THE FOSCHINI GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

SALIENT FEATURES

+16,9%

TFG GROUP TURNOVER
up 16,9% to R11,4 billion
(TFG Africa*: +9,5%)

+8,1%

HEADLINE EARNINGS
up 8,1%

+5,7%

HEADLINE EARNINGS PER SHARE
up 5,7% to 496,8 cents

+4,6%

INTERIM DIVIDEND
of 320,0 cents per share – a 4,6% increase

61,4%

TOTAL CASH COMPONENT
of turnover 61,4%
(TFG Africa: 50,2%)

29,5%

STRONG CASH TURNOVER GROWTH
of 29,5%
(TFG Africa: 19,0%)

INTERIM HEADLINE EARNINGS
exceed
R1 billion
for the first time

** TFG Africa includes all operations on the African continent.*

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sept 2016 Unaudited Rm	Restated Sept 2015 Unaudited Rm	March 2016 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment (note 15)	**2 380,1**	2 055,6	2 335,7
Goodwill and intangible assets (note 15)	**4 861,4**	5 436,2	5 577,8
Participation in export partnerships	**10,6**	8,1	8,2
Deferred taxation asset	**519,7**	368,9	527,2
	7 771,8	7 868,8	8 448,9
Current assets			
Inventory (note 4)	**5 126,5**	4 363,2	5 116,1
Trade receivables – retail	**6 669,5**	6 339,2	6 695,0
Other receivables and prepayments	**726,3**	733,9	592,9
Concession receivables	**272,8**	171,4	347,2
Participation in export partnerships	**2,5**	9,0	6,2
Cash	**973,5**	1 003,7	888,8
Taxation receivable	**–**	39,3	–
	13 771,1	12 659,7	13 646,2
Total assets	**21 542,9**	20 528,5	22 095,1
EQUITY AND LIABILITIES			
Equity attributable to equity holders of The Foschini Group Limited	**9 951,1**	9 125,6	9 896,7
Non-controlling interest	**4,5**	3,2	4,0
Total equity	**9 955,6**	9 128,8	9 900,7
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	**4 119,4**	3 897,2	5 026,3
Put option liability	**40,7**	36,8	48,1
Cash-settled share incentive scheme	**7,2**	4,8	8,5
Operating lease liability	**247,8**	236,1	238,2
Deferred taxation liability	**381,5**	396,4	435,4
Post-retirement defined benefit plan	**225,2**	198,8	217,3
	5 021,8	4 770,1	5 973,8
Current liabilities			
Interest-bearing debt	**3 589,0**	3 949,9	3 139,4
Trade and other payables	**2 933,5**	2 671,2	3 046,7
Operating lease liability	**11,4**	8,5	10,8
Taxation payable	**31,6**	–	23,7
	6 565,5	6 629,6	6 220,6
Total liabilities	**11 587,3**	11 399,7	12 194,4
Total equity and liabilities	**21 542,9**	20 528,5	22 095,1

