ANALYST PRESENTATION

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2011

AGENDA

• The economy and retail environment	Doug Murray
• Review of the period	Doug Murray
• Financial review	Ronnie Stein
• Divisional review	Doug Murray
• Financial services	Peter Meiring
• Outlook	Doug Murray
• Questions	All

THE ECONOMY AND RETAIL ENVIRONMENT

THE ECONOMY AND RETAIL ENVIRONMENT

- During the 3rd quarter of 2011 financial risk around the globe surged closer to a critical level
- South Africa, with its open economy, is not escaping the uncomfortable international situation and the economic outlook has deteriorated on the back of international financial risk
- As a result, the BER have adjusted downwards their SA GDP growth projections to 3,1% in 2011 and 2,8% in 2012
- Interest rates are expected to remain at current low levels for at least the remainder of the current financial year (following a reduction of 6,5% over the last 2 years)
- Inflation has risen from its low point in September 2010 (of 3,2%) and is currently projected to average 5,2% for 2011 (partly as a result of the higher food and oil prices) and 5,9% for 2012
- Following 2 broadly strong years, the rand has depreciated significantly in the last 2 months
- Although real wage increases are evident in many sectors, rising food, fuel and electricity prices, coupled with the weak labour market performance, have started to erode consumer's purchasing power

REVIEW OF THE PERIOD

REVIEW OF THE PERIOD

- Our group trades in the mass-middle market space and our customers have benefited from:
  - Continued low interest rates
  - Real wage increases
  - Low inflation environment, albeit rising
- Continue to reap benefits of our strategic initiatives:
  - Supply chain
  - CRM - growth in active account base
  - Driving top-line growth - pricing efficiencies passed on to customers
- Healthy debtors' books – TFG & RCS Group
- RCS Group:
  - Performed well
  - DMTN programme continues to be successful – R1 billion surplus funding available to support future growth
- New brands:
  - 1st Charles & Keith store opened in August 2011
  - Upmarket luxury menswear brand Fabiani acquired effective 1 October 2011

REVIEW OF THE PERIOD CONTINUED

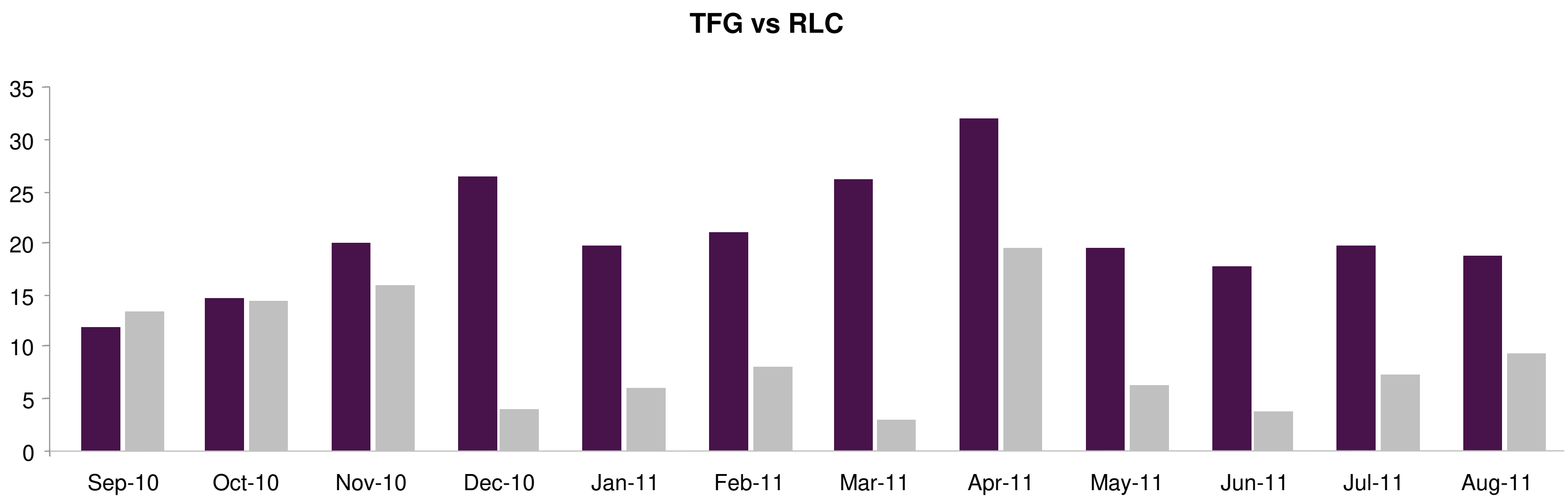
- Group turnover up 18,5% to R5,4 billion
- Headline earnings per share up 25,6% to 341,9 cents
- Operating margin increased to 22,9% from 22,0%
- Interim dividend increased by 37,7% to 190,0 cents per share
- Net bad debt as a percentage of closing debtors' book at 9,3%
- Recourse gearing of 11,0%

