ANALYST PRESENTATION

FOR THE YEAR ENDED 31 MARCH

2013

AGENDA

• Overview of the economy and retail environment	Doug Murray
• Review of the year	Doug Murray
• Financial review	Ronnie Stein
• Merchandise review	Doug Murray
• Financial services	Peter Meiring
• Outlook	Doug Murray
• Questions	All

OVERVIEW OF THE ECONOMY AND RETAIL ENVIRONMENT

OVERVIEW OF THE ECONOMY AND RETAIL ENVIRONMENT

- Continued Euro-zone stress is impacting on RSA GDP growth and exaggerating rand volatility
  - The SA economic outlook remains subdued
  - Projected GDP growth for 2013 is 2,6% and for 2014 is 3,5% (BER)
- The Rand is on the back foot because of the current account deficit and sentiment around current industrial unrest. It is vulnerable should there be a negative shift in sentiment from offshore investors in RSA bonds and equities
  - Rand is at significantly weaker levels than expected 6 months ago
  - Domestic constraints, including the large current account deficit, should fade from the second half of 2013 (BER)
  - There is scope for the rand to strengthen from current levels to R8,50 in 2013 Q4 and to R8,55 by the end of 2014 (BER)

OVERVIEW OF THE ECONOMY AND RETAIL ENVIRONMENT CONT.

- Interest rates likely to remain flat until mid 2014, current market expectations are for moderate increases thereafter
  - There is some risk that rand driven inflation will force more rapid interest rate hikes
- Updated forecast for CPI inflation is to average 5,7% in 2013 and 5,4% in 2014 (BER)
- JSE All Share index reached all-time high this calendar year
- Although real wage increases are still evident in many sectors, fuel and electricity prices are eroding consumer's purchasing power
- There has been a meaningful slow-down in growth in unsecured credit since the last quarter of last year

REVIEW OF THE YEAR

REVIEW OF THE YEAR

- Our customers who fall primarily into the 6 – 10 LSM group have benefited from an environment driven by:
    - Continued low interest rates
    - Increasing government subsidies
    - Real wage increases
    - Low inflation environment

- Continued our key strategic initiatives :
    - Supply chain
    - CRM activity

- 146 new stores opened

REVIEW OF THE YEAR CONT.

- Trading conditions
  - Became more challenging in the 2nd half
  - Credit environment has become increasingly more difficult
  - Weak festive season covering November & December
  - Discretionary categories of jewellery & cellphones
    - Hard hit
    - Not the items of choice for consumers over the festive season
  - Continued gains in market share

- RCS Group:
  - Performed well
  - DMTN programme continues to be successful
    - R2,9 billion raised to date

REVIEW OF THE YEAR CONT.

- Group turnover up 10,9% to R12,9 billion
- Headline earnings per share up 11,2% to 858,6 cents
- Diluted headline earnings per share up 11,1% to 851,3 cents
- Operating margin marginally down to 23,6% from 24,0%
- Total dividend for the year increased by 11,2% to 506,0 cents per share
- 631k new accounts opened, with active accounts growing by 6,0%
- Net bad debts as a percentage of closing debtors' book increased to 10,5% from 9,4% in the previous year, marginally up from 10,3% at the half-year
- Recourse gearing of 13,3% (2012: 14,8%)

FINANCIAL REVIEW

FINANCIAL REVIEW: 2013

Income statement for the year ended 31 March	2013 (Rm)	2012 (Rm)	% growth
Retail turnover	12 896,4	11 630,5	10,9
Cost of turnover	(7 492,3)	(6 750,1)	
Gross profit	**5 404,1**	**4 880,4**	
Interest income	1 996,6	1 712,1	
Dividend income	-	9,9	
Other revenue	1 392,0	1 178,3	
Trading expenses	(5 751,1)	(4 994,2)	
Operating profit before finance charges	**3 041,6**	**2 786,5**	
Finance costs	(327,9)	(284,9)	
Profit before tax	**2 713,7**	**2 501,6**	
Income tax expense	(787,1)	(809,8)	
Profit for the year	**1 926,6**	**1 691,8**	**13,9**
Attributable to:			
Equity holders of The Foschini Group Limited	1 792,0	1 582,1	13,3
Non-controlling interest	134,6	109,7	22,7
HEPS (cents)	858,6	772,0	11,2
Diluted HEPS (cents)	851,3	766,1	11,1

REVENUE

	2013 (Rm)	2012 (Rm)	% growth
Retail turnover	12 896,4	11 630,5	10,9
Interest income	1 996,6	1 712,1	16,6
Dividend income	-	9,9	
Other revenue	1 392,0	1 178,3	18,1
Total	**16 285,0**	**14 530,8**	**12,1**

- Satisfactory growth in retail turnover
- Interest received will be dealt with separately
  - Retail book interest up 15,2%
  - RCS Group interest up 17,6%
- Other revenue growth 18,1%
  - Club income + 13,0%
  - Customer charges income +22,2%
  - Insurance income + 15,9%
  - Cellular income - one2one airtime product + 27,7%
  - These products should continue to grow as our customer base grows

GROSS PROFIT

	2013 (Rm)	2012 (Rm)
Gross profit (Rm)	5 404,1	4 880,4
Gross margin (%)	41,9%	42,0%

- Maintained margin substantially the same as last year, notwithstanding the festive season and second half trading which was below expectation

INTEREST INCOME

	2013 (Rm)	2012 (Rm)	% growth
Trade Receivables - retail	983,6	853,7	15,2%
Receivables - RCS Group	990,3	842,4	17,6%
Sundry	22,7	16,0	41,9%
Total	**1 996,6**	**1 712,1**	**16,6%**

- Due to the impact of NCA capping formula, interest yields at their lowest
- Increase in interest income driven by higher average books
- Interest income from retail debtors' book up 15,2%
  - Impact of good account growth and growth in debtors' book
  - Increase in number of 12-month accounts continues to increase the yield
  - 87,8% of balances now attracting interest (LY 86,6%)
- Interest income by RCS Group up 17,6%
  - Impact of growth in debtors' book
  - Peter Meiring will deal with this in more detail in his section

TRADING EXPENSES

	2013 (Rm)	% to turnover 2013	2012 (Rm)	% to turnover 2012	% growth
Depreciation and amortisation	(335,0)	2,6	(311,6)	2,7	7,5
Employee costs	(2 068,0)	16,0	(1 929,6)	16,6	7,2
Occupancy costs – normal	(1 205,3)	9,3	(1 041,9)	9,0	15,7
Occupancy costs – lease liability adjustment	(24,7)	0,2	(25,7)	0,2	(3,9)
Other net operating costs	(1 177,4)	9,1	(964,2)	8,3	22,1
	(4 810,4)	**37,3**	**(4 273,0)**	**36,7**	**12,6**
Net bad debts	(940,7)	7,3	(721,2)	6,2	30,4
Total trading expenses	**(5 751,1)**	**44,6**	**(4 994,2)**	**42,9**	**15,2**

- Expenses before bad debts well controlled at 12,6%, pushed up by:
  - Fleet transport (fuel)
  - Electricity
  - Reward programme discounts
  - Credit card commission – 32% growth
- Employee costs up by 7,2%
  - Staff increases were 6,5%
  - Minimal performance bonuses
- Store occupancy costs up 15,7%:
  - Normal lease escalations averaged 8%
  - The balance is made up of new stores
- Bad debts will be dealt with separately by Peter Meiring

INTEREST PAID

	2013 (Rm)	2012 (Rm)	% growth
Interest paid	327,9	284,9	15,1

- Interest paid increase relates entirely to RCS (+22,5%)

SEGMENTAL ANALYSIS

	2013 (Rm)	2012 (Rm)	% growth
Retail	1 629,8	1 449,9	12,4
RCS Group	296,8	241,9	22,7
Total profit after tax	**1 926,6**	**1 691,8**	**13,9**

- Retail produced a satisfactory result with 12,4% growth
- RCS Group
  - Good performance – up 22,7% on last year
  - Contribution to PAT (after minorities) = 9,1% (vs 8,4% in 2012)

FINANCIAL POSITION

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

STOCK & CREDITORS

	2013 (Rm)	2012 (Rm)	% growth
Stock	2 444,0	2 155,0	13,4

- Increase in stock elevated by increased raw material stock which grew by 35% to R137m
- Stock of merchandise in line with expected levels of trading

	2013 (Rm)	2012 (Rm)	% growth
Trade and other payables	2 282,5	1 827,0	24,9

- Creditors' terms remain unchanged
- Payments in line with purchase cycle
- Creditors substantially funding stock

TRADE RECEIVABLES

	2013 (Rm)	2012 (Rm)	% growth
Loan receivables	1 104,3	1 067,6	3,4
Card receivables	3 106,4	2 382,9	30,4
RCS Group	**4 210,7**	**3 450,5**	**22,0**
Trade receivables – retail	**5 207,7**	**4 569,9**	**14,0**
Total receivables	**9 418,4**	**8 020,4**	**17,4**

- Our biggest asset by far
- Total receivables on balance sheet amount to R9,4 billion of which R4,2 billion relates to RCS Group
- Good growth in all receivables categories
- Peter Meiring will deal with the performance of our receivables in more detail

BORROWINGS & NON-CONTROLLING INTEREST LOAN

	2013 (Rm)	2012 (Rm)	% growth
Interest-bearing debt and non-controlling interest loan	4 887,6	3 737,7	30,8
Less: Cash	(908,1)	(710,9)	
Net borrowings	**3 979,5**	**3 026,8**	**31,5**
Less: SBSA loan to RCS Group (non-controlling interest loan)	-	(242,4)	
	3 979,5	2 784,4	
Less: RCS Group external funding (commercial paper + bank loans)	(2 949,1)	(1 766,4)	67,0
Recourse debt	**1 030,4**	**1 018,0**	**1,2**
Less: TFG funding of RCS Group	-	(291,9)	
Retail borrowings	**1 030,4**	**726,1**	

- Total gearing of 51,3% (2012: 44,1%)
- Recourse gearing of 13,3% (2012:14,8%)
- Retail gearing of 13,3% (2012: 10,6%)
- Direct funding of RCS Group is now zero, all funding being done in the open market

CASH GENERATION & UTILISATION

	Rm	Total Rm
Net borrowings at beginning of year		(3 026,8)
Cash EBITDA	**3 161,8**	
Increase in creditors	**350,2**	
Other investing activities	**26,4**	
Sale of shares by share trust	**186,6**	
Cash generated		3 725,0
Taxation paid	**(808,4)**	
Dividends paid	**(1 057,4)**	
Retail and other debtors	**(892,5)**	
RCS Group debtors	**(760,2)**	
Inventory increase	**(284,3)**	
Capital expenditure	**(584,7)**	
Acquisition of assets through acquisitions	**(15,4)**	
Repurchase of shares	**(129,3)**	
Shares purchased in terms of share incentive schemes	**(145,5)**	
Cash utilised		(4 677,7)
Net borrowings at the end of the year		**(3 979,5)**

- Cash EBITDA of R3,2 billion remains sound
- Investment in receivables of R1 652 million
  - Retail and other debtors R892,5 million
  - RCS debtors R760,2 million
- Capex largely due to store openings and new design centre – investment for future growth

CAPEX

	2013 (Rm)	2012 (Rm)
Stores	334,7	361,3
RCS Group	17,1	21,7
IT	122,8	125,0
Other (including assets acquired through acquisitions in prior year)	110,1	39,4
Total	**584,7**	**547,4**

- The majority of capex relates to opening of new stores, in line with our strategy of growing floor space
- Capex for next year will be approximately R550m


TFG
MERCHANDISE
REVIEW

RETAIL TURNOVER BY MERCHANDISE CATEGORY

	2013 turnover (Rm)	2012 turnover (Rm)	% growth	% same store growth
Clothing	8 658,4	7 747,9	11,8	6,1
Jewellery	1 308,8	1 224,3	6,9	3,7
Cellphones	1 148,6	1 109,1	3,6	(0,5)
Cosmetics	835,2	747,7	11,7	8,5
Homewares & furniture	945,4	801,5	18,0	12,0
Total	**12 896,4**	**11 630,5**	**10,9**	**5,8**

- Clothing – reasonable performance, but pulled down by a poor festive season and supply problems in ladies and childrenswear running up to the festive trading season
- Discretionary categories
    - Jewellery – experienced a disappointing festive season achieving 0,5% turnover growth in December, normally the biggest turnover period for this category
    - Cellphones – had a poor performance over the festive season with turnover growth in December down 5,6%
    - Jewellery & cellphones were not the items of choice for consumers over the festive season
- Cosmetics – performed well in a competitive environment
- Homewares & furniture produced an excellent performance
- Product inflation for the year of approximately 5%

RLC COMPARISON

- TFG figures include clothing turnover of the following divisions: Foschini, Markham and Exact
- Apparel turnover in TFG Sports division is not included
- Continued outperformance of the general market

DIVISIONAL REVIEW: OVERALL

	2013 Turnover (Rm)	% growth	% same store growth	Number of stores
Foschini division	4 501,8	5,8	1,7	541
Markham division	2 271,0	14,1	8,6	282
Exact	1 227,5	9,8	6,7	227
Sports division	2 536,5	19,0	10,3	430
Jewellery division	1 414,2	6,0	2,7	408
@home	945,4	18,0	12,0	91
Group	**12 896,4**	**10,9**	**5,8**	**1 979**
Cash sales	5 157,0	13,7		
Credit sales	7 739,4	9,1		
Total	**12 896,4**	**10,9**		

- Cash sales
  - Represent 40,0% (2012: 39,0%)
  - Good growth at 13,7% (2012: 18,6%)

DIVISIONAL REVIEW: OVERALL

- **Foschini division (5,8% growth)**
  - Foschini, DonnaClaire and Fashion Express impacted by problems in the supply of ladies and childrenswear running up to the festive season
- **Markham division (14,1% growth)**
  - Menswear clothing was good
- **Exact (9,8% growth)**
  - Ladies and childrenswear impacted by supply issues similar to the Foschini division
- **Sports division (19,0% growth)**
  - Continues to trade well
- **Jewellery division (6,0% growth)**
  - Experienced a disappointing festive season achieving 0,5% jewellery turnover growth in December
  - Remains dominant one and two player in jewellery sector
- **@home (18,0% growth)**
  - Extremely good performance

CASH AND CREDIT TURNOVER GROWTH 2013 vs 2012

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Cash Sales growth	14,8%	23,2%	26,6%	17,9%	18,8%	13,6%	13,9%	4,5%	10,6%	14,5%	13,7%	13,1%
Credit Sales growth	5,4%	8,4%	14,7%	10,6%	6,2%	11,0%	9,5%	6,1%	10,5%	12,8%	13,0%	12,3%

- Cash sales
  - Good growth
  - The lower growth in November coincides with the pull back of unsecured lending in the market place
  - Growth in cash sales exceeds growth in credit sales with exception of November
- Credit sales
  - Improved in the last quarter, assisted by the rewards programme

AFRICA EXPANSION

- Rest of Africa (excluding South Africa) now 104 stores with turnover of R600 million annualised
- All African stores are corporate stores

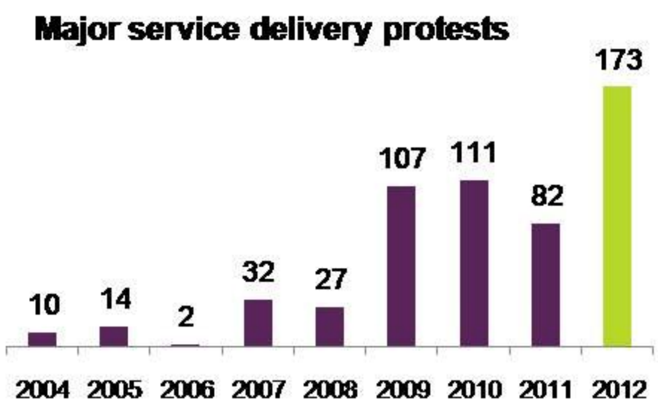
		Proposed additions			
	2013	2014	2015	2016	Total
Namibia	63	8	16	5	**92**
Botswana	16	-	5	5	**26**
Zambia	12	6	5	6	**29**
Angola	-	-	-	6	**6**
Swaziland	4	-	-	-	**4**
Lesotho	7	3	-	4	**14**
Mozambique	-	-	8	4	**12**
Nigeria	2	-	4	4	**10**
Ghana	-	4	4	4	**12**
Total	**104**	**21**	**42**	**38**	**205**

- Projected turnover in 2016 to exceed a billion
- New countries targeted:
  - Angola, Mozambique, Ghana

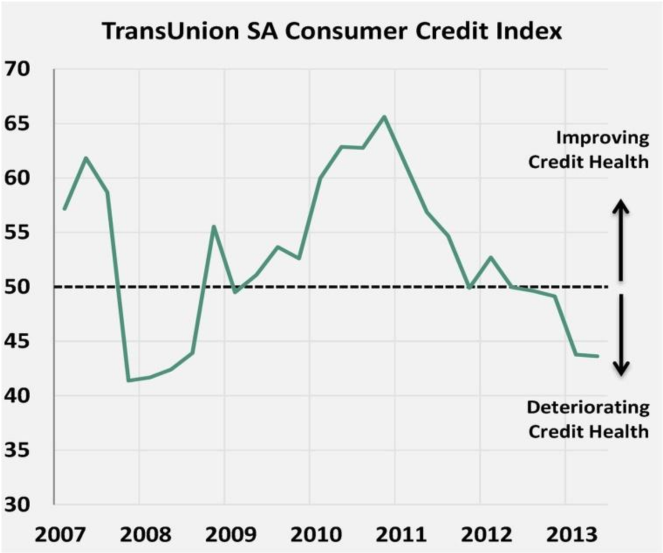
TFG FINANCIAL **SERVICES**

TFG FINANCIAL SERVICES: INDUSTRY REVIEW

- Rising prices on energy, fuel and transport
- Widespread industrial action



- Rapid slowdown in unsecured lending
- Manifest signs of stress in affordability seen from October 2012
- Slowdown in receipts relative to balances



Source: National Credit Regulator

TFG FINANCIAL SERVICES: PERIOD OVERVIEW

- Encouraging performance in first half undermined by events in external credit environment in the second half

- External pressures manifested in:
    - Pressure on impairment and bad debt
    - Slower growth in active accounts
    - Pressure on able to spend population
    - Lower receipts relative to balance

- