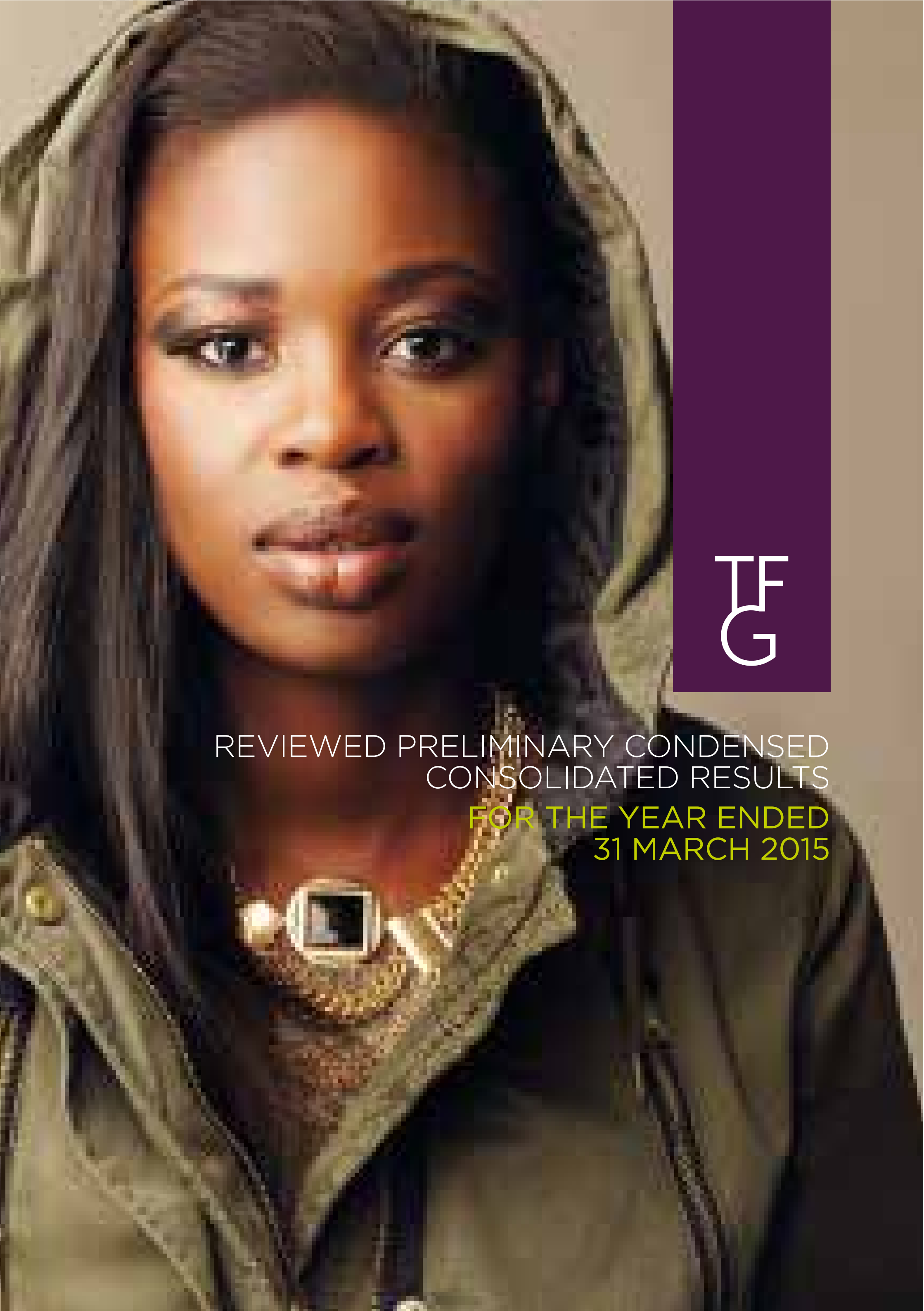

REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 31 MARCH 2015

SALIENT FEATURES

Group turnover

↑ 13,6%

to R16,1 billion (excluding Phase Eight: 10,8%)

Strong cash sales growth of 19,6% now representing 45,6% of TFG turnover (including 2 months of Phase Eight: 46,9%)

Headline earnings per share from continuing operations (excluding once-off acquisition costs)

↑ 9,7%

to **897,9** cents

Final distribution of scrip with a cash dividend alternative of 325,0 cents per share – a 10,9% increase

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Acquisition of international fashion retailer Phase Eight concluded

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These results were prepared by the TFG Finance and Advisory department of The Foschini Group Limited acting under supervision of Ronnie Stein CA(SA), CFO of The Foschini Group Limited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 2015 Reviewed Rm	March 2014 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**2 197,0**	1 696,1
Goodwill and intangible assets	**4 365,2**	63,4
Participation in export partnerships	**8,4**	23,9
Deferred taxation asset	**354,7**	337,1
	6 925,3	2 120,5
Current assets		
Inventory (note 5)	**3 813,9**	2 775,9
Trade receivables – retail	**6 199,9**	5 796,6
Concession receivables	**156,5**	–
Other receivables and prepayments	**624,2**	465,5
Participation in export partnerships	**13,2**	11,9
Cash	**800,4**	301,3
	11 608,1	9 351,2
Assets associated with disposal group – RCS Group (note 6)	**–**	5 631,5
Total assets	**18 533,4**	17 103,2
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**8 130,9**	7 228,6
Non-controlling interest	**2,7**	861,3
Total equity	**8 133,6**	8 089,9
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	**3 709,5**	1 584,7
Put option liability (note 13)	**20,3**	–
Cash-settled share incentive scheme (note 13)	**0,7**	–
Operating lease liability	**223,1**	208,2
Deferred taxation liability	**345,2**	42,7
Post-retirement defined benefit plan	**192,6**	180,4
	4 491,4	2 016,0
Current liabilities		
Interest-bearing debt	**3 333,0**	1 375,7
Trade and other payables	**2 553,0**	1 853,0
Operating lease liability	**9,0**	8,0
Taxation payable	**13,4**	59,4
	5 908,4	3 296,1
Liabilities associated with disposal group – RCS Group (note 6)	**–**	3 701,2
Total liabilities	**10 399,8**	9 013,3
Total equity and liabilities	**18 533,4**	17 103,2