REVIEW OF THE PERIOD CONTINUED

Retail turnover by merchandise category	September 2011 (Rm)	September 2010 (Rm)	% Growth	% Same store growth
Clothing	3 695,4	3 081,9	19,9	12,9
Jewellery	531,4	494,8	7,4	1,5
Cellphones	506,8	391,6	29,4	23,9
Cosmetics	344,3	309,9	11,1	6,4
Homeware & furniture	350,4	303,4	15,5	11,6
Total	**5 428,3**	**4 581,6**	**18,5**	**12,1**

- All merchandise categories continue to perform well, gaining market share in all categories, particularly our largest product category, clothing
- Jewellery, being a more discretionary commodity, has traded satisfactorily taking into account the substantial increase in the gold price
- Product inflation for the period of approximately 5%

REVIEW OF THE PERIOD: RLC COMPARISON



	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
TFG	12,0	14,7	20,1	26,5	19,9	21,1	26,1	31,9	19,6	17,7	19,7	18,9
RLC	13,4	14,5	16,1	4,1	6,1	8,2	3,1	19,5	6,3	3,7	7,4	9,3

- TFG figures include clothing turnover of the following divisions: Foschini, Markham and Exact
- Apparel turnover in TFG Sports division not included
- Outperformed the general market for almost 12 months

FINANCIAL REVIEW

FINANCIAL REVIEW: HALF-YEAR ENDED SEPTEMBER 2011

Income Statement for the period ended	September 2011 (Rm)	September 2010 (Rm)	% change
Retail turnover	5 428,3	4 581,6	18,5
Cost of turnover	(3 156,0)	(2 674,0)	
Gross profit	**2 272,3**	**1 907,6**	
Interest received	813,0	736,3	
Dividends received	5,7	6,3	
Other revenue	568,1	434,7	
Trading expenses	(2 415,1)	(2 077,0)	
Operating profit before finance charges	**1 244,0**	**1 007,9**	**23,4**
Interest paid	(137,1)	(122,0)	
Profit before tax	**1 106,9**	**885,9**	**24,9**
Income tax expense	(359,7)	(280,0)	
Profit for the period	**747,2**	**605,9**	
Attributable to:			
Equity holders of The Foschini Group Limited	699,0	566,3	23,4
Non-controlling interest	48,2	39,6	
HEPS (cents)	341,9	272,3	**25,6**
Diluted HEPS (cents)	333,3	268,5	**24,1**

REVENUE

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Retail turnover	5 428,3	4 581,6	18,5
Interest received	813,0	736,3	10,4
Dividends received	5,7	6,3	(9,5)
Other revenue	568,1	434,7	30,7
Group total	**6 815,1**	**5 758,9**	**18,3**

- Good growth in retail turnover (albeit against World Cup inflated base)
- Interest received will be dealt with separately
- Other revenue growth of 30,7%
    - Club income +24%
    - Customer charges income + 47%
    - Insurance income + 26%
    - Cellular income – one2one airtime product + 13%
    - These products should continue to grow as our customer base grows

GROSS PROFIT

	September 2011 (Rm)	September 2010 (Rm)
Gross profit (Rm)	2 272,3	1 907,6
Gross margin (%)	41,8	41,6

- Input margin constant
  - Improved pricing passed on to customers
- Markdowns well controlled