CONDENSED CONSOLIDATED INCOME STATEMENT

	6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	% change	Year ended 31 March 2016 Audited Rm
Revenue (note 5)	**12 854,9**	11 082,6		23 746,4
Retail turnover	**11 415,7**	9 761,2	16,9	21 107,5
Cost of turnover	**(5 756,3)**	(4 972,4)		(10 613,1)
Gross profit	**5 659,4**	4 788,8		10 494,4
Interest income (note 6)	**862,8**	732,4		1 533,0
Other income (note 7)	**576,4**	589,0		1 105,9
Trading expenses (note 8)	**(5 369,5)**	(4 511,9)		(9 537,2)
Operating profit before once-off acquisition costs and finance costs	**1 729,1**	1 598,3	8,2	3 596,1
Once-off acquisition costs	**–**	–		(65,9)
Finance costs	**(307,5)**	(240,4)		(509,0)
Profit before tax	**1 421,6**	1 357,9		3 021,2
Income tax expense	**(378,8)**	(385,9)		(863,9)
Profit for the period	**1 042,8**	972,0		2 157,3
Attributable to:				
Equity holders of The Foschini Group Limited	**1 042,3**	971,5		2 155,6
Non-controlling interest	**0,5**	0,5		1,7
Profit for the period	**1 042,8**	972,0		2 157,3
Earnings per ordinary share (cents)				
Total				
Basic	**494,5**	471,6	4,9	1 041,5
Headline	**496,8**	470,2	5,7	1 024,0
Diluted (basic)	**491,6**	467,7	5,1	1 031,9
Diluted (headline)	**493,9**	466,3	5,9	1 014,5
Weighted average ordinary shares in issue (millions)	**210,8**	206,0		207,0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	Year ended 31 March 2016 Audited Rm
Profit for the period	**1 042,8**	972,0	2 157,3
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Actuarial losses on post-retirement defined benefit plan	**-**	-	(11,8)
Deferred tax on items that will never be reclassified to profit or loss	**-**	-	3,3
Items that are or may be reclassified to profit or loss			
Movement in effective portion of changes in fair value of cash flow hedges	**(16,6)**	44,3	(70,3)
Foreign currency translation reserve movements	**(604,8)**	442,2	464,0
Deferred tax on items that are or may be reclassified to profit or loss	**4,7**	(12,4)	19,7
Other comprehensive income for the period, net of tax	**(616,7)**	474,1	404,9
Total comprehensive income for the period	**426,1**	1 446,1	2 562,2
Attributable to:			
Equity holders of The Foschini Group Limited	**425,6**	1 445,6	2 560,5
Non-controlling interest	**0,5**	0,5	1,7
Total comprehensive income for the period	**426,1**	1 446,1	2 562,2

SUPPLEMENTARY INFORMATION

	Sept 2016 Unaudited	Restated Sept 2015 Unaudited	March 2016 Audited
Net ordinary shares in issue (millions)	**213,4**	207,0	209,3
Weighted average ordinary shares in issue (millions)	**210,8**	206,0	207,0
Tangible net asset value per ordinary share (cents)	**2 385,0**	1 782,4	2 063,5

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 2015 – audited	**8 130,9**	**2,7**	**8 133,6**
Total comprehensive income for the period	1 445,6	0,5	1 446,1
Profit for the period	971,5	0,5	972,0
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	44,3	–	44,3
Foreign currency translation reserve movements	442,2	–	442,2
Deferred tax on movement in other comprehensive income	(12,4)	–	(12,4)
Contributions by and distributions to owners			
Share-based payments reserve movements	57,7	–	57,7
Dividends paid	(685,7)	–	(685,7)
Scrip distribution: share capital issued and share premium raised	336,5	–	336,5
Proceeds from sale of shares in terms of share incentive schemes	8,0	–	8,0
Shares purchased in terms of share incentive schemes	(191,3)	–	(191,3)
Increase in the fair value of the put option liability	(15,9)	–	(15,9)
Current tax on shares purchased	13,3	–	13,3
Deferred tax on shares purchased	26,5	–	26,5
Equity at 30 September 2015 – unaudited	**9 125,6**	**3,2**	**9 128,8**
Total comprehensive income for the period	1 114,9	1,2	1 116,1
Profit for the period	1 184,1	1,2	1 185,3
Other comprehensive income			
Actuarial losses on post-retirement defined benefit plan	(11,8)	–	(11,8)
Movement in effective portion of changes in fair value of cash flow hedges	(114,6)	–	(114,6)
Foreign currency translation reserve movements	21,8	–	21,8
Deferred tax on movement in other comprehensive income	35,4	–	35,4
Contributions by and distributions to owners			
Share-based payments reserve movements	57,0	–	57,0
Dividends paid	(641,5)	(0,4)	(641,9)
Scrip distribution: share capital issued and share premium raised	243,3	–	243,3
Proceeds from sale of shares in terms of share incentive schemes	10,1	–	10,1
Shares purchased in terms of share incentive schemes	(2,3)	–	(2,3)
Increase in the fair value of the put option liability	(11,3)	–	(11,3)
Current tax on shares purchased	0,3	–	0,3
Deferred tax on shares purchased	0,6	–	0,6
Equity at 31 March 2016 – audited	**9 896,7**	**4,0**	**9 900,7**