CONDENSED CONSOLIDATED INCOME STATEMENT

Continuing operations	**Year ended 31 March 2015 Reviewed Rm**	Year ended 31 March 2014 Audited Rm	% change
Revenue (note 7)	**18 544,0**	16 362,9	
Retail turnover	**16 085,9**	14 159,0	13,6%
Cost of turnover	**(8 484,2)**	(7 579,4)	
Gross profit	**7 601,7**	6 579,6	
Interest income (note 8)	**1 367,7**	1 148,1	
Other revenue (note 9)	**1 090,4**	1 055,8	
Trading expenses (note 10)	**(7 252,7)**	(6 246,6)	
Operating profit before once-off acquisition costs and finance charges	**2 807,1**	2 536,9	
Once-off acquisition costs	**(292,4)**	–	
Finance costs	**(228,1)**	(161,8)	
Profit before tax	**2 286,6**	2 375,1	
Income tax expense	**(748,8)**	(691,5)	
Profit from continuing operations	**1 537,8**	1 683,6	
Discontinued operations			
Profit from discontinued operations, net of tax – RCS Group (note 6)	**86,2**	321,1	
Profit on disposal of discontinued operation – RCS Group (note 6)	**273,2**	–	
Profit for the year	**1 897,2**	2 004,7	
Attributable to:			
Continuing operations	**1 537,4**	1 683,1	
Discontinued operations	**320,6**	176,5	
Equity holders of The Foschini Group Limited	**1 858,0**	1 859,6	(0,1%)
Non-controlling interest	**39,2**	145,1	
Profit for the year	**1 897,2**	2 004,7	
Earnings per ordinary share (cents)			
Continuing operations (excl. once-off acquisition costs)			
Basic	**893,3**	817,1	9,3%
Headline	**897,9**	818,7	9,7%
Diluted (basic)	**885,7**	811,5	9,1%
Diluted (headline)	**890,3**	813,1	9,5%
Total			
Basic	**909,4**	902,8	0,7%
Diluted (basic)	**901,7**	896,6	0,6%
Weighted average ordinary shares in issue (millions)	**204,3**	206,0	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
Profit for the year	**1 897,2**	2 004,7
Other comprehensive income:		
Items that will never be reclassified to profit or loss		
Actuarial losses on post-retirement defined benefit plan	**–**	(69,8)
Deferred tax on items that will never be reclassified to profit or loss	**–**	19,5
Items that are or may be reclassified to profit or loss		
Movement in effective portion of changes in fair value of cash flow hedges	**32,9**	40,6
Continuing operations	**41,1**	6,9
Discontinued operations	**(8,2)**	33,7
Foreign currency translation reserve movement	**66,0**	(3,2)
Continuing operations	**66,0**	(5,0)
Discontinued operations	**–**	1,8
Deferred tax on items that are or may be reclassified to profit or loss	**(9,2)**	(11,3)
Other comprehensive income for the year, net of tax	**89,7**	(24,2)
Total comprehensive income for the year	**1 986,9**	1 980,5
Attributable to:		
Continuing operations	**1 633,0**	1 632,8
Discontinued operations	**317,4**	191,6
Equity holders of The Foschini Group Limited	**1 950,4**	1 824,4
Non-controlling interest	**36,5**	156,1
Total comprehensive income for the year	**1 986,9**	1 980,5