INTEREST RECEIVED

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Trade receivables – retail	405,5	344,4	17,7
Receivables - RCS Group	400,2	385,2	3,9
Sundry	7,3	6,7	9,0
Total	**813,0**	**736,3**	**10,4**

- Due to the impact of the NCA capping formula, interest yields at their lowest
- Increase in interest received driven by higher average books
- Interest received from retail debtors' book up 17,7%
    - Impact of good account growth
    - Increased credit sales
    - Increase in number of 12-month accounts continues to increase the yield
    - 84,8% of balances now attracting interest
- Interest received by RCS Group up 3,9%
    - Improved from -4% last year
    - Gradual improvement as the book grows and as interest rates increase
    - Peter Meiring will deal with this in more detail in his section

TRADING EXPENSES

	September 2011 (Rm)	% to turnover 2011	September 2010 (Rm)	% to turnover 2010	% Growth
Depreciation and amortisation	(149,8)	2,8	(137,1)	3,0	9,3
Employee costs	(905,1)	16,7	(761,0)	16,6	18,9
Occupancy costs	(494,2)	9,1	(434,8)	9,5	13,7
Occupancy costs – lease liability adjustment	(14,2)	0,3	(4,2)	0,1	
Other net operating costs	(506,4)	9,3	(416,0)	9,1	21,7
	(2 069,7)	**38,1**	**(1 753,1)**	**38,3**	**18,1**
Net bad debts	(345,4)	6,4	(323,9)	7,1	6,7
Total trading expenses	**(2 415,1)**	**44,5**	**(2 077,0)**	**45,3**	**16,3**

- Expenses before bad debt at 18,1%, pushed up by
  - Employee and other operating costs relating to new stores
  - Fleet transport (fuel)
  - Electricity
  - Repairs and maintenance (DC & other)
  - RCS re-branding & tele-marketing costs
- Store occupancy costs:
  - Normal lease escalations average 8%
  - The balance is made up of new stores
- Bad debts will be dealt with by Peter Meiring

EMPLOYEE COSTS

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Employee costs - retail	780,5	665,4	17,3
Employee costs: share-based payments (IFRS 2) – retail	39,9	19,0	
Employee costs – RCS Group	84,7	76,6	10,6
Total employee costs	**905,1**	**761,0**	**18,9**
% to turnover	**16,7**	**16,6**	

- Staff increases this year were 7% with promotional and “out-of-line” adjustments 9% - balance in respect of
  - New store staff
  - Additional call centre staff for collections and tele-marketing

INTEREST PAID

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Interest paid	137,1	122,0	12,4

- Finance charges increased due to investment in debtors, stock and capital expenditure

SEGMENTAL ANALYSIS

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Retail	955,0	764,1	25,0
RCS Group	151,9	121,8	24,7
Total profit before tax	**1 106,9**	**885,9**	**24,9**

- Retail produced a good result with 25,0% growth
- RCS Group
  - Good performance – up 24,7% on last year
  - Contribution to PBT (before minorities) = 13,7% (vs 13,8% in Sept 2010)
  - Regaining momentum in growing its book, now that adequate funding is in place
  - Peter Meiring will deal with this in more detail

FINANCIAL POSITION

- Our group’s balance sheet remains strong
- The next few slides deal with key elements of our financial position

STOCK AND CREDITORS

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Stock of merchandise	1 692,7	1 310,6	29,2

- Off a low base (-4,2%) stock increased 29,2% in respect of new stores and expected levels of trading
- At appropriate levels for current trading and start of November/December period

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Trade and other payables	1 754,2	1 499,5	17,0

- Stock continues to be funded by creditors
- Creditors terms remain 30 days from statement

TRADE RECEIVABLES

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Loan receivables	948,0	801,0	18,4
Private label card receivables	2 186,6	1 905,1	14,8
RCS Group	**3 134,6**	**2 706,1**	**15,8**
Trade receivables – retail	**4 155,8**	**3 388,5**	**22,6**
Total receivables	**7 290,4**	**6 094,6**	**19,6**