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 2016 – audited	**9 896,7**	**4,0**	**9 900,7**
Total comprehensive income for the period	**425,6**	**0,5**	**426,1**
Profit for the period	**1 042,3**	**0,5**	**1 042,8**
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	**(16,6)**	**–**	**(16,6)**
Foreign currency translation reserve movements	**(604,8)**	**–**	**(604,8)**
Deferred tax on movement in other comprehensive income	**4,7**	**–**	**4,7**
Contributions by and distributions to owners			
Share-based payments reserve movements	**60,2**	**–**	**60,2**
Dividends paid	**(814,8)**	**–**	**(814,8)**
Scrip distribution: share capital issued and share premium raised	**542,9**	**–**	**542,9**
Proceeds from sale of shares in terms of share incentive schemes	**73,9**	**–**	**73,9**
Shares purchased in terms of share incentive schemes	**(233,4)**	**–**	**(233,4)**
Equity at 30 September 2016 – unaudited	**9 951,1**	**4,5**	**9 955,6**

	6 months ended 30 Sept 2016 Unaudited	6 months ended 30 Sept 2015 Unaudited	Year ended 31 March 2016 Audited
Distribution per ordinary share (cents)			
Interim	**320,0**	306,0	306,0
Final			385,0
Total	**320,0**	306,0	691,0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	Year ended 31 March 2016 Audited Rm
Cash flows from operating activities			
Operating profit before working capital changes (note 9)	**2 053,5**	1 876,4	4 127,2
Increase in working capital	**(268,2)**	(648,9)	(1 509,4)
Cash generated from operations	**1 785,3**	1 227,5	2 617,8
Interest income	**11,6**	10,8	22,3
Finance costs	**(307,5)**	(240,4)	(509,0)
Taxation paid	**(353,3)**	(424,9)	(921,8)
Dividends paid	**(271,9)**	(349,2)	(747,8)
Net cash inflows from operating activities	**864,2**	223,8	461,5
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	**(435,8)**	(411,0)	(901,0)
Acquisition of assets through business combinations	**–**	(15,0)	(152,4)
Proceeds from sale of property, plant and equipment	**5,3**	7,7	14,6
Repayment of participation in export partnerships	**1,3**	4,5	7,2
Proceeds from disposal of investment	**–**	–	1,1
Net cash outflows from investing activities	**(429,2)**	(413,8)	(1 030,5)
Cash flows from financing activities			
Shares purchased in terms of share incentive schemes	**(233,4)**	(191,3)	(193,6)
Proceeds from sale of shares in terms of share incentive schemes	**73,9**	8,0	18,1
(Decrease) increase in interest-bearing debt	**(119,2)**	490,3	760,6
Net cash (outflows) inflows from financing activities	**(278,7)**	307,0	585,1
Net increase in cash during the period	**156,3**	117,0	16,1
Cash at the beginning of the period	**888,8**	800,4	800,4
Effect of exchange rate fluctuations on cash held	**(71,6)**	86,3	72,3
Cash at the end of the period	**973,5**	1 003,7	888,8

CONSOLIDATED SEGMENTAL ANALYSIS

6 months ended 30 September 2016	Retail trading divisions Unaudited Rm	Customer value-added products Unaudited Rm	Credit Unaudited Rm	Central and shared services Unaudited Rm	International divisions Unaudited Rm	Total retail Unaudited Rm
External revenue	**8 860,1**	**402,3**	**164,8**	**9,3**	**2 555,6**	**11 992,1**
External interest income	**–**	**–**	**851,2**	**11,6**	**–**	**862,8**
Total revenue*	**8 860,1**	**402,3**	**1 016,0**	**20,9**	**2 555,6**	**12 854,9**
External finance costs				**(259,8)**	**(47,7)**	**(307,5)**
Depreciation and amortisation				**(206,1)**	**(55,7)**	**(261,8)**
Group profit before tax						**1 421,6**
Segmental profit (loss) before tax	**1 668,2**	**204,6**	**256,8**	**(870,3)**	**222,3**	**1 481,6**
Other material non-cash items						
Foreign exchange transactions						**10,4**
Share-based payments						**(60,2)**
Operating lease liability adjustment						**(10,2)**
Capital expenditure						**435,8**
Segment assets						**21 542,9**
Segment liabilities						**11 587,3**

