TFG

2020

RESULTS PRESENTATION

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2019

Anthony Thunström
Chief Executive Officer

Bongiwe Ntuli
Chief Financial Officer

Jane Fisher
TFG Africa Group Director

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by Anthony Thunström

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by Bongiwe Ntuli

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by Jane Fisher

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05 WHAT'S NEXT FOR TFG
by Anthony Thunström

ANOTHER STRONG PERFORMANCE BY THE GROUP

6,5%
Turnover growth

4,3% Online turnover growth

- **52,0%** TFG Africa online turnover growth
- **-5,5%** TFG London online turnover growth (excl HoF: 0,3%), now at 33,5%
- **37,1%** TFG Australia online turnover growth

4,6% TFG Africa comparable turnover growth *(Total TFG Africa turnover growth: 6,4%)**

6,1% TFG Australia comparable turnover growth *(Total TFG Australia turnover growth: 11,1%)*

53,2%
Gross margin maintained
(Sept 2018: 53,6%)

+5,4%
EPS growth
(Sept 2018: +9,0%)

+3,1%
Headline earnings growth
(Sept 2018: +14,3%)

+3,0%
HEPS growth
(Sept 2018: +8,3%)

+1,5%
DPS growth
(Sept 2018: +1,5%)

91,4%
Free cash flow to net profit
(Sept 2018: 82,5%)

60,0%
Debt to equity ratio (excluding IFRS 16)
(Sept 2018: 65,1%)

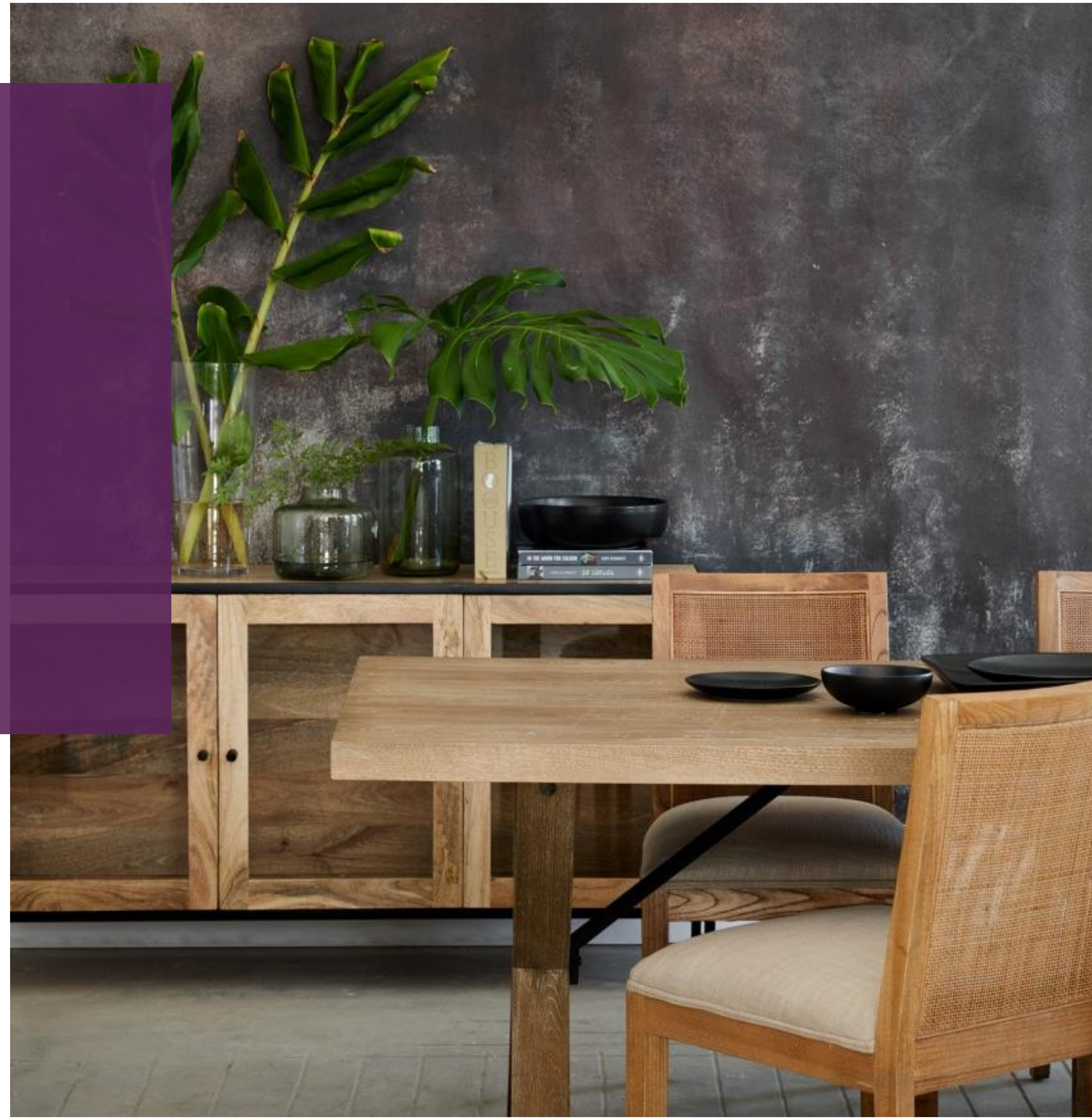
+91,7%
Investment in digital & technology-related capital

* *Excluding store closures during the period, turnover growth is 8,0%*

OUR OPERATING CONTEXT

by Anthony Thunström

OPERATING CONTEXT:
Macro environment



TFG AFRICA:
CONSUMERS REMAIN UNDER PRESSURE

South Africa remains our largest operating segment. Obstructive regulatory environment burdens growth and suppresses economic activity. Concerns over global economic growth persist.

Trend of pressure on consumer continues

Sources: BER, Stats SA

GDP remains under pressure
2019 Q2: 1,0%

Business confidence at 20-year low
2019 Q3: 21
2018 Q3: 34

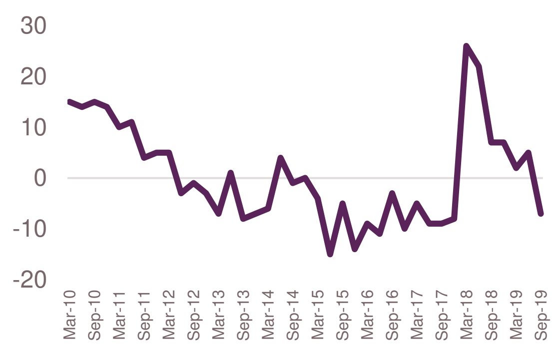
Unemployment remains high
2019 Q3: 29,1%
2018 Q3: 27,5%

Consumer confidence negative
2019 Q3: -7
2018 Q3: 7

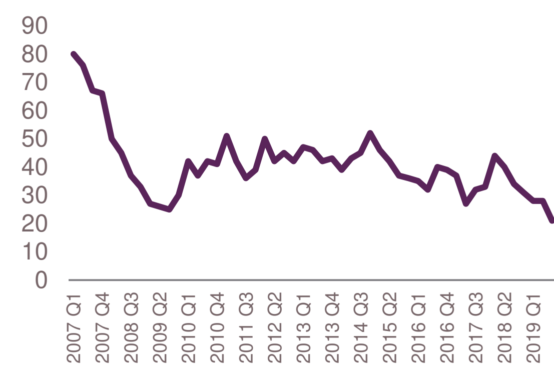
Trading conditions deteriorate across retail sector
(2019 Q3 BER retail survey)

Sales volume growth slowed significantly
(2019 Q3 BER retail survey)

FNB/BER **CONSUMER CONFIDENCE** INDEX



RMB/BER **BUSINESS CONFIDENCE** INDEX



TFG LONDON AND TFG AUSTRALIA: CONSUMERS REMAIN UNDER PRESSURE

TFG London
- Uncertainties surrounding Brexit and upcoming General Election
- Expectations of higher future trade costs and continuing weak pound
- Challenged trading in certain UK department stores

China / US trade wars continue

TFG Australia
- Unemployment remains low
- Economy continues to be driven by business and government spending, while household spending and the consumer sector remains flat

Source: BER, UK Office for National Statistics, Australian Bureau of Statistics

OPERATING CONTEXT:
Retail environment

RETAIL AS WE KNOW IT IS TRANSFORMING

Customer engagement through **social media** is pivotal

Data analytics - understand customer behaviour to ultimately provide personalised customer service

Planet friendly – consumers demand social responsibility

Price savvy – consumers are increasingly price-conscious and values-driven

Experiential retail – retailers use experience to win and retain customers

Technology – multi-channel retail is the new normal

Source: Retail Trends 2019 (Global Consumer & Retail), KPMG
Forbes: 5 trends that will redefine retail in 2019, Jia Wertz

TFG'S RESPONSE TO MACRO AND RETAIL ENVIRONMENT FACTORS

TFG RESPONDS WITH PURPOSE

Data analytics

Investment in **data analytics** to deepen our customer insights

Technology

Investment in **technology and digital transformation** – growing importance of omni-channel and single view of stock

Planet friendly

Local manufacturing capability developed in 2012 and grown two-fold with further investment in QR capability

Social media

Voice of customer – proactive engagement with customers on various platforms

Price savvy

Quality product offering at the **right price**

Experiential retail

Experiential retail - launch of customer-focused experiences conveniently provided in store

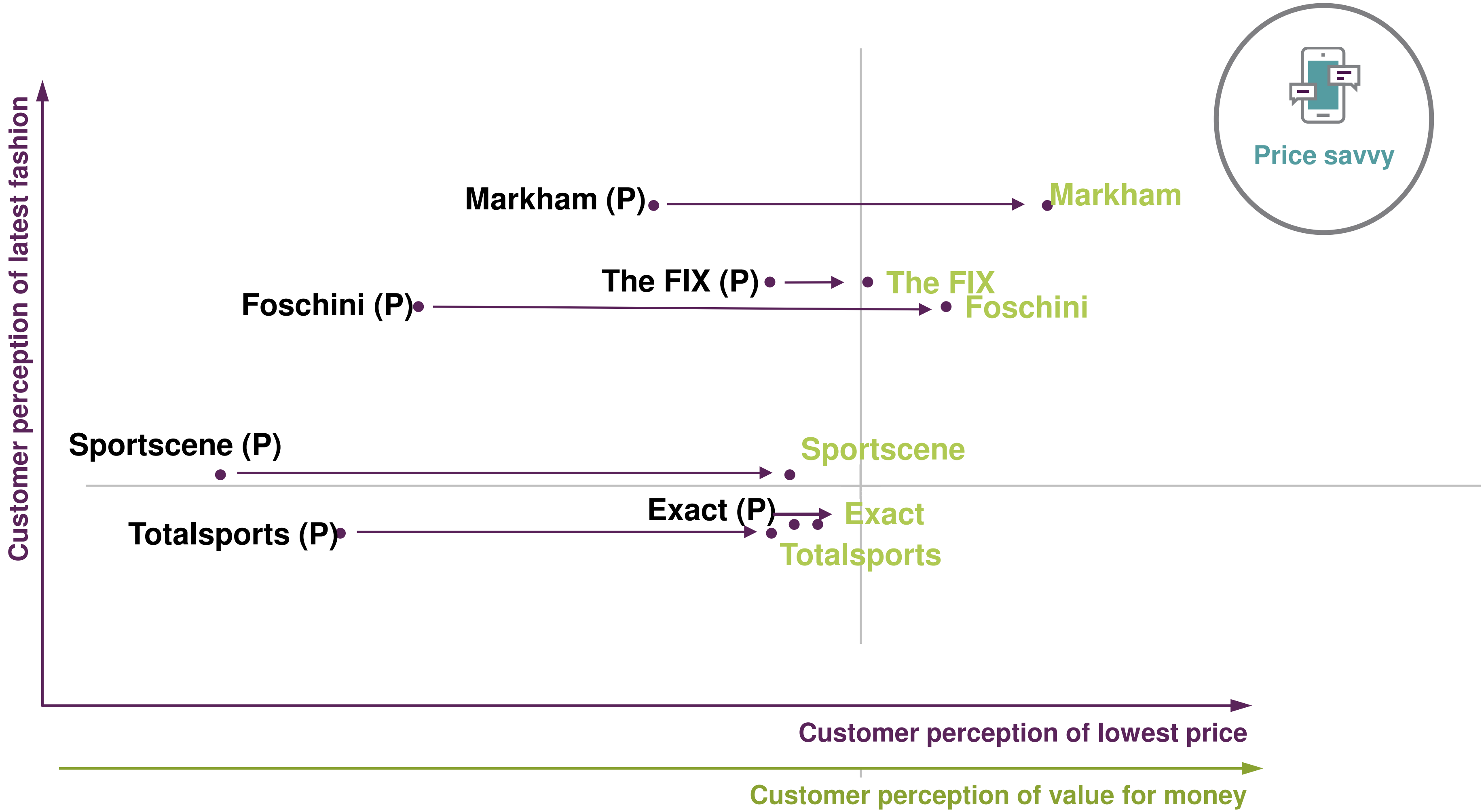
Planet friendly

Investment in social spend - bursaries, internships and trainee positions offered through our Retail Academy

Social media

Voice of employee – continuous engagement with employees drives culture of innovation

TFG BRANDS CONSISTENTLY RECOGNISED BY CUSTOMERS AS GREAT VALUE FOR MONEY



Source: Columinate Brand Health Tracker: 08-17th October 2018, ladies and menswear landscape.