- Total receivables on balance sheet amount to R7,3 billion of which R3,1 billion relates to RCS Group
- Intention is separate listing of RCS Group within next 2 years
- Peter Meiring will deal with the performance of our receivables in more detail

BORROWINGS AND NON-CONTROLLING INTEREST LOAN

	September 2011 (Rm)	September 2010 (Rm)
Interest-bearing debt and non-controlling interest loan	3 074,6	2 134,7
Less: Preference share investment	(200,0)	(200,0)
Less: Cash	(468,6)	(296,9)
Net borrowings	**2 406,0**	**1 637,8**
Less: SBSA loan to RCS Group (non-controlling interest loan)	(214,4)	(120,3)
	2 191,6	**1 517,5**
Less: RCS Group external funding (commercial paper + bank loans)	(1 500,0)	(692,0)
Recourse debt	**691,6**	**825,5**
Less: TFG funding of RCS Group	(231,4)	(785,2)
Retail borrowings	**460,2**	**40,3**

- Gearing of 38,2% (Sept 2010: 30,1%)
- Recourse gearing of 11,0% (Sept 2010: 15,2%)
- Retail gearing of 7,3% (Sept 2010: 0,7%)
- Our current direct funding of RCS Group is R231,4 million - down R502,1 million since the year-end

CASH GENERATION AND UTILISATION

	Rm	September 2011 (Rm)
Net borrowings at beginning of the period		(2 023,4)
Cash EBITDA	1 317,1	
Increase in creditors	56,9	
Increase in inventory	(38,6)	
Other net investing activities	10,2	
Cash generated		**1 345,6**
Taxation paid	(344,6)	
Dividends paid	(455,8)	
Retail & other debtors	(341,6)	
RCS Group debtors	(246,0)	
Capital expenditure	(275,7)	
Shares purchased (net of proceeds)	(64,5)	
Cash utilised		**(1 728,2)**
Net borrowings at the end of the period		**(2 406,0)**

- Cash EBITDA of R1,317 billion remains sound
- Investment in receivables of R587,6 million
    - Retail & other debtors R341,6 million
    - RCS debtors R246 million
- Capex at R275,7 million – largely due to new store openings – investment for future growth

CAPEX

	September 2011 (Rm)	September 2010 (Rm)
Stores	149,9	83,2
RCS Group	12,7	3,9
IT	92,1	34,8
Other	21,0	26,5
Total	**275,7**	**148,4**

- The majority of capex relates to opening of new stores, in line with our strategy of growing floor space
- Budgeted capex for 2012 year-end will be approximately R540 million. Included in this are costs associated with new call centre.

DIVISIONAL REVIEW

DIVISIONAL REVIEW: OVERALL

	September 2011 Turnover (Rm)	% Growth	% Same store growth	Number of stores
Foschini division	2 067,1	18,4	12,5	500
Markham	920,2	22,7	16,9	256
Exact	533,6	25,3	21,4	210
TFG Sports	964,7	17,8	7,3	350
Jewellery division	592,4	10,3	4,5	389
@home	350,3	15,5	11,6	84
Group total	**5 428,3**	**18,5**	**12,1**	**1 789**
Cash sales	**2 003,4**	**14,4**		
Credit sales	**3 424,9**	**21,0**		
Total group	**5 428,3**	**18,5**		

- Cash sales
    - represent 36,9% (Sept 2010: 38,2%)
    - good growth at 14,4% (Sept 2010: 18,4%) - ignoring World Cup base cash sales growth actually much stronger

DIVISIONAL REVIEW: OVERALL CONTINUED

- Foschini
  - Clothing turnover growth promising at 20,6% and clothing same store turnover growth of 14,4%
- Markham
  - Clothing turnover growth of 22,3% and clothing same store turnover growth of 16,5%
- Exact
  - Focus on clothing price points continues to be successful
  - Clothing turnover growth of 27,4% with same store clothing turnover growth of 23,4%
- TFG Sports
  - Clothing turnover growth of 13,7%
  - Excluding World Cup months, same store clothing turnover growth was 15,9%
  - Cellphones introduced
- Jewellery
  - Trading was satisfactory, taking into account substantial increase in gold price
  - Jewellery turnover growth of 7,8% and same store jewellery turnover growth of 1,8%
  - Continues to gain market share
- @home
  - Grew turnover by 15,5% with same store turnover growth of 11,6%

