

RESULTS PRESENTATION

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



TF
G

@home @homelivingspace AMERICAN SWISS CHARLES & KEITH colette donna DUESOUTH EXACT Fabiani. **FIX** FOSCHINI
G-STAR RAW hi MARKHAM MAT & MAY next *Phase Eight* SODA **RE** sportscene STERNS TOTALSPORTS WHISTLES



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 |
| - Growth | Doug Murray |
| - Outlook | Doug Murray |

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



THE ECONOMY AND RETAIL ENVIRONMENT

GLOBAL ECONOMY

- Outlook remains subdued
 - Brexit – impact on UK and Europe
 - US elections and economy
 - Chinese economy

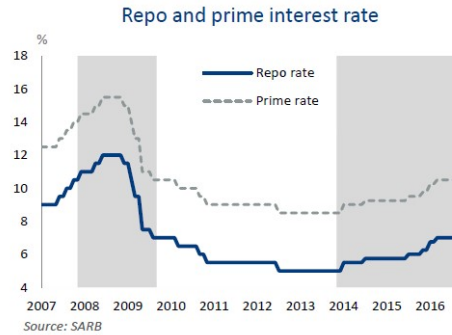
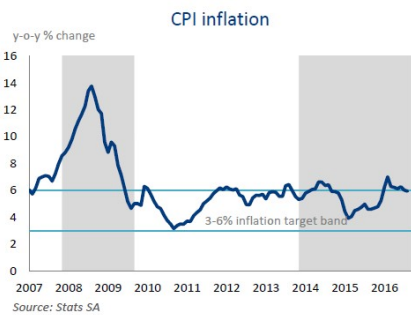
UK ECONOMY

- Brexit uncertainties
- Retail numbers weak

DOMESTIC ECONOMY

- Outlook for consumer spending remains muted – impact of:
 - Affordability regulations
 - Reduced credit lending
 - Unemployment
 - Low consumer confidence
- Impact of political uncertainty and corruption on the South African economy is of deep concern
- Threat of ratings downgrade remains a risk
- Rand stronger but remains volatile
- Uncertainty around future interest rate outlook
- Inflation outlook
 - 6,1% at end September 2016 vs 4,6% at end September 2015
 - Potentially above target range until early 2017
- GDP growth outlook for 2016 at 0,3% (*BER*)
 - Outlook for 2017 at 1,1% (*BER*)

TRADING ENVIRONMENT



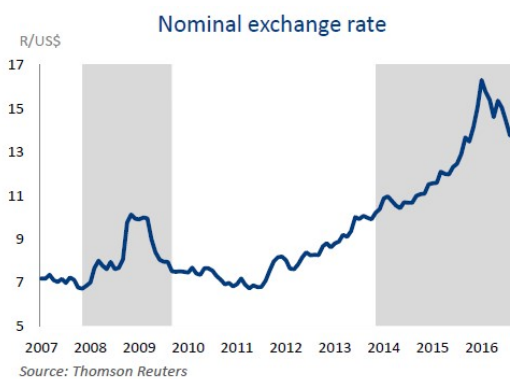
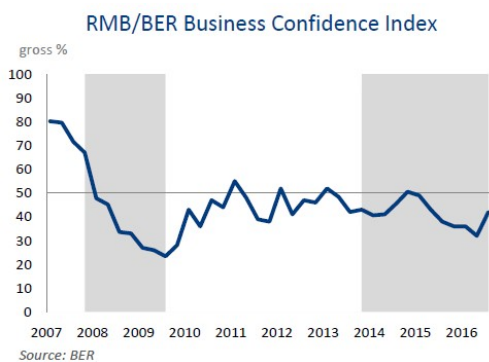
Source of graphs: BER Economic Snapshot October 2016

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TRADING ENVIRONMENT



Source of graphs: BER Economic Snapshot October 2016

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



BUSINESS OVERVIEW



BUSINESS OVERVIEW



TFG GROUP

- Offers prominent lifestyle brands to consumers across the majority of LSM groups, from value to upper market
- Comprises 22 brands
 - Towards the end of the 2016 financial year, we commenced the roll-out of the rebranding of Fashion Express to The FIX which is continuing in the 2017 financial year
 - During the 2017 financial year, we rebranded DonnaClaire to Donna
 - We continue to benefit from and leverage our existing infrastructure and leading IT systems ensuring that new brands can be added with minimal capital outlay and investment
- Broad product offering across various merchandise categories:
 - Clothing, jewellery, homeware & furniture, cellphones and cosmetics



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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

DONNA REBRANDING



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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

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THE FIX REBRANDING



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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

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FOOTPRINT : TFG GROUP



3 221 OUTLETS IN 34 COUNTRIES:


- TFG Africa: 8 countries
 - South Africa: 2 341 outlets
 - Rest of Africa: 185 outlets in 7 countries
- TFG International: 26 countries
 - Phase Eight: 569 outlets
 - Whistles: 126 outlets