FOCUSED DIGITAL TRANSFORMATION ENSURES GROUP REMAINS AT FOREFRONT OF RAPIDLY CHANGING RETAIL LANDSCAPE

Technology

The purpose of TFG's customer-focused digital journey:

Offer customers **new interactions** that **improve** their **experience**

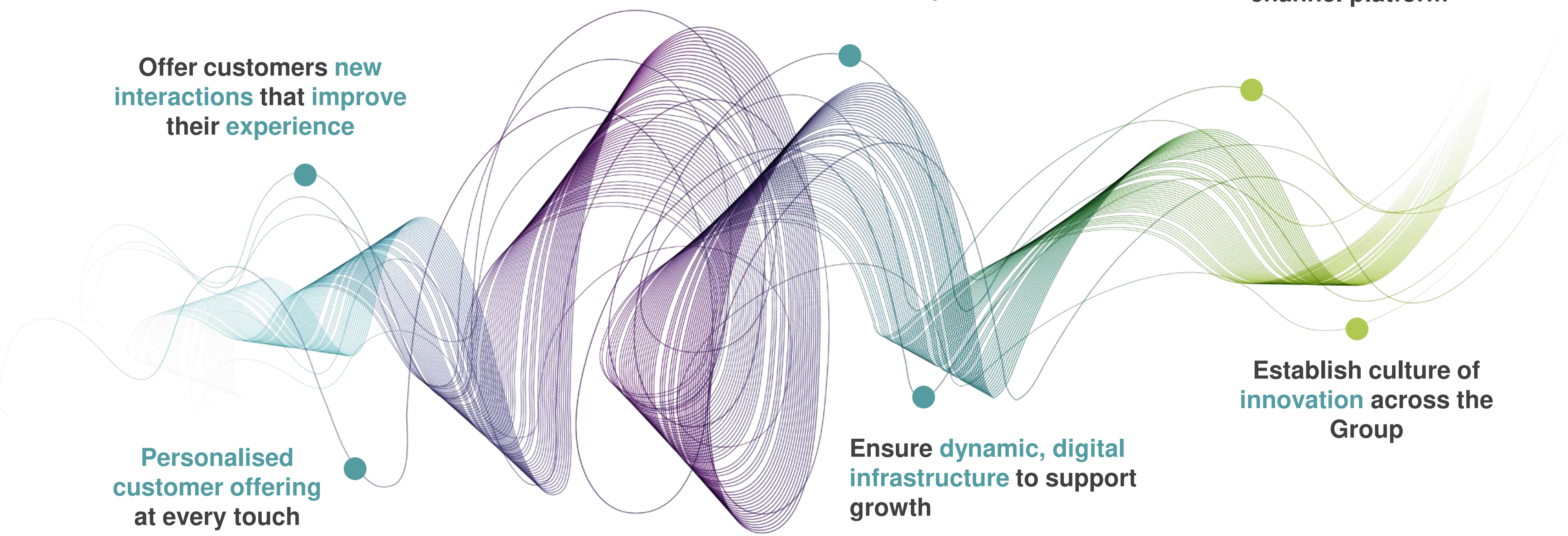
Personalised customer offering at every touch point

Enable customers to shop and interact with brands **however, whenever** and **wherever** they want

Ensure **dynamic, digital infrastructure** to support growth

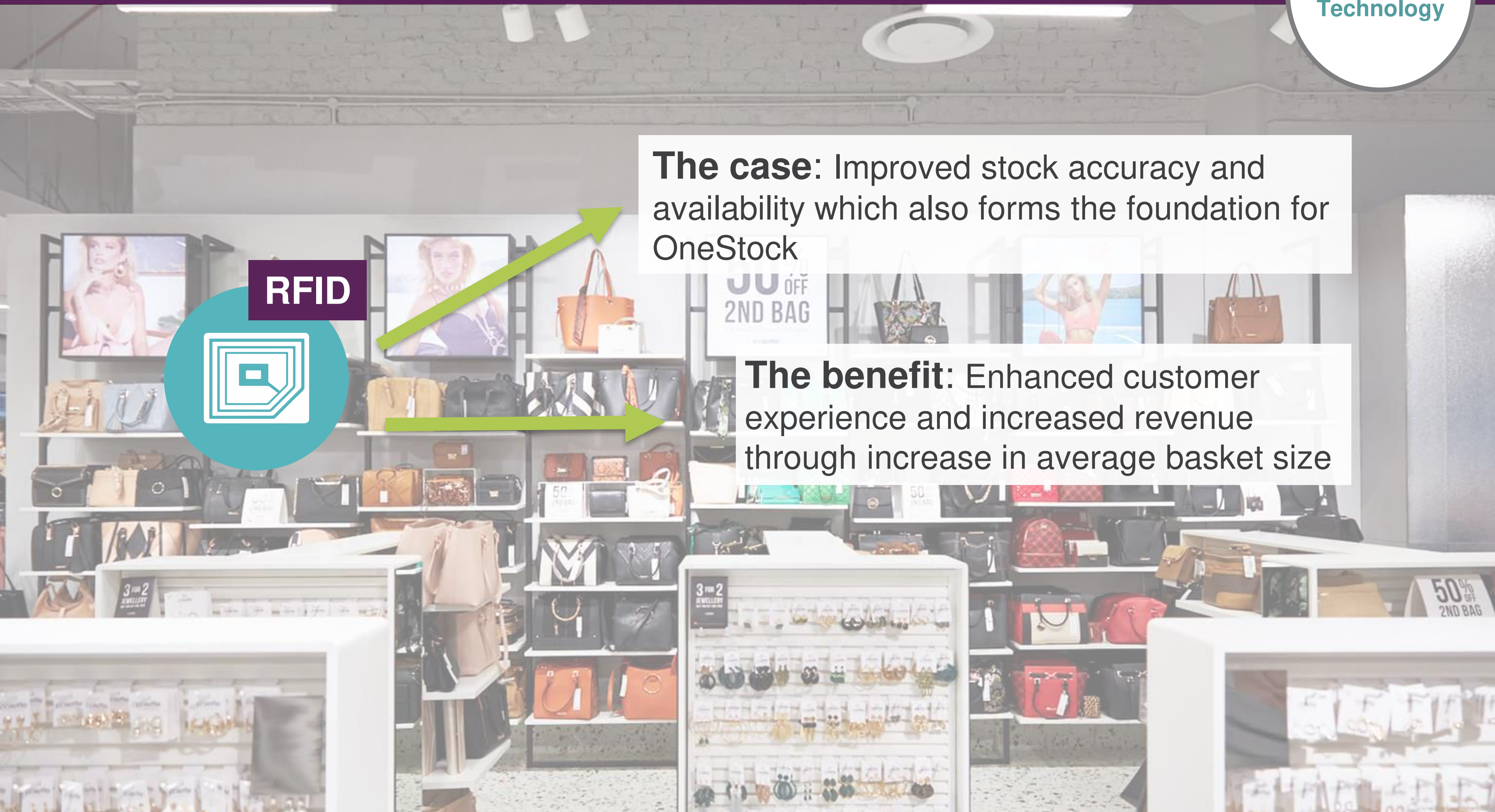
Match customer's experience on multi-channel platform

Establish culture of **innovation** across the Group



DIGITAL TRANSFORMATION
STOCK ACCURACY

Technology



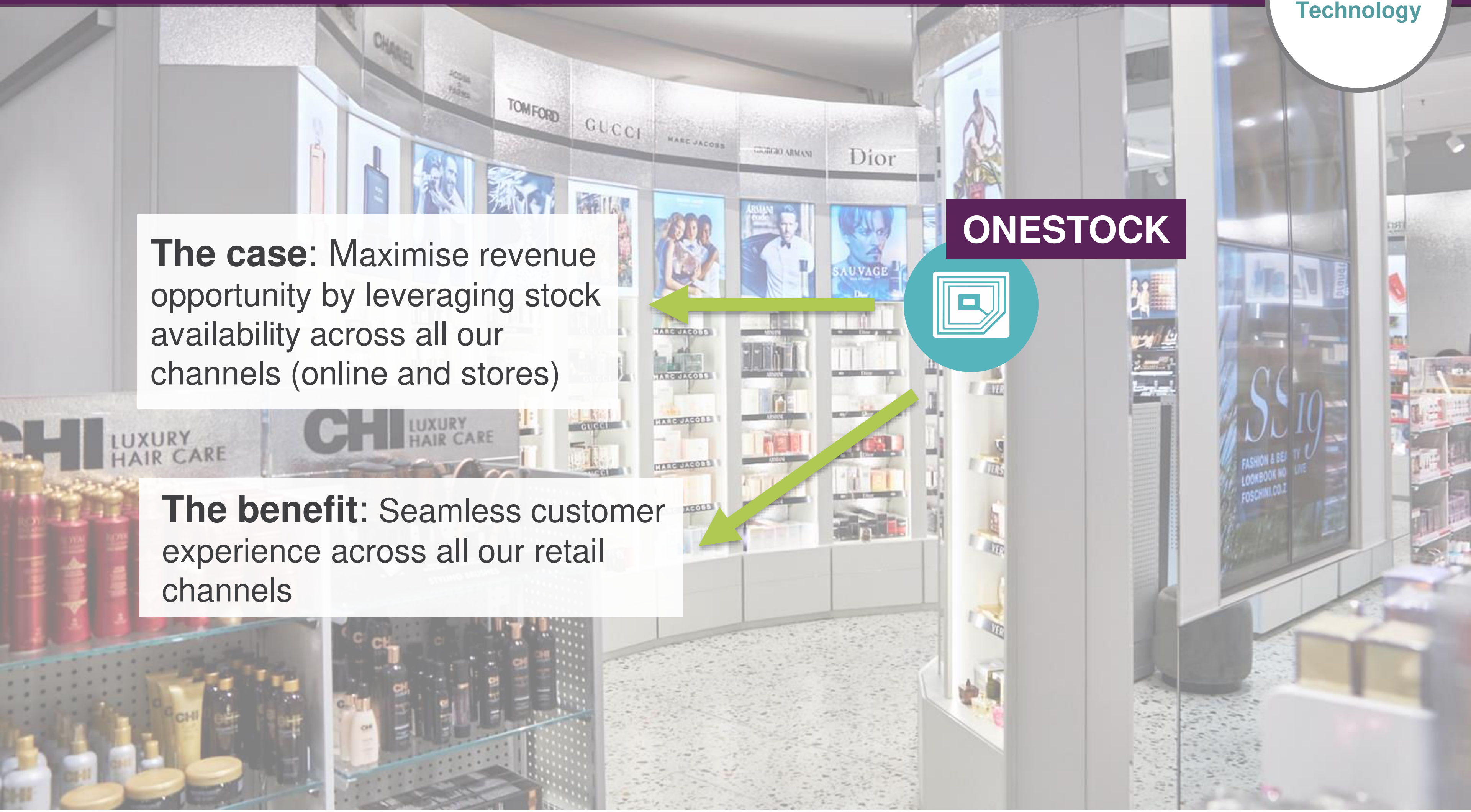
RFID

The case: Improved stock accuracy and availability which also forms the foundation for OneStock

The benefit: Enhanced customer experience and increased revenue through increase in average basket size

DIGITAL TRANSFORMATION
ONESTOCK

Technology



ONESTOCK

The case: Maximise revenue opportunity by leveraging stock availability across all our channels (online and stores)

The benefit: Seamless customer experience across all our retail channels

DIGITAL TRANSFORMATION
CONVERSION / WORKFORCE MANAGEMENT

Technology

The case: Right people, right place, right time, to drive customer conversion, increased revenue and customer experience

The benefit: Improved customer experience and conversion

FOOTCOUNTERS

WORKFORCE MANAGEMENT (WFM)

DIGITAL TRANSFORMATION OPERATIONAL EFFICIENCIES

Technology

The case: Improve efficiencies and visual consistency across stores and increase customer engagement

YOOBIC

The benefit: Operational efficiencies / cost reduction / increased conversions

E-COMMERCE AND OMNI-CHANNEL REVENUE UP 4,3%

Technology

70%
TFG Africa online shoppers that are account holders

32% (TFG Africa)
19% (TFG London)
30% (TFG Australia)
click and collect at store

9,1 million
social media followers

55% (TFG Africa)
52% (TFG London)
68% (TFG Australia)
online transactions through mobile devices

43% (TFG Africa)
13% (TFG London)
11% (TFG Australia)
increase in new users to site

EXPERIENTIAL RETAIL OFFERING EXCEPTIONAL CUSTOMER SERVICE

DJ booth

Tattoo parlour

Basketball court

Nail bar

Sneaker cleaning

Available in Foschini Fourways and Sportscene Sandton

Experiential retail is coming to life

TFG BRAND EQUITY

Price savvy

Social media

TFG **“Best South African Employer Brand” –** Employer Branding Awards, hosted by Employer Branding Institute

TFG **Top 100 of the Refinitiv Diversity & Inclusion Index** – an index of over 7 000 companies globally – 1 of only 5 SA companies

Planet friendly

Sunday Times | Sowetan Shopper Survey 2019

Men’s Clothing Stores 1

MARKHAM

Jewellery Stores 1

AMERICANSWISS

Sports & Outdoor Stores 1

TOTALSPORTS

Top 10 Coolest Clothing Stores

2019 Sunday Times Gen Next Awards

MARKHAM

sportscene

TOTALSPORTS

Top 10 Coolest Specialist Health, Beauty and Accessories Stores

2019 Sunday Times Gen Next Awards

FOSCHINI

Top 10 Coolest Clothing Brands

2019 Sunday Times Gen Next Awards

REDBAT

2019 / 2020 Ask Africa Orange Index™

@home THE HOMEWARE STORE

Service excellence winner in the Home & Décor industry

sportscene

Top 10 winner in the Sport Retail industry

SUPPLY CHAIN: FURTHER BUILD OUT OF LOCAL MANUFACTURING

Planet friendly

- Local manufactured apparel expected to increase significantly and almost double in 5 years
- QR proportion of own manufactured apparel to increase from 66% to 100% over 5 years as it continues to prove a competitive advantage

SA INC.