6 months ended 30 September 2015	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm
External revenue	8 091,1	418,6	156,2	14,2	1 670,1	10 350,2
External interest income	–	–	721,6	10,8	–	732,4
Total revenue*	8 091,1	418,6	877,8	25,0	1 670,1	11 082,6
External finance costs				(189,8)	(50,6)	(240,4)
Depreciation and amortisation				(161,4)	(52,3)	(213,7)
Group profit before tax						1 357,9
Segmental profit (loss) before tax	1 675,1	222,1	94,0	(716,9)	155,0	1 429,3
Other material non-cash items						
Foreign exchange transactions						(1,2)
Share-based payments						(57,7)
Operating lease liability adjustment						(12,5)
Capital expenditure						418,0
Segment assets						20 528,5
Segment liabilities						11 399,7

* *Includes retail turnover, interest income and other income.*

CONSOLIDATED SEGMENTAL ANALYSIS (CONTINUED)

Year ended 31 March 2016	Retail trading divisions Audited Rm	Customer value-added products Audited Rm	Credit Audited Rm	Central and shared services Audited Rm	International divisions Audited Rm	Total retail Audited Rm
External revenue	17 504,4	778,4	312,4	15,1	3 603,1	22 213,4
External interest income	–	–	1 510,7	22,3	–	1 533,0
Total revenue*	17 504,4	778,4	1 823,1	37,4	3 603,1	23 746,4
External finance costs				(409,5)	(99,5)	(509,0)
Depreciation and amortisation				(347,1)	(117,6)	(464,7)
Group profit before tax						3 021,2
Segmental profit (loss) before tax	3 683,4	437,6	320,1	(1 531,0)	241,3	3 151,4
Other material non-cash items						
Foreign exchange transactions						1,4
Share-based payments						(114,7)
Operating lease liability adjustment						(16,9)
Capital expenditure						901,0
Segment assets						22 095,1
Segment liabilities						12 194,4

* *Includes retail turnover, interest income and other income.*

NOTES

1. Basis of preparation

   The unaudited interim condensed consolidated results for the half-year ended 30 September 2016 are prepared in accordance with the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of these unaudited interim condensed consolidated results are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements except as noted otherwise. These results were prepared by the TFG Finance and Advisory department of The Foschini Group Limited, acting under supervision of Anthony Thunström CA(SA), CFO of The Foschini Group Limited.

2. During the period, the group adopted the following revised accounting standards:

   - Annual Improvements to IFRSs 2012-2014 Cycle – various standards
   - Disclosure Initiative (Amendments to IAS 1)

   The adoption of these standards had no material impact 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.

		6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	Year ended 31 March 2016 Audited Rm
4.	**Inventory**			
	Inventory at period end	**5 126,5**	4 363,2	5 116,1
	Inventory write-downs included above	**91,4**	82,4	174,9
5.	**Revenue**			
	Retail turnover	**11 415,7**	9 761,2	21 107,5
	Interest income (note 6)	**862,8**	732,4	1 533,0
	Other income (note 7)	**576,4**	589,0	1 105,9
		12 854,9	11 082,6	23 746,4
6.	**Interest income**			
	Trade receivables – retail	**851,2**	721,6	1 510,7
	Sundry	**11,6**	10,8	22,3
		862,8	732,4	1 533,0