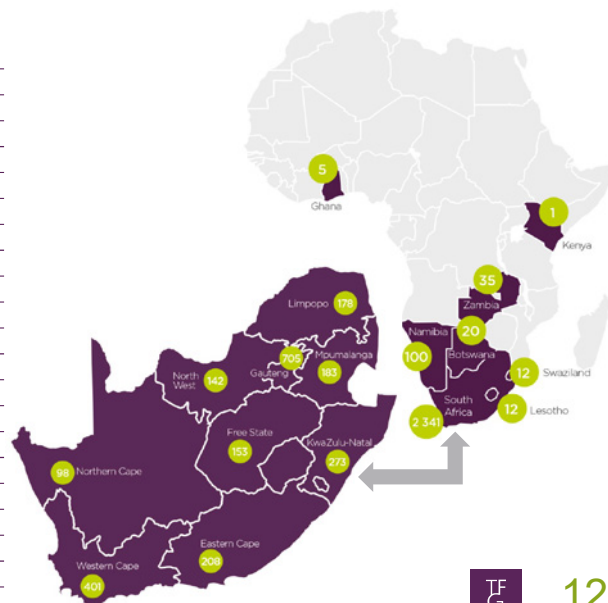


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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

FOOTPRINT : TFG AFRICA

	 South Africa	 Rest of Africa	Total
@home	83	6	89
@homelivingspace	29	2	31
American Swiss	217	23	240
Charles & Keith	12	-	12
Colette	8	-	8
Donna	97	4	101
Duesouth	57	5	62
Exact	269	17	277
Fabiani	24	-	24
Foschini	272	22	294
G-Star Raw	11	-	11
hi	6	-	6
Markham	303	25	328
Mat & May	26	-	26
Next	2	-	2
SODA Bloc	21	-	21
sportscene	246	20	266
Sterns	184	20	184
The FIX	217	18	235
Totalsports	286	23	309
Total	2 341	185	2 526



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

FOOTPRINT: TFG INTERNATIONAL

	Stores	Concessions	Total outlets		Stores	Concessions	Total outlets		Stores	Concessions	Total outlets
UK & Ireland	155	340	495	Netherlands	-	7	7	USA	-	14	14
Germany	2	41	43	Australia	-	16	16	Norway	1	-	1
Switzerland	11	30	41	Hong Kong	3	2	5	Malaysia	-	1	1
Bahrain	-	1	1	Mexico	-	13	13	Latvia	-	1	1
Kuwait	-	2	2	Saudi Arabia	-	8	8	Italy	-	4	4
Qatar	-	1	1	United Arab Emirates	-	8	8	Japan	-	1	1
Singapore	-	6	6	Estonia	-	1	1	France	-	2	2
Sweden	1	8	9	Belgium	-	4	4	Macau*	1	-	1
Spain*	-	10	10								

* New countries for 2017 financial year

TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

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TURNOVER BY MERCHANDISE CATEGORY

Retail turnover by merchandise category	TFG GROUP Sept 2016 (Rm)	TFG AFRICA Sept 2016 (Rm)	TFG GROUP Sept 2015 (Rm)	TFG AFRICA Sept 2015 (Rm)	% change TFG GROUP	% change TFG AFRICA	% same store growth TFG AFRICA
Clothing	8 639,9	6 084,3	7 222,7	5 552,6	19,6	9,6	1,6
Jewellery	687,3	687,3	660,9	660,9	4,0	4,0	0,3
Cellphones	890,8	890,8	740,5	740,5	20,3	20,3	15,2
Homeware & furniture	670,3	670,3	624,9	624,9	7,3	7,3	(4,6)
Cosmetics	527,4	527,4	512,2	512,2	3,0	3,0	(0,8)
Total	11 415,7	8 860,1	9 761,2	8 091,1	16,9	9,5	2,1
Cash sales	7 006,8	4 451,2	5 411,7	3 741,6	29,5	19,0	
Credit sales	4 408,9	4 408,9	4 349,5	4 349,5	1,4	1,4	
Total	11 415,7	8 860,1	9 761,2	8 091,1	16,9	9,5	

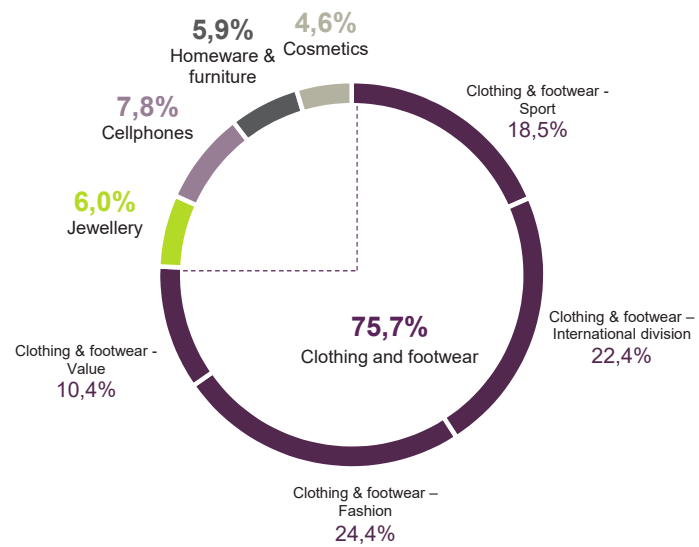
- Cash sales
 - Represent 61,4% (TFG Africa: 50,2%) of total sales (Sept 2015: TFG Group 55,4%, TFG Africa: 46,2%)
 - Strong growth at 29,5% (TFG Africa: 19,0%)
- Credit sales
 - Growth of 1,4%
 - Severely impacted by the reduction in new accounts as a result of the Affordability Regulations