SUPPLEMENTARY INFORMATION

	March 2015 Reviewed	March 2014 Audited
Net ordinary shares in issue (millions)	**205,4**	204,3
Weighted average ordinary shares in issue (millions)	**204,3**	206,0
Tangible net asset value per ordinary share (cents)	**1 833,3**	3 507,2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2013	**7 043,8**	**705,5**	**7 749,3**
Total comprehensive income for the year	1 824,4	156,1	1 980,5
Profit for the year			
Continuing operations	1 683,1	0,5	1 683,6
Discontinued operations	176,5	144,6	321,1
Other comprehensive income			
Continuing operations			
Actuarial losses on post-retirement defined benefit plan	(69,8)	–	(69,8)
Movement in effective portion of changes in fair value of cash flow hedges	6,9	–	6,9
Foreign currency translation reserve movement	(5,0)	–	(5,0)
Deferred tax on movement in other comprehensive income	17,6	–	17,6
Discontinued operations			
Movement in effective portion of changes in fair value of cash flow hedges	18,5	15,2	33,7
Foreign currency translation reserve movement	1,8	–	1,8
Deferred tax on movement in other comprehensive income	(5,2)	(4,2)	(9,4)
Contributions by and distributions to owners			
Share-based payments reserve movements	90,3	–	90,3
Dividends paid	(1 066,9)	(0,3)	(1 067,2)
Cancellation of issued shares	(0,1)	–	(0,1)
Repurchase of shares	(600,5)	–	(600,5)
Proceeds on delivery of shares by share trust	45,5	–	45,5
Shares purchased in terms of share incentive schemes	(127,5)	–	(127,5)
Current tax on shares purchased	6,5	–	6,5
Deferred tax on shares purchased	13,1	–	13,1
Equity at 31 March 2014	**7 228,6**	**861,3**	**8 089,9**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2014	**7 228,6**	**861,3**	**8 089,9**
Total comprehensive income for the year	**1 950,4**	**36,5**	**1 986,9**
Profit for the year			
Continuing operations	**1 537,4**	**0,4**	**1 537,8**
Discontinued operations	**320,6**	**38,8**	**359,4**
Other comprehensive income			
Continuing operations			
Movement in effective portion of changes in fair value of cash flow hedges	**41,1**	**–**	**41,1**
Foreign currency translation reserve movement	**66,0**	**–**	**66,0**
Deferred tax on movement in other comprehensive income	**(11,5)**	**–**	**(11,5)**
Discontinued operations			
Movement in effective portion of changes in fair value of cash flow hedges	**(4,5)**	**(3,7)**	**(8,2)**
Deferred tax on movement in other comprehensive income	**1,3**	**1,0**	**2,3**
Contributions by and distributions to owners			
Share-based payments reserve movements	**97,4**	**–**	**97,4**
Dividends paid	**(1 146,9)**	**–**	**(1 146,9)**
Realisation of non-controlling interest on disposal of discontinued operations	**–**	**(895,1)**	**(895,1)**
Realisation of reserves on disposal of discontinued operations	**24,2**	**–**	**24,2**
Cancellation of issued shares	**(0,1)**	**–**	**(0,1)**
Proceeds from sale of shares in terms of share incentive schemes	**132,6**	**–**	**132,6**
Shares purchased in terms of share incentive schemes	**(175,7)**	**–**	**(175,7)**
Increase in the fair value of the put option liability	**(15,8)**	**–**	**(15,8)**
Current tax on shares purchased	**12,1**	**–**	**12,1**
Deferred tax on shares purchased	**24,1**	**–**	**24,1**
Equity at 31 March 2015	**8 130,9**	**2,7**	**8 133,6**

	Year ended 31 March 2015 Reviewed	Year ended 31 March 2014 Audited
Dividend per ordinary share (cents)		
Interim	**263,0**	243,0
Final	**325,0**	293,0
Total	**588,0**	536,0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 11)	**3 047,4**	3 000,6
Increase in working capital	**(998,4)**	(930,3)
Cash generated from operations	**2 049,0**	2 070,3
Interest income	**30,0**	17,6
Finance costs	**(228,1)**	(161,8)
Taxation paid	**(765,7)**	(730,7)
Dividends paid	**(1 146,9)**	(1 067,2)
Net cash (outflows) inflows from operating activities	**(61,7)**	128,2
Cash flows from investing activities		
Purchase of property, plant and equipment	**(669,8)**	(554,2)
Acquisition of assets through business combinations (note 13)	**(2 576,9)**	–
Proceeds from sale of property, plant and equipment	**10,2**	4,1
Repayment of participation in export partnerships	**14,2**	12,6
Proceeds from disposal of discontinued operations	**1 442,7**	–
Net cash outflows from investing activities	**(1 779,6)**	(537,5)
Cash flows from financing activities		
Repurchase of shares	**–**	(600,5)
Shares purchased in terms of share incentive schemes	**(175,7)**	(127,5)
Proceeds from sale of shares in terms of share incentive schemes	**132,6**	45,5
Increase in interest-bearing debt	**2 371,6**	1 022,0
Net cash inflows from financing activities	**2 328,5**	339,5
Net increase (decrease) in cash during the year	**487,2**	(69,8)
Cash at the beginning of the year	**301,3**	593,4
Cash at the beginning of the year - discontinued operations	**–**	(222,4)
Effect of exchange rate fluctuations on cash held	**11,9**	0,1
Cash at the end of the year	**800,4**	301,3

CONSOLIDATED SEGMENTAL ANALYSIS

Year ended 31 March 2015	Retail trading divisions Reviewed Rm	Customer value added products Reviewed Rm	Credit Reviewed Rm	Central and shared services Reviewed Rm	Phase Eight Reviewed Rm	Total Retail Reviewed Rm
External revenue	**15 683,8**	**775,1**	**304,1**	**11,2**	**402,1**	**17 176,3**
External interest income	**–**	**–**	**1 337,7**	**30,0**	**-**	**1 367,7**
Total revenue*	**15 683,8**	**775,1**	**1 641,8**	**41,2**	**402,1**	**18 544,0**
Inter-segment revenue				**9,7**		**9,7**
External finance costs				**(209,3)**	**(18,8)**	**(228,1)**
Depreciation and amortisation				**(412,7)**	**(15,4)**	**(428,1)**
Group profit before tax						**2 286,6**
Segmental profit (loss) before tax	**3 380,9**	**450,9**	**93,6**	**(1 233,0)**	**(287,7)**	**2 404,7**
Other material non-cash items						
Foreign exchange transactions						**(4,8)**
Share-based payments						**(97,4)**
Operating lease liability adjustment						**(15,9)**
Capital expenditure						**669,8**
Segment assets						**18 533,4**
Segment liabilities						**10 399,8**

