Sept 2014 Unaudited Rm	6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
10. Operating profit before working capital changes			
Profit before tax	1 161,4	1 304,8	2 375,1
Finance costs	85,6	192,5	161,8
Operating profit before finance charges	1 247,0	1 497,3	2 536,9
Interest income - sundry	(9,5)	(13,7)	(17,6)
Non-cash items	268,5	249,5	481,3
Depreciation	198,2	181,3	365,5
Amortisation	-	0,1	-
Operating lease liability adjustment	13,2	16,1	19,7
Share-based payments	47,9	43,8	90,3
Post-retirement defined benefit medical aid movement	6,0	-	6,1
Foreign currency translation reserve movement	0,8	5,7	(5,0)
Loss on disposal of property, plant and equipment	2,6	2,5	4,8
Profit on disposal of property, plant and equipment	(0,2)	-	(0,1)
Operating profit before working capital changes	1 506,0	1 733,1	3 000,6

NOTES (CONTINUED)

	6 months ended 30 Sept 2014 Unaudited Rm	Restated 6 months ended 30 Sept 2013 Unaudited Rm	Year ended 31 March 2014 Audited Rm
11. Reconciliation of profit for the period to headline earnings			
Profit for the period attributable to equity holders of The Foschini Group Limited	1 142,0	856,8	1 859,6
Adjusted for:			
Profit on disposal of property, plant and equipment	(0,2)	-	(0,1)
Loss on disposal of property, plant and equipment	2,6	2,5	4,8
Profit on disposal of discontinued operations	(273,2)	-	-
Impairment of loan receivables	-	-	12,9
Adjusted headline earnings before tax	871,2	859,3	1 877,2
Tax on headline earnings adjustments	(0,7)	(0,7)	(4,9)
Headline earnings	870,5	858,6	1 872,3

12. Related parties

Related party transactions similar to those disclosed in the group's annual financial statements for the year ended 31 March 2014 took place during the period. There are no significant related party transactions which took place in the current period except as mentioned in note 13.

13. Repurchase of shares

At the annual general meeting of the company held on 1 September 2014 shareholders approved a specific repurchase of 11 million ordinary shares held by a wholly-owned subsidiary.

The specific repurchase was implemented on 19 September 2014 at an average price of R117,39 per share, whereafter the shares were cancelled and restored to authorised share capital. On 21 October 2014 11 million shares were delisted reducing the total shares in issue from 222 005 054 shares to 211 005 054 shares.

14. Change in accounting policies (in line with the year ended 31 March 2014)

14.1 Accounting for insurance cells

Previously the group consolidated the cell captives in terms of SIC 12 Special Purpose Entities. In terms of IFRS 10 Consolidated Financial Statements, the cell captives did not meet the definition of a deemed separate legal entity, i.e. it is not legally ring-fenced from the insurer and is therefore no longer consolidated. The cell captive arrangement with the insurer is accounted for as an in-substance reinsurance contract issued by the group which is in line with the accounting treatment of cell captive arrangements for the year ended 31 March 2014. The comparatives have been restated accordingly. The net assets of the insurance cell are included as part of other receivables and prepayments and are no longer consolidated.

The change in accounting policy had no effect on basic or headline earnings per share, or on diluted basic or diluted headline earnings per share.

The effect of the change is as follows:

	As reported 30 Sept 2013 Rm	30 Sept 2013 Adjustment Rm	As restated 30 Sept 2013 Rm
Other receivables and prepayments	653,6	274,7	928,3
Cash	1 165,0	(363,7)	801,3
Trade and other payables	(2 312,3)	57,0	(2 255,3)
Taxation payable	(49,6)	32,0	(17,6)

14. Change in accounting policies (in line with the year ended 31 March 2014) (continued)

14.2 Cost of turnover

During the year ended 31 March 2014, the group refined its calculation of cost of turnover to only include those costs directly related to the cost of merchandise. Certain costs (promotional and related) previously included in cost of turnover have now been included in trading expenses. This change was done for easier comparison with others in the industry. Accordingly, the gross profit previously reported for the period ending 30 September 2013 changes from 41,7% to 45,5% on the new basis. The change in accounting policy had no effect on basic or headline earnings per share, or on diluted basic or diluted headline earnings per share. There is also no impact on the statement of financial position.

The effect of the change is as follows:

	As reported 30 Sept 2013*	30 Sept 2013 Adjustment	As restated 30 Sept 2013
	Rm	Rm	Rm
Cost of turnover	3 882,9	(255,2)	3 627,7
Trading expenses	2 703,9	255,2	2 959,1

* The 30 September 2013 reported figures exclude the RCS Group.

15. Fair value

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature. There are no level 1 or level 3 financial instruments within the group and there were no transfers between levels during the period.

16. Events after the reporting period

No further significant events took place between the period ending 30 September 2014 and date of issue of this report.

COMMENTARY

GROUP OVERVIEW

The group produced a satisfactory result in a difficult credit cycle with total retail turnover increasing by 9,7% to R7,3 billion.