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TURNOVER: MERCHANDISE CATEGORY CONTRIBUTION

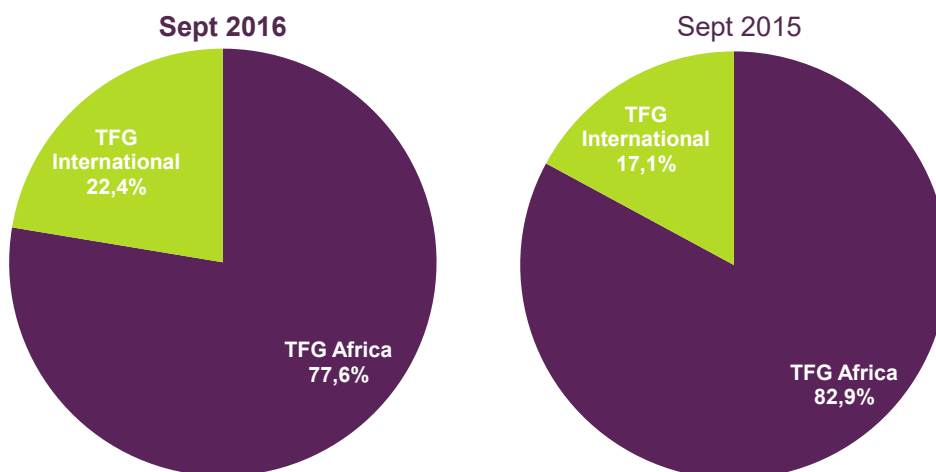


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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TURNOVER: GEOGRAPHIC CONTRIBUTION

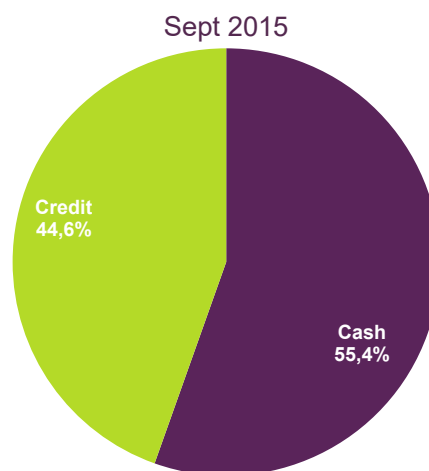
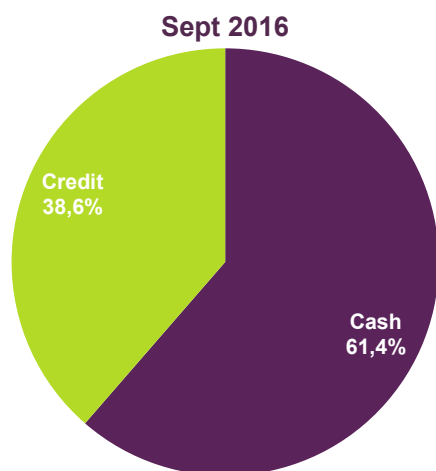


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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TURNOVER: CASH VS CREDIT

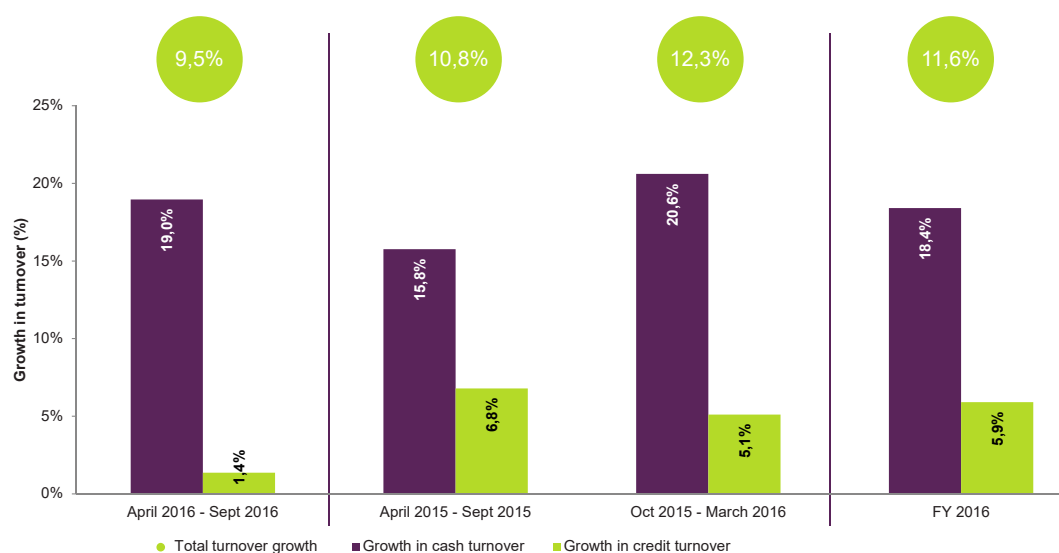


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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

