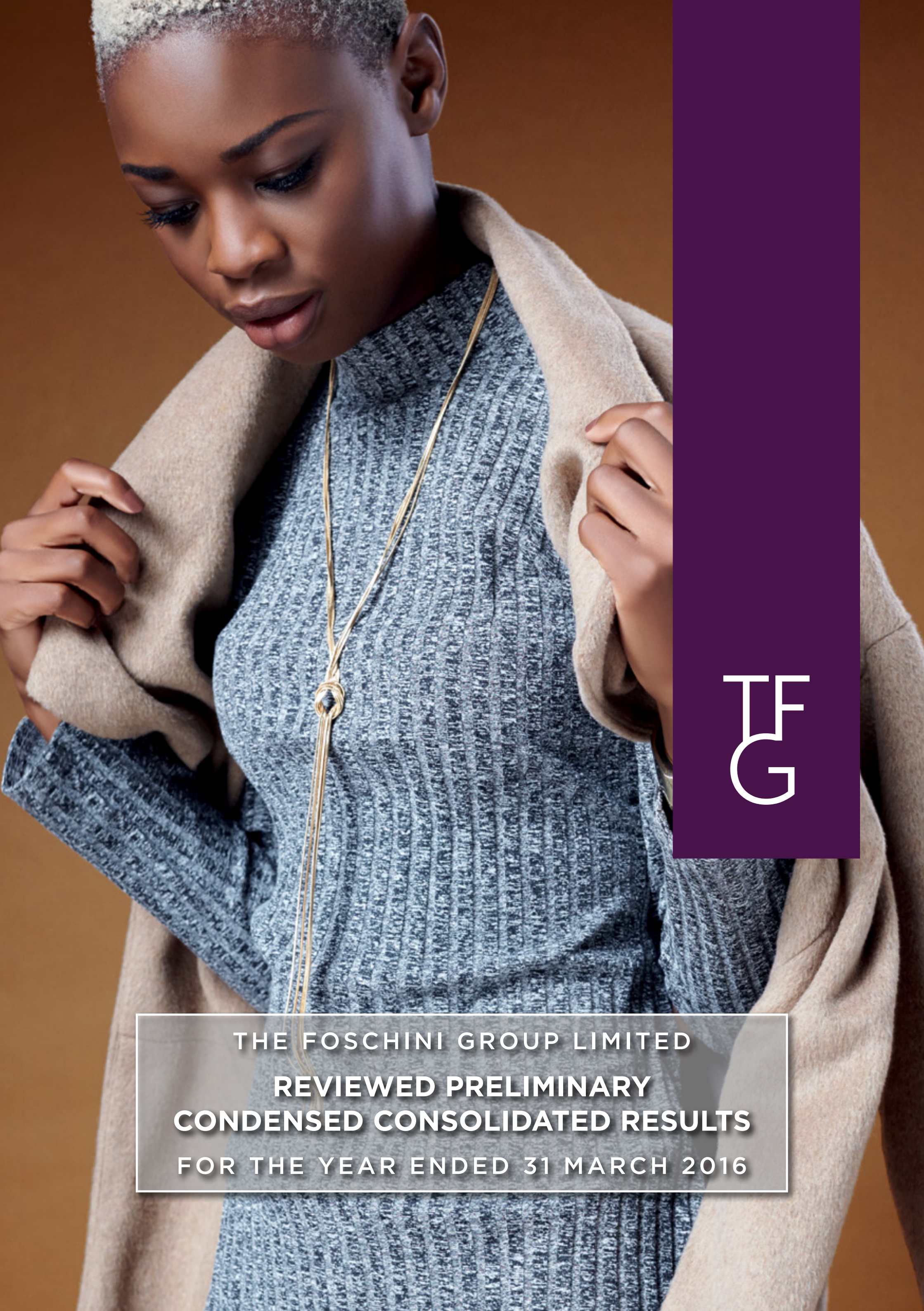

THE FOSCHINI GROUP LIMITED

REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 31 MARCH 2016

SALIENT FEATURES

+31,2%

GROUP TURNOVER

Group turnover up 31,2% to R21,1 billion (excluding Phase Eight: 11,6%)

+18,4%

CASH SALES GROWTH

Strong cash sales growth of 18,4% (excluding Phase Eight) now representing 48,3% of turnover