-31 Inventory days advantage

-11% Markdown advantage

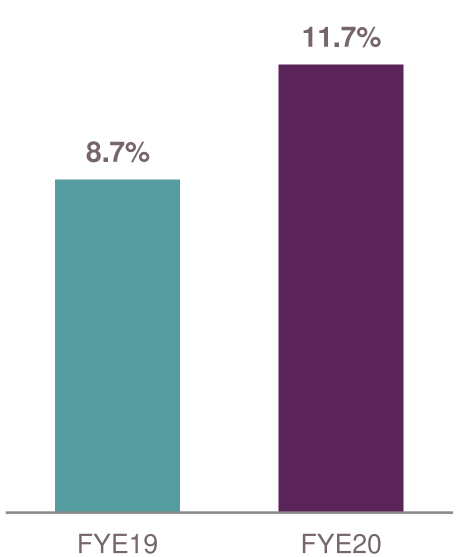
+10% Clearance advantage

42 days Ave. lead time

Quick Response: At a glance

- A retail model based on **speed** and **flexibility**
- It enables retail to quickly identify and **react to emerging trends** by adjusting in-store merchandise to meet the demands of an unpredictable fashion market
- Based on **shortening lead time** from order receipt to delivery

QR % Total Apparel Sales



Why Quick Response? Key benefits

- **Reduce the mismatch** between retailer expectations and customer preferences by delaying retail purchasing decisions
- Put depth behind ‘winners’ and limit exposure to product ‘losers’ **reducing markdown, stockouts and inventory holdings**

WHY WE STAND OUT

by Anthony Thunström

A RESILIENT MODEL

Listed since
1941

JSE Top40
since March 2018

18,3%
5-year CAGR in turnover

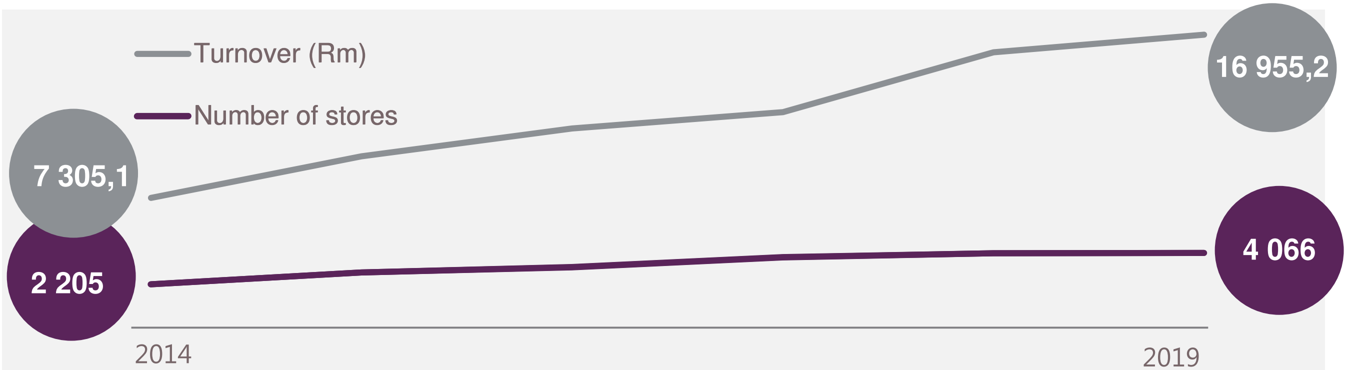
5,5%
5-year CAGR in HEPS

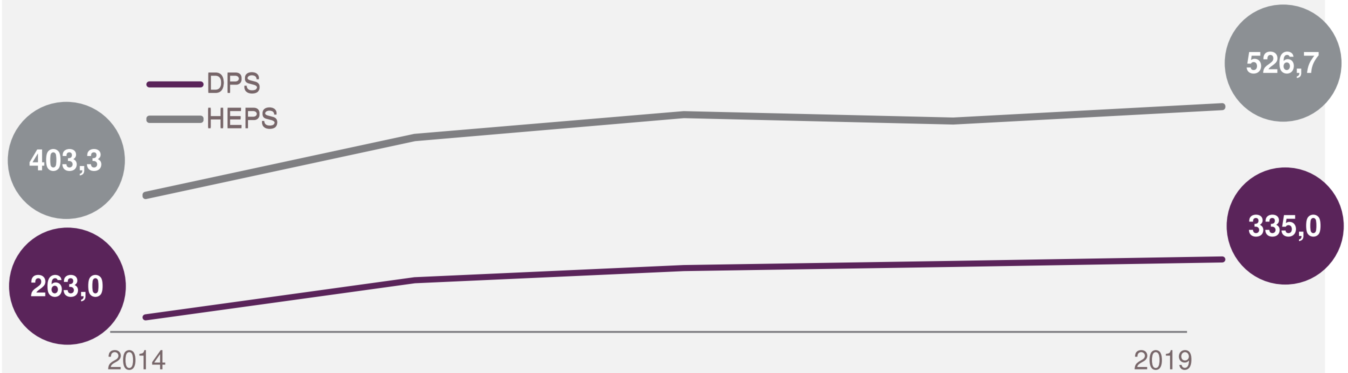
5,0%
5-year CAGR in dividends

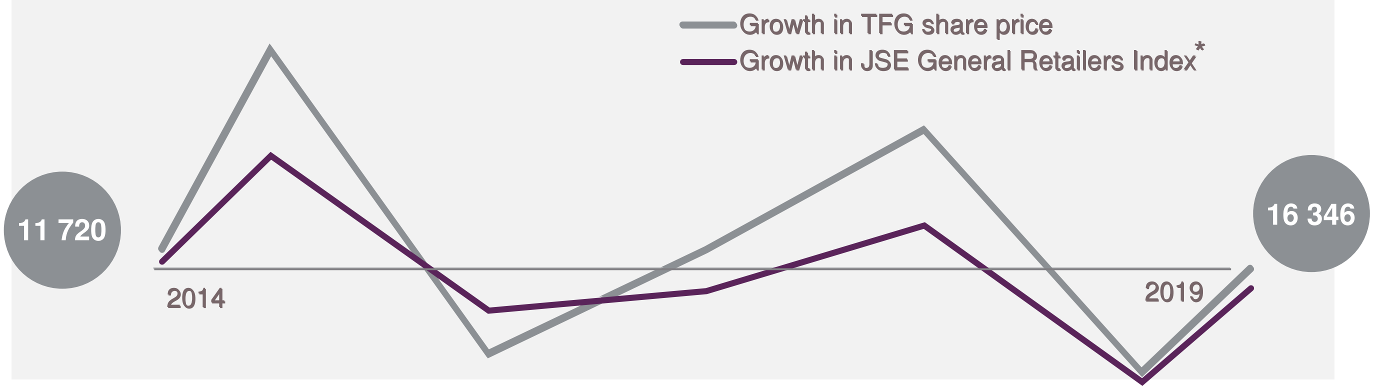
16,6%
ROCE at Sept 2019

Constant ***innovation***

Investment
through the cycle

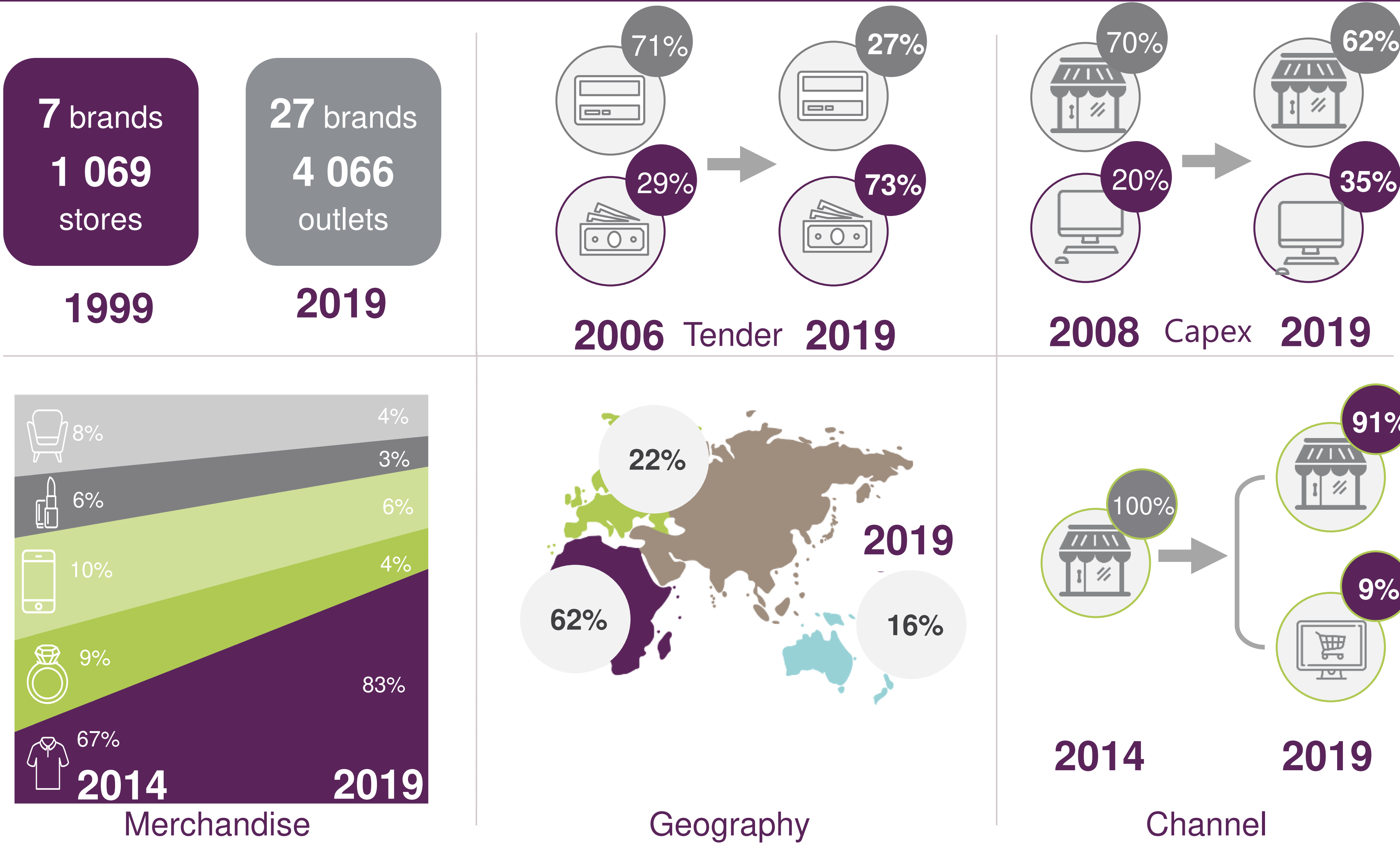






*Source: JSE General Retailers Index J537 (Sharedata)

AGILE FUTURE-FIT BUSINESS MODEL COUPLED WITH INNOVATION DELIVERS CONSISTENT GROWTH



CONCLUSION: WHY TFG

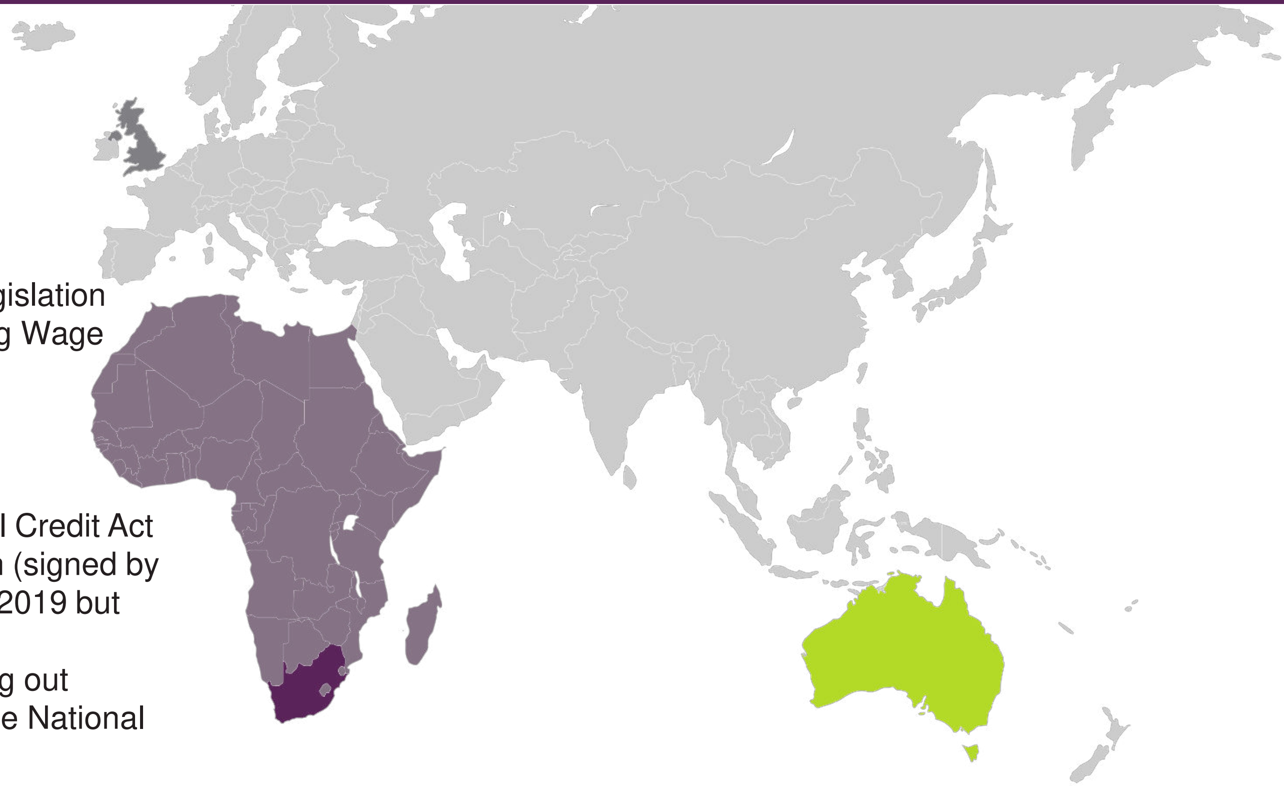
- Diverse, customer centric brands that are loved by our customers
- Successful diversification – cash/credit, geography, channel, merchandise category
- At the forefront of digital transformation and experiential retail
- Continuous business optimisation to deliver a fit-for-purpose, digitally-enabled organisation
- Our focus on local manufacturing continues to be a competitive advantage
- Continuously growing returns to investors throughout difficult periods

WINNING NUMBERS

by Bongiwe Ntuli

ACCOUNTING & LEGISLATION

CONTINUED CHANGE IN THE LEGISLATIVE ENVIRONMENT



TFG London
- **EU**: E-Privacy Regulation
- **UK**: Brexit and potential impact on legislation
- **UK**: Ongoing impact of National Living Wage

TFG Africa – South Africa
- Amendments to the National Credit Act concerning debt intervention (signed by the President on 13 August 2019 but not yet effective)
- Discussion Document setting out proposed amendments to the National Credit Regulations
- Companies Amendment Bill

TFG Africa – Rest of Africa
- **Botswana**: Companies Amendment and Re-Registration Act
- **Zambia**: Sales Tax Bill (which has subsequently been abandoned)

TFG Australia
- **Federal**: Modern Slavery Act and guidance for reporting entities
- **Federal**: Potential amendments to the Privacy Act

ACCOUNTING CHANGES: IFRS 16 ADOPTED RETROSPECTIVELY

MAIN IMPACT

Balance Sheet
- Recognition of right-of-use assets and lease liabilities
- Opening equity decrease due to restatement

Income Statement
- NPAT impact – reversal of rent expense and recognition of depreciation and interest