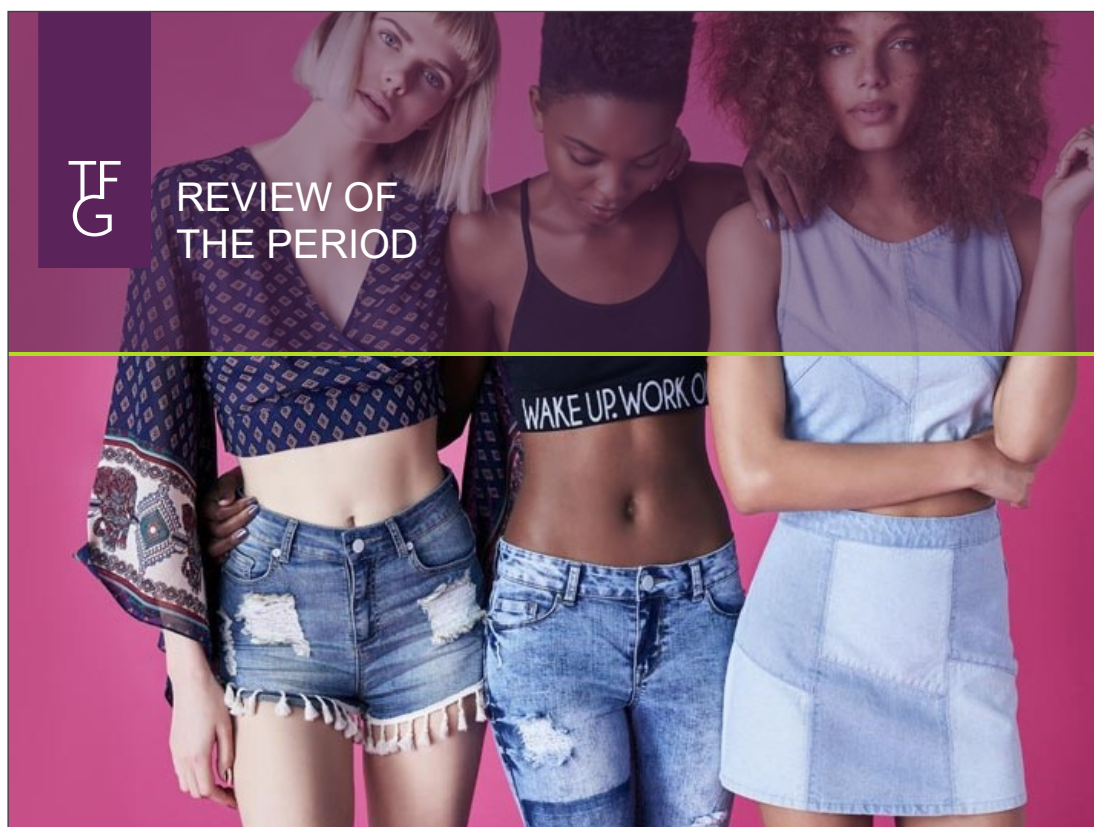
CASH VS CREDIT TURNOVER GROWTH (TFG AFRICA)



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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



REVIEW OF THE PERIOD

CHANGES IN GROUP STRUCTURE DURING THE PERIOD

- Phase Eight: 6 months' trading included in both current and prior year (acquired January 2015)
- Whistles: 6 months' trading included in current year (acquired March 2016)

CHANGES IN E-COMMERCE

- Launched online selling of Foschini cosmetics, Markham and Fabiani brands

CHANGES IN INTEREST RATE ENVIRONMENT

- Prior year: repo rate increases in July 2015 (25 bps), November 2015 (25 bps), January 2016 (50bps) and March 2016 (25bps)
- Current period: no changes

SEPTEMBER 2016: SALIENT FEATURES

Retail turnover	R11,4 bn	↑
Retail turnover growth	+16,9%	↑
Gross margin	49,6%	↑
Net bad debt / closing debtors' book	14,0%	↔
Debt / equity - recourse	53,2%	↓
Debt / equity - total	67,6%	↓

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

SEPTEMBER 2016: SALIENT FEATURES CONTINUED

Headline earnings growth	+8,1%	↑
HEPS (cents)	496,8	↑
HEPS growth	+5,7%	↑
Interim dividend (cents per share)	320,0	↑
Growth in interim distribution	+4,6%	↑

- Interim headline earnings above R1 billion for the first time

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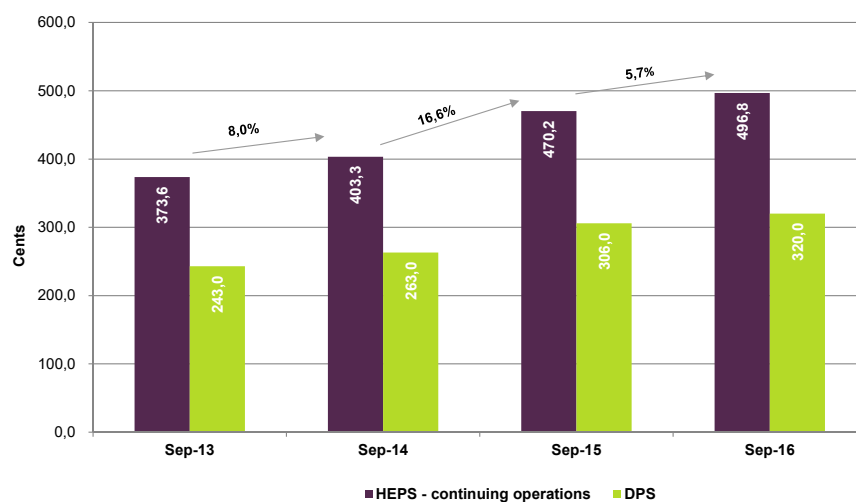
TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