+57,2%

Total cash contribution including Phase Eight

+17,6%

HEADLINE EARNINGS PER SHARE

Headline earnings per share from continuing operations (excluding once-off acquisition costs) up 17,6% to 1 055,8 cents

+18,5%

FINAL DISTRIBUTION

Final distribution of 385,0 cents per share – an 18,5% increase

+17,5%

TOTAL DISTRIBUTION

Total distribution of 691,0 cents per share – a 17,5% increase

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 2016 Reviewed Rm	Restated March 2015 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment (note 17)	**2 335,7**	1 925,2
Goodwill and intangible assets (note 17)	**5 577,8**	4 637,0
Participation in export partnerships	**8,2**	8,4
Deferred taxation asset	**527,2**	354,7
	8 448,9	6 925,3
Current assets		
Inventory (note 4)	**5 116,1**	3 813,9
Trade receivables – retail	**6 695,0**	6 199,9
Other receivables and prepayments	**592,9**	624,2
Concession receivables	**347,2**	156,5
Participation in export partnerships	**6,2**	13,2
Cash	**888,8**	800,4
	13 646,2	11 608,1
Total assets	**22 095,1**	18 533,4
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**9 896,7**	8 130,9
Non-controlling interest	**4,0**	2,7
Total equity	**9 900,7**	8 133,6
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	**5 026,3**	3 709,5
Put option liability	**48,1**	20,3
Cash-settled share incentive scheme	**8,5**	0,7
Operating lease liability	**238,2**	223,1
Deferred taxation liability	**435,4**	345,2
Post-retirement defined benefit plan	**217,3**	192,6
	5 973,8	4 491,4
Current liabilities		
Interest-bearing debt	**3 139,4**	3 333,0
Trade and other payables	**3 046,7**	2 553,0
Operating lease liability	**10,8**	9,0
Taxation payable	**23,7**	13,4
	6 220,6	5 908,4
Total liabilities	**12 194,4**	10 399,8
Total equity and liabilities	**22 095,1**	18 533,4

CONDENSED CONSOLIDATED INCOME STATEMENT

Continuing operations	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm	% change
Revenue (note 5)	**23 746,4**	18 544,0	
Retail turnover	**21 107,5**	16 085,9	31,2
Cost of turnover	**(10 613,1)**	(8 484,2)	
Gross profit	**10 494,4**	7 601,7	
Interest income (note 6)	**1 533,0**	1 367,7	
Other income (note 7)	**1 105,9**	1 090,4	
Trading expenses (note 8)	**(9 537,2)**	(7 252,7)	
Operating profit before once-off acquisition costs and finance costs	**3 596,1**	2 807,1	28,1
Once-off acquisition costs	**(65,9)**	(292,4)	
Finance costs	**(509,0)**	(228,1)	
Profit before tax	**3 021,2**	2 286,6	
Income tax expense	**(863,9)**	(748,8)	
Profit from continuing operations	**2 157,3**	1 537,8	40,3
Discontinued operations			
Profit from discontinued operations, net of tax – RCS Group	**–**	86,2	
Profit on disposal of discontinued operation – RCS Group	**–**	273,2	
Profit for the year	**2 157,3**	1 897,2	13,7
Attributable to:			
Continuing operations	**2 155,6**	1 537,4	
Discontinued operations	**–**	320,6	
Equity holders of The Foschini Group Limited	**2 155,6**	1 858,0	
Non-controlling interest	**1,7**	39,2	
Profit for the year	**2 157,3**	1 897,2	
Earnings per ordinary share (cents)			
Continuing operations (excluding once-off acquisition costs)			
Basic	**1 073,3**	893,3	20,2
Headline	**1 055,8**	897,9	17,6
Diluted (basic)	**1 063,4**	885,7	20,1
Diluted (headline)	**1 046,0**	890,3	17,5
Total			
Basic	**1 041,5**	909,4	14,5
Headline	**1 024,0**	780,3	31,2
Diluted (basic)	**1 031,9**	901,7	14,4
Diluted (headline)	**1 014,5**	773,7	31,1
Weighted average ordinary shares in issue (millions)	**207,0**	204,3	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm
Profit for the year	**2 157,3**	1 897,2
Other comprehensive income:		
Items that will never be reclassified to profit or loss		
Actuarial losses on post-retirement defined benefit plan	**(11,8)**	–
Deferred tax on items that will never be reclassified to profit or loss	**3,3**	–
Items that are or may be reclassified to profit or loss		
Movement in effective portion of changes in fair value of cash flow hedges	**(70,3)**	32,9
Continuing operations	**(70,3)**	41,1
Discontinued operations	**–**	(8,2)
Foreign currency translation reserve movement	**464,0**	66,0
Continuing operations	**464,0**	66,0
Deferred tax on items that are or may be reclassified to profit or loss	**19,7**	(9,2)
Other comprehensive income for the year, net of tax	**404,9**	89,7
Total comprehensive income for the year	**2 562,2**	1 986,9
Attributable to:		
Continuing operations	**2 560,5**	1 633,0
Discontinued operations	**–**	317,4
Equity holders of The Foschini Group Limited	**2 560,5**	1 950,4
Non-controlling interest	**1,7**	36,5
Total comprehensive income for the year	**2 562,2**	1 986,9

