



THE FOSCHINI GROUP LIMITED

**RESULTS PRESENTATION**

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2015





TF  
G



## AGENDA

- Economy and retail environment **Doug Murray**
- Business overview **Doug Murray**
- Review of the period **Doug Murray**
- Financial review **Anthony Thunström**
- TFG Financial Services **Jane Fisher**
- Phase Eight **Doug Murray**
- Key performance indicators and outlook **Doug Murray**



## ECONOMY AND RETAIL ENVIRONMENT



## THE ECONOMY AND RETAIL ENVIRONMENT

Global economy remains challenging

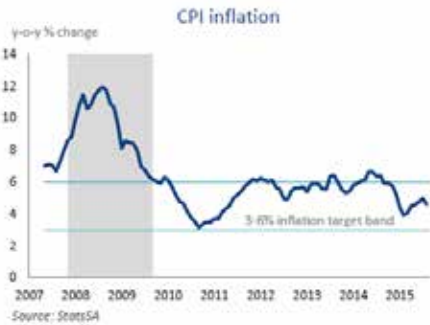
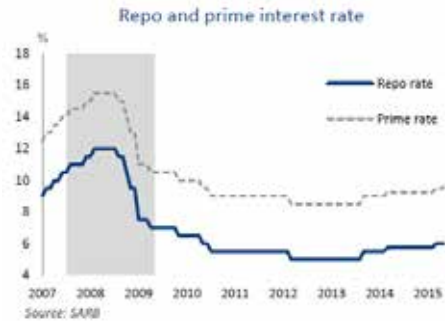
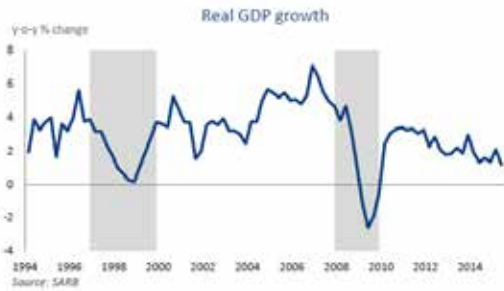
- Slower global growth expected as a result of weakness in China, Brazil and Russia
  - Uncertainty regarding US Fed interest rate
  - Weak commodity demand

Domestic economy

- Volatile current account deficit
- Continued Rand weakness against major currencies
- Negative impact of industrial action, load shedding and weak commodity prices on GDP growth
- Interest rates
  - 25 basis point increase during July 2015
  - Uncertainty around timing and quantum of future increases
- CPI continues at lower levels
  - 4,6% at end September
  - Expected to increase for remainder of 2015 and 2016 to 6% but will remain within target range albeit at higher end
- GDP growth outlook unchanged at 1,7% for 2015 (BER)
  - Outlook for 2016 revised downwards to 1,7% from 2,1% (BER)



## TRADING ENVIRONMENT

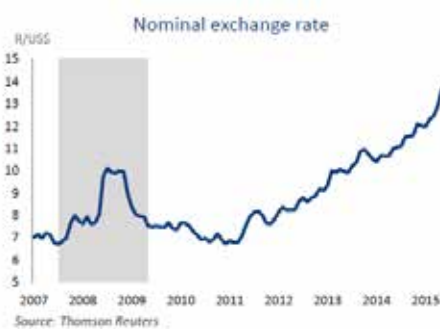


Source of graphs: BER Economic Snapshot October 2015

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

5

## TRADING ENVIRONMENT



Source of graphs: BER Economic Snapshot October 2015

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

6



## BUSINESS OVERVIEW



- **TFG = home of leading retail brands**
  - 20 brands
    - > Primarily own brands – leading household names
    - > Addition of SODA Bloc and Colette towards end of 1<sup>st</sup> half of 2016 financial year
- **Broad product offering across various merchandise categories**
  - Clothing
  - Jewellery
  - Homeware & furniture
  - Cellphones
  - Cosmetics
- **Broad LSM appeal from value to upper end**

## TFG FOOTPRINT



- 2 913 outlets in 31 countries globally
  - TFG South Africa 2 226 stores
  - TFG rest of Africa 164 stores in 7 countries
  - Phase Eight 523 outlets in 23 countries

## FOOTPRINT (EXCLUDING PHASE EIGHT)

Brand	South Africa	Rest of Africa	Total number of stores
@home	81	4	85
@homelivingspace	24	2	26
American Swiss	218	20	238
Charles & Keith	13	-	13
Colette	6	-	6
DonnaClaire	97	4	101
Duesouth	45	5	50
Exact	254	15	269
Fabiani	20	-	20
Fashion Express	220	16	236
Foschini	261	21	282
G-Star Raw	8	-	8
Hi	3	-	3
Markham	295	24	319
Mat & May	26	-	26
SODA Bloc	5	-	5
sportscene	215	15	230
Sterns	164	18	182
Totalsports	271	20	291
<b>Total</b>	<b>2 226</b>	<b>164</b>	<b>2 390</b>