		6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	Year ended 31 March 2016 Audited Rm
7.	**Other income**			
	Publishing income	**196,1**	201,4	399,4
	Collection cost recovery	**164,8**	156,2	312,4
	Insurance income	**162,3**	174,5	297,8
	Mobile one2one airtime income	**43,9**	42,7	81,2
	Sundry income	**9,3**	14,2	15,1
		576,4	589,0	1 105,9
8.	**Trading expenses**			
	Depreciation and amortisation	**(261,8)**	(213,7)	(464,7)
	Employee costs	**(1 799,9)**	(1 479,2)	(3 210,8)
	Occupancy costs	**(1 171,5)**	(963,5)	(2 043,2)
	Net bad debt	**(485,6)**	(506,7)	(947,7)
	Other operating costs	**(1 650,7)**	(1 348,8)	(2 870,8)
		(5 369,5)	(4 511,9)	(9 537,2)
9.	**Operating profit before working capital changes**			
	Profit before tax	**1 421,6**	1 357,9	3 021,2
	Finance costs	**307,5**	240,4	509,0
	Operating profit before finance costs	**1 729,1**	1 598,3	3 530,2
	Interest income – sundry	**(11,6)**	(10,8)	(22,3)
	Non-cash items	**336,0**	288,9	619,3
	Depreciation and amortisation	**261,8**	213,7	464,7
	Operating lease liability adjustment	**10,2**	12,5	16,9
	Share-based payments	**60,2**	57,7	114,7
	Post-retirement defined benefit medical aid movement	**7,9**	6,2	12,9
	Foreign currency translation reserve movements	**(10,4)**	(1,2)	1,4
	Cash-settled share incentive scheme	**–**	3,7	7,7
	Profit on disposal of investment	**–**	–	(1,1)
	Loss on disposal of property, plant and equipment	**6,5**	0,7	7,1
	Profit on disposal of property, plant and equipment	**(0,2)**	(4,4)	(5,0)
		2 053,5	1 876,4	4 127,2

		6 months ended 30 Sept 2016 Unaudited Rm	6 months ended 30 Sept 2015 Unaudited Rm	Year ended 31 March 2016 Audited Rm
10.	**Reconciliation of profit for the period to headline earnings**			
	Profit for the period attributable to equity holders of The Foschini Group Limited	**1 042,3**	971,5	2 155,6
	Adjusted for:			
	Profit on disposal of property, plant and equipment	**(0,2)**	(4,4)	(5,0)
	Loss on disposal of property, plant and equipment	**6,5**	0,7	7,1
	Profit on disposal of investment	**–**	–	(1,1)
	Adjusted headline earnings before tax	**1 048,6**	967,8	2 156,6
	Tax on headline earnings adjustments	**(1,5)**	0,8	(37,3)
	Headline earnings	**1 047,1**	968,6	2 119,3
	Once-off acquisition costs	**–**	–	65,9
	Adjusted headline earnings*	**1 047,1**	968,6	2 185,2

* *Adjusted headline earnings is calculated to remove the impact of the once-off acquisition costs of the prior year's Whistles acquisition.*

Earnings per ordinary share (cents)	6 months ended 30 Sept 2016	6 months ended 30 Sept 2015	% change	Year ended 31 March 2016
Total (excluding once-off acquisition costs)				
Basic	**494,5**	471,6	4,9	1 073,3
Headline	**496,8**	470,2	5,7	1 055,8
Diluted (basic)	**491,6**	467,7	5,1	1 063,4
Diluted (headline)	**493,9**	466,3	5,9	1 046,0
Total				
Basic	**494,5**	471,6	4,9	1 041,5
Headline	**496,8**	470,2	5,7	1 024,0
Diluted (basic)	**491,6**	467,7	5,1	1 031,9
Diluted (headline)	**493,9**	466,3	5,9	1 014,5

11. **Related parties**

    The group entered into related party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the group's annual financial statements for the year ended 31 March 2016.

12. **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. The group only has level 2 financial instruments. There are no level 1 or level 3 financial instruments within the group and there were no transfers between levels during the period.

13. **Subsequent events**

    No further significant events took place between the period ending 30 September 2016 and date of issue of this report.

14. **Changes in directors**

    There were no changes in directors during the current period.

15. **Reclassification of property, plant and equipment to goodwill and intangible assets (in line with the year ended 31 March 2016)**

    During the year ended 31 March 2016, the group reclassified software previously accounted for under property, plant and equipment to goodwill and intangible assets.