DIVISIONAL REVIEW: NEW BRANDS

- Charles & Keith
  - Fashion-forward ladies footwear and accessories brand
  - International presence with over 200 stores in 28 countries
  - Our first store opened in Canal Walk in August 2011
  - Performing better than viability
  - Further stores to be rolled out
- Fabiani
  - Luxury menswear brand
  - Gives our group an entry into the high end customer segment
  - Currently 7 stores
  - 100% acquired effective 1 October 2011
  - Good expansion potential
  - Existing management retained

DIVISIONAL REVIEW: AFRICA EXPANSION

- Rest of Africa (excluding South Africa) now 70 stores with turnover of R419 million annualised
- All African stores are corporate stores

Locations	2011	Proposed additions 2012	Proposed additions 2013	Proposed additions 2014	Total
Namibia	56	3	9	8	76
Botswana	6	5	5	-	16
Zambia	4	8	-	-	12
Swaziland	4	-	-	1	5
Lesotho	-	4	2	-	6
Mozambique	-	-	2	4	6
Nigeria	-	2	-	4	6
Total	**70**	**22**	**18**	**17**	**127**

- Projected turnover in 2014: R850 million

FINANCIAL SERVICES

FINANCIAL SERVICES AGENDA

- Financial Services Overview
    - Credit landscape
    - TFG Financial Services
        - Period overview
        - Performance
        - Book
        - Statistics
        - Strategy and outlook
    - RCS Group
        - Overview
        - Financial review
        - Performance
        - Financial position & treasury
        - Funding diversity
        - Strategy and outlook

FINANCIAL SERVICES: CREDIT LANDSCAPE

- Credit landscape
  - Economic recovery stutters as employment growth remains weak and global factors such as the Euro zone crisis and US monetary policy create uncertainty
  - Cost push inflation factors, especially fuel and energy costs, causing CPI to rise
  - Repo rate remains at 5,5%; slow global and local growth temper rate increase expectation

TFG FINANCIAL SERVICES

TFG FINANCIAL SERVICES: PERIOD OVERVIEW

- Performance of book within target range
- New accounts opened increase by 28,2% on LY
- Book grows by 22,6%
- Weighted NCA rates down by 2,3% in comparative 6 months
- Interest income rises by 17,7% (LY 11,2%) despite rate reduction
- Improved recoupment of collection costs
- Bad debt increase reflects larger proportional impact of new accounts
- Debt review matters continue to stabilise
- Publishing and insurance initiatives increase other net income by 20,2%

TFG FINANCIAL SERVICES: PERFORMANCE*

	September 2011 (Rm)	% Growth	September 2010 (Rm)
Interest income	405,5	17,7	344,4
Net bad debt	(243,4)	30,2	(186,9)
Credit costs	(97,9)	(7,5)	(105,8)
	64,2	**24,2**	**51,7**
Other net income	149,4	20,2	124,3
Profit before tax	**213,6**	**21,3**	**176,0**

- Interest growth
  - Constrained by rate decreases offset by account base growth
- Other income continues to grow strongly as publishing and insurance offering expanded
- Bad debt growth of 30,2%
  - In keeping with profit scorecard projection
  - Impacted by new account volumes
- Cost pressures offset by increased collection fee income

* Restated to exclude RTD

TFG FINANCIAL SERVICES: BOOK

Key debtor statistics	September 2011	September 2010
Number of active accounts (‘000)	2 388,8	2 121,7
Credit sales as a % of total retail sales	63,1	61,8
Net debtors’ book (Rm)	4 155,8	3 388,5

- Active accounts growth of 12,6%
- Book growth of 22,6% reflects the expansion of account base and extended credit plans
- Account balances attracting interest now at 84,8% (LY 82,0%)
- Extended credit plans now 61,5% (LY 55,0%) of all plans