## FOOTPRINT: REST OF AFRICA



All stores in rest of Africa are corporate stores

Rest of Africa 164 stores in 7 countries

- 16 stores opened during the period

27,1% turnover growth with 9,0% same store turnover growth excluding Namibia

- 14,6% turnover growth including Namibia

Namibia impacted by:

- Angolan oil-dependent economy slump

Further expansion

- Kenya (2016)
- Mozambique

Target for 2021: approximately 330 stores

## FOOTPRINT: PHASE EIGHT

	Stores	Concessions	Total outlets		Stores	Concessions	Total outlets
UK & Ireland	108	247	355	Netherlands	-	7	7
Germany	2	36	38	Australia	-	16	16
Switzerland	12	28	40	Belgium	-	6	6
Bahrain	-	1	1	Hong Kong	2	1	3
Kuwait	-	3	3	Mexico	-	7	7
Qatar	-	1	1	Malaysia	-	1	1
Singapore	-	6	6	USA	-	4	4
Sweden	1	8	9	Norway	1	-	1
United Arab Emirates	-	9	9	Saudi Arabia	-	8	8
Italy*	-	4	4	Latvia*	-	1	1
Japan*	-	2	2	Estonia*	-	1	1

\* New countries for 2016 financial year



## TURNOVER BY MERCHANDISE CATEGORY

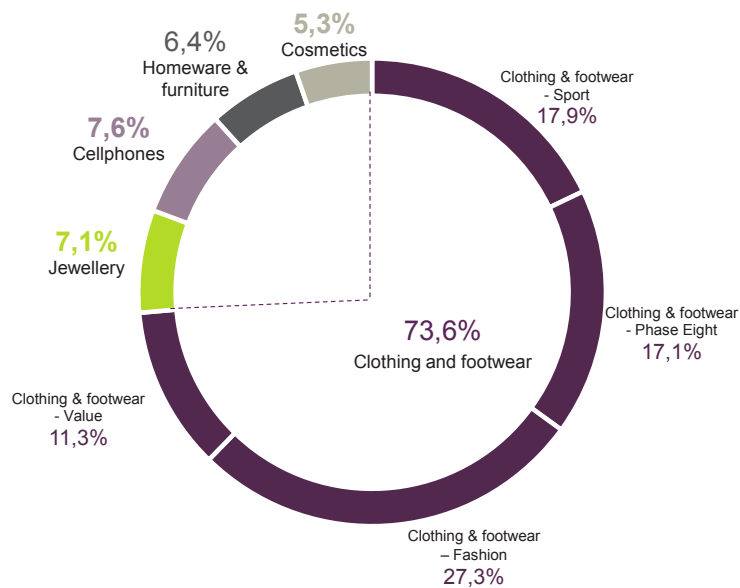
Retail turnover by merchandise category	September 2015 (Rm)	September 2014 (Rm)	% change	% change excl Phase Eight	% same store growth
Clothing	7 186,0	4 903,2	46,6	12,5	6,6
Jewellery	697,6	656,0	6,3	6,3	2,6
Cellphones	740,5	729,0	1,6	1,6	(2,5)
Homeware & furniture	624,9	552,3	13,1	13,1	5,6
Cosmetics	512,2	464,6	10,2	10,2	7,4
<b>Total</b>	<b>9 761,2</b>	<b>7 305,1</b>	<b>33,6</b>	<b>10,8</b>	<b>5,3</b>
Cash sales	5 411,7	3 232,2	67,4	15,8	
Credit sales	4 349,5	4 072,9	6,8	6,8	
<b>Total</b>	<b>9 761,2</b>	<b>7 305,1</b>	<b>33,6</b>	<b>10,8</b>	

- Cash sales
  - Represent 46,2% (including Phase Eight: 55,4%) of total sales (September 2014: 44,2%)
  - Strong growth at 15,8% (including Phase Eight: 67,4%)
- Credit sales
  - Improved growth of 6,8% (2015 H1 at 2,5% and 2015 H2 at 6,1%)