Year ended 31 March 2014	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm
External revenue	14 159,0	763,1	287,6	5,1	–	15 214,8
External interest income	–	–	1 130,5	17,6	–	1 148,1
Total revenue*	14 159,0	763,1	1 418,1	22,7	–	16 362,9
Inter-segment revenue				53,5		53,5
External finance costs				(161,8)	–	(161,8)
Depreciation and amortisation				(365,5)	–	(365,5)
Group profit before tax						2 375,1
Segmental profit (loss) before tax	3 078,4	453,9	10,1	(1 052,3)	–	2 490,1
Other material non-cash items						
Foreign exchange transactions						(5,0)
Share-based payments						(90,3)
Operating lease liability adjustment						(19,7)
Capital expenditure						554,2
Segment assets						11 471,7
Segment liabilities						5 312,1

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

Phase Eight was acquired on 15 January 2015 and is reflected as a separate reportable segment as defined by the board, being the chief operating decision-maker.

CONSOLIDATED SEGMENTAL ANALYSIS
(CONTINUED)

	Discontinued operations – RCS Group# Reviewed Rm 2015	Discontinued operations – RCS Group Audited Rm 2014
External revenue	**164,5**	634,5
External interest income	**298,2**	1 118,7
Total revenue*	**462,7**	1 753,2
Inter-segment revenue	**2,7**	8,3
External finance costs	**(65,0)**	(252,2)
Depreciation and amortisation	**(4,8)**	(17,4)
Group profit before tax	**480,4**	458,7
Segmental profit before tax	**480,4**	456,9
Other material non-cash items		
Foreign exchange transactions	**–**	1,8
Capital expenditure	**4,9**	22,9
Segment assets	**–**	5 631,5
Segment liabilities	**–**	3 701,2

 # Year ended 31 March 2015 represents 3 months of trading prior to the disposal of RCS Group.

NOTES

The reviewed preliminary condensed consolidated results of The Foschini Group Limited for the year ended 31 March 2015 have been reviewed by the company's auditors, KPMG Inc. Their unqualified review report is available at the company's registered office. These results were prepared by the TFG Finance and Advisory department of The Foschini Group Limited acting under supervision of Ronnie Stein CA(SA), CFO of The Foschini Group Limited.

1. The reviewed preliminary condensed consolidated results for the year ended 31 March 2015 have been prepared in accordance with the group's accounting policies, which comply with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, Financial Reporting Guides as issued by the Accounting Practice Committee of the South African Institute of Chartered Accountants, Financial Pronouncements as issued by Financial Reporting Standards Council and disclosures required by the Companies Act No. 71 of 2008 and the JSE Listings Requirements, and, except as mentioned in note 2 and 3, have been consistently applied with those in the prior year.

2. During the year, the group adopted the following revised accounting standards:
   - Investment Entities (Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements)
   - Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 Financial Instruments: Presentation)
   - Recoverable Amount Disclosure for Non-Financial Assets (Amendment to IAS 36 Impairment of Assets)
   - Novation of Derivatives and Continuation of Hedge Accounting (Amendment to IAS 39 Financial Instruments: Recognition and Measurement)
   - IFRIC 21 Levies

   The adoption of these standards had no material impact on these results.

3. Additional accounting policies adopted due to the acquisition of Phase Eight

   During the year, the group had adopted the following accounting policies as a result of the acquisition of Phase Eight:
   - IFRS 2 Share-based payments: Cash-settled share-based options
   - IAS 39: Financial Instruments: put and call option to acquire group equity

4. These financial statements incorporate the financial statements of the company, all its subsidiaries and all entities over which it has operational and financial control. In the prior year, the RCS Group was treated as a discontinued operation held for disposal in terms of IFRS 5. The RCS Group was disposed of on 30 June 2014 (refer to note 6).

		Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
5.	**Inventory**		
	Inventory at year-end	**3 813,9**	2 775,9
	Inventory write-downs included above	**154,0**	140,4

6. **Discontinued operations (RCS Group)**

As was announced on SENS on 10 April 2014, the group together with The Standard Bank of South Africa Limited, entered into agreements which resulted in BNP Paribas Personal Finance S.A. becoming the 100% shareholder of the RCS Group. Accordingly, the RCS Group was treated as a discontinued operation in terms of IFRS 5 for the year ended 31 March 2014. The closing date of the transaction was 6 August 2014 and the effective date was 30 June 2014. TFG's share of the proceeds was R1,4 billion. For the period 1 April 2014 to 30 June 2014, the RCS Group has been disclosed as a discontinued operation, and the profit on disposal of the RCS Group has been disclosed separately from continuing operations.

	Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
INCOME STATEMENT*		
Interest income	**298,2**	1 118,7
Other income	**164,5**	634,5
Total credit income	**462,7**	1 753,2
Net bad debt	**(111,1)**	(373,6)
Operating costs	**(166,6)**	(668,7)
Operating profit before finance charges	**185,0**	710,9
Finance costs	**(65,0)**	(252,2)
Profit before tax	**120,0**	458,7
Income tax expense	**(33,8)**	(137,6)
Profit from discontinued operations	**86,2**	321,1
Profit on disposal of discontinued operations	**273,2**	–
Profit for the year	**359,4**	321,1
** Year ended 31 March 2015 represents 3 months of trading prior to the disposal of RCS Group.*		
CASH FLOW STATEMENT		
Net cash outflows from operating activities – discontinued operations	**(45,2)**	(144,9)
Net cash outflows from investing activities – discontinued operations	**(4,9)**	(22,3)
Net cash inflows from financing activities – discontinued operations	**41,4**	366,7
	(8,7)	199,5
Earnings per share (cents)		
Discontinued operations		
Basic	**156,9**	85,7
Headline	**23,2**	90,2
Diluted (basic)	**155,6**	85,1
Diluted (headline)	**23,0**	89,6

		Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
7.	**Revenue**		
	Retail turnover	**16 085,9**	14 159,0
	Interest income (refer note 8)	**1 367,7**	1 148,1
	Other revenue (refer note 9)	**1 090,4**	1 055,8
		18 544,0	16 362,9
8.	**Interest income**		
	Trade receivables – retail	**1 337,7**	1 130,5
	Sundry	**30,0**	17,6
		1 367,7	1 148,1
9.	**Other revenue**		
	Publishing income	**388,2**	379,0
	Collection cost recovery	**304,1**	287,6
	Insurance income	**300,3**	299,6
	Mobile one2one airtime income	**86,6**	84,5
	Sundry income	**11,2**	5,1
		1 090,4	1 055,8
10.	**Trading expenses**		
	Depreciation	**(428,1)**	(365,5)
	Employee costs	**(2 325,2)**	(2 048,3)
	Occupancy costs	**(1 585,0)**	(1 393,0)
	Net bad debt	**(1 023,6)**	(935,5)
	Other operating costs	**(1 890,8)**	(1 504,3)
		(7 252,7)	(6 246,6)

		Year ended 31 March 2015 Reviewed Rm	Year ended 31 March 2014 Audited Rm
11.	**Operating profit before working capital changes**		
	Profit before tax	**2 286,6**	2 375,1
	Finance costs	**228,1**	161,8
	Operating profit before finance charges	**2 514,7**	2 536,9
	Interest income – sundry	**(30,0)**	(17,6)
	Non-cash items	**562,7**	481,3
	Depreciation	**428,1**	365,5
	Operating lease liability adjustment	**15,9**	19,7
	Share-based payments	**97,4**	90,3
	Post-retirement defined benefit medical aid movement	**12,2**	6,1
	Foreign currency translation reserve movement	**(4,8)**	(5,0)
	Cash-settled share incentive scheme	**0,7**	–
	Loss on disposal of property, plant and equipment	**13,5**	4,8
	Profit on disposal of property, plant and equipment	**(0,3)**	(0,1)
		3 047,4	3 000,6
12.	**Reconciliation of profit for the year to headline earnings**		
	Profit for the year attributable to equity holders of The Foschini Group Limited	**1 858,0**	1 859,6
	Adjusted for:		
	Profit on disposal of property, plant and equipment	**(0,3)**	(0,1)
	Loss on disposal of property, plant and equipment	**13,5**	4,8
	Profit on disposal of discontinued operations	**(273,2)**	–
	Impairment of loan receivables	**–**	12,9
	Adjusted headline earnings before tax	**1 598,0**	1 877,2
	Tax on headline earnings adjustments	**(3,8)**	(4,9)
	Headline earnings	**1 594,2**	1 872,3
	Once-off acquisition costs	**292,4**	–
	Tax impact of adjustments	**(4,7)**	–
	Adjusted headline earnings*	**1 881,9**	1 872,3

** Adjusted headline earnings is calculated to remove the impact of the once-off acquisition costs of the Phase Eight acquisition.*

Earnings per ordinary share (cents)	**Continuing operations (excl once-off acquisition costs)**	**Continuing operations (incl once-off acquisition costs)**
2015		
Basic	**893,3**	**752,5**
Headline	**897,9**	**757,1**
Diluted (basic)	**885,7**	**746,1**
Diluted (headline)	**890,3**	**750,7**
2014		
Basic	817,1	817,1
Headline	818,7	818,7
Diluted (basic)	811,5	811,5
Diluted (headline)	813,1	813,1

13. **Acquisition of Phase Eight**

On 15 January 2015, the group acquired c.85% of Poppy Holdco Limited, which trades as Phase Eight, with the remaining c.15% shareholding owned by management. Through put/call arrangements, the group has the right to acquire and management the right to sell all shares held by management in three equal tranches on the earlier of (i) the publication of the audited accounts of the group for each of the fourth, fifth and sixth years following completion of the acquisition or (ii) 6 months following the fourth, fifth and sixth year anniversaries of completion of the acquisition. As these put/call arrangements are a consequence of the business combination, they will be accounted for as a financial liability. Accordingly, no non-controlling interest is recorded. In addition, a cash-settled equity instrument was issued to the employees of the acquired group. The cash-settled share based payments is treated in accordance with IFRS 2.

The acquisition was funded through a combination of proceeds from the disposal of RCS Group and South African cash resources. The existing indebtedness of Phase Eight was refinanced through a new UK facility of GBP80m which was raised on a non-recourse basis to TFG.

The acquisition was fully hedged and converted using a ZAR:GBP exchange rate of R18,29 being the relevant hedged rate. The acquisition of Phase Eight was at an enterprise value of GBP238m (ZAR4 353m) with an equity value of GBP159,0m (ZAR2 908,6m) after taking into account net debt and related adjustments.