    The reclassification 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:

	30 Sept 2015 As reported Rm	30 Sept 2015 Adjustment Rm	30 Sept 2015 As restated Rm
Property, plant and equipment	2 444,5	(388,9)	2 055,6
Goodwill and intangible assets	5 047,3	388,9	5 436,2

COMMENTARY

INTRODUCTION

Given our expansion both in Africa and internationally we will be using the naming conventions defined below to assist our stakeholders in understanding the Group's activities:

- "The TFG Group" or "the Group" – refers to the consolidated performance of TFG Limited and all its subsidiaries
- "TFG Africa" – refers to all operations on the African continent
- "TFG International" – refers to all operations outside the African continent

In the commentary below, numbers quoted refer to the Group unless otherwise specified.

PERFORMANCE OVERVIEW

The Group produced a satisfactory result for the period with retail turnover growth of 16,9%. This growth was achieved despite the backdrop of a difficult trading environment, particularly in South Africa. Turnover from TFG Africa grew by 9,5% with comparable sales growth of 2,1%.

Cash turnover growth for the period was strong at 29,5% (TFG Africa: 19,0%). Our credit turnover however has been severely impacted by the reduction in new account openings as a result of the Affordability Regulations and grew by only 1,4%.

Gross margin for the period remained broadly consistent in all merchandise categories. The Group achieved a gross margin of 49,6% (Sept 2015: 49,1%) for the period whilst a margin of 45,5% (Sept 2015: 46,1%) was achieved in TFG Africa. As anticipated, the TFG Africa margin was impacted by The FIX which had a lower gross margin for clothing due to the impact of its transition from Fashion Express, which is progressing according to plan. In addition, the TFG Africa gross margin mix was impacted by strong cellular sales (+20,3%) which historically trades at a lower margin.

Total trading expenses increased by 19,0% (TFG Africa: 9,6%) over the previous period, largely due to the acquisition of Whistles whose turnaround is progressing in line with management's expectations. Although cost control is a key focus area, we continue our investment in future growth. We are however concerned about the continued acceleration in crime-related losses in South Africa. To manage this risk we have invested in various, costly forensic capabilities and have also embarked on the roll-out of a revised and enhanced security strategy.

Headline earnings per share increased by 5,7% to 496,8 cents per share for the period, up from 470,2 cents per share in the previous period.

An interim cash dividend of 320,0 cents per share has been declared, an increase of 4,6%.

The Group opened 129 outlets during the period, 83 of which were in Africa and 46 internationally. As part of our capital optimization project, specific focus was placed on loss making outlets which resulted in 33 closures during the period. This brings the total number of outlets at end September to 3 221 in 34 countries. Trading space in our African operations increased by 5,3% since September 2015.

Our e-commerce roll-out continued during the period with the launch of Foschini cosmetics and our Markham and Fabiani brands, adding to our existing seven brands already online. Turnover from our online trading continues to grow above expectation for both our local and international brands.

MERCHANDISE CATEGORIES

Turnover growths in the various merchandise categories are as follows:

	% turnover growth (TFG Group)	% turnover growth (TFG Africa)	% same store turnover growth (TFG Africa)
Clothing	19,6	9,6	1,6
Jewellery	4,0	4,0	0,3
Cellphones	20,3	20,3	15,2
Homeware & furniture	7,3	7,3	(4,6)
Cosmetics	3,0	3,0	(0,8)

Total same store turnover (TFG Africa) grew by 2,1% whilst product inflation averaged approximately 9%.

CREDIT

The retail debtors' book of R6,7 billion, had zero growth compared to March 2016 due to the impact of the Affordability Regulations on our credit turnover as well as the number of active accounts. We estimate the negative impact on credit turnover to be in the region of R310 million for this period.

Strong prior year recoveries have assisted a 4,2% reduction in net bad debt. As a consequence of the slowdown in the growth of the debtors' book, net bad debt as a percentage of closing debtors' book was 14,0% (September 2015: 14,0%), up from 13,4% at March 2016. The retail debtors' book is adequately provisioned at 13,0%, down from 13,2% at the previous year-end and 13,9% at the end of September 2015.

BALANCE SHEET STRUCTURE

Our recourse debt to equity ratio at September 2016 improved to 53,2% from 55,6% at March 2016 with total debt to equity improving to 67,6% from 73,5% at March 2016.

AFRICA EXPANSION

During the period, 9 outlets were opened in African countries other than South Africa which includes our first TFG store, Sterns, in Kenya which opened in The Junction mall in Nairobi during September. This brings the total number of outlets to 185 across seven countries in the rest of Africa.