KPIs
- EBITDA, EBIT, ROCE and debt equity impacted

FACTORS INFLUENCING THE VOLATILITY OF THE IFRS 16 EXPENSE

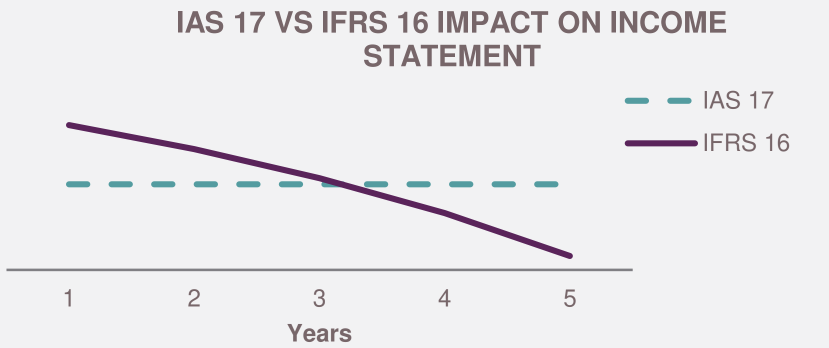
- Length of leases
- Escalation rates
- Effective interest rate applied
- Rate and timing of store openings, closures and lease renewals
- Lease types – fixed operating to variable cost leases (e.g. turnover rentals)
- Concession stores excluded

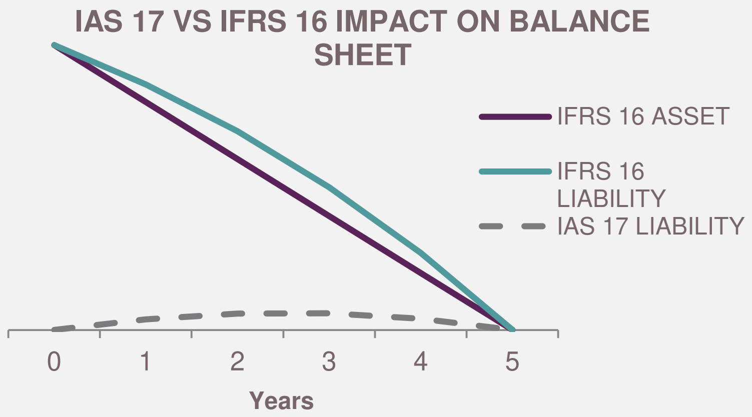
IFRS16 DOES NOT IMPACT OUR UNDERLYING RETAIL PERFORMANCE AND CASH FLOWS

- Our operational model will remain unchanged
- Cash flow remains unchanged
- **Minimal impact on earnings**

ILLUSTRATIVE IMPACT OF IFRS 16

Illustrative impact (5yr lease) of the change when adopting IFRS 16



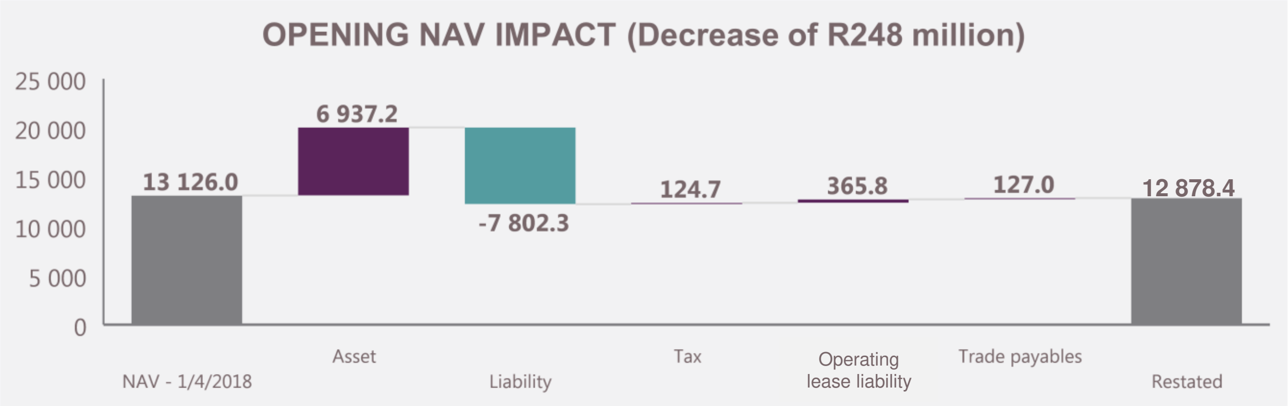


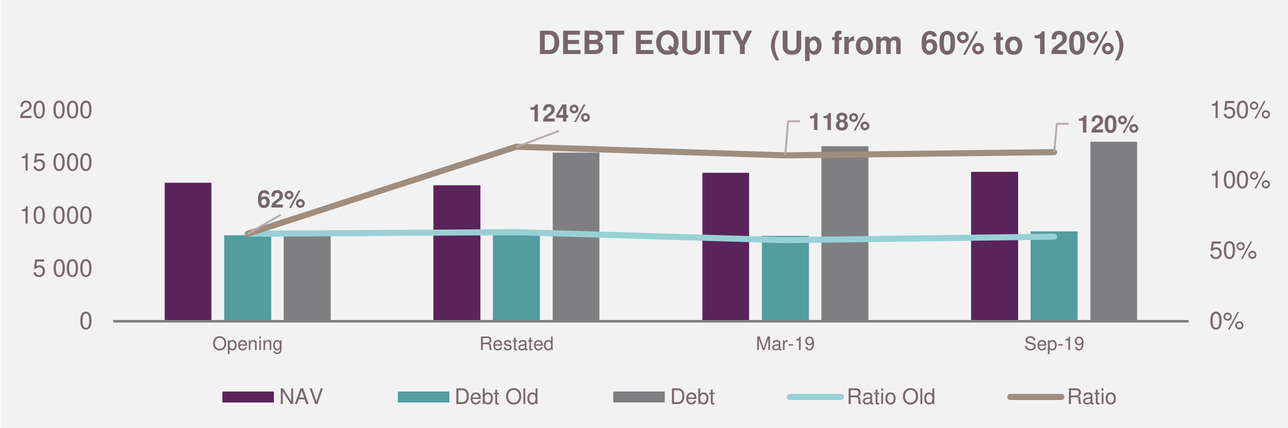
TFG LEASES

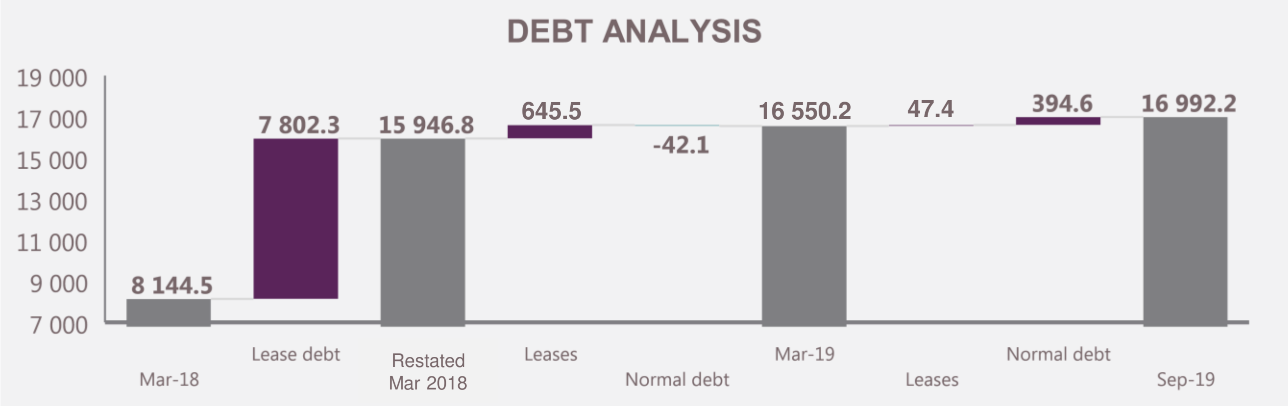
- Africa and Australia – mainly 5 year leases
- UK recent trend to shorter and/or turnover based leases (50% of recent new stores signed on a turnover basis)
- Concessions and turnover rental stores excluded

BALANCE SHEET IMPACT OF IFRS 16

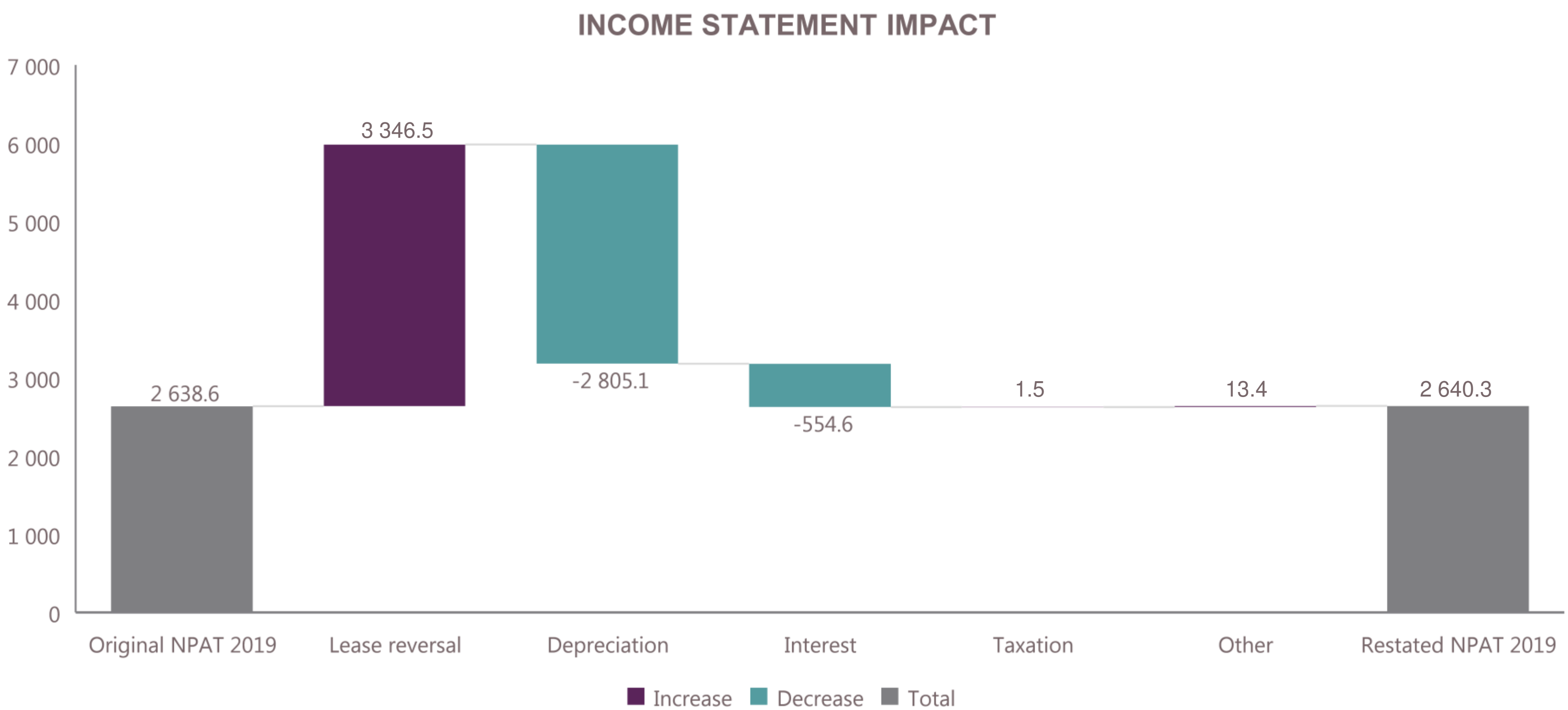
- Opening net debt increased from R8bn to R16bn and the ratio from 62% to 124%
- The debt equity ratio is distorted by the additional lease liability
- On the old basis it remains stable







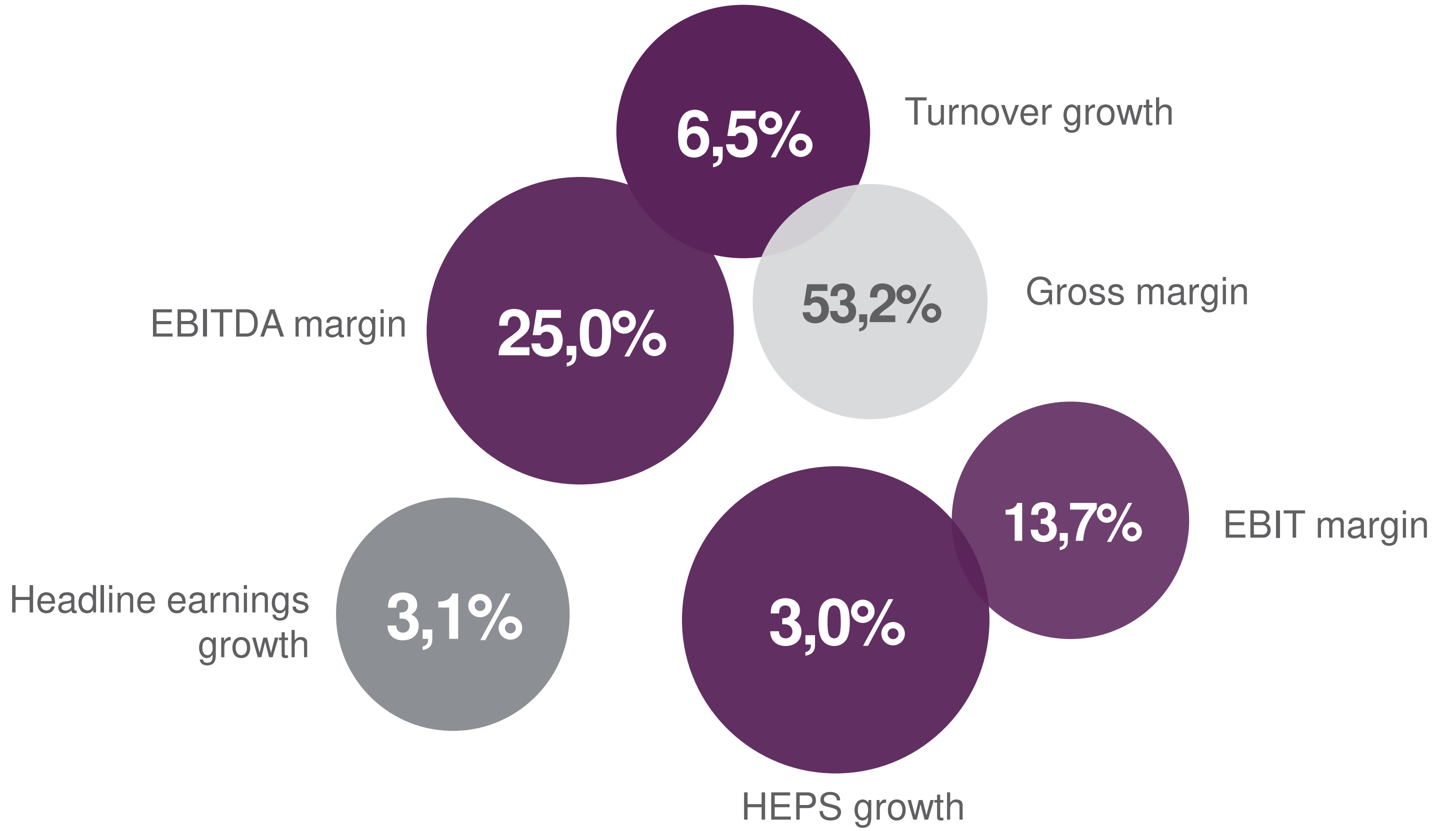
INCOME STATEMENT IMPACT OF IFRS 16 ~ NOT SIGNIFICANT FOR TFG