FINANCIAL REVIEW: INCOME STATEMENT HIGHLIGHTS

	TFG GROUP Sept 2016	TFG AFRICA Sept 2016	TFG GROUP Sept 2015	TFG AFRICA Sept 2015	% change TFG GROUP	% change TFG AFRICA
Revenue (Rm)	12 854,9	10 299,3	11 082,6	9 412,5	16,0	9,4
Retail turnover (Rm)	11 415,7	8 860,1	9 761,2	8 091,1	16,9	9,5
Gross margin (%)	49,6	45,5	49,1	46,1		
Total trading expenses (Rm)	5 369,5	4 007,7	4 511,9	3 654,7	19,0	9,7
Net bad debt (Rm)	485,6	485,6	506,7	506,7	(4,2)	(4,2)
Operating margin (%)	15,1	16,5	16,4	17,2		
HEPS (cents)	496,8		470,2		5,7	

TFG GROUP EARNINGS & DISTRIBUTIONS



* HEPS excludes acquisition costs

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

REVENUE

	TFG GROUP Sept 2016 (Rm)	TFG AFRICA Sept 2016 (Rm)	TFG GROUP Sept 2015 (Rm)	TFG AFRICA Sept 2015 (Rm)	% change TFG GROUP	% change TFG AFRICA
Retail turnover	11 415,7	8 860,1	9 761,2	8 091,1	16,9	9,5
Interest income	862,8	862,8	732,4	732,4	17,8	17,8
Other revenue	576,4	576,4	589,0	589,0	(2,1)	(2,1)
Group total	12 854,9	10 299,3	11 082,6	9 412,5	16,0	9,4

- Retail turnover growth satisfactory in difficult trading circumstances
- Interest income will be dealt with separately
- Other revenue -2,1%
 - Comprises publishing income, insurance income and income from mobile one2one airtime
 - Will be dealt with separately in Financial Services section

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

GROSS PROFIT

	TFG GROUP Sept 2016	TFG AFRICA Sept 2016	TFG GROUP Sept 2015	TFG AFRICA Sept 2015	% change TFG GROUP	% change TFG AFRICA
Gross profit (Rm)	5 659,4	4 027,7	4 788,8	3 726,1	18,2	8,1
Gross margin (%)	49,6	45,5	49,1	46,1		

- Gross margins broadly consistent in all merchandise categories except for clothing
 - Clothing margin down mainly due to expected impact of Fashion Express which is still in the process of transitioning to The FIX
- TFG Africa gross margin mix impacted by strongly improved cellular sales (+ 20,3%)
- Excluding international division, gross margin at 45,5%

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

INTEREST INCOME

	Sept 2016 (Rm)	Sept 2015 (Rm)	% change
Trade receivables – retail	851,2	721,6	18,0
Sundry	11,6	10,8	7,4
Total interest income	862,8	732,4	17,8

- Interest income from retail debtors' book up 18,0%
 - Impact of repo rate increases in the prior year
 - Gross book growth of 4,1% (September to September movement)
 - 88,3% of balances remain interest-bearing (September 2015: 88,2%)

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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TRADING EXPENSES

	TFG GROUP Sept 2016 (Rm)	TFG AFRICA Sept 2016 (Rm)	TFG GROUP % to turnover Sept 2016	TFG GROUP Sept 2015 (Rm)	TFG AFRICA Sept 2015 (Rm)	TFG GROUP % to turnover Sept 2015	% change TFG GROUP	% change TFG AFRICA
Depreciation and amortisation	(261,8)	(206,1)	2,3	(213,7)	(161,4)	2,2	22,5	27,7
Employee costs	(1 799,9)	(1 341,9)	15,8	(1 479,2)	(1 204,7)	15,2	21,7	11,4
Occupancy costs	(1 171,5)	(950,7)	10,3	(963,5)	(835,5)	9,9	21,6	13,8
Other net operating costs	(1 650,7)	(1 023,4)	14,5	(1 348,8)	(946,4)	13,8	22,4	8,1
Trading expenses before net bad debt	(4 883,9)	(3 522,1)	42,8	(4 005,2)	(3 148,0)	41,0	21,9	11,9
Net bad debt	(485,6)	(485,6)	4,3	(506,7)	(506,7)	5,2	(4,2)	(4,2)
Total trading expenses	(5 369,5)	(4 007,7)	47,0	(4 511,9)	(3 654,7)	46,2	19,0	9,7

- Expenses before bad debt growing at 21,9% (TFG Africa: 11,9%)
- International cost movement distorted as a result of inclusion of Whistles
- Depreciation – 9,0% (TFG Africa: 9,5%) movement excluding impact of prior year useful life change
- Employee costs growth at 21,7% (TFG Africa: 11,4%)
 - Annual salary and promotional increases approx 7,5%
 - New stores

- Store occupancy costs up 21,6% (TFG Africa: 13,8%)
 - Normal lease escalations average 7%, balance is new stores and impact of higher average rental space such as Mall of Africa and Mall of the South (27 stores)
- Other net operating costs increased by 22,4% (TFG Africa: 8,1%)
 - Like-for-like costs flat
 - Cost-saving initiatives
 - Investment in collections, analytics, forensics and loss control measures, etc
- Bad debts will be dealt with by Jane Fisher