Certain fair values are provisional and subject to further review for a period of up to one year from the acquisition date. The GBP values have been translated at the closing exchange rate at 15 January 2015 of GBP1:R17,50. These results include 2 months of Phase Eight trading.

TFG has measured the identifiable assets and liabilities of Phase Eight at their acquisition-date fair values.
The provisional values are presented below:

	Rm	**£m**
Non-current assets	1 814,2	103,7
Property, plant and equipment	276,6	15,8
Intangible assets	1 537,6	87,9
Current assets	858,8	49,0
Inventory	274,7	15,7
Other receivables and prepayments	216,9	12,4
Tax receivable	35,5	2,0
Cash	331,7	18,9
Non-current liabilities	1 970,6	112,6
Interest-bearing debt	1 658,8	94,8
Deferred tax	307,5	17,6
Put option liability	4,3	0,2
Current liabilities	409,6	23,4
Trade and other payables	375,1	21,4
Provisions	34,5	2,0
Total identifiable net assets at fair value	292,8	16,7
Goodwill arising from acquisition	2 615,8	142,3
Purchase consideration	2 908,6	159,0
Purchase consideration transferred	2 783,3	159,0
Cost of hedging instrument	125,3	–
Cash and cash equivalents acquired	(331,7)	(18,9)
Cash outflow on acquisition	2 576,9	140,1

Goodwill of GBP 142,3 million (R2.6 billion) and the Phase Eight brand amounting to GBP 87,9 million (R1,5 billion) have been recognised as intangible assets at acquisition. Goodwill represents the value paid in excess of the provisional fair value of the net assets. This consists largely of the value assigned to the unique operating business model and future growth prospects. Once-off acquisition costs related to the acquisition of R292,4 million have been expensed in the current period. For the purposes of comparability, headline earnings per share from continuing operations excluding these once-off acquisition costs has been calculated.

14. **Related parties**

Related party transactions similar to those disclosed in the group's annual financial statements for the year ended 31 March 2014 took place during the year. There are no significant related party transactions which took place in the current year except as mentioned in note 15.

15. **Repurchase of shares**

At the annual general meeting of the company held on 1 September 2014 shareholders approved a specific repurchase of 11 million ordinary shares held by a wholly-owned subsidiary.

The specific repurchase was implemented on 19 September 2014 at an average price of R117,39 per share, whereafter the shares were cancelled and restored to authorised share capital. On 21 October 2014 11 million shares were delisted reducing the total shares in issue from 222 005 054 shares to 211 005 054 shares.

16. **Fair value**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature. There are no level 1 or level 3 financial instruments within the group and there were no transfers between levels during the year.

17. **Events after the reporting date**

No further significant events took place between the end of the financial year and the date these preliminary consolidated results were authorised for issue.

COMMENTARY

BACKGROUND

As was announced on SENS on 16 January 2015, the group acquired a c.85% holding in Phase Eight. Phase Eight is a UK based international women's clothing and accessories retailer trading out of 444 outlets across the UK and Ireland as well as 17 other international markets. For this financial year, 2 months of Phase Eight trading (February and March 2015) has been included in these results. Accordingly, to assist analysis, where relevant, we reflect the TFG position excluding Phase Eight as well as the combined position including the impact of the acquisition.

In addition, the results of RCS Group for the three month period (April, May and June 2014) are included as profit from discontinued operations. As reported in our interim results, the transaction in relation to TFG's 55% interest in the RCS Group was completed with an effective date of 30 June 2014. TFG's share of the transaction proceeds was R1,4 billion.

GROUP OVERVIEW

The group produced a solid result for the year with combined retail sales growth of 13,6%. Excluding the impact of Phase Eight, the group achieved retail sales growth of 10,8% with comparable sales growth of 5,5%.

We continued to benefit from strong cash sales growth in the second half of the year with total cash sales growth for the year of 19,6% (combined 26,3%), reflecting the ongoing appeal of our merchandise to our customers. Our credit turnover growth was stronger during the second half of the year at 6,1% improving from 2,5% in the first half. Full year credit turnover growth was 4,3%. Whilst we are pleased with the early signs of improvement in the credit cycle, we continue to apply strict credit risk management practices appropriate for this cycle.

The group's gross margin in all categories remained consistent with the prior year.

Whilst expenses remain well controlled growing at 12,6% (excluding Phase Eight), we are concerned at the significant increase in crime-related losses experienced this year. In addition, the impact of load shedding on our business is also of concern to us. During the year, the lost turnover as a result of load shedding is estimated to be R71 million (approximately 1% impact) since December 2014.

Headline earnings per share from continuing operations, excluding the once-off acquisition costs incurred in relation to Phase Eight, increased by 9,7% to 897,9 cents per share from 818,7 cents per share in the previous year.

As described more fully below, the final distribution will be in the form of a scrip with a cash dividend alternative of 325,0 cents per share – an increase of 10,9%. Accordingly the dividend in respect of the full year amounts to 588,0 cents per share, an increase of 9,7% reflecting the growth in the underlying continuing operations.

We continued to grow trading space by opening 195 stores for the full year in South Africa and the rest of Africa, whilst 26 were closed. At the year-end, TFG excluding Phase Eight was trading out of 2 280 stores, an increase in trading area of 6,7%.

In November 2014 TFG launched its online trading platform with two of its brands, TFG Mobile and @home. Their performance to date has been encouraging and in line with management's expectations.