SUPPLEMENTARY INFORMATION

	March 2016 Reviewed	Restated March 2015 Audited
Net ordinary shares in issue (millions)	**209,3**	205,4
Weighted average ordinary shares in issue (millions)	**207,0**	204,3
Tangible net asset value per ordinary share (cents)	**2 063,5**	1 701,0

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 2014 – audited	**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 – audited	**8 130,9**	**2,7**	**8 133,6**

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 2015 – audited	**8 130,9**	**2,7**	**8 133,6**
Total comprehensive income for the year	**2 560,5**	**1,7**	**2 562,2**
Profit for the year			
Continuing operations	**2 155,6**	**1,7**	**2 157,3**
Other comprehensive income			
Continuing operations			
Actuarial losses on post-retirement defined benefit plan	**(11,8)**	**–**	**(11,8)**
Movement in effective portion of changes in fair value of cash flow hedges	**(70,3)**	**–**	**(70,3)**
Foreign currency translation reserve movement	**464,0**	**–**	**464,0**
Deferred tax on movement in other comprehensive income	**23,0**	**–**	**23,0**
Contributions by and distributions to owners			
Share-based payments reserve movements	**114,7**	**–**	**114,7**
Dividends paid	**(1 327,2)**	**(0,4)**	**(1 327,6)**
Scrip distribution: share capital issued and share premium raised	**579,8**	**–**	**579,8**
Proceeds from sale of shares in terms of share incentive schemes	**18,1**	**–**	**18,1**
Shares purchased in terms of share incentive schemes	**(193,6)**	**–**	**(193,6)**
Increase in the fair value of the put option liability	**(27,2)**	**–**	**(27,2)**
Current tax on shares purchased	**13,6**	**–**	**13,6**
Deferred tax on shares purchased	**27,1**	**–**	**27,1**
Equity at 31 March 2016 – reviewed	**9 896,7**	**4,0**	**9 900,7**

	Year ended 31 March 2016 Reviewed	Year ended 31 March 2015 Audited
Distribution per ordinary share (cents)		
Interim	**306,0**	263,0
Final	**385,0**	325,0
Total	**691,0**	588,0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 9)	**4 127,2**	3 047,4
Increase in working capital	**(1 509,4)**	(998,4)
Cash generated from operations	**2 617,8**	2 049,0
Interest income	**22,3**	30,0
Finance costs	**(509,0)**	(228,1)
Taxation paid	**(921,8)**	(765,7)
Dividends paid	**(747,8)**	(1 146,9)
Net cash inflows (outflows) from operating activities	**461,5**	(61,7)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	**(901,0)**	(669,8)
Acquisition of assets through business combinations	**(152,4)**	(2 576,9)
Proceeds from sale of property, plant and equipment	**14,6**	10,2
Repayment of participation in export partnerships	**7,2**	14,2
Proceeds from disposal of investment	**1,1**	–
Proceeds from disposal of discontinued operations	**–**	1 442,7
Net cash outflows from investing activities	**(1 030,5)**	(1 779,6)
Cash flows from financing activities		
Shares purchased in terms of share incentive schemes	**(193,6)**	(175,7)
Proceeds from sale of shares in terms of share incentive schemes	**18,1**	132,6
Increase in interest-bearing debt	**760,6**	2 371,6
Net cash inflows from financing activities	**585,1**	2 328,5
Net increase in cash during the year	**16,1**	487,2
Cash at the beginning of the year	**800,4**	301,3
Effect of exchange rate fluctuations on cash held	**72,3**	11,9
Cash at the end of the year	**888,8**	800,4