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TFG RESULTS PRESENTATION
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FINANCE COST

	TFG GROUP Sept 2016 (Rm)	TFG AFRICA Sept 2016 (Rm)	TFG GROUP Sept 2015 (Rm)	TFG AFRICA Sept 2015 (Rm)	% change TFG GROUP	% change TFG AFRICA
Finance cost	(307,5)	(259,8)	(240,4)	(189,8)	27,9	36,9

- Impact of repo rate increases in the prior year
- Level of term funding
- Political uncertainty resulted in higher interest rate spreads

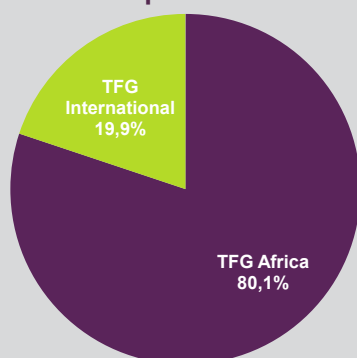
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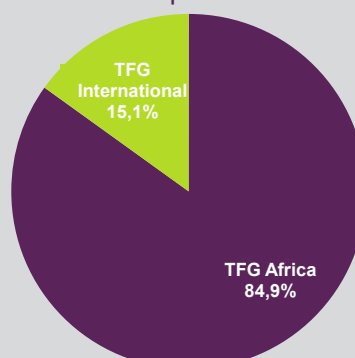
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FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

SEGMENTAL REVENUE

Sept 2016



Sept 2015



	Sep-16 Rm	Sep-15 Rm	Sep-16 % contribution	Sep-15 % contribution
TFG Africa	10 299,3	9 412,5	80,1%	84,9%
TFG International	2 555,6	1 670,1	19,9%	15,1%
TFG Group	12 854,9	11 082,6		

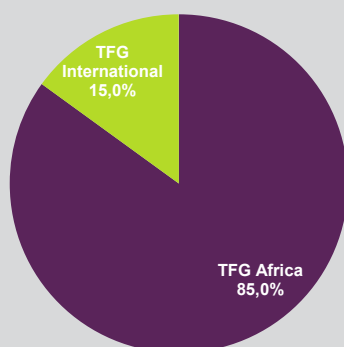
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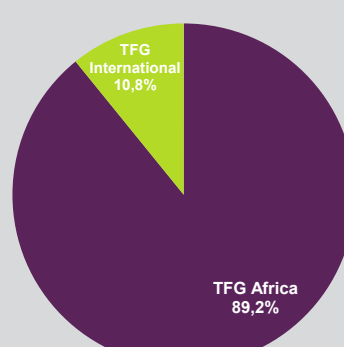
TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

SEGMENTAL PROFIT BEFORE TAX

Sept 2016



Sept 2015



	Sep-16 Rm	Sep-15 Rm	Sep-16 % contribution	Sep-15 % contribution
TFG Africa	1 259,3	1 274,3	85,0%	89,2%
TFG International	222,3	155,0	15,0%	10,8%
TFG Group	1 481,6	1 429,3		

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

STOCK

	September 2016 (Rm)	March 2016 (Rm)	% change
Stock	5 126,5	5 116,1	0,2

- TFG Africa: stock up by 4,1%
- Accelerated roll-out of Sports division impacts stock levels (76 number of stores since Sept 2015)

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TRADE RECEIVABLES

	September 2016 (Rm)	March 2016 (Rm)	% change
Trade receivables - retail	6 669,5	6 695,0	(0,4)

- Book has remained flat mainly due to impact of Affordability Regulations
- Further detail on the performance of our receivables will be provided by Jane Fisher

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

BORROWINGS

	September 2016 (Rm)	March 2016 (Rm)
Interest-bearing debt	7 708,4	8 165,7
Less: Cash	(973,5)	(888,8)
Net borrowings TFG Group	6 734,9	7 276,9
Less: TFG International net borrowings (non-recourse)	(1 435,7)	(1 770,1)
TFG Africa borrowings	5 299,2	5 506,8

- Close focus on working capital and cash flow has resulted in a reduction of overall debt levels for TFG Africa
- TFG International: positive strong cash flows and a lower exchange rate reduce net borrowings both in GBP and ZAR
- Resultant reduction in gearing levels
 - TFG Africa (recourse debt): gearing of 53,2% (March 2016: 55,6%)
 - TFG Group: gearing of 67,6% (March 2016: 73,5%)

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

CASH GENERATION & UTILISATION

	(Rm)	September 2016 (Rm)
Net borrowings at beginning of the period		(7 276,9)
Cash EBITDA	1 757,6	
Other net investing activities	6,6	
Cash generated		1 764,2
Taxation paid	(353,3)	
Funds reinvested in the business for growth	(704,0)	
Receivables increase	(118,0)	
Inventory increase	(117,8)	
Creditors decrease	(32,4)	
Capital expenditure	(435,8)	
Net cash flows from share incentive scheme transactions	(159,5)	
Cash utilised		(1 216,8)
Forex (movement on revaluation of international debt)	266,5	266,5
		(6 463,0)
Dividends paid	(271,9)	(271,9)
Net borrowings at the end of the period		(6 734,9)

