



SALIENT FEATURES

Group turnover
↑ 13,6%
 to R16,1 billion
 (excluding Phase Eight: 10,8%)

Final distribution of scrip with a cash dividend alternative of **325,0 cents** per share – a **10,9%** increase

Strong cash sales growth of **19,6%** now representing **45,6%** of TFG turnover (including 2 months of Phase Eight: 46,9%)

Acquisition of international fashion retailer Phase Eight concluded

Headline earnings per share from continuing operations (excluding once-off acquisition costs)

↑ 9,7%
 to **897,9 cents**



THE FOSCHINI GROUP LIMITED

RESULTS FOR THE YEAR ENDED 31 MARCH 2015

HIGHLIGHTS

	Year ended 31-Mar-15 Reviewed TFG including Phase Eight	Year ended 31-Mar-15 Reviewed TFG excluding Phase Eight	% change	Year ended 31-Mar-14 Audited
Revenue (Rm)	18 544,0	18 141,9	10,9	16 362,9
Operating profit (Rm)	2 807,1	2 776,1		2 536,9
Operating margin (%)	17,5	17,7		17,9
Earnings per share (c) – total				
– Basic	909,4			902,8
– Headline	780,3			908,9
Earnings per share (c) – continuing operations excluding once-off acquisition costs				
– Basic	893,3		9,3	817,1
– Headline	897,9		9,7	818,7
Dividend per share (c)				
– Interim	263,0		8,2	243,0
– Final	325,0		10,9	293,0
– Total	588,0		9,7	536,0
Return on shareholders' equity – combined (%)	23,4			25,3

DECLARATION OF A SCRIP DISTRIBUTION WITH A CASH DIVIDEND ALTERNATIVE

Post the acquisition of Phase Eight, it is our intention to bring our debt equity ratio closer to our medium term target of 40%. Accordingly the final distribution is proposed as a scrip distribution with a cash dividend alternative. This will be offered to shareholders in the short term with the intention of increasing equity by approximately R1 billion over time and therefore ensure that the group is well positioned to take advantage of future growth opportunities. A final scrip distribution with a cash dividend alternative of 325,0 cents per share has been declared – an increase of 10,9%. The dividend in respect of the full year amounts to 588,0 cents per share, an increase of 9,7% reflecting the growth in the underlying continuing operations.

COMMENTARY

As was announced on SENS on 16 January 2015, the group acquired a c.85% holding in Phase Eight. Phase Eight is a UK-based international women's clothing and accessories retailer trading out of 444 outlets across the UK and Ireland as well as 17 other international markets. For this financial year, two months of Phase Eight trading (February and March 2015) has been included in these results.

In addition, the results of RCS Group for the three month period (April, May and June 2014) are included as profit from discontinued operations. As reported in our interim results, the transaction in relation to TFG's 55% interest in the RCS Group was completed with an effective date of 30 June 2014. TFG's share of the proceeds was R1,4 billion.

The group produced a solid result for the year with combined retail sales growth of 13,6%. Excluding the impact of Phase Eight, its TFG stores achieved retail sales growth of 10,8% with comparable sales growth of 5,5%. We continued to benefit from strong cash sales growth in the second half of the year with total cash sales growth for the year of 19,6% (combined 26,3%), reflecting the ongoing appeal of our merchandise to our customers. Our credit turnover growth was stronger during the second half of the year at 6,1% improving from 2,5% in the first half. Full year credit turnover growth was 4,3%.

STATEMENT

This short-form announcement (SFA) is the responsibility of TFG's directors. It is only a summary of the information in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement published on SENS and on TFG's website, hosted at www.tfglimited.co.za.

AVAILABILITY

The full announcement has been released on SENS and is available on our website. It is also available at our registered offices, Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500, South Africa, Telephone: +27 21 938 1911, for inspection, at no charge, during office hours. Copies of the full announcement may be requested from the company secretary.