Cash sales continued to be buoyant growing by 20,3% reflecting the desirability of our merchandise to our customers. Credit turnover growth of 2,5% was however constrained by the credit health of our consumers as well as our continued implementation of credit risk management practices appropriate for this cycle.

The transaction in relation to TFG's 55% interest in the RCS Group was completed with a closing date of 6 August 2014. The effective date of the transaction was 30 June 2014 and accordingly, the results of the RCS Group for the three month period, are included as profit from discontinued operations. TFG's share of the proceeds was R1,4 billion.

Total basic earnings per share increased by 35,8% to 559,6 cents per share which includes the profit realised in the RCS Group transaction of R273,2 million. Headline earnings per share from continuing operations increased by 8,0% to 403,3 cents per share whilst total headline earnings per share increased by 3,3% to 426,5 cents per share.

The group's gross margins in all categories remained consistent with the previous period.

Whilst expenses remain well controlled growing at 11,7%, we have seen a significant increase in crime-related losses which is a country-wide phenomenon.

The interim dividend has been increased by 8,2% to 263,0 cents per share which is in line with the growth in the underlying continuing operations.

The group continued to grow trading space by opening a further 109 stores, 14 of which are outside South Africa. At the end of the period the group was trading out of 2 205 stores with an increase in trading area of 4% during the period. Trading space growth for the full year is expected to be approximately 7%.

MERCHANDISE CATEGORIES

Turnover growths in the various merchandise categories are as follows:

	% turnover growth	% same store turnover growth
Clothing	8,5	3,3
Jewellery	5,4	0,7
Cosmetics	9,0	5,1
Homewares and furniture	13,2	7,2
Cellphones	20,8	16,4

Total same store turnover grew by 4,7% whilst product inflation averaged approximately 7%.

CASH SALES

We are pleased with the continued strong growth in cash sales of 20,3%. Cash sales as a percentage of total sales have increased to 44,2% from 40,3% in the previous period. The increasing contribution of cash sales is a result of our strategic focus on driving cash versus credit turnover through *inter alia* diversification of our product categories and broader LSM appeal. We believe this positions us well through the economic cycles.

CREDIT

Continued implementation of appropriate credit risk measures curtailed credit turnover growth to 2,5%. Whilst early signs of improvement had become evident, the recent postal strikes have had an adverse impact on collections in the short term.

The debtors' book of R5,9 billion has increased by 3,0% since March 2014. Net bad debt as a percentage of closing debtors' book increased to 12,9% from 12,4% at the previous year end and remains within management's expectations. The debtors' book is adequately provisioned at 13,0% up from 12,3% at March 2014.

AFRICA

The group currently trades out of 134 stores outside South Africa. These stores performed well during the period with a turnover growth of 25,9% and same store turnover growth of 16,0%. African expansion remains one of our strategic objectives with a target of 280 - 300 stores outside South Africa by 2018.

PROSPECTS

We expect to continue to benefit from strong cash sales growth in the second half. Trading conditions in the credit side of our business are likely to remain challenging until the current level of consumer indebtedness normalises. Whilst we had already seen some signs of improvement, this has been set back due to the postal strikes. Until there are clear signs of sustained improvement in consumer credit health, we will continue to apply strict credit risk management practices.

We plan to open a further 100 stores in the second half.

For the first five weeks of the second half, retail turnover has been at stronger levels, growing by 13% with cash growth at 23,5% and credit growth at 5,9%. Our second half is heavily dependent on festive season trading, which will largely determine the performance of our group for this period.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend no. 156 of 3,25% (6,5 cents per share) (gross) in respect of the six months ending 31 March 2015 has been declared from income reserves, payable on Monday, 23 March 2015 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 20 March 2015.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 13 March 2015. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Monday, 16 March 2015 and the record date, as indicated, will be Friday, 20 March 2015.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 16 March 2015 to Friday, 20 March 2015, both dates inclusive.

In terms of 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 dividend 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 6 November 2014.
5. The Foschini Group Limited's tax reference number is 9925/133/71/3P.

INTERIM ORDINARY DIVIDEND ANNOUNCEMENT

The directors have declared a gross interim ordinary dividend of 263,0 cents per ordinary share from income reserves, for the period ended 30 September 2014, payable on Monday, 5 January 2015 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 2 January 2015.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Tuesday, 23 December 2014. The Foschini Group Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Wednesday, 24 December 2014 and the record date, as indicated, will be Friday, 2 January 2015.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Wednesday, 24 December 2014 to Friday, 2 January 2015, both dates inclusive.

In terms of 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 dividend withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 223,55000 cents.
4. The issued ordinary share capital of The Foschini Group Limited is 211 005 054 shares at 6 November 2014.
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
6 November 2014

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, D Friedland, M Lewis, B L M Makgabo – Fiskerstrand, 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 70 Marshall Street, Johannesburg 2001
Sponsor:	UBS South Africa Proprietary Limited





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MAT & MAY

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Markham