CONSOLIDATED SEGMENTAL ANALYSIS

Year ended 31 March 2016	Retail trading divisions Reviewed Rm	Customer value added products Reviewed Rm	Credit Reviewed Rm	Central and shared services Reviewed Rm	International divisions** Reviewed Rm	Total retail Reviewed Rm
External revenue	**17 504,4**	**778,4**	**312,4**	**15,1**	**3 603,1**	**22 213,4**
External interest income	**–**	**–**	**1 510,7**	**22,3**	**–**	**1 533,0**
Total revenue*	**17 504,4**	**778,4**	**1 823,1**	**37,4**	**3 603,1**	**23 746,4**
External finance costs				**(409,5)**	**(99,5)**	**(509,0)**
Depreciation and amortisation				**(347,1)**	**(117,6)**	**(464,7)**
Group profit before tax						**3 021,2**
Segmental profit (loss) before tax	**3 683,4**	**437,6**	**320,1**	**(1 531,0)**	**241,3**	**3 151,4**
Other material non-cash items						
Foreign exchange transactions						**1,4**
Share-based payments						**(114,7)**
Operating lease liability adjustment						**(16,9)**
Capital expenditure						**901,0**
Segment assets						**22 095,1**
Segment liabilities						**12 194,4**

Year ended 31 March 2015	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited 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

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

** *Phase Eight operating division was renamed to international divisions. Whistles was acquired on 23 March 2016 and is reflected under the international operating division as defined by the board being the chief operating decision-maker.*

CONSOLIDATED SEGMENTAL ANALYSIS (CONTINUED)

Discontinued operations – RCS Group#	2016 Reviewed Rm	2015 Audited Rm
External revenue	–	164,5
External interest income	–	298,2
Total revenue*	–	462,7
Inter-segment revenue	–	2,7
External finance costs	–	(65,0)
Depreciation and amortisation	–	(4,8)
Segmental profit before tax	–	480,4
Capital expenditure	–	4,9
Segment assets	–	–
Segment liabilities	–	–

Year ended 31 March 2015 represents three months of trading prior to the disposal of RCS Group.
* *Includes retail turnover, interest income and other income.*

NOTES

Review report of the Independent Auditors

These reviewed preliminary condensed consolidated results of The Foschini Group Limited for the year ended 31 March 2016 have been reviewed by the company's auditors, KPMG Inc., who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information, which is available at the company's registered office.

1. Basis of preparation

   The reviewed preliminary condensed consolidated results for the year ended 31 March 2016 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of these reviewed preliminary condensed consolidated results are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statementss except as noted otherwise. These results were prepared by the TFG Finance and Advisory department of The Foschini Group Limited acting under supervision of Anthony Thunström CA(SA), CFO of The Foschini Group Limited.

2. During the year, the group adopted the following revised accounting standards:
   - Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
   - Annual Improvements to IFRSs 2010-2012 Cycle – various standards
   - Annual Improvements to IFRSs 2011-2013 Cycle – various standards

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

3. 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 and was disposed of on 30 June 2014.

	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm
4. **Inventory**		
Inventory at year-end	**5 116,1**	3 813,9
Inventory write-downs included above	**174,9**	154,0
5. **Revenue**		
Retail turnover	**21 107,5**	16 085,9
Interest income (note 6)	**1 533,0**	1 367,7
Other income (note 7)	**1 105,9**	1 090,4
	23 746,4	18 544,0
6. **Interest income**		
Trade receivables – retail	**1 510,7**	1 337,7
Sundry	**22,3**	30,0
	1 533,0	1 367,7