MERCHANDISE CATEGORIES

Turnover growths in the various merchandise categories are as follows:

	% turnover growth (excluding Phase Eight)	% same store turnover growth (excluding Phase Eight)	% combined turnover growth (including Phase Eight)
Clothing	10,2	4,6	14,4
Jewellery	5,7	1,2	5,7
Cellphones	19,2	14,8	19,2
Homewares and furniture	12,9	7,4	12,9
Cosmetics	10,1	6,3	10,1

Total same store turnover (excluding Phase Eight) grew by 5,5% whilst product inflation averaged approximately 7%.

CASH SALES

During the year, we continued to focus strategically on driving our cash turnover through inter alia diversification of our product categories, broader LSM appeal and our Rewards program. Our cash reward customers now total 3,6 million. This, together with the desirability of our merchandise, resulted in continued strong cash sales growth which increased from 15,9% last year to 19,6% this year in our TFG stores excluding Phase Eight. Total cash sales growth including Phase Eight was at 26,3%. Cash sales for TFG excluding Phase Eight as a percentage of its total sales increased to 45,6% from 42,2% in the previous year whilst cash sales for the group including Phase Eight as a percentage of total sales increased to 46,9%. On an annualised basis, cash sales as a percentage of total sales for the group including Phase Eight would have increased to approximately 54%.

CREDIT

Credit turnover growth was stronger in the second half at 6,1% which resulted in full year credit turnover growth of 4,3%, up from 2,5% at the half year. Credit sales were curtailed by the continued implementation of appropriate credit risk measures. In addition, the postal strike had a negative short term impact on collections.

The retail debtors' book of R6,2 billion, has increased by 7,0%. The growth in net bad debt reduced to 9,4% from 39,5% in the previous year. Net bad debt as a percentage of closing debtors' book increased to 13,6% from 12,4% at the previous year-end, increasing from 12,9% at the half-year, very much within management's expectations. The retail debtors' book is adequately provisioned at 13,6%, up from 12,3% at the previous year-end.

BALANCE SHEET OPTIMISATION

Post the Phase Eight acquisition, it is our intention to bring our debt equity ratio (currently 76,8% on a consolidated basis with recourse gearing of 56,6%) closer to our medium term target of 40%. Accordingly it is proposed that a scrip distribution with a cash dividend alternative will be offered to shareholders in the short term with the intention of increasing equity by approximately R1 billion over time. This will ensure that the group is well positioned to take advantage of future growth opportunities.

AFRICA EXPANSION

The group currently trades out of 148 stores across 7 countries in the rest of Africa. These stores traded well during the year with turnover growth of 23,9% and same store turnover growth of 12,2%. Expansion into the rest of Africa continues to be one of our strategic objectives with a target of 375 stores by 2020. At this point in time, Phase Eight has no stores in Africa.

INTERNATIONAL EXPANSION

The acquisition of Phase Eight gives TFG an entry into global markets allowing us to expand our international footprint. TFG including Phase Eight now trades through 2 724 outlets in 27 countries.

MANAGEMENT AND BOARD CHANGES

As was announced on SENS on 10 November 2014, Ronnie Stein, chief financial officer of the group will be retiring at the end of June 2015 after 19 years service. As indicated Anthony Thunström was appointed as chief financial officer elect on 1 February 2015 and will assume the position of chief financial officer on Ronnie's retirement on 1 July 2015.

Ronnie has made an outstanding contribution to the group. Under his financial stewardship the group has annually produced outstanding results whilst maintaining a strong balance sheet. Ronnie has been instrumental in the strategic evolution of our group, most recently playing a key role in the acquisition of Phase Eight.

Peter Meiring, Group Director: TFG Financial Services will also be retiring at the end of June 2015 after 32 years service. Peter has held various positions in the group during his career, most recently heading up our credit business. In this role he has ably managed our group's single largest asset being our debtors' book. Peter was a key player in building the success of the RCS Group over many years and was also instrumental in its recent successful disposal.

The board expresses its immense gratitude for the significant contributions made by both Ronnie and Peter during their tenure.

In addition to these executive changes, the board is pleased to announce that Michael Lewis, an independent non-executive director of our group since 1989 has been appointed deputy chairman effective immediately.

Furthermore, we are delighted to announce that Ronnie Stein will remain on the board as a non-executive director following his retirement.

PROSPECTS

Whilst early signs of improvement are evident in the credit side of our business, we nevertheless expect the credit cycle and the South African economic environment to remain challenging. We are concerned around the potential ongoing impact that load shedding is likely to have on our business. However, we anticipate continuing to benefit from good cash sales growth.

Our previously reported strategic objectives around supply chain, customer relationship management, Africa expansion, omni-channel and leadership remain appropriate and will continue. In line with our strategy for long-term growth, we anticipate opening in excess of 160 new stores in sub-Saharan Africa in the year ahead which will increase trading space by approximately 6%. In addition, we are planning to open in excess of 100 Phase Eight outlets internationally. We will continue the e-commerce roll-out with the launch of our Totalsports, Sportscene and Duesouth brands this year.

Excluding Phase Eight, the growth for the first 6 weeks of the current financial year is at similar levels to the previous year with the past 2 weeks being at lower levels due to the unseasonally warm weather. Phase Eight is trading ahead of last year and within management expectations.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend no. 157 of 3,25% (6,5 cents per share) (gross) in respect of the six months ending 30 September 2015 has been declared from income reserves, payable on Monday, 21 September 2015 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 18 September 2015.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 11 September 2015. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Monday, 14 September 2015 and the record date, as indicated, will be Friday, 18 September 2015.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 14 September 2015 to Friday, 18 September 2015, both dates inclusive.