TFG FINANCIAL SERVICES: STATISTICS

Key debtor statistics	September 2011	September 2010	March 2011
Arrear debtors % to debtors' book	20,4	21,6	20,7
Net bad debt write off as a % of credit transactions	4,7	4,7	4,7
Net bad debt write off as a % of debtors' book	9,3	9,5	9,2
Doubtful debt provision as a % of debtors' book	8,9	9,0	8,7
% able to purchase	82,0	82,2	82,0

- Book performance within expectations
- Anticipate year-end bad debt to book in 9,2% - 9,5% range
- Move to new building 1st quarter 2012 will give capacity for physical expansion of telemarketing/collections

TFG FINANCIAL SERVICES: STRATEGY AND OUTLOOK

- Active account base growth remains a key focus area (anticipated 7,0% to 10,0% at year-end)
- Maintain double digit growth in publishing and insurance
- Launch of cash rewards in November 2011 expected to gather intelligence on cash customers' behaviour and promote cross-selling

RCS GROUP

RCS GROUP: OVERVIEW

- Positive trading momentum continued in first half of the year
- New national retailers signed up offering greater credit card utility
- New acquisition channels in loans contributing to a strong loan advance growth
- Better asset quality resulting in lower net bad debt
- Strong support from capital markets on new funding
- Brand repositioned

RCS GROUP: FINANCIAL REVIEW

	September 2011 (Rm)	September 2010 (Rm)	% Growth
Interest income	403,3	387,7	4,0
Other income	218,4	193,0	13,2
Total credit income	**621,7**	**580,7**	**7,1**
Net bad debt	(102,0)	(137,0)	(25,5)
Operating costs	(265,8)	(230,1)	15,5
EBIT	**253,9**	**213,6**	**18,9**
Interest paid	(102,0)	(91,8)	11,1
Profit before tax	**151,9**	**121,8**	**24,7**

- Total Credit Income
  - Interest yield reduction due to repo rate reductions
  - Good growth in non-interest income related to customer growth and insurance income
- Net Bad Debts
  - Savings in write -off due to portfolio diversification and continued focus on collections
  - Conservative provision cover maintained at 114,4% of non-performing loans (90 day+)
- Operating costs
  - Overall growth driven by non-comparative spend for strategic projects
- Interest paid
  - Growth lower than book growth due to strong cash flows generated by assets
  - Reduction in cost of funds due to structural changes in funding lines

RCS GROUP: PERFORMANCE

Key debtor statistics	September 2011	September 2010
Number of active accounts ('000)	704	646
Net debtors' book (Rm)	3 135	2 706
Arrear debt as a % of total debt[1]	9,5%	12,4%
Non-performing loans as a % of total debt[2]	6,7%	9,0%
Net bad debt write-off as a % of debtors' book	6,2%	10,5%
Doubtful debt provision as a % of debtors' book	7,6%	8,5%
Provisions as % of non-performing loans	114,4%	96,2%
% of applicants granted credit on Cards portfolio	45,8%	43,1%