- Cash EBITDA up 6,7% to R1 757,6 million (Sept 2015: R1 646,8 million)
- Continued investment in future growth

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

CAPEX

	September 2016 (Rm)	September 2015 (Rm)
Stores	218,5	212,5
IT	103,5	110,1
International division	54,8	46,8
Other	59,0	48,6
Total	435,8	418,0

- In line with our growth strategy the majority of capex relates to opening of new stores
 - TFG Africa: 83 outlets opened during 6 months ended September 2016 (Sept 2015: 120 outlets)
- We continue to invest in our IT retail systems
- New manufacturing capacity in Caledon will open in April 2017



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TFG RESULTS PRESENTATION
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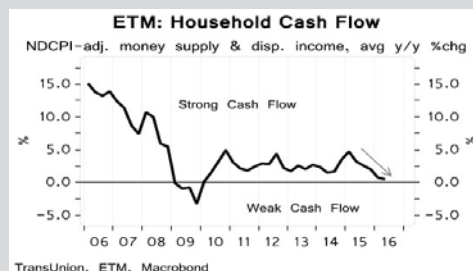
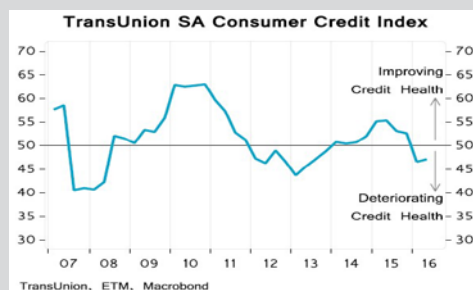


TFG FINANCIAL SERVICES



TFG FINANCIAL SERVICES: INDUSTRY REVIEW

- Consumer credit index improves slightly from previous quarter, but still in negative territory
- Effect of prior year increases in interest rates, increased unemployment and higher food price inflation coupled with rand volatility impacting negatively on household cash flows
- SARB forecasts inflation increases but indications are that increasing interest rate cycle may have plateaued



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TFG FINANCIAL SERVICES: CREDIT PERFORMANCE

	September 2016 (Rm)	September 2015 (Rm)	% change
Interest income	851,2	721,6	18,0
Net bad debt	(485,6)	(506,7)	(4,2)
Credit costs	(108,8)	(120,9)	(10,0)
EBIT	256,8	94,0	173,2

- Interest income
 - Gross book growth of 4,1% (Sept 2015: +7,3%)
 - 125 bps increase since July 2015
- Net bad debt decrease by 4,2% (Sept 2015: +4,4%)
 - Growth in bad debt write off slows to 13,7% (Sept 2015: +14,8%)
 - Growth in recoveries increases by 29,0% year on year (Sept 2015: +28,4%)
- Credit costs decrease by 10,0% (Sept 2015: +23,5%)
 - Staff costs decrease 3,7% whilst still investing in credit capability and analytics (Sept 2015: +11,5%)
 - Continued efficiency gains reduce collection costs by a further 12,4% (Sept 2015: -4,0%)
 - Affordability regulation adds to operational complexity and increases origination costs

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TFG FINANCIAL SERVICES: CREDIT BOOK

Key indicators	September 2016	September 2015	% change
Number of active accounts ('000)	2 448,6	2 667,4	(8,2)
Credit sales as a % of total retail sales (TFG Africa only)	49,8	53,8	
Net debtors' book (Rm)	6 669,5	6 339,2	5,2

- Active accounts reduce by 8,2% as affordability regulations impact application and approved volumes
- Credit turnover growth rate for the half year of 1,4% (Sept 2015: +6,8%)
- Lay-by turnover growth for the half year of 45,8% (Sep 2015: +17,9%)
- Net debtors' book growth year on year of 5,2% (Sept 2015: +6,2%)
- An estimated R310 million in lost credit turnover for the half year due to implementation of affordability regulations



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TFG FINANCIAL SERVICES: CREDIT STATISTICS

Key debtors statistics	September 2016	March 2016	September 2015
Overdue values % to debtors' book	14,3	14,0	13,8
% able to purchase	82,1	81,0	82,8
Net bad debt write off as a % of credit transactions	8,4	8,0	8,2
Net bad debt write off as a % of debtors' book	14,0	13,4	14,0
Net bad debt as a % of debtors' book *	12,1	12,3	14,2
Doubtful debt provision as a % of debtors' book	13,0	13,2	13,9

* Net bad debt includes movement in provisions and VAT allowances and is based on the 12 months year to date net bad debt

- Increase in % able to purchase ratio to 82,1% driven by improved collections
- Net bad debt write off to book ratio maintained at 14,0% in spite of slower debtors' book growth
- Improved collections and recoveries results in an improved provision statistic



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TFG FINANCIAL SERVICES: CUSTOMER VALUE ADDED PRODUCTS

	September 2016 (Rm)	September 2015 (Rm)	% change
Publishing net income	81,5	92,9	(12,2)
Insurance net income	91,7	99,1	(7,5)
Mobile one2one airtime net income	31,4	30,1	4,5
EBIT	204,6	222,1	(7,8)
Number of new product / service launches	3	2	