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

13

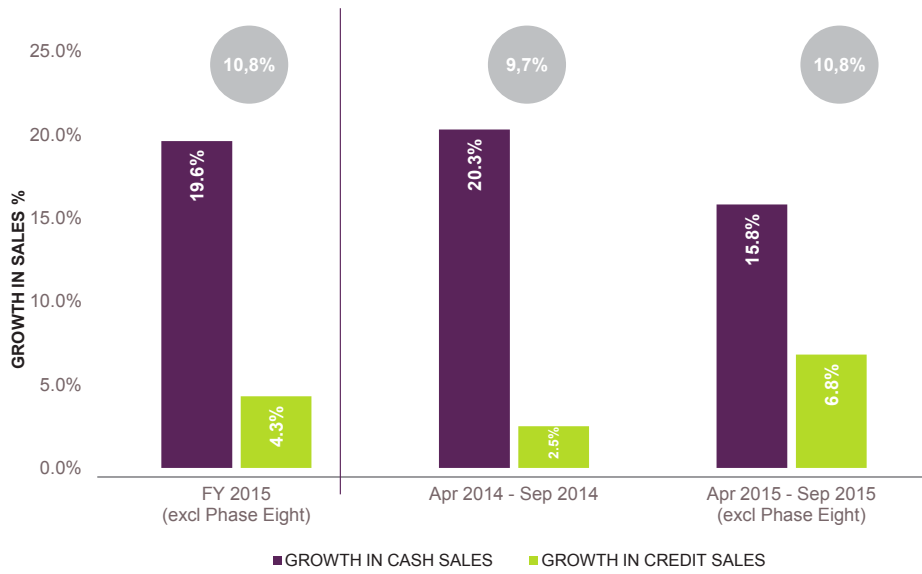
## TURNOVER: MERCHANDISE CATEGORY CONTRIBUTION



TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

14

## CASH VS CREDIT TURNOVER GROWTH EXCLUDING PHASE EIGHT



## REVIEW OF THE PERIOD

- Continued strong cash sales growth of 15,8% (67,4% including Phase Eight)
- Improved credit turnover growth at 6,8% (September 2014: 2,5%)
- Gross margins in all categories maintained
  - Phase Eight margin boosts overall GP
  - Merchandise inflation at approximately 7%
- Like-for-like expense growth at approximately 5%
- 201 new outlets opened
  - 104 in South Africa
  - 16 in the rest of Africa
  - 81 internationally through Phase Eight
- Launch of tweens brand SODA Bloc
- Launch of Sports' division online selling
- Integration of Phase Eight progressing
- Trade receivables' book continues to be well managed
  - Improvement in net bad debt growth to 4,4% compared to 9,9% at September 2014 (Sept 2013: 37,6%)
  - Continued implementation of appropriate credit risk measures
  - Adequately provisioned
- Balance sheet
  - Additional equity raised through scrip distribution
  - Optimisation of long term vs short term funding in progress

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

17

## SEPTEMBER 2015: SALIENT FEATURES

Retail turnover	<b>R9,8 bn</b>	↑
Retail turnover growth	<b>33,6%</b>	↑
Gross margin	<b>49,1%</b>	↑
Net bad debt / closing debtors' book	<b>14,0%</b>	↑
ROE	<b>22,5%</b>	↓
Debt / equity – recourse	<b>56,2%</b>	↓
Debt / equity - total	<b>75,0%</b>	↓

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

18



## SEPTEMBER 2015: SALIENT FEATURES

HEPS from continuing operations (cents)	470,2	↑
HEPS from continuing operations - growth	16,6%	↑
Interim distribution (cents per share)	306,0	↑
Growth in interim distribution	16,3%	↑



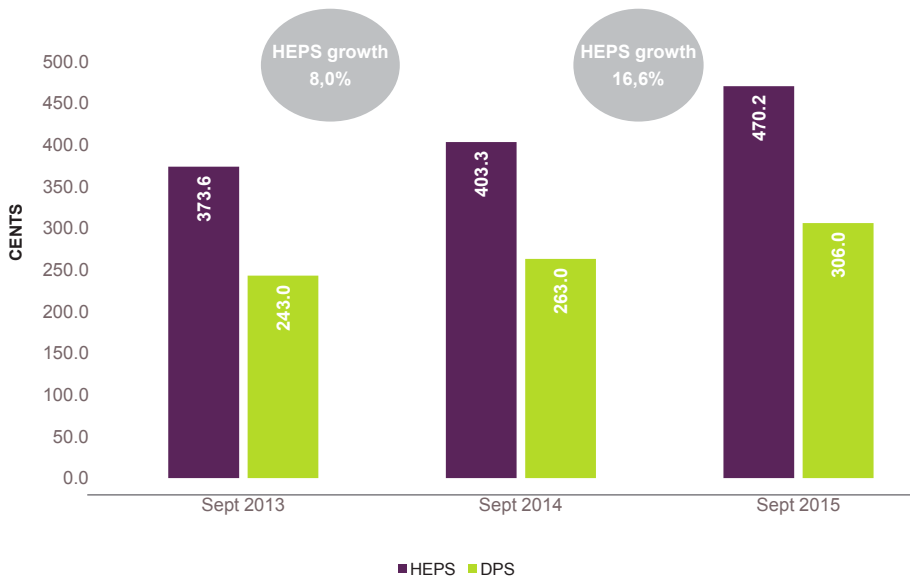
## FINANCIAL REVIEW: INCOME STATEMENT HIGHLIGHTS