- The Income Statement for the 2019 financial year was not impacted significantly
- EBITDA and EBIT calculations will be distorted

FINANCIAL PERFORMANCE

KEY PERFORMANCE RATIOS ~ AS REPORTED



PAT MARGIN MAINTAINED
~ EFFECTIVE COST AND DEBT CONTROL

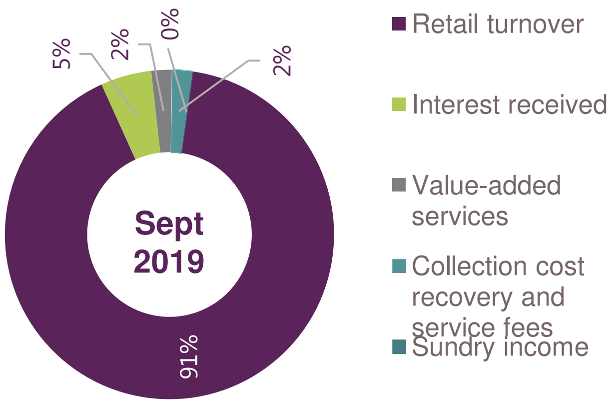
	GROUP Sept 2019	% to turnover	GROUP Sept 2018	% to turnover	% change
Revenue (Rm)	18 567,7		17 466,7		6,3
Retail turnover (Rm)	16 955,2		15 913,1		6,5
Cost of sales (Rm)	(7 928,2)	46,8	(7 386,5)	46,4	7,3
Gross profit (Rm)	9 027,0	53,2	8 526,6	53,6	5,9
Interest and other income (Rm)	1 612,5	9,5	1 553,6	9,8	3,8
Net bad debt (Rm)	(617,0)	3,6	(514,8)	3,2	19,8
Trading expenses (Rm)	(7 695,7)	45,4	(7 361,1)	46,3	4,5
Operating profit (Rm)	2 326,8	13,7	2 204,3	13,9	5,6
Finance costs (Rm)	(650,5)	3,8	(648,6)	4,1	0,3
Profit before tax (Rm)	1 676,3	9,9	1 555,7	9,8	7,8
Income tax expense (Rm)	(443,4)	2,6	(386,3)	2,4	14,8
Profit for the period (Rm)	1 232,9	7,3	1 169,4	7,3	5,4

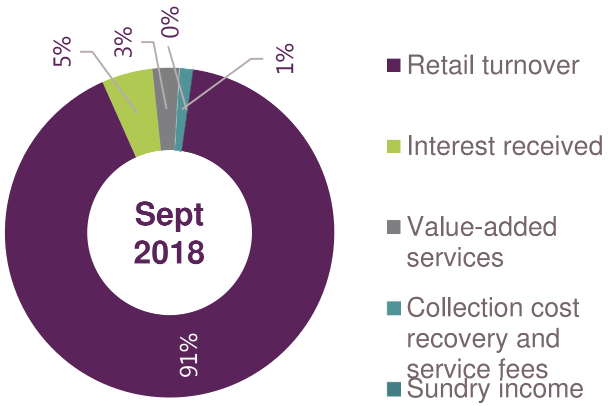
The above income statement is post-IFRS 16

REVENUE BREAKDOWN

	GROUP Sept 2019 Rm	GROUP Sept 2018 Rm	% change
Retail turnover	16 955,2	15 913,1	6,5
Interest received	930,8	878,4	6,0
Other income	681,7	675,2	1,0
Value-added services	368,9	446,5	(17,4)
Collection cost recovery and service fees	305,9	219,9	39,1
Sundry income	6,9	8,8	(21,6)
Revenue	18 567,7	**17 466,7**	6,3

Revenue



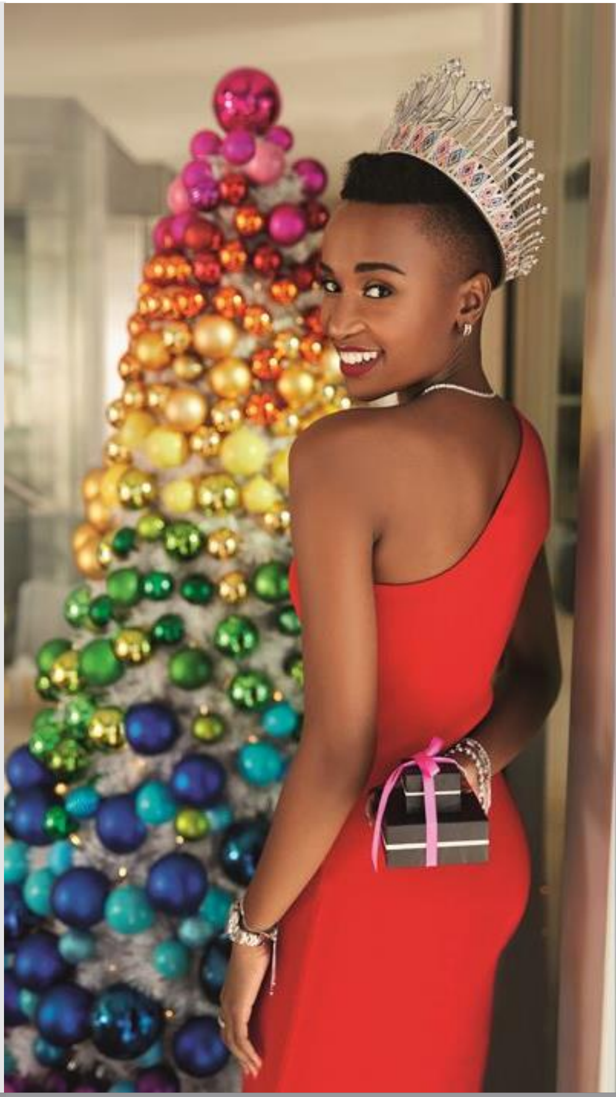


SEGMENT INCOME STATEMENT PERFORMANCE

TFG AFRICA ~ ABOVE INFLATION TURNOVER GROWTH

	Sept 2019	Sept 2018	% change
Retail turnover (Rm)	**10 619,6**	9 981,9	6,4
Gross margin (%)	**47,4**	47,6	
EBITDA (Rm)	**3 039,4**	2 930,1	3,7
EBIT (Rm)	**1 827,4**	1 767,1	3,4

- Pleasing turnover performance in challenging conditions
  - Cash +12,0% and credit -0,5% reflecting purposeful shift to reduce credit exposure
  - Cosmetics only merchandise category with negative growth
- Margin stable – product mix impacting overall margin
- Cost growth contained at below inflation



TFG LONDON ~ ROBUST PERFORMANCE

	Sept 2019	Sept 2018	% change
Retail turnover (£m)	**200,7**	200,4	0,1
Gross margin (%)	**61,7**	63,0	
EBITDA (£m)	**28,4**	28,2	0,7
EBIT (£m)	**12,4**	12,2	1,6

- Robust sales performance despite challenging market conditions
- Turnover growth: ongoing negative impact of constrained trade through House of Fraser (HoF)
  - Excluding concession turnover from HoF, turnover growth = 3,6%
- Solid underlying selling margin, although gross margin impacted by growth in wholesale channel and forex

TFG AUSTRALIA ~ CONTINUED GROWTH

	Sept 2019	Sept 2018	% change
Retail turnover (A$m)	**265,4**	239,0	11,1
Gross margin (%)	**64,8**	64,4	
EBITDA (A$m)	**68,1**	59,6	14,3
EBIT (A$m)	**27,2**	22,4	21,4

- Turnover growth, gross margin and EBITDA ahead of expectation and market
  - Continued steady performance with LFL sales ahead of Australian market at 6,2% and new outlet growth on track
- Growth through expansion of existing brands in Australia and New Zealand continues with a net increase of 14 stores and 15 concessions during the first half of the year
  - Launch of Connor in New Zealand with 2 outlets
  - Launch of yd. concessions in Myer in 2nd quarter with 15 outlets
- Continued investment in digital platforms and people

CONCLUSION ~ GROUP TURNOVER SUMMARY

Geography	TFG Africa +6,4%	TFG London +0,1%	TFG Australia +11,1%		
Tender	+9,3% (Group)	+12,0% (TFG Africa)	-0,5%		
Channel	+6,8%	+4,3%			
Merchandise category	+6,7%	+7,8%	+7,9%	+6,4%	-1,2%

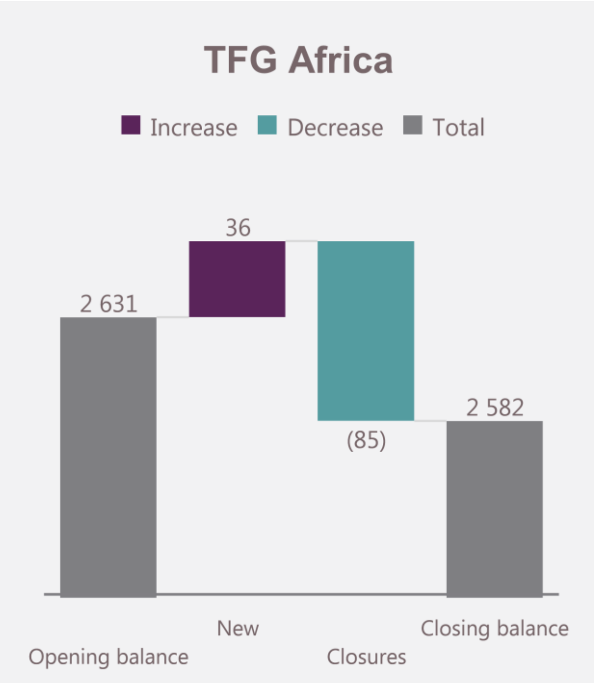
GROUP GROSS MARGIN MAINTAINED

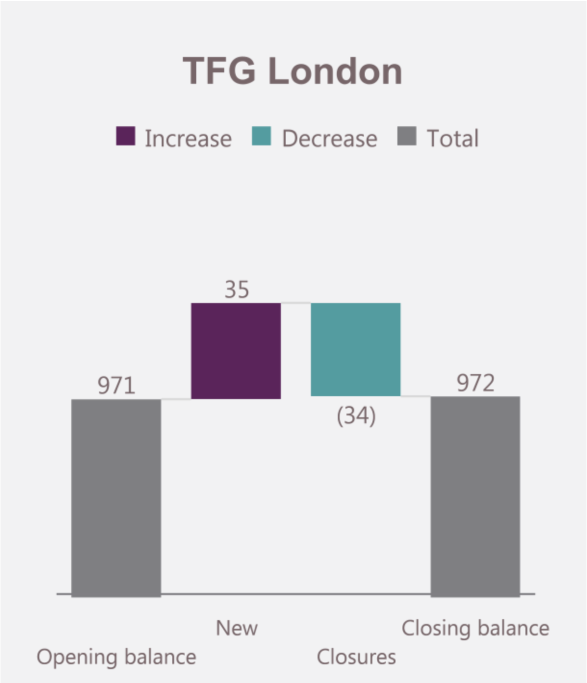
TFG Africa		TFG London		TFG Australia		
47,4% (Sept 2018: 47,6%)	+	61,7% (Sept 2018: 63,0%)	+	64,8% (Sept 2018: 64,4%)	=	53,2% (Sept 2018: 53,6%)

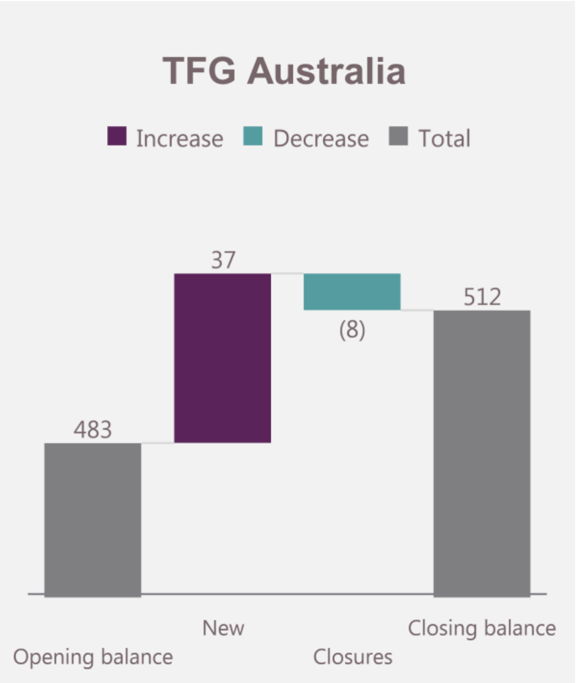
- TFG Africa: Movement due to product mix
- TFG London: Lower margin driven by sales mix - increased wholesale sales and forex
- TFG Australia: Margin improvement

KEY EXPENSE MOVEMENTS

OUTLET MOVEMENT







- TFG Africa and TFG London: Active management of store portfolio through exits and disciplined expansion
- TFG Australia: Store expansion aligned to growth (brand and geographic)