[1] Arrear debt defined as 60 days+

[2]Non-performing loans defined as 90 days+

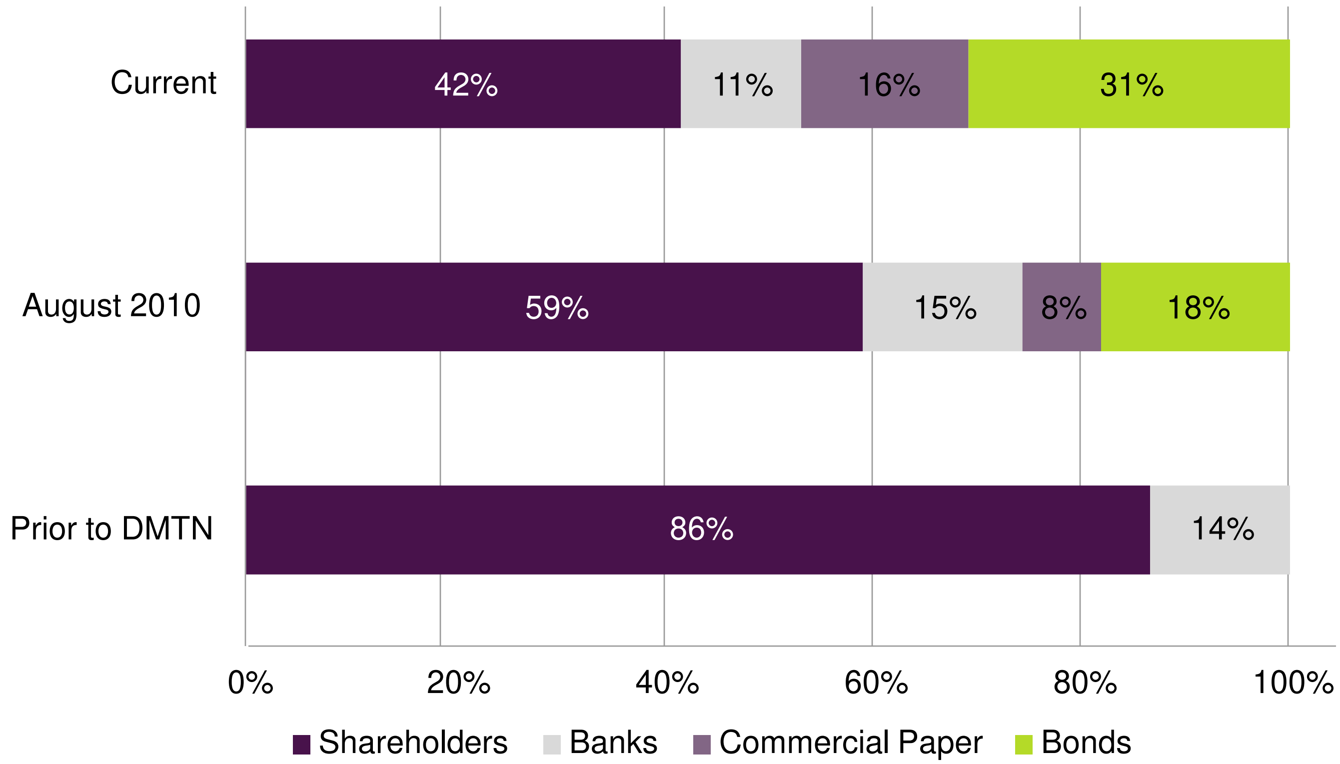
- Active accounts grow by 9,0%
- Improvement in health of book due to further diversification of portfolios and strong credit risk management
- Conservative non-performing loans (NPL) cover maintained at March 2011 level

RCS GROUP: FINANCIAL POSITION & TREASURY

Capital ratios	September 2011	September 2010
Return on equity	18,8%	17,1%
Debt:equity	63,2%	62,2%

- Financial position
  - Low gearing with excess capital (70% target ratio)
  - ROE improvement despite low gearing ratio
- Treasury
  - Successful DMTN program continues with positive market sentiment – R 1.5bn raised to date
  - Surplus funding facilities of more than R1bn to support growth

RCS GROUP: FUNDING DIVERSITY



Note:
Funding above depict total funding facilities (drawn facilities show further diversification)

RCS GROUP: STRATEGY AND OUTLOOK

- Outlook
  - Expectation of current profit growth to continue for the remainder of the year
  - Adequate funding facilities in place to deliver business plans
  - Continue capital markets activity through periodic fund raising efforts
- Growth
  - Expand private label and co-branded card portfolios
  - Grow non-interest income
  - Grow RCS retailer base with new national retailers offering greater card utility
- Investment
  - Consolidate IT platforms for future growth
  - Investigate complementary acquisition opportunities

OUTLOOK

OUTLOOK FOR SECOND HALF OF 2012

- The positive consumer sentiment with improved consumer spending may slow in the second half
- Caution is warranted given the very difficult and fragile global financial environment
- Supply chain initiatives ongoing
- CRM initiatives to continue
- Constant focus on cost and inventory management
- 69 stores planned for second half
- Merchandise inflation current summer season in upper single digits
- Continued good performance from RCS Group
- Confident we can deliver a favourable result for the second half
    - albeit against a very strong comparative base
    - heavily dependent on Christmas trading, which will largely determine the performance of our group in the second half
- Retail sales for the first five weeks have been encouraging


THANK YOU

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.