	September 2015	September 2014	% change	% change excl Phase Eight
Revenue (Rm)	11 082,6	8 538,3	29,8	10,2
Retail turnover (Rm)	9 761,2	7 305,1	33,6	10,8
Gross margin (%)	49,1	45,4		
Trading expenses excl net bad debt (Rm)	4 005,2	2 819,8	42,0	11,6
Net bad debt (Rm)	506,7	485,2	4,4	4,4
Operating margin (%)	16,4	17,1		
HEPS from continuing operations (cents)	470,2	403,3	16,6	

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

21

## TFG EARNINGS & DISTRIBUTIONS CONTINUING OPERATIONS



TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

22

## REVENUE

	September 2015 (Rm)	September 2014 (Rm)	% change	% change excl Phase Eight
Retail turnover	9 761,2	7 305,1	33,6	10,8
Interest income	732,4	663,5	10,4	10,4
Other revenue	589,0	569,7	3,4	3,4
<b>Group total</b>	<b>11 082,6</b>	<b>8 538,3</b>	<b>29,8</b>	<b>10,2</b>

- Strong growth in retail turnover
- Interest income will be dealt with separately
- Other revenue growth +3,4%
  - Comprises publishing income, insurance income, collection cost recovery and income from mobile one2one airtime
  - Will be dealt with separately in Financial Services section

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

23

## GROSS PROFIT

	September 2015	September 2014	% change
Gross profit (Rm)	4 788,8	3 318,8	44,3
Gross margin (%)	49,1	45,4	

- Gross margins broadly consistent in all merchandise categories
- Excluding Phase Eight, gross margin at 46,1%

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

24



## INTEREST INCOME

	September 2015 (Rm)	September 2014 (Rm)	% change
Trade receivables – retail	721,6	654,0	10,3
Sundry	10,8	9,5	13,7
<b>Total interest income</b>	<b>732,4</b>	<b>663,5</b>	<b>10,4</b>

- Interest income from retail debtors' book increased by 10,3%
  - Repo rate increase of 25bps in July 2014 and July 2015
  - Book growth of 6,2% (Sept to Sept movement)
  - 88,2% of balances now attracting interest (Sept 2014: 88,5%)

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

25

## TRADING EXPENSES

	September 2015 (Rm)	% to turnover Sept 2015	September 2014 (Rm)	% to turnover Sept 2014	% change	% change excl Phase Eight
Depreciation and amortisation	(213,7)	2,2	(198,2)	2,7	7,8	(18,6)
Employee costs	(1 479,2)	15,2	(1 056,8)	14,5	40,0	14,0
Occupancy costs	(963,5)	9,9	(748,7)	10,2	28,7	11,6
Other net operating costs	(1 348,8)	13,8	(816,1)	11,2	65,3	16,0
<b>Trading expenses before net bad debt</b>	<b>(4 005,2)</b>	<b>41,0</b>	<b>(2 819,8)</b>	<b>38,6</b>	<b>42,0</b>	<b>11,6</b>
Net bad debts	(506,7)	5,2	(485,2)	6,6	4,4	4,4
<b>Total trading expenses</b>	<b>(4 511,9)</b>	<b>46,2</b>	<b>(3 305,0)</b>	<b>45,2</b>	<b>36,5</b>	<b>10,6</b>

- Expenses before bad debt growing at 42,0%
  - Excluding Phase Eight: growth at 11,6%
  - Like-for-like costs approximately 5%
- Employee costs growth at 40,0%
  - Excluding Phase Eight: growth at 14,0%
  - Salary increases at 6,5%
  - Employment of additional 1 200 employees
    - new stores
    - investment in Africa, e-commerce and analytics

- Store occupancy costs up 28,7%
  - Excluding Phase Eight: growth at 11,6%
  - Normal lease escalations average 7%
  - The balance is made up of new stores
- Other net operating costs increased by 65,3%
  - Excluding Phase Eight: growth at 16,0%
  - Investment in marketing, rewards programme, international merchandise consultants, new account cards
- Bad debts will be dealt with by Jane Fisher

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

26

## DEPRECIATION & AMORTISATION

	September 2015	September 2014	% change	% change excl Phase Eight
Depreciation & amortisation (Rm) – revised	<b>(213,7)</b>	(198,2)	7,8	(18,6)
Depreciation & amortisation (Rm) – excl revision	<b>(278,1)</b>	(198,2)	40,3	13,9
Total trading expenses (Rm) – revised	<b>(4 511,9)</b>	(3 305,0)	36,5	10,6
Total trading expenses (Rm) – excl revision	<b>(4 576,3)</b>	(3 305,0)	38,5	12,5

- Useful life of shopfitting assets revised to align with average store revamp period

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

27

## FINANCE COST

	September 2015 (Rm)	September 2014 (Rm)	% change
Finance cost	<b>(240,4)</b>	(85,6)	180,8