- Slowdown in approved new account growth negatively impacts growth in value added products
- Publishing:
 - Significant paper and delivery cost increase experienced
 - Launched additional 3rd party magazine offering – Bona (Sept 2016)
 - Launched Sportsclub.co.za website as part of social media / digital strategy (Aug 2016)
- Insurance:
 - TFG Retrenchment plan (Sept 2016) launched
- O2O :
 - Bundled products (airtime / cellphones) now sold through the call centre (March 2016)

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

TFG FINANCIAL SERVICES: STRATEGY

Challenge	Strategy
Affordability regulations impacting on new account growth and credit sales	<ul style="list-style-type: none"> - Legal proceedings against dti / NCR currently in progress
Account origination and activation	<ul style="list-style-type: none"> - Investigate third party origination model to complement current channel strategy - Activation and reactivation incentives to customer
Slower new account growth affecting sales of Value Added Products	<ul style="list-style-type: none"> - Ability to sell into cash rewards customer base (Nov 2016) - Three magazines (Tech, Motor and Sports) will be available to consumers via Checkers stores (Dec 2016) - A number of new publishing and insurance products to be launched during second half of the year
Economic conditions placing increased pressure on certain customer segments	<ul style="list-style-type: none"> - Continued responsible approach to credit allocation - Sustainable customer support initiatives - Focus on keeping fees as low as possible

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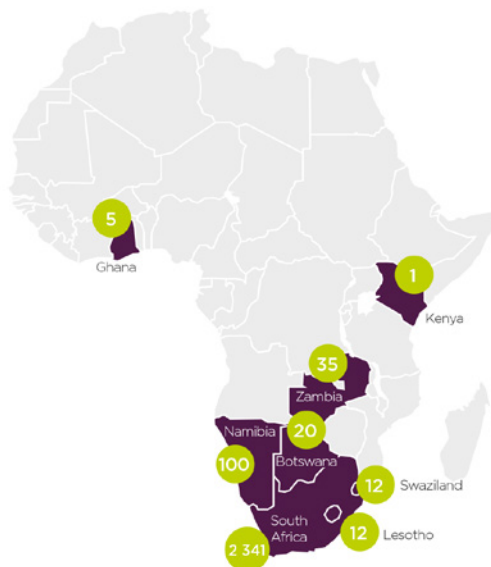
TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



GROWTH



GROWTH: AFRICA



- Overall space growth in Africa of 5,3% for the period

REST OF AFRICA

- All stores in rest of Africa are corporate stores
- Rest of Africa 185 outlets in 7 countries
 - 9 outlets opened during the period
- 17,7% turnover growth
 - 6,0% same store turnover growth
- Opened 1st store in Kenya
 - Sterns opened in The Junction mall on 1 September 2016
 - A further 3 stores are planned to open in April 2017
- Target for 2022: approximately 250 - 300 stores

SOUTH AFRICA

- 74 outlets opened during the period



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

GROWTH: INTERNATIONAL

PHASE EIGHT

- Continued UK and international roll-out with 40 new outlets opened during the period
 - Includes 2 new countries, Macau and Spain
 - 13 closures during the period
- Performance for the period:
 - Revenue = £97 million (Sept 2015 = £87 million)
 - Operational EBITDA = £15 million (Sept 2015 = £13,5 million)
 - Currently trading out of 569 outlets in 25 countries
- Strategy & outlook:
 - Continued focus on current successful strategic objectives

WHISTLES

- Continued UK and international roll-out with 6 new outlets opened during the period
 - Includes 1 new country, Spain
 - 1 closure during the period
- Performance for the period:
 - Revenue = £31 million
 - Operational EBITDA = £1,2 million
 - Currently trading out of 126 outlets in 6 countries
- Strategy & outlook:
 - Continued implementation of clearly defined turnaround strategy

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

GROWTH: INTERNATIONAL CONTINUED

G-STAR RAW AUSTRALIA

- Acquired 15 existing profitable G-Star Raw mono brand stores in Australia
 - Effective date early 2017 subject to conditions precedent
 - Will work in partnership with the G-Star office in Australia
 - Similar to our South African business model
 - Opportunity to double the number of stores in the short to medium term
 - Opportunity to learn more about the Australian retail market
 - Creates scale opportunity for unique G-Star product for our South African and Australian outlets

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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



OUTLOOK



OUTLOOK & GUIDANCE FOR 2017

- Continued uncertainty in global and local markets
- Cash sales
 - Expected to continue at current levels
- Credit sales
 - Environment to remain challenging
 - Impact of the Affordability Regulations will continue to inhibit new account growth
 - Await outcome of legal action against NCR / dti
- Gross margin to be maintained
 - Product inflation anticipated to be around 8% - 9%
- Space growth
 - In excess of 100 outlets planned for H2 2017
 - TFG Africa - approximately 90 new outlets
 - TFG International – approximately 10 new outlets
- Continued focus on key strategic initiatives with particular focus on:
 - Cost control
 - Working capital management
 - Capital optimisation
- Turnover growth for the 1st 5 weeks of the second half is 13,3% with turnover growth of 12,2% in Africa



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TFG RESULTS PRESENTATION
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016



THANK YOU

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	2 380,1	2 055,6	2 335,7
Goodwill and intangible assets	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	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	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	862,8	732,4		1 533,0
Other income	576,4	589,0		1 105,9
Trading expenses	(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

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.

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WHISTLES

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