	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm
7. Other income		
Publishing income	**399,4**	388,2
Collection cost recovery	**312,4**	304,1
Insurance income	**297,8**	300,3
Mobile one2one airtime income	**81,2**	86,6
Sundry income	**15,1**	11,2
	1 105,9	1 090,4
8. Trading expenses		
Depreciation and amortisation	**(464,7)**	(428,1)
Employee costs	**(3 210,8)**	(2 325,2)
Occupancy costs	**(2 043,2)**	(1 585,0)
Net bad debt	**(947,7)**	(1 023,6)
Other operating costs	**(2 870,8)**	(1 890,8)
	(9 537,2)	(7 252,7)
9. Operating profit before working capital changes		
Profit before tax	**3 021,2**	2 286,6
Finance costs	**509,0**	228,1
Operating profit before finance charges	**3 530,2**	2 514,7
Adjustments for:		
Interest income – sundry	**(22,3)**	(30,0)
Non-cash items	**619,3**	562,7
Depreciation and amortisation	**464,7**	428,1
Operating lease liability adjustment	**16,9**	15,9
Share-based payments	**114,7**	97,4
Post-retirement defined benefit medical aid movement	**12,9**	12,2
Foreign currency translation reserve movement	**1,4**	(4,8)
Cash-settled share incentive scheme	**7,7**	0,7
Profit on disposal of investment	**(1,1)**	–
Loss on disposal of property, plant and equipment	**7,1**	13,5
Profit on disposal of property, plant and equipment	**(5,0)**	(0,3)
	4 127,2	3 047,4

	Year ended 31 March 2016 Reviewed Rm	Year ended 31 March 2015 Audited Rm
10. Reconciliation of profit for the year to headline earnings		
Profit for the year attributable to equity holders of The Foschini Group Limited	**2 155,6**	1 858,0
Adjusted for:		
Profit on disposal of property, plant and equipment	**(5,0)**	(0,3)
Loss on disposal of property, plant and equipment	**7,1**	13,5
Profit on disposal of investment	**(1,1)**	–
Profit on disposal of discontinued operations	**–**	(273,2)
Adjusted headline earnings before tax	**2 156,6**	1 598,0
Tax on headline earnings adjustments	**(37,3)**	(3,8)
Headline earnings	**2 119,3**	1 594,2
Once-off acquisition costs	**65,9**	292,4
Tax impact of adjustments	**–**	(4,7)
Adjusted headline earnings*	**2 185,2**	1 881,9

* *Adjusted headline earnings is calculated to remove the impact of the once-off acquisition costs of the current year Whistles acquisition and the prior year Phase Eight acquisition.*

Earnings per ordinary share (cents)	Year ended 31 March 2016	Year ended 31 March 2015
Continuing operations (excl. once-off acquisition costs)		
Basic	**1 073,3**	893,3
Headline	**1 055,8**	897,9
Diluted (basic)	**1 063,4**	885,7
Diluted (headline)	**1 046,0**	890,3
Total		
Basic	**1 041,5**	909,4
Headline	**1 024,0**	780,3
Diluted (basic)	**1 031,9**	901,7
Diluted (headline)	**1 014,5**	773,7
Discontinued operations		
Basic	**–**	156,9
Headline	**–**	23,2
Diluted (basic)	**–**	155,6
Diluted (headline)	**–**	23,0

11. Acquisitions during the year

11.1 Colette acquisition

With effect from 2 August 2015, the group acquired six Colette franchise stores in South Africa. These stores will be managed within the Foschini division.

Fair value of assets and liabilities assumed through this business combination:

	Rm
Property, plant and equipment	**7,0**
Inventory	**2,0**
Total identifiable assets	**9,0**
Trade and other payables	**(0,2)**
Total identifiable net assets	**8,8**
Intangible asset	**6,2**
Total purchase price	**15,0**

11.2 Whistles acquisition

On 23 March 2016, the group acquired 100% of Whistles Holdings Limited, which trades as Whistles.

The acquisition was funded through cash resources. The acquisition of Whistles was at an enterprise value of GBP8,8 million (ZAR191,1 million), with an equity value of GBP4,6 million (ZAR100,8 million) after taking into account net debt. The acquisition was converted using a ZAR:GBP exchange rate of R21,78 on the relevant transaction date.

TFG has measured the identifiable assets and liabilities of Whistles at their acquisition-date fair values.

The provisional values are presented below:

	Rm	£m
Non-current assets	**159,5**	7,3
Property, plant and equipment	**116,2**	5,3
Deferred tax	**7,4**	0,3
Intangible assets	**35,9**	1,7
Current assets	**274,0**	12,5
Inventory	**157,8**	7,2
Other receivables and prepayments	**116,2**	5,3
Non-current liabilities	**6,5**	0,3
Deferred tax	**6,5**	0,3
Current liabilities	**326,2**	14,9
Interest-bearing debt	**90,4**	4,1
Trade and other payables	**199,2**	9,1
Cash	**36,6**	1,7
Total identifiable net assets at fair value	**100,8**	4,6
Goodwill arising from acquisition	**–**	–
Purchase consideration	**100,8**	4,6
Cash and cash equivalents acquired	**36,6**	1,7
Cash outflow on acquisition	**137,4**	6,3

No goodwill has arisen from the acquisition and the Whistles brand amounting to GBP1,7 million (R35,9 million) has been recognised as an intangible asset at acquisition. Once-off acquisition costs of R65,9 million related to the acquisition have been expensed in the current year. For the purpose of comparability, headline earnings per share from continuing operations excluding these once-off acquisition costs has been calculated. No profit and loss has been included within the group's results in the current financial year.

12. Related parties

Related party transactions similar to those disclosed in the group's annual financial statements for the year ended 31 March 2015 took place during the year. There are no significant related party transactions which took place in the current year.

13. 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. The group only has level 2 financial instruments. There are no level 1 or level 3 financial instruments within the group and there were no transfers between levels during the year.

14. Subsequent events

No further significant events took place between the year ended 31 March 2016 and date of issue of this report.

15. Changes in directors

- Mr M Lewis was appointed as deputy chairman on 28 May 2015 and as chairman on 19 June 2015.
- Mr D M Nurek resigned from the board on 19 June 2015.
- Mr P S Meiring retired at the end of June 2015 and resigned from the board.
- Mr R Stein retired as an executive director at the end of June 2015 and remains on the board in a non-executive capacity.
- On 1 July 2015, Mr A Thunström was appointed as CFO and as an executive director.
- On 5 November 2015, Mr G Davin was appointed as an independent non-executive director.

16. Change in estimate
Property, plant and equipment

During the year as required by IAS 16, the group reassessed the useful lives of its property, plant and equipment. The group determined that certain asset categories had generally longer useful lives than was being used for depreciation purposes. In the current year, management revised certain useful lives of shopfittings assets from 5 years to 7 years in accordance with IAS 8, effective 1 April 2015.

The change in estimate results in a (decrease) increase in the depreciation expense for the current and future years as disclosed below:

Financial year	(Decrease) Increase in depreciation for the year ended 31 March
2016	(115,2)
2017	(69,6)
2018	(12,7)
2019	37,6
2020	75,0
2021	64,9
2022	20,0

17. Reclassification of property, plant and equipment to goodwill and intangible assets

The group previously accounted for software under property, plant and equipment. In order to provide more detailed disclosure, software in property, plant and equipment with a net book value of R271,8 million (2015) and R226,5 million (2014) has subsequently been reclassified to goodwill and intangible assets.

The reclassification had no effect on basic or headline earnings per share, or on diluted basic or diluted headline earnings per share.

The effect of the change is as follows:

	31 March 2014 As reported	31 March 2014 Adjustment	31 March 2014 As restated
Property, plant and equipment	1 696,1	(226,5)	1 469,6
Goodwill and intangible assets	63,4	226,5	289,9

	31 March 2015 As reported	31 March 2015 Adjustment	31 March 2015 As restated
Property, plant and equipment	2 197,0	(271,8)	1 925,2
Goodwill and intangible assets	4 365,2	271,8	4 637,0

COMMENTARY

GROUP OVERVIEW

The group produced a good result for the year with total retail sales growth of 31,2%. Excluding the impact of Phase Eight, the group achieved retail sales growth of 11,6% with comparable sales growth of 5,7%.

Cash sales growth was stronger in the second half of the year resulting in full year cash sales growth of 18,4% (including Phase Eight: 59,8%). Although credit sales growth was slightly slower in the second half, we are nevertheless pleased with full year credit sales growth of 5,9%, up from 4,3% for the previous year.

The group's overall gross margin has improved from 47,3% to 49,7% mainly as a result of the higher Phase Eight clothing margin. The margin in all other product categories remained consistent with the prior year.