- Overall levels of finance cost tracking against plan post disposal of RCS and acquisition of Phase Eight
- Interest impacted by:
  - Higher average borrowing levels
    - Funding of debtors' book, stock and capex
    - UK debt
  - Higher average cost of borrowings
    - Higher level of term funding
    - Interest rate increase (25bps July 2015)

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

28

## STOCK & CREDITORS

	September 2015 (Rm)	March 2015 (Rm)	% change
Stock	4 363,2	3 813,9	14,4

- Excluding Phase Eight, stock up by 12,3%
  - New stores
  - Inflation

	September 2015 (Rm)	March 2015 (Rm)	% change
Trade and other payables	2 671,2	2 553,0	4,6

- Excluding Phase Eight, payables up by 4,3%

## TRADE RECEIVABLES

	September 2015 (Rm)	March 2015 (Rm)	% change
Trade receivables - retail	6 339,2	6 199,9	2,2

- Our biggest asset by far
- Increased at lower rate than credit turnover, partly due to improved collections
- Continue to be well managed in the current climate
  - Adequate provisioning
- Jane Fisher will deal with the performance of our receivables in more detail



## BORROWINGS

	September 2015 (Rm)	March 2015 (Rm)
Interest-bearing debt	7 847,1	7 042,5
Less: Cash	(1 003,7)	(800,4)
Net borrowings TFG including Phase Eight	6 843,4	6 242,1
Less: Phase Eight net borrowings (non-recourse)	(1 712,4)	(1 639,2)
<b>TFG borrowings excluding Phase Eight</b>	<b>5 131,0</b>	<b>4 602,9</b>

- Net borrowings up by R0,5 billion primarily due to
  - Continued investment in book growth and inventory (primarily new store stock and inflation)
- Total group gearing 75,0%
  - Recourse (TFG excluding Phase Eight) gearing of 56,2% (March 2015: 56,6%)
- Continuing with 2<sup>nd</sup> scrip distribution with a cash dividend alternative
- Depending on level of take-up, gearing anticipated to reduce as follows in the short term:
  - Recourse gearing - approximately 45%
  - Total gearing - approximately 60%

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

31

## CASH GENERATION & UTILISATION

	(Rm)	September 2015 (Rm)
<b>Net borrowings at beginning of the period</b>		<b>(6 242,1)</b>
Cash EBITDA	1 646,8	
Increase in creditors	29,0	
Other net investing activities	12,2	
<b>Cash generated</b>		<b>1 688,0</b>
Taxation paid	(424,9)	
Dividends paid	(349,2)	
Receivables increase	(190,4)	
Inventory increase	(489,3)	
Capital expenditure	(418,0)	
Intangible asset on acquisition	(6,2)	
Net cash flows from share incentive scheme transactions	(183,3)	
<b>Cash utilised</b>		<b>(2 061,3)</b>
Forex (movement on revaluation of Phase Eight debt)		(228,0)
<b>Net borrowings at the end of the period</b>		<b>(6 843,4)</b>

- Sound cash EBITDA of R1 646,8 million (Sept 2014: R1 429,9 million)
  - Growth of 15,2%
  - Excluding impact of RCS in base, improvement of 26%
- Capex at R418,0 million
  - Largely due to new store openings and investment in IT

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

32

## CAPEX

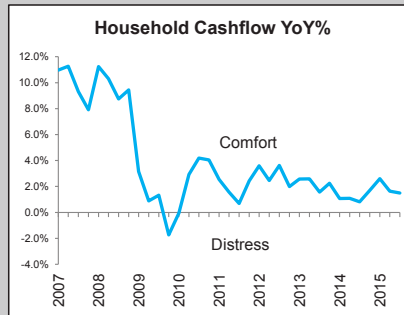
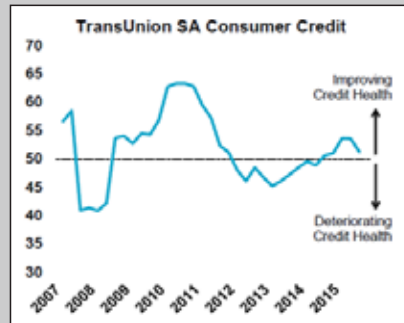
	September 2015 (Rm)	September 2014 (Rm)
Stores	212,5	197,9
IT	110,1	95,3
Phase Eight	46,8	-
Other	48,6	28,3
<b>Total</b>	<b>418,0</b>	<b>321,5</b>

- The majority of capex relates to opening of new stores, in line with our strategy of growing floor space and market share
- Ongoing investment in IT retail systems
- Investment in additional capacity:
  - New Johannesburg DC – 22 000 sqm
  - Expanding manufacturing capacity - Caledon



## TFG FINANCIAL SERVICES: INDUSTRY REVIEW

- Overall, the improvement observed in the index at the start of year has stalled, but the trend nevertheless remains positive.
- The decrease in fuel prices provided some brief relief to consumers. However, this has since been eroded by higher fuel levies and rand weakness, and this reflects in the weaker cash flows.
- SARB forecasts inflation increases which may put cash flows slightly under pressure in the future.
- Impact of credit regulations
  - Account growth
  - Complexity of business process



TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

35

## TFG FINANCIAL SERVICES – CREDIT: PERFORMANCE

	September 2015 (Rm)	September 2014 (Rm)	% change
Interest income	721,6	654,0	10,3
Net bad debt	(506,7)	(485,2)	4,4
Credit costs	(120,9)	(97,9)	23,5
<b>EBIT</b>	<b>94,0</b>	<b>70,9</b>	<b>32,6</b>

- **Interest income increased by 10,3%:**
  - Repo rate increase of 0,25% in July 2015 and July 2014
  - Gross book growth of 7,3% (Sept vs Sept)
- **Bad debt and impairment increase by 4,4% (Sep 2014: 9,9%)**
  - Improved recoveries
  - Lower impairment charge as book growth slows
- **Credit costs increase by 23,5%:**
  - Collection costs fall by 4,0%
  - Improved forensics capability
  - Strategic investment
    - Card replacement project
    - E-commerce
    - Increased analytics capability
    - Enhanced CRM capabilities

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

36

## TFG FINANCIAL SERVICES – CREDIT: BOOK

Key debtors statistics	September 2015	September 2014	% growth
Number of active accounts ('000)	2 667,4	2 663,3	0,2
Credit sales as a % of total retail sales (excl Phase Eight)	53,8	55,8	
Net debtors' book (Rm)	6 339,2	5 971,0	6,2

- Flat active account base growth due to conservative risk policies
- Credit turnover growth rate for the six month period improves to 6,8% (Sep 2014: 2,5%) following improvements in:
  - Buying position
  - Average sales value
- Continued strong cash sales growth creates more parity between credit and cash sales

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

37

## TFG FINANCIAL SERVICES – CREDIT: STATISTICS

Key debtors statistics	September 2015	March 2015	September 2014
Overdue values % to debtors' book	13,8	14,6	15,1
Net bad debt write off as a % of credit transactions	8,2	8,0	7,5
Net bad debt write off as a % of debtors' book	14,0	13,6	12,9
Doubtful debt provision as a % of debtors' book	13,9	13,6	13,0
% able to purchase	82,8	80,9	81,1

- Sustained trend of improvement in delinquency levels reflects credit tightening in account growth strategies
- Growth in gross charge off stable, but ahead of book growth
  - Net bad debt % increased, slightly better than expectations
  - New debtors performing better than existing book
- Lower rates of gross book growth at 7,3% (Sep 2014: 10,7%)

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

38

## TFG FINANCIAL SERVICES – CUSTOMER VALUE ADDED PRODUCTS

	September 2015 (Rm)	September 2014 (Rm)	% change
Publishing net income	92,9	88,1	5,4
Insurance net income	99,1	104,1	(4,8)
Mobile one2one airtime net income	30,1	36,9	(18,4)
<b>EBIT</b>	<b>222,1</b>	<b>229,1</b>	<b>(3,1)</b>

- Income streams have been affected by a slowdown in new account growth
- Publishing income: Innovation continues with Motor and SA Rugby JV
  - Cost pressures mitigated by increased digital marketing and e-statements
- Insurance: Competitive pricing – below proposed regulatory limits
- O2O:
  - Mobile airtime market extremely competitive
  - Strike at MTN impact sales performance in first half - improvement expected in second half