These outlets traded well with turnover growth of 17,7% during the period and 6,0% comparable store turnover growth. All the African countries achieved positive comparable store turnover growth for the period.

Expanding our footprint in the rest of Africa remains a Group objective.

The Group opened 74 outlets in South Africa during the period.

INTERNATIONAL EXPANSION

Our international division performed to expectation for the period. Phase Eight traded well with turnover growth of 11,6% in GBP. Whistles has already generated a positive EBITDA profit due to the strategies that have been implemented since acquisition. Earnings growth of 48% in GBP was achieved for the international division for the period. Both Phase Eight and Whistles are on track to meet the budget that was set for the year.

COMMENTARY (CONTINUED)

OUTLOOK

Uncertainty continues to cloud the outlook for both the domestic as well as the global economy.

As previously mentioned, the Affordability Regulations have had and will continue to have a negative impact on the Group's credit turnover. The Group, together with two other major listed retailers, has initiated legal action against the National Credit Regulator (NCR) and Department of Trade and Industry (dti) in connection with the Affordability Regulations.

As a listed company that currently employs over 20 000 people, the Group is strongly supportive of the recently announced "CEO Initiative Pledge". The Pledge stands against corruption and policy uncertainty which are having a negative impact on the South African economy.

The continuing uncertainty regarding the potential impact of Brexit on both the UK and European economies remains.

Despite the economic outlook, we believe that continued commitment to our strategic objectives around growth, profit, customer and leadership development will support our efforts to achieve a reasonable result for the full year. We plan to open in excess of 100 new outlets in the second half of the year, 90 of which will be in Africa with the balance being international. Further strategic initiatives planned for the second half of the year include working capital management and capital optimisation projects.

As always, the Group is heavily dependent on Christmas trading which will largely determine our performance for the full year.

Total retail turnover growth for the first 5 weeks of the second half is 13,3% with turnover growth of 12,2% in Africa.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend no. 160 of 3,25% (6,5 cents per share) (gross) in respect of the six months ending 31 March 2017 has been declared from income reserves, payable on Monday, 20 March 2017 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 17 March 2017. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Tuesday, 14 March 2017. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Wednesday, 15 March 2017 and the record date, as indicated, will be Friday, 17 March 2017.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Wednesday, 15 March 2017 to Friday, 17 March 2017, 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) The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 5,52500 cents;
3) The issued preference share capital of The Foschini Group Limited is 200 000 shares at 10 November 2016; and
4) 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 320,0 cents per ordinary share from income reserves, for the period ended 30 September 2016, payable on Monday, 9 January 2017 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 6 January 2017. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Tuesday, 3 January 2017. The Foschini Group Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Wednesday, 4 January 2017 and the record date, as indicated, will be Friday, 6 January 2017.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Wednesday, 4 January 2017 to Friday, 6 January 2017, 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) The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 272,00000 cents;
3) The issued ordinary share capital of The Foschini Group Limited is 219 515 434 shares at 10 November 2016; and
4) The Foschini Group Limited's tax reference number is 9925/133/71/3P.

Signed on behalf of the Board.

M Lewis
Chairman

A D Murray
CEO

Cape Town
10 November 2016

CORPORATE INFORMATION

Executive directors:	A D Murray, A Thunström
Non-executive directors:	M Lewis (Chairman), Prof F Abrahams, S E Abrahams, G Davin, D Friedland, B L M Makgabo-Fiskerstrand, E Oblowitz, N V Simamane, R Stein
Company Secretary:	D van Rooyen
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

GREYMATTER & FINCH # 10127

@home
THE HOMEWARE STORE

@homelivingspace
THE HOMEWARE STORE

AMERICANSWISS

CHARLES & KEITH

colette
by colette hayman

donna

DUESOUTH

EXACT

Fabiani.

THE FIX

FOSCHINI

G-STAR RAW

hi

MARKHAM

MAT & MAY

next

Phase Eight

SODA BLOC

sportscene

STERNS
1896

TOTALSPORTS

WHISTLES

TFG