STORE OCCUPANCY COSTS (PRE-IFRS 16): CONTINUE TO REDUCE

	Sept 2019 Rm	Sept 2018 Rm	% change	Sept 2019 Local currency	Sept 2018 Local currency	% change
TFG Africa	**1 196,6**	1 151,3	3,9			
TFG London	**392,2**	406,2	(3,4)	**21,5**	22,9	(6,1)
TFG Australia	**502,6**	467,5	7,5	**50,0**	47,1	6,2
Group	**2 091,4**	**2 025,0**	**3,3**			
% to Group turnover	12,3	12,7				

- TFG Africa: Store estate rationalisation combined with savings due to negative rent reversion of 15% for the last 12-month period and average escalations below 6%
- TFG London: Decrease in store estate and benefit from improved rent conditions given the current high street climate
- TFG Australia: Increase driven by store expansion coupled with double digit negative rent reversions

£/ZAR average exchange rate: 18,27 (FY 2020) vs 17,76 (FY 2019)
A$/ZAR average exchange rate: 10,06 (FY 2020) vs 9,93 (FY 2019)

DEPRECIATION (PRE-IFRS 16): IN LINE WITH SLOWER STORE ROLL-OUTS

	Sept 2019 Rm	Sept 2018 Rm	% change	Sept 2019 Local currency	Sept 2018 Local currency	% change
TFG Africa	**280,8**	272,8	2,9			
TFG London	**82,7**	85,7	(3,5)	**4,5**	4,8	(6,3)
TFG Australia	**48,3**	49,4	(2,2)	**4,8**	5,0	(4,0)
Group	**411,8**	**407,9^**	**1,0**			
% to Group turnover	**2,4**	**2,6**				

- TFG Africa: Slower store rollout and delayed openings, partially offset by increased depreciation on IT capex in line with digital transformation strategy
- TFG London: Historically slower rollout plus higher closures
- TFG Australia: Increase in number of stores combined with accelerated expansion in New Zealand

^ Prior period depreciation as per published AFS: R436,9 million, difference relates to fit-out contributions in TFG Australia
£/ZAR average exchange rate: 18,27 (FY 2020) vs 17,76 (FY 2019)
A$/ZAR average exchange rate: 10,06 (FY 2020) vs 9,93 (FY 2019)

EMPLOYEE COSTS: IN LINE WITH INFLATION

	Sept 2019 Rm	Sept 2018 Rm	% change	Sept 2019 Local currency	Sept 2018 Local currency	% change
TFG Africa	**1 653,3**	1 559,6	6,0			
TFG London	**687,4**	660,9	4,0	**37,6**	37,2	1,1
TFG Australia	**755,6**	655,7	15,2	**75,1**	66,1	13,6
Group	**3 096,3**	**2 876,1**	**7,7**			
% to Group turnover	**18,3**	**18,1**				

- TFG Africa: The salary cost growth has been contained, with store salary growth 8% and head office salary growth in line with inflation
- TFG London: Increase in National Living Wage impacted cost inflation partially offset by Hobbs restructuring savings
- TFG Australia: Increase driven by store expansion and investment in digital and brand expansion

£/ZAR average exchange rate: 18,27 (FY 2020) vs 17,76 (FY 2019)
A$/ZAR average exchange rate: 10,06 (FY 2020) vs 9,93 (FY 2019)

OTHER EXPENSES

	Sept 2019 Rm	Sept 2018 Rm	% change	Sept 2019 Local currency	Sept 2018 Local currency	% change
TFG Africa	**1 258,6**	1 217,9	3,3			
TFG London	**913,5**	932,0	(2,0)	**50,0**	52,5	(4,8)
TFG Australia	**188,7**	168,2	12,2	**18,8**	16,7	12,6
Group	**2 360,9**	**2 318,1^**	**1,8**			
% to Group turnover	13,9	14,6				

- TFG Africa: Cost growth contained in line with trading conditions
- TFG London: Expenses held flat, but the prior period included £2,5m HoF bad debt write-off
- TFG Australia: Growth in line with turnover growth and business expansion

^ Prior period other expenses as per published AFS: R2 289,1 million, difference relates to fit-out contributions in TFG Australia
£/ZAR average exchange rate: 18,27 (FY 2020) vs 17,76 (FY 2019)
A$/ZAR average exchange rate: 10,06 (FY 2020) vs 9,93 (FY 2019)

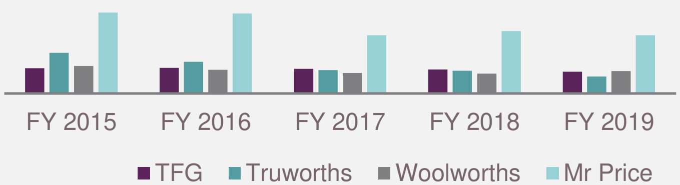
BACK OFFICE OPTIMISATION: FOCUS OVER THE NEXT 3 YEARS

BUSINESS OPTIMISATION: DRIVING ROCE & OPERATING MARGIN IMPROVEMENT

STRATEGIC FOCUS

Deliver structural efficiencies whilst reducing capital invested in inventory

ROCE



PROJECTS

STORM

Strategic Target Operating Model

WIND

Working Capital/ Inventory Net Days

KEY REFERENCE POINTS

Deliver further improvement in operating margin over next three years

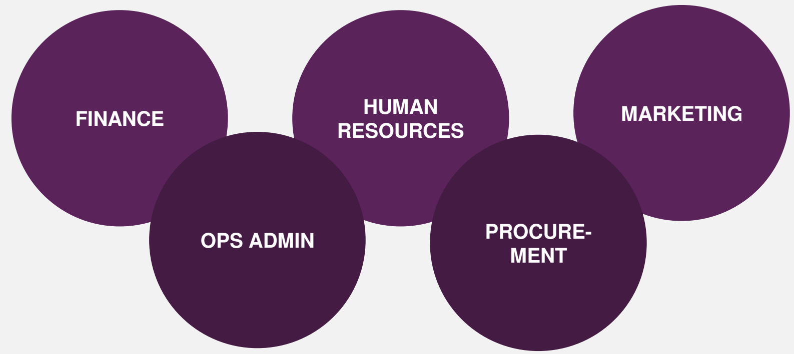
INVENTORY DAYS

Focus to further reduce inventory days

	FY 2019	FY 2018
TFG Africa	183	191

A STRUCTURED APPROACH

A focus on head-office and support function operating model costs

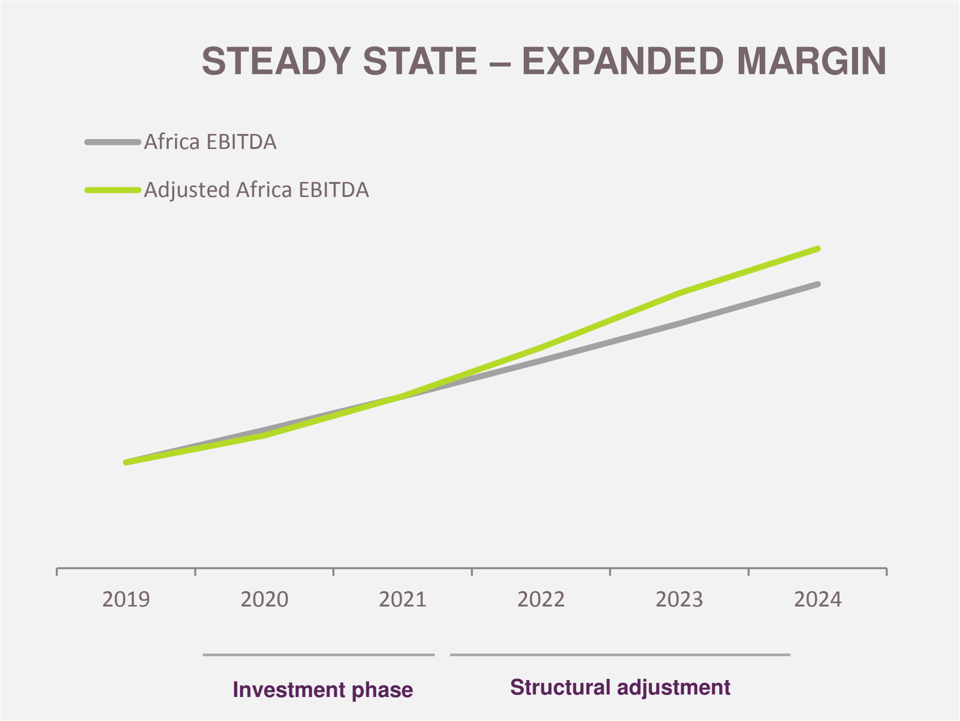


Further supply chain optimisation over the next 36 months

TARGET OPERATING MODEL TO YIELD OVER R300M SAVINGS IN BACK OFFICE COSTS

Structural change in cost for head office functions to deliver a savings target of R300m over a two year period

- HR optimisation complete – to yield steady savings of over R90m in the next few years
- The remainder of the streams in detailed design phase
- Implementation according to a staged investment programme
- Expected to deliver structural and sustained **reduction in operating expenses** and **improvement to operating leverage**



The information on this slide has not been audited or reviewed by the auditors

STATEMENT OF FINANCIAL POSITION

IMPACT OF IFRS 16 ON KEY METRICS

	GROUP Sept 2019 Rm	GROUP Sept 2018 Rm	% change	GROUP March 2019 Rm	% change
Non-current assets	**20 074,5**	19 792,6	1,4	20 087,5	(0,1)
Current assets	**18 211,2**	16 962,1	7,4	17 553,6	3,7
Total assets	**38 285,7**	36 754,7	4,2	37 641,1	1,7
Total equity	**14 153,5**	13 288,4	6,5	14 049,1	0,7
Non-current liabilities	**12 898,2**	11 641,2	10,8	12 877,3	0,2
Current liabilities	**11 234,0**	11 825,1	(5,0)	10 714,7	4,8
Total liabilities	**24 132,2**	23 466,3	2,8	23 592,0	2,3

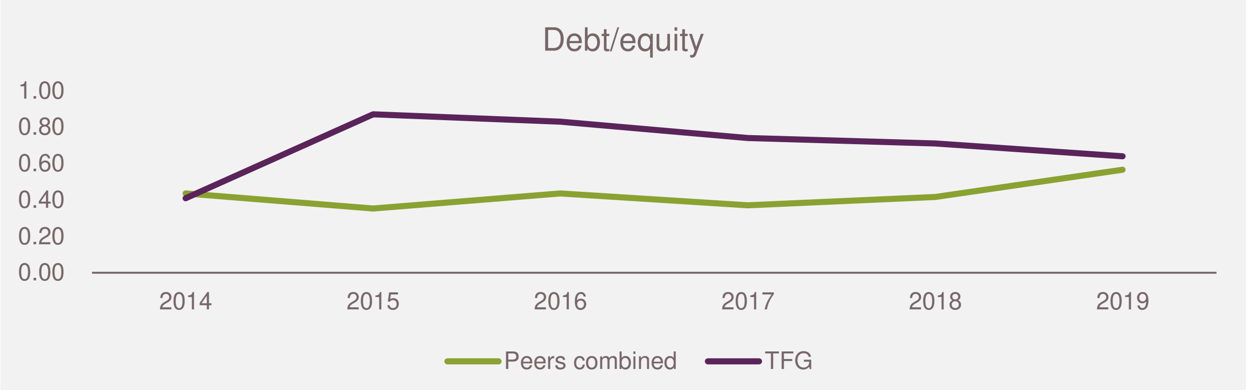
16,6%
ROCE (post-IFRS 16)

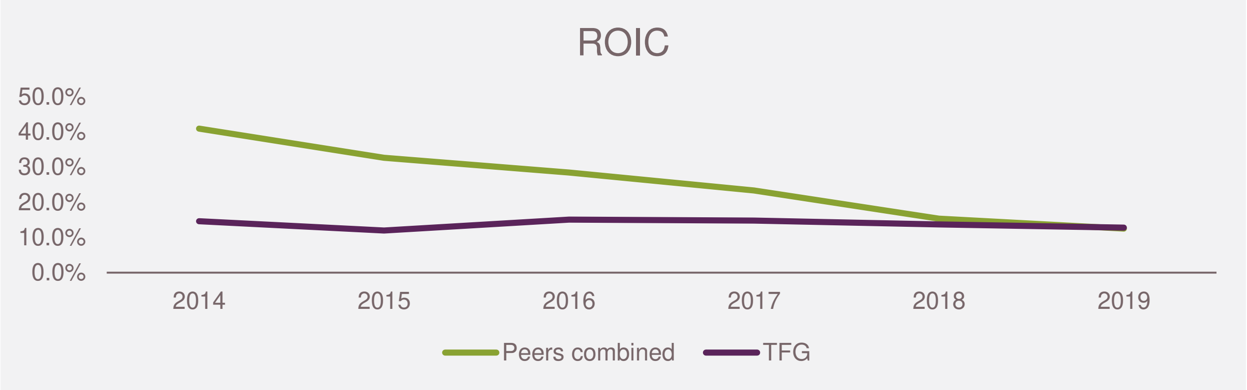
17,4%
ROCE (pre-IFRS 16)

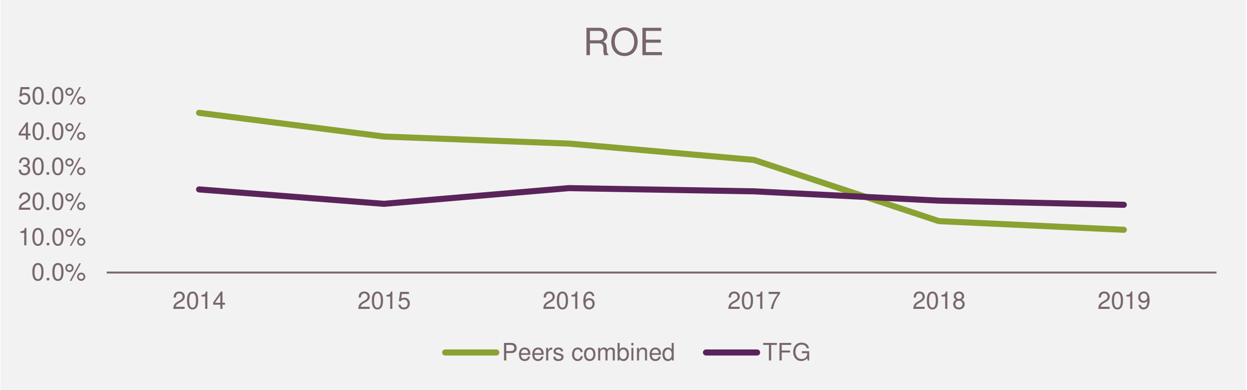
120,1%
Debt to equity (post-IFRS 16)