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

39

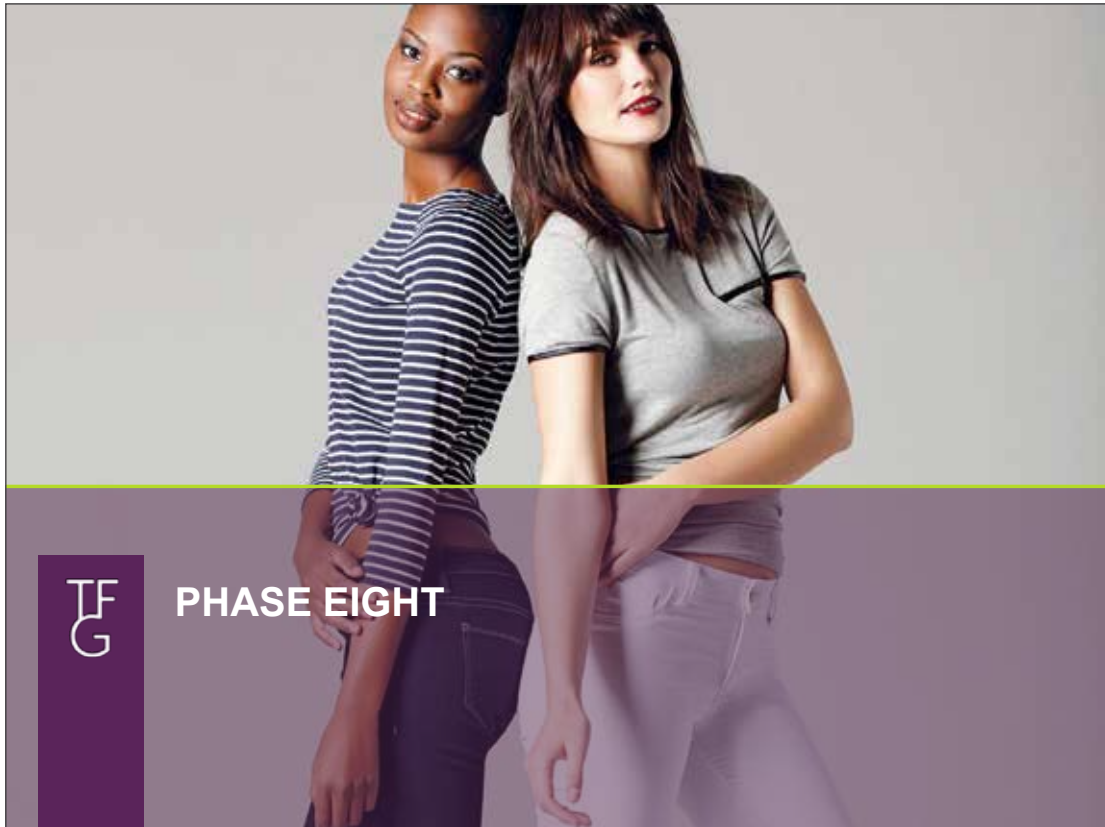
## TFG FINANCIAL SERVICES: STRATEGY & OUTLOOK

- Regulatory environment becoming increasingly complex:
  - Affordability regulations
  - Proposed interest caps
- Outlook for credit metrics:
  - Expect current level of credit turnover to continue but impact of Affordability Regulations on new account openings could be significant
  - Growth rate in bad debts expected to continue downward trend
  - Impairment relief may be appropriate
- Key focus areas:
  - Investment in new account opening process
  - Leverage existing account base by improved analytics and credit strategies
  - Pilot of credit specific rewards initiative
  - Continued realisation of efficiencies in credit operations
  - Begin development of new credit offerings for 2016/17 launch
  - New markets for Publishing and Insurance identified and systems development underway
  - New product identified for O2O portfolio and negotiations underway

TFG | SEPTEMBER 2015 INTERIM RESULTS PRESENTATION

40





## PHASE EIGHT

- All strategic Year 1 initiatives on track
  - Launch of “One Stock” system
  - Launch of Studio 8 plus size range
  - Continued international and UK roll-out
    - Opened 81 new outlets
    - Expanded to 4 new countries
  - Development of wholesale range and establishment of US wholesale office
- Phase Eight results slightly ahead of expectation in GBP and earnings accretive
  - Revenue – R1,7bn
  - PBT – R155m
- ZAR hedge strategy already benefitting the group
- Full year expectation
  - All strategic objectives to be met with earnings at plan levels
  - Accretive to group PBT



## KEY PERFORMANCE INDICATORS



## KEY PERFORMANCE INDICATORS

		September 2015 (6 months)	March 2015 (12 months)	September 2014 (6 months)
<b>Key debtors statistics</b>	<b>2021 target</b>			
Turnover (Rbn)	R39 bn	<b>9,8</b>	16,1	7,3
Gross margin (%)	47% - 48%	<b>49,1</b>	47,3	45,4
Operating margin (%)	17% - 19%	<b>16,4</b>	17,5	17,1
Debt equity ratio – total (%)	40%	<b>75,0</b>	76,8	
ROE (%)	28% - 30%	<b>22,5</b>	23,4	
Space growth (TFG excluding Phase Eight) (%)	6%	<b>4,1</b>	6,7	4,0
Number of rewards customers – cash (million)	5,0	<b>4,6</b>	3,6	2,8
Number of rewards customers – credit (million)	3,5	<b>2,7</b>	2,7	2,7
Number of stores - SA	3 090	<b>2 226</b>	2 132	2 071
Number of stores - Africa	330	<b>164</b>	148	134
Number of outlets - Phase Eight	820	<b>523</b>	444	-



TF  
G

## OUTLOOK

### OUTLOOK & GUIDANCE FOR SECOND HALF 2016

- We expect to continue to benefit from good cash sales growth
- Credit environment likely to remain challenging particularly in light of the Affordability Regulations
- Gross margin to be maintained
  - Product inflation anticipated to be around 8% - 9%
- Continued focus on costs
  - Concerns around continued escalation in crime-related losses
- Space growth
  - Full year space growth expected to be approximately 7% (excluding Phase Eight)
    - 70 stores planned for 2<sup>nd</sup> half (excluding Phase Eight)
    - Phase Eight – approximately 35 outlets planned for 2<sup>nd</sup> half
- Continued focus on key strategic initiatives
- E-commerce roll-out remains on track with 5 brands already on-line
- Retail sales for the first 6 weeks
  - Strong growth of 34,6%
  - 11,9% growth excluding Phase Eight
  - Phase Eight trading in line with management's expectations