In terms of section 11.17 of the JSE Listings Requirements, the following additional information is disclosed:

1. Local dividend tax rate is 15%;
2. No STC credits were utilised in determining the net dividend;
3. The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 5,52500 cents;
4. The issued preference share capital of The Foschini Group Limited is 200 000 shares at 28 May 2015; and
5. The Foschini Group Limited's tax reference number is 9925/133/71/3P

DECLARATION OF AN ORDINARY SHARE SCRIP DISTRIBUTION WITH CASH DIVIDEND ALTERNATIVE

Introduction

In order to enable shareholders to further participate in the growth of TFG, shareholders are advised that the board has declared a final distribution for the year ended 31 March 2015, by way of the issue of fully paid ordinary shares of 1,25 cents each as a capitalisation issue or scrip distribution payable to ordinary shareholders recorded in the register on the record date, being Friday 17 July 2015 (scrip distribution).

As an alternative to receiving a scrip distribution, ordinary shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 325,0 cents per ordinary share in lieu of the scrip distribution, which will be paid only to those ordinary shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on 17 July 2015 (the cash dividend alternative).

Shareholders not electing to receive the cash dividend alternative in respect of all or part of their shareholding will, by default, be issued with fully paid ordinary shares in terms of the scrip distribution.

The cash dividend alternative will be paid out of income reserves. A net cash dividend of 276.25000 cents per ordinary share will apply to shareholders liable for the local 15% dividend withholding tax and 325.00000 cents per ordinary share for shareholders exempt from the dividend tax. The new ordinary shares will, pursuant to the scrip distribution, be issued as a capitalisation of part of the share premium account. The issued ordinary share capital as at 28 May 2015 is 211 005 054 ordinary shares. The Company's income tax reference number is 9925/133/71/3P.

Terms of the scrip distribution

The number of new ordinary shares to which ordinary shareholders participating in the scrip distribution will become entitled will be determined in the ratio that 325,0 cents multiplied by a factor of 1,05 bears to the volume-weighted average price (VWAP) of the ordinary shares on the JSE during the 5-day trading period ending on 25 June 2015 .

Fractions

Trading in the STRATE environment does not permit fractions and fractional entitlements. Where an ordinary shareholder's entitlement to new ordinary shares results in a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

Circular and salient dates

A circular relating to the scrip distribution and the cash dividend alternative will be posted to ordinary shareholders on or about 19 June 2015.

In accordance with the provisions of STRATE, the electronic settlement and custody system used by the JSE, the relevant dates for the scrip distribution/cash dividend alternative are as follows:

EVENT	DATE IN 2015
Circular and form of election posted to ordinary shareholders	Friday 19, June 2015
Finalisation date: Announcement of ratio applicable to the scrip distribution, based on the 5 day VWAP ending on Thursday, 25 June 2015, released on SENS by 11:00 on	Friday 26, June 2015
Last day to trade in order to be eligible for the scrip distribution/cash dividend alternative ("CUM" scrip distribution/cash dividend alternative)	Friday 10, July 2015
Ordinary shares trade "EX" the scrip distribution/cash dividend alternative	Monday 13, July 2015
Listing of maximum possible number of new ordinary shares that could be issued in terms of the scrip distribution	Monday 13, July 2015
Last day to elect the cash dividend alternative instead of the scrip distribution by 12h00	Friday 17, July 2015
Record date in respect of the scrip distribution/cash dividend alternative	Friday 17, July 2015
Ordinary share certificates and dividend cheques posted and Central Securities Depository posted and Central Securities Depository Participant (CSDP)/broker accounts credited/updated (payment date)	Monday 20, July 2015
Maximum number of new ordinary shares listed adjusted to reflect the actual number of new ordinary shares issued on or about	Wednesday 23, July 2015

All times provided in this announcement are South African local time. The above dates and times are subject to change. Any changes will be released on SENS and published in the South African press.

Ordinary share certificates may not be dematerialised or rematerialised, nor may transfers between registers take place between Monday 13 July 2015 and Friday 17 July 2015, both days inclusive.

Payment of the cash dividend alternative

To the extent elected by ordinary shareholders, the cash dividend alternative is declared in South African currency. Where applicable, dividends in respect of certificated ordinary shares will be transferred electronically to ordinary shareholders' bank accounts on the payment date**.** Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited/updated on Monday 20 July 2015.

Signed on behalf of the Board.

D M Nurek
Chairman

A D Murray
CEO

Cape Town
28 May 2015

CORPORATE INFORMATION

Executive directors:	A D Murray, R Stein, P S Meiring
Non-executive directors:	D M Nurek (Chairman), Prof. F Abrahams, S E Abrahams, D Friedland, M Lewis, B L M Makgabo – Fiskerstrand, E Oblowitz, N V Simamane
Company secretary:	D Sheard
Registered office:	Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500
Registration number:	1937/009504/06
Share codes:	TFG – TFGP
ISIN:	ZAE000148466 – ZAE000148516
Transfer secretaries:	Computershare Investor Services Proprietary Limited 70 Marshall Street, Johannesburg 2001
Sponsor:	UBS South Africa Proprietary Limited

TFG

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Phase Eight | sportscene | STERNS 1896 | TOTALSPORTS