60,0%
Debt to equity (pre-IFRS 16)

WE CONTINUE TO STRENGTHEN OUR BALANCE SHEET

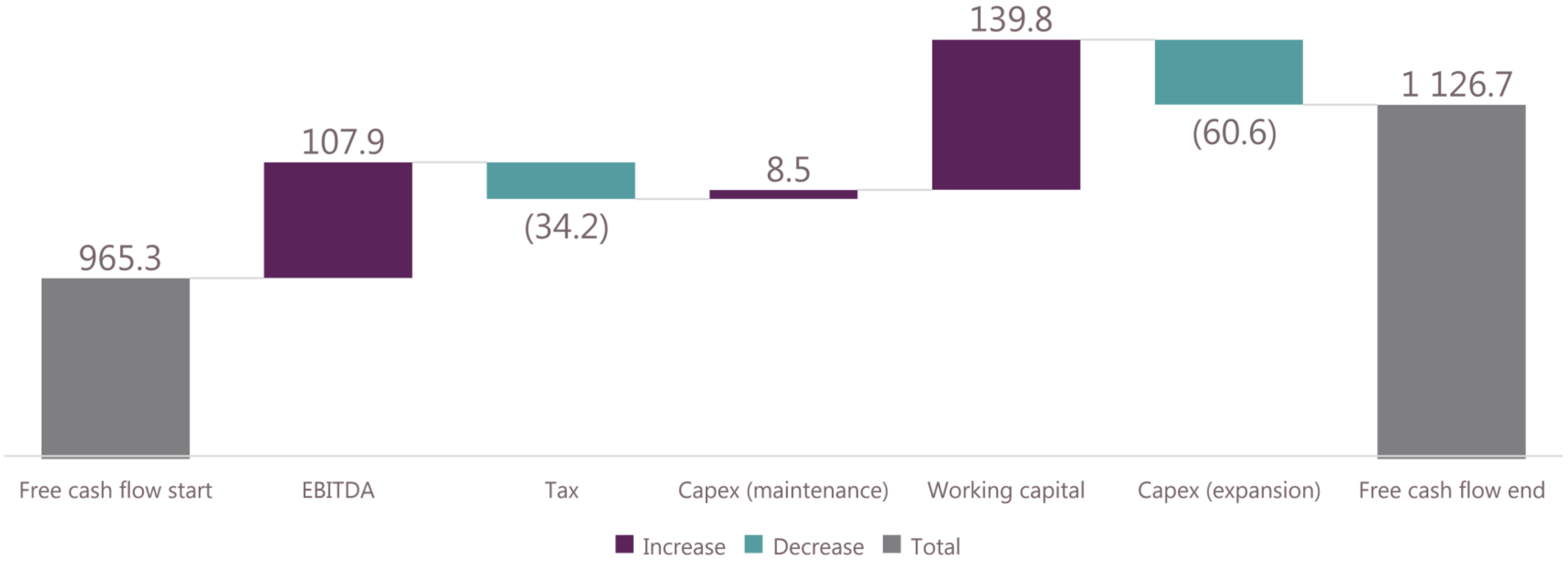






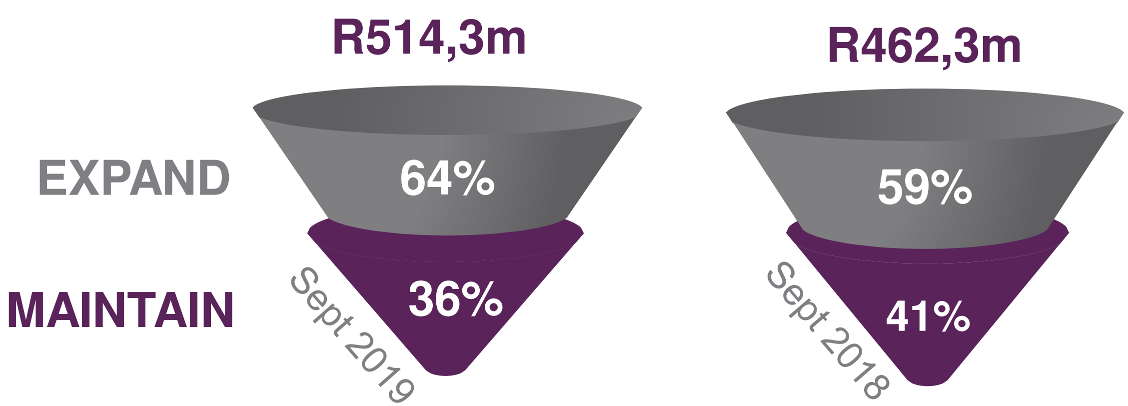
Source: Thomson Reuters Eikon
Peers: Average of MRP, TRU and WHL

FREE CASH FLOW CONVERSION: 91,4 % OF NPAT

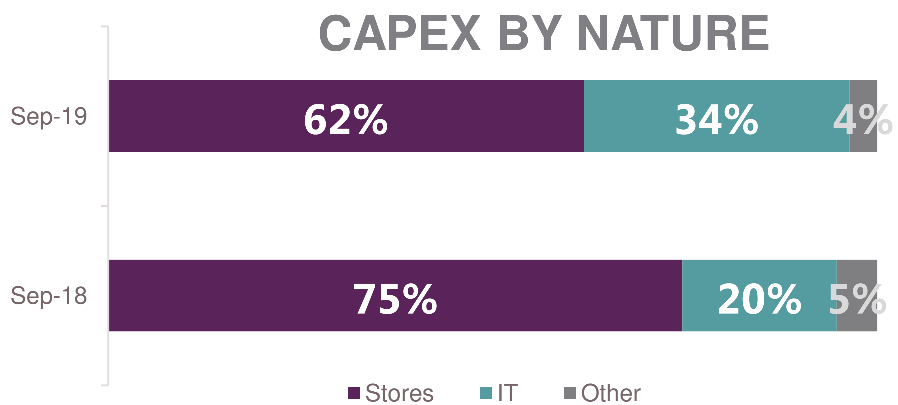


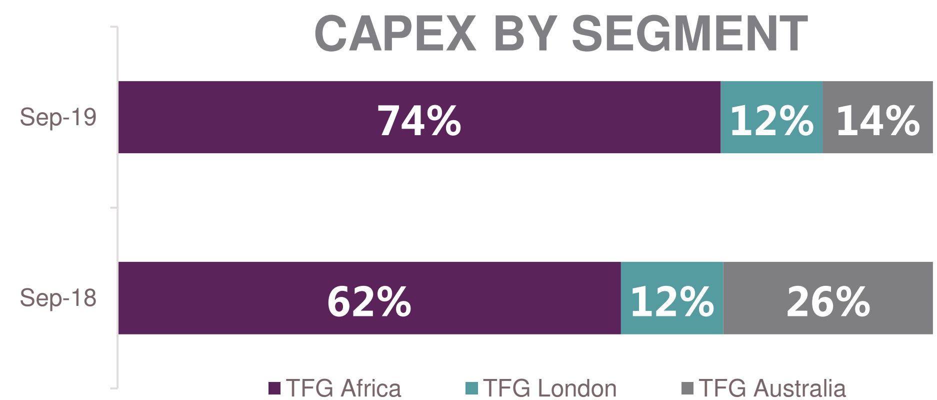
- Strong cash generation
- Improved working capital management in line with optimisation
- Expansion capex growth in line with focus on digital transformation
- Store maintenance capex well contained

CAPEX SPEND FOR THE PERIOD



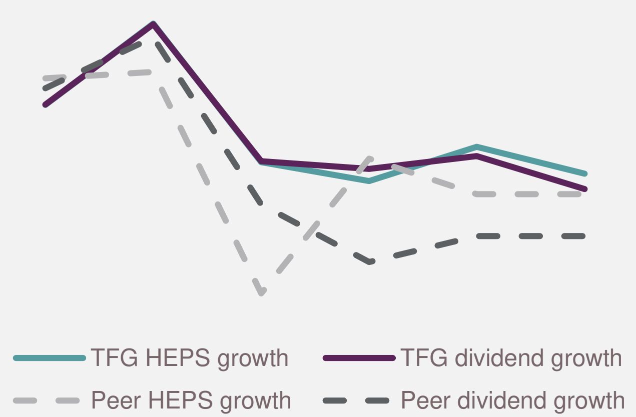
Deliberate increased investment in digital and technology, with investment increasing 92% compared to Sept 2018





DISTRIBUTION TO SHAREHOLDERS

DIVIDEND GROWTH REMAINS IN LINE WITH EARNINGS GROWTH



- Dividend cover slightly low, but will marginally increase over time
- Dividend growth expected to remain in line with earnings growth

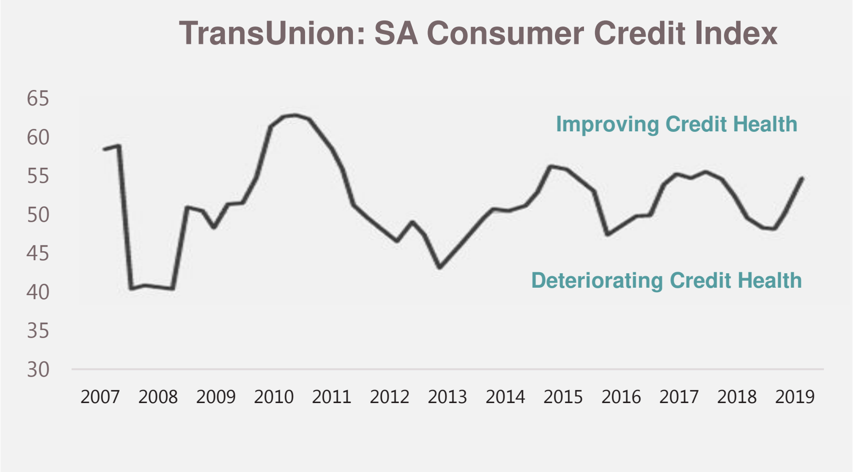
	GROUP Sept 2019	GROUP Sept 2018	% change
Profit for the period (Rm)	1 232,9	1 169,4	5,4
Headline earnings (Rm)	1 217,4	1 181,2	3,1
Weighted ave shares ('m)	231,1	231,0	-
Basic EPS (cents)	533,4	506,2	5,4
Headline EPS (cents)	526,7	511,4	3,0
Dividend per share (cents)	335,0	330,0	1,5

^ Peers: Average of MRP, TRU and WHL
** Adjusted HEPS growth as defined in SENS announcement*

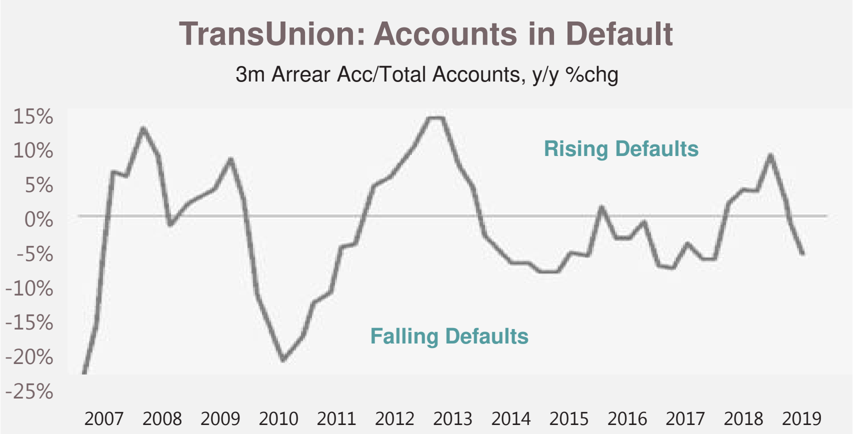
CREDIT AS AN ENABLER

by Jane Fisher

INDUSTRY – Q3 2019 RESULTS: TOUGH ECONOMIC CONDITIONS CONTINUES



TransUnion, ETM, Macrobond

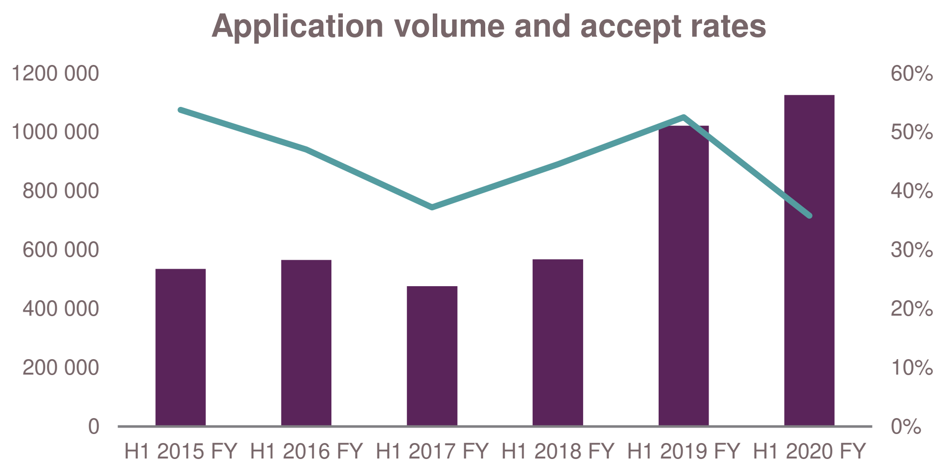


TransUnion, ETM, Macro Advisors, Macrobond

- The TransUnion SA Consumer Credit Index (CCI) has increased to 54, which was unexpected
- Four levers make up the index:
  - Household cashflow;
  - Debt servicing costs;
  - Accounts in default; and
  - Distressed borrowing
- Index improved primarily due to an improvement in percentage of industry loan defaults, however absolute number of defaults has increased, but this is offset by 7% growth of new account lending at an industry level
- Economic indicators are not improving such as unemployment, food inflation and petrol prices