## ADDITIONAL INFORMATION



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sept 2015 Unaudited Rm	Sept 2014 Unaudited Rm	March 2015 Audited Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 444,5	1 813,3	2 197,0
Goodwill and intangible assets	5 047,3	91,9	4 365,2
Participation in export partnerships	8,1	20,8	8,4
Deferred taxation asset	368,9	351,3	354,7
	<b>7 868,8</b>	2 277,3	6 925,3
<b>Current assets</b>			
Inventory	4 363,2	2 846,6	3 813,9
Trade receivables - retail	6 339,2	5 971,0	6 199,9
Other receivables and prepayments	733,9	454,6	624,2
Concession receivables	171,4	-	156,5
Participation in export partnerships	9,0	8,5	13,2
Cash	1 003,7	433,1	800,4
Taxation receivable	39,3	26,2	-
	<b>12 659,7</b>	9 740,0	11 608,1
<b>Total assets</b>	<b>20 528,5</b>	12 017,3	18 533,4
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of The Foschini Group Limited</b>			
	9 125,6	7 759,3	8 130,9
<b>Non-controlling interest</b>	<b>3,2</b>	2,5	2,7
<b>Total equity</b>	<b>9 128,8</b>	7 761,8	8 133,6
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing debt	3 897,2	1 576,8	3 709,5
Put option liability	36,8	-	20,3
Cash-settled share incentive scheme	4,8	-	0,7
Operating lease liability	236,1	220,4	223,1
Deferred taxation liability	396,4	36,5	345,2
Post-retirement defined benefit plan	198,8	186,4	192,6
	<b>4 770,1</b>	2 020,1	4 491,4
<b>Current liabilities</b>			
Interest-bearing debt	3 949,9	226,6	3 333,0
Trade and other payables	2 671,2	1 999,8	2 553,0
Operating lease liability	8,5	9,0	9,0
Taxation payable	-	-	13,4
	<b>6 629,6</b>	2 235,4	5 908,4
<b>Total liabilities</b>	<b>11 399,7</b>	4 255,5	10 399,8
<b>Total equity and liabilities</b>	<b>20 528,5</b>	12 017,3	18 533,4



## CONDENSED CONSOLIDATED INCOME STATEMENT

	6 months ended 30 Sept 2015 Unaudited Rm	6 months ended 30 Sept 2014 Unaudited Rm	% change	Year ended 31 March 2015 Audited Rm
<i>Continuing operations</i>				
Revenue	11 082,6	8 538,3		18 544,0
Retail turnover	9 761,2	7 305,1	33,6	16 085,9
Cost of turnover	(4 972,4)	(3 986,3)		(8 484,2)
Gross profit	4 788,8	3 318,8		7 601,7
Interest income	732,4	663,5		1 367,7
Other revenue	589,0	569,7		1 090,4
Trading expenses	(4 511,9)	(3 305,0)		(7 252,7)
Operating profit before once-off acquisition costs and finance costs	1 598,3	1 247,0	28,2	2 807,1
Once-off acquisition costs	-	-		(292,4)
Finance costs	(240,4)	(85,6)		(228,1)
Profit before tax	1 357,9	1 161,4		2 286,6
Income tax expense	(385,9)	(339,8)		(748,8)
Profit from continuing operations	972,0	821,6	18,3	1 537,8
<i>Discontinued operations</i>				
Profit from discontinued operations, net of tax - RCS Group	-	86,2		86,2
Profit on disposal of discontinued operations - RCS Group	-	273,2		273,2
Profit for the period	972,0	1 181,0		1 897,2
<b>Attributable to:</b>				
Continuing operations	971,5	821,4		1 537,4
Discontinued operations	-	320,6		320,6
Equity holders of The Foschini Group Limited	971,5	1 142,0		1 858,0
Non-controlling interest	0,5	39,0		39,2
Profit for the period	972,0	1 181,0		1 897,2
<b>Earnings per ordinary share (cents)</b>				
<b>Continuing operations (excl. once-off acquisition costs - March 2015)</b>				
Basic	471,6	402,5	17,2	893,3
Headline	470,2	403,3	16,6	897,9
Diluted (basic)	467,7	400,9	16,7	885,7
Diluted (headline)	466,3	401,7	16,1	890,3
<b>Total</b>				
Basic	471,6	559,6	(15,7)	909,4
Headline	470,2	426,5	10,2	780,3
Diluted (basic)	467,7	557,4	(16,1)	901,7
Diluted (headline)	466,3	424,8	9,8	773,7
Weighted average ordinary shares in issue (millions)	206,0	204,1		204,3



## 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.