The continued focus on cost control has resulted in our expenses increasing by 9,4% for the year, excluding Phase Eight. Including Phase Eight, expenses have increased by 31,5%. We remain committed to ensuring that our costs are well controlled whilst maintaining our investment in future growth.

Phase Eight has met our expectations and all our strategic targets that we set for the year and good progress has been made with the integration of this business.

As was announced on SENS on 24 March 2016, we have, through Phase Eight, acquired all the issued share capital of Whistles, a British contemporary fashion brand for men and women. Whistles currently trades out of 121 outlets in the UK and internationally both through standalone stores as well as concessions in departmental stores such as Harrods and Bloomingdales as well as online. As the acquisition was at the end of our financial year, these results do not include any trading relating to Whistles for this financial year. However, Whistles' at-acquisition balance sheet has been consolidated as at 31 March 2016.

Headline earnings per share from continuing operations, excluding the once-off acquisition costs incurred in relation to the acquisition of Whistles in the current year and Phase Eight in the prior year, increased by 17,6% to 1 055,8 cents per share from 897,9 cents per share in the previous year.

A final scrip distribution with a cash alternative of 385,0 cents per share has been declared representing an increase of 18,5%. Accordingly, the total distribution for the year amounts to 691,0 cents per share, an increase of 17,5%, reflecting the growth in the underlying continuing operations.

In line with our growth strategy, we opened 209 stores for the full year in South Africa and the rest of Africa, whilst 27 were closed. At the year-end, TFG excluding Phase Eight was trading out of 2 462 stores, an increase in trading area of 6,6%. Phase Eight opened 108 outlets during the year whilst 10 were closed, and at the year-end, Whistles was trading out of 121 outlets.

We continued our e-Commerce roll-out during the year with the three Sports division brands; Totalsports, Duesouth and Sportscene, launching their online selling. This has proved to be successful with results ahead of expectation.

MERCHANDISE CATEGORIES

Turnover growths in the various merchandise categories are as follows:

	% turnover growth (excluding Phase Eight)	% same store turnover growth (excluding Phase Eight)	% turnover growth (including Phase Eight)
Clothing	13,0%	6,9%	41,8%
Jewellery	7,0%	3,4%	7,0%
Cellphones	7,4%	3,5%	7,4%
Homewares & furniture	11,7%	3,1%	11,7%
Cosmetics	9,2%	6,6%	9,2%

Total same store turnover (excluding Phase Eight) grew by 5,7% whilst product inflation averaged approximately 8%.

CREDIT

Credit turnover growth slowed in the second half to 5,1% from 6,8% in the first half, resulting in full year credit turnover growth of 5,9%, up from 4,3% at the previous year-end.

The retail debtors' book of R6,7 billion, has increased by 8,0%. Net bad debt reduced by 7,4% compared to an increase of 9,4% in the previous year, following our continuing investment in credit analytics and other capabilities. Net bad debt as a percentage of closing debtors' book reduced to 13,4% from 13,6% at the previous year-end, and from 14,0% at the half-year, well within management's expectations. The retail debtors' book is adequately provisioned at 13,2%, down from 13,6% at the previous year-end.

BALANCE SHEET OPTIMISATION

As stated post the acquisition of Phase Eight, it remains our intention to bring our recourse debt-to-equity ratio from its current level of 55,6%, closer to our medium term target of 40%. Accordingly, one further and final scrip distribution with a cash dividend alternative has been declared.

Going forward, given our growth and expansion prospects, the group intends to increase its dividend cover to approximately 1,6 times.

AFRICA EXPANSION

The group currently trades out of 176 stores across 6 countries in the rest of Africa. These stores, with the exception of Namibia (which continues to be negatively impacted by the weak commodity cycle affecting the Angolan economy), traded well during the year with turnover growth of 31,6% and same store turnover growth of 14,6%. Including Namibia, total turnover growth in the rest of Africa is 16,6%. Expanding our footprint in the rest of Africa remains a group objective in line with our growth strategy.

OUTLOOK

The outlook for both the global and domestic economy remains challenging and uncertain. We remain concerned about the impact of the introduction of the Affordability Regulations on our ability to open new accounts. This is unfortunate as many credit worthy customers are now prevented from obtaining access to credit. This will no doubt put pressure on our credit sales. However, we anticipate continuing strong cash sales growth.