CREDIT GROWTH PURPOSEFULLY CONSTRAINED IN RESPONSE TO ECONOMIC STRESS

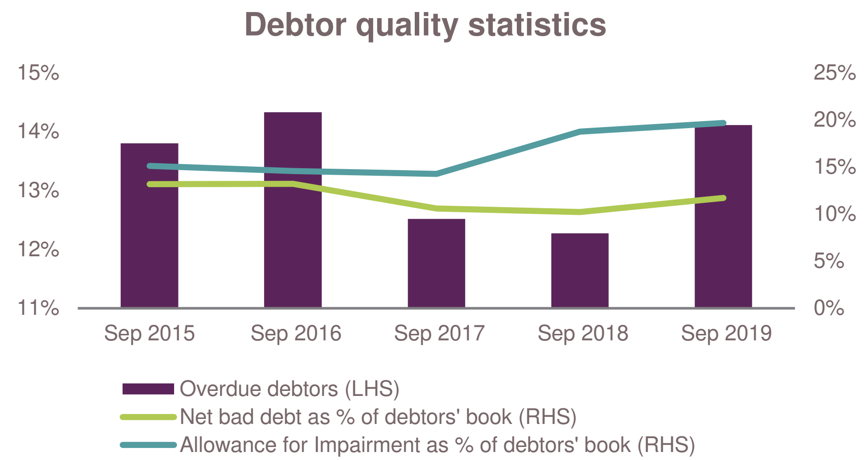
- Year-on-year growth in applications at 7%, which normalised as anticipated
- Accept rates remain conservative and consistent to H2 2019 FY:
  - H1 2020 FY accept rate: 35,8%
  - H2 2019 FY accept rate: 36,4%
  - H1 2019 FY accept rate: 52,6%
- Subdued approval rates have impacted credit turnover growth



Key indicators	TFG AFRICA Sept 2019	TFG AFRICA Sept 2018	TFG AFRICA % change
Number of active accounts ('000)	**2 723,6**	2 621,7	3,9
Credit turnover (Rm)	**4 495,3**	4 516,0	(0,5)
Cash turnover (Rm)	**6 124,3**	5 466,0	12,0
Gross debtors' book (Rm)	**9 349,1**	8 715,1	7,3

QUALITY OF BOOK WITHIN MANAGEMENT EXPECTATIONS

- Net bad debt write-off as % of credit transactions stable at 8,6%
- Year-on-year recoveries decreases due to less debt being available for sale
- Allowance for impairment as % of debtors' book remains stable at 19,7% (Sep 2018: 18,7%)



Key indicators	TFG AFRICA Sept 2019	TFG AFRICA March 2019	TFG AFRICA Sept 2018
Buying position %	82,4	81,6	84,7
Gross bad debt write-off year-on-year growth %	20,2	8,3	10,4
Net bad debt write-off as % of credit transactions	8,6	7,8	8,1
Recoveries year-on-year growth %	(9,5)	17,4	12,8
Allowance for impairment at reporting date year-on-year growth %	12,7	12,6	42,5
Net bad debt as a % of debtors' book	11,7	10,7	10,2

EBIT GROWTH GENERATED FROM NEW ACCOUNTS

	TFG AFRICA Sept 2019 (Rm)	% of credit transactions	TFG AFRICA Sept 2018 (Rm)	% of credit transactions	TFG AFRICA % change
Income	1 227,1	15,9	1 079,9	16,0	13,6
Net bad debt	(617,0)	8,0	(514,8)	7,6	19,8
Credit costs	(255,4)	3,3	(241,3)	3,6	5,8
EBIT	**354,7**	**4,6**	**323,8**	**4,8**	**9,5**

Income growth from book growth and 25bps rate increase in Dec 2018

Gross bad debt write-off growth and less book sales increases net bad debt

Increased account base increase credit costs

WHAT'S NEXT FOR TFG

by Anthony Thunström

OUTLOOK / STRATEGY

The strategy is right and yielding the desired outcome

Consumer continues to be **under pressure** locally and internationally

Responsible credit extension in line with subdued economic conditions for TFG Africa and **uncertain legislative landscape**

TFG well positioned to continue to take market share in the segments in which we operate

Sustainable business optimisation alongside **digital transformation** will further derive margin expansion over the next three years

Most at risk are struggling department store competitors that have been under investing in **digital tools and e-commerce**

Confident of our strategy and we will continue to invest for the future as its yielding the desired outcome

OUTLOOK

TFG London

TFG Australia

General retail outlook in the UK and Australia remains relatively subdued

TFG Africa

We remain cautious as trading conditions in South Africa continue to tighten with:

- Close to a zero growth environment
- Chronically high structural unemployment
- Speculation of a possible credit downgrade

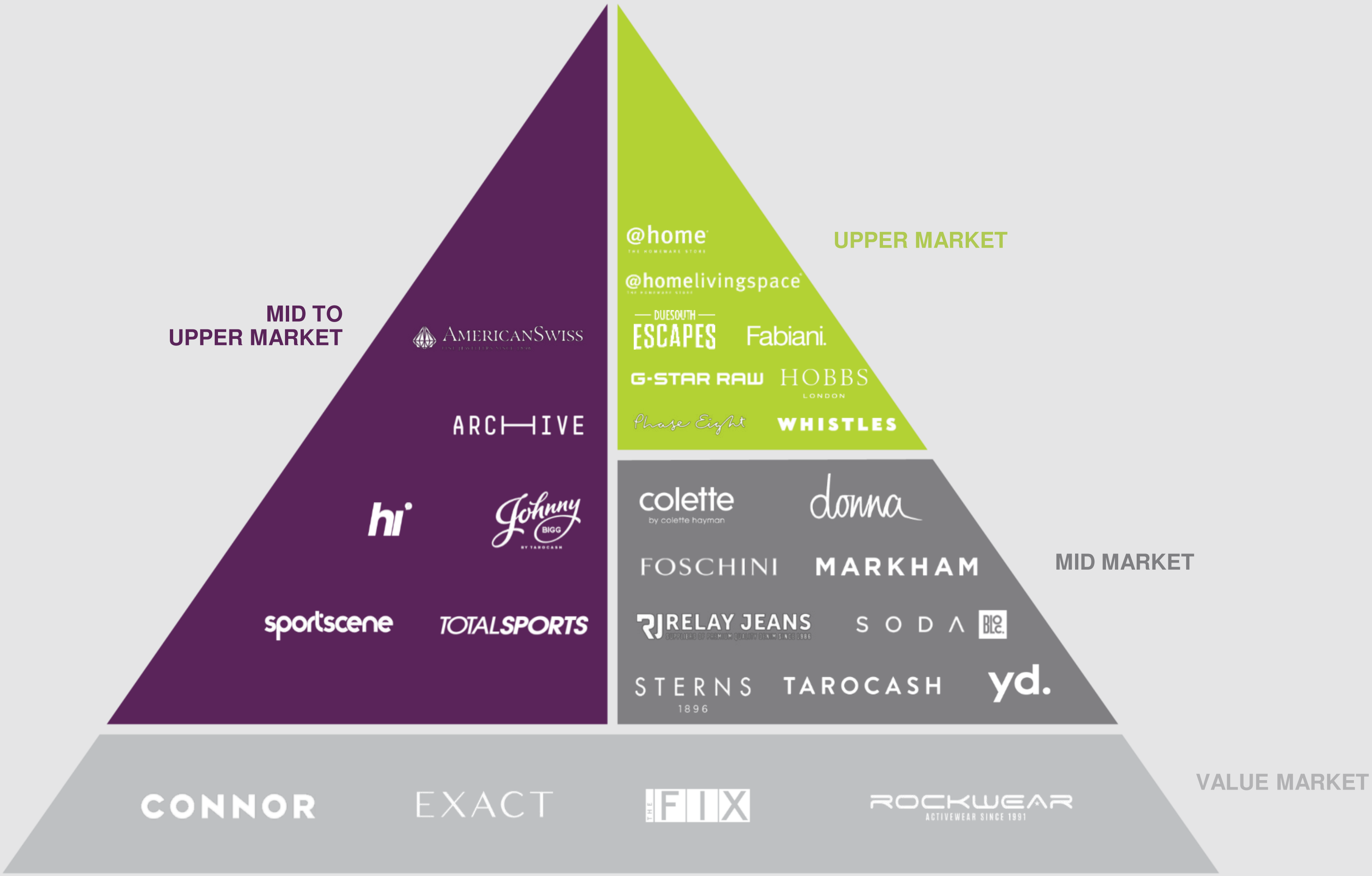
As always, the 2^{nd} half is heavily dependent on Black Friday, Cyber Monday and Christmas trade

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.

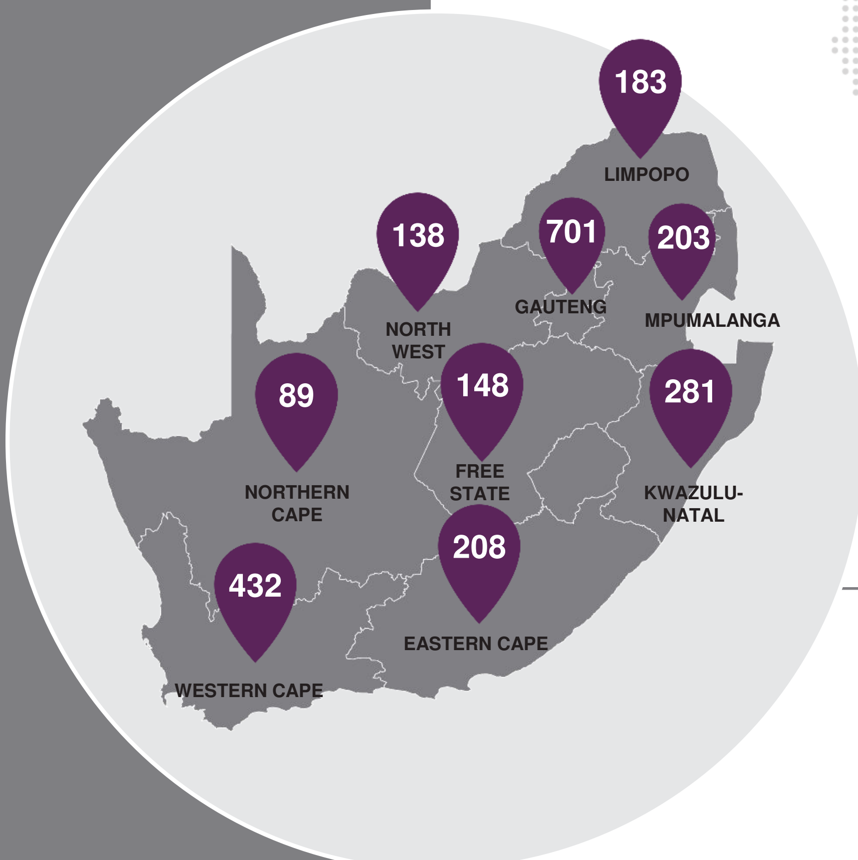
APPENDICES

BUSINESS OVERVIEW



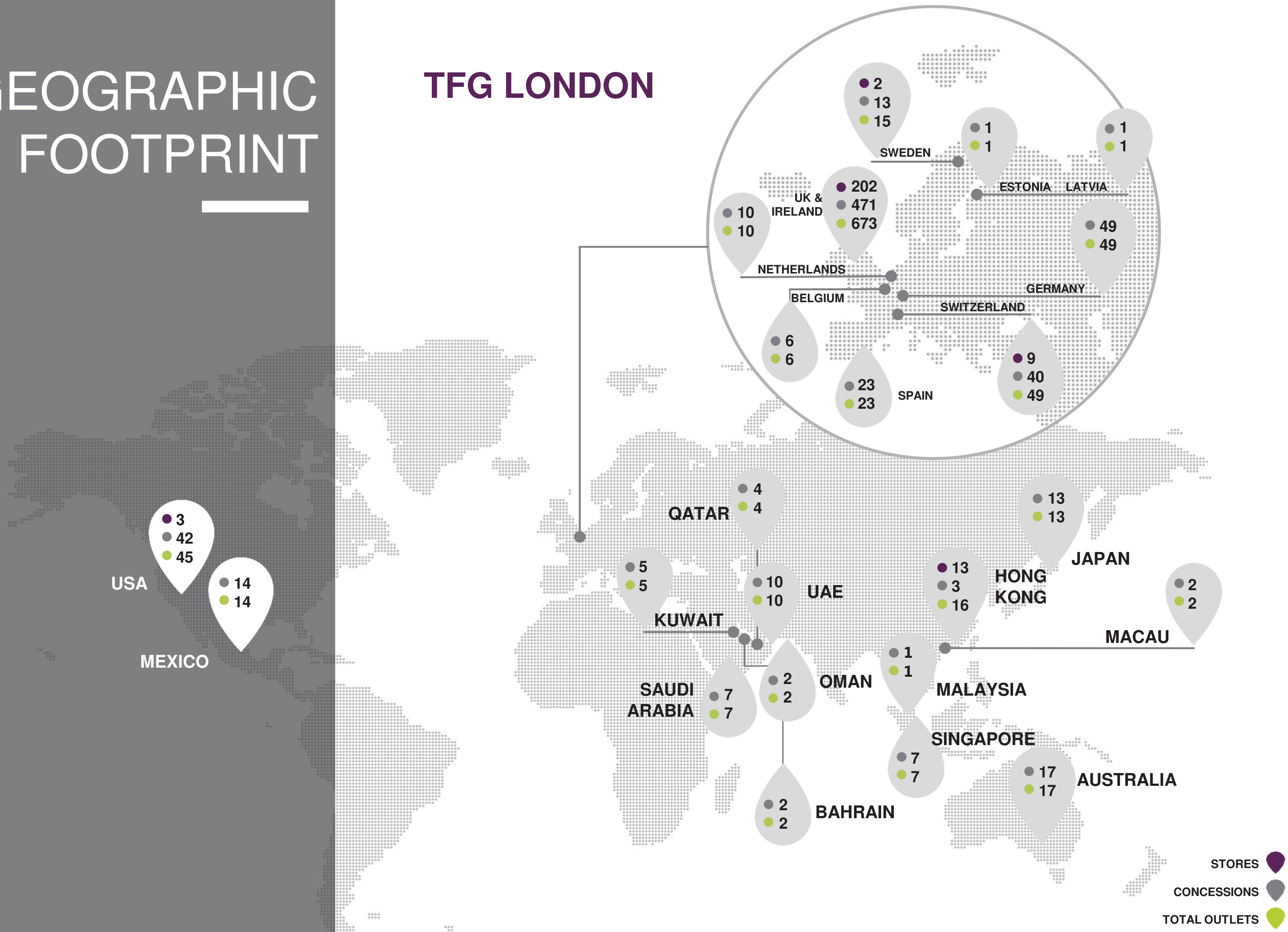
GEOGRAPHIC FOOTPRINT

TFG AFRICA



GEOGRAPHIC FOOTPRINT

TFG LONDON



GEOGRAPHIC FOOTPRINT

TFG AUSTRALIA