

DIRECTORS' APPROVAL AND COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 March 2010

DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE GROUP ANNUAL FINANCIAL STATEMENTS

The board of directors (the board) is responsible for the content and integrity of the group annual financial statements and related information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of their operations and cash flows for the financial year, in conformity with International Financial Reporting Standards. The group's external auditors are engaged to express an independent opinion on the group annual financial statements.

The group annual financial statements are prepared in accordance with International Financial Reporting Standards. The accounting policies, unless otherwise stated, are consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal control and review its operation primarily through the audit and risk committees and various other management systems.

A strong control environment is maintained by applying a risk-based system of internal accounting and administrative controls and by ensuring adequate segregation of duties. In addition, Group Audit Services (internal audit) conduct specific risk-based audits and co-ordinate audit coverage with the external auditors.

The directors are of the opinion, based on the information and explanations given by management, the internal auditors and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have every reason to believe that the group will continue as a going concern for the foreseeable future, and the annual financial statements have been prepared on the basis of this assumption.

The annual financial statements and group annual financial statements set out on pages 174 to 227 were approved by the board on 21 June 2010 and are signed on its behalf by:

D M Nurek
Chairman

A D Murray
Chief Executive Officer

COMPANY SECRETARY'S CERTIFICATE

I certify that Foschini Limited has lodged with the Registrar of Companies all returns as required by a public company in terms of the Companies Act No. 61 of 1973, as amended, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

D Sheard
Secretary

21 June 2010

INDEPENDENT AUDITOR'S REPORT

for the year ended 31 March 2010

TO THE MEMBERS OF FOSCHINI LIMITED

We have audited the annual financial statements and the group annual financial statements of Foschini Limited, which comprise the statements of financial position at 31 March 2010, and the income statements, the statements of comprehensive income, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes and the directors' report as set out on pages 174 to 227.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Foschini Limited at 31 March 2010, and its

consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered Auditor
Per Henry du Plessis
Chartered Accountant (SA)
Director
8th Floor MSC House
1 Mediterranean Street
Cape Town
8001
21 June 2010

DIRECTORS' REPORT

for the year ended 31 March 2010

NATURE OF BUSINESS

Foschini Limited is an investment holding company whose subsidiaries, through their retail operating divisions – Foschini, branded as Foschini, donna-claire, fashionexpress and Luella; Markham; exact!; the Sports division, branded as sportscene, Totalsports and DueSouth; the Jewellery division, branded as American Swiss, Matrix and Sterns; @home, branded as @home and @homelivingspace; TFG Apparel Supply Company; Group Merchandise Procurement; and FG Financial Services – retail clothing, jewellery, accessories, cosmetics, sporting and outdoor apparel and equipment and homeware and furniture to the broad, middle-income group throughout southern Africa.

The RCS Group is an operationally independent consumer finance business that provides a broad range of financial services under its own brand in South Africa, Namibia and Botswana.

The group operates in the retail and financial services segments, almost entirely within the South African Common Monetary Area.

Retail turnover emanating from Swaziland and Botswana accounts for 0,6% of the group's turnover.

GENERAL REVIEW

The financial results are reflected in the annual financial statements on pages 174 to 227.

SHARE CAPITAL

The group's share buy-back programme commenced at the end of May 2001. At 31 March 2010, 24,0 million shares are held by a subsidiary, and a further 7,5 million by the group's share incentive trust. These shares, representing 13,1% of the company's issued share capital are treated as treasury shares and have been eliminated on consolidation. Further details of the authorised and issued share capital are reflected in note 13.

DIVIDENDS

Interim Ordinary

The directors declared an interim ordinary dividend of 118 cents per ordinary share, which was paid on 11 January 2010 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 8 January 2010.

Final Ordinary

The directors declared a final ordinary dividend of 170 cents per ordinary share payable on Monday, 12 July 2010 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 9 July 2010.

Preference

The company paid the following dividends to holders of 6,5% cumulative preference shares:

30 September 2009 – R13 000
(29 September 2008 – R13 000)
29 March 2010 – R13 000
(30 March 2009 – R13 000).

DIRECTORS

The names of the company's directors appear on pages 10 to 13 of this report.

The following changes took place during the current year:

D M Nurek (appointed as chairman 1 April 2009)

P S Meiring (appointed 1 April 2009)

The following directors retire by rotation in terms of the articles of association but, being eligible, offer themselves for re-election as directors:

A D Murray (executive)

S E Abrahams (independent non-executive)

M Lewis (non-executive)

W V Cuba (independent non-executive)

For details of directors' interests in the company's issued shares, refer to note 13.5. Details of directors' remuneration are set out in note 35.

SECRETARY

The company secretary of Foschini Limited is Ms D Sheard. Her business and postal address appear on the inside back cover of this report.

AUDIT COMMITTEE

The directors confirm that the audit committee has addressed the specific responsibilities required in terms of section 270A of the Companies Act No. 61 of 1973. Further detail are contained within the Audit Committee report on page 136.

SUBSIDIARIES

The names of, and certain financial information relating to the company's key subsidiaries appear on page 226.

EARNINGS OF SUBSIDIARIES

The total profits (losses) of consolidated subsidiaries are as follows:

	2010 Rm	2009 Rm
Profits	1 033,2	1 037,3
Losses	–	–
Net consolidated profit after taxation	1 033,2	1 037,3

SPECIAL RESOLUTIONS

On 9 September 2009 shareholders renewed the approval, as a general authority, of the acquisition by the company or any of its subsidiaries of the issued ordinary shares of the company, valid until the next annual general meeting. At the next annual general meeting to be held on 1 September 2010 shareholders will be asked to renew this general authority, as set out in the Notice of Annual General Meeting.

No other special resolutions were passed during the year under review.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

No special resolutions of any significance were passed during the year under review.

STAFF SHARE INCENTIVE AND OPTION SCHEMES

Details are reflected in note 34.1.

SUBSEQUENT EVENT

Details are reflected in note 24.