Our previously reported strategic objectives around growth, profit, customer and leadership remain appropriate and will continue. In line with our strategy for long-term growth, we anticipate opening in excess of 150 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 50 Phase Eight and 20 Whistles outlets internationally. We will continue the omni-channel roll-out with the online launch of Foschini cosmetics, @home furniture and our Markham and Fabiani brands this year.

Excluding Phase Eight and Whistles, the turnover growth for the first 7 weeks of the current financial year is at similar levels to last year and broadly in line with management's expectations. Both Phase Eight and Whistles are trading ahead of last year and within management's expectations.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend no. 159 of 3,25% (6,5 cents per share) (gross) in respect of the six months ending 30 September 2016 has been declared from income reserves, payable on Monday, 26 September 2016 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 23 September 2016.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Tuesday, 20 September 2016. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Wednesday, 21 September 2016 and the record date, as indicated, will be Friday, 23 September 2016.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Tuesday, 20 September 2016 to Friday, 23 September 2016, 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) The withholding tax, if applicable at the rate of 15%, will result in a net cash dividend per share of 5,52500 cents;
3) The issued preference share capital of The Foschini Group Limited is 200 000 shares at 26 May 2016; and
4) 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

Shareholders are advised that the board has declared a final distribution for the year ended 31 March 2016, by way of the issue of fully paid ordinary shares of 1,25 cents each as a scrip distribution payable to ordinary shareholders recorded in the register on the record date, being Friday, 22 July 2016 (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 385,0 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 22 July 2016 (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 327,25000 cents per ordinary share will apply to shareholders liable for the local 15% dividend withholding tax and 385,00000 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 26 May 2016 is 215 350 885 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 385,0 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 8 July 2016 .

Fractions

Where the application of the ratio gives rise to a fraction of a new ordinary share, such fraction will be rounded down to the nearest whole number, resulting in the allocation of whole ordinary shares and a cash payment of a fraction.

COMMENTARY (CONTINUED)

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 11 July 2016.

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 2016
Circular and form of election posted to ordinary shareholders	Monday, 11 July 2016
Finalisation date: Announcement of ratio applicable to the scrip distribution, based on the 5-day VWAP ending on Friday, 8 July 2016, released on SENS by 11h00 on	Monday, 11 July 2016
Last day to trade in order to be eligible for the scrip distribution/cash dividend alternative ("CUM" scrip distribution/cash dividend alternative)	Tuesday, 19 July 2016
Ordinary shares trade "EX" the scrip distribution/cash dividend alternative	Wednesday, 20 July 2016
Listing of maximum possible number of new ordinary shares that could be issued in terms of the scrip distribution	Wednesday, 20 July 2016
Last day to elect the cash dividend alternative instead of the scrip distribution by 12h00	Friday, 22 July 2016
Record date in respect of the scrip distribution/cash dividend alternative	Friday, 22 July 2016
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, 25 July 2016
Maximum number of new ordinary shares listed adjusted to reflect the actual number of new ordinary shares issued on or about	Wednesday, 27 July 2016

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.

Ordinary share certificates may not be dematerialised or rematerialised, nor may transfers between registers take place between Wednesday, 20 July 2016 and Friday, 22 July 2016, 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, 25 July 2016.

Signed on behalf of the board.

M Lewis
Chairman

A D Murray
CEO

Cape Town
26 May 2016

CORPORATE INFORMATION

Executive directors: A D Murray, A Thunström

Non-executive directors: M Lewis (Chairman), Prof. F Abrahams, S E Abrahams, G Davin, D Friedland, B L M Makgabo-Fiskerstrand, E Oblowitz, N V Simamane, R Stein

Company secretary: D van Rooyen

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

GREYMATTER & FINCH # 9740

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THE HOMEWARE STORE

@homelivingspace
THE HOMEWARE STORE

AMERICAN SWISS

CHARLES & KEITH

colette
by colette hayman

DONNACLAIRE

DUESOUTH

EXACT

Fabiani.

THE FIX

FOSCHINI

G-STAR RAW

hi

MARKHAM

MAT & MAY

next

Phase Eight

SODA BLOC

sportscene

STERNS
1896

TOTALSPORTS

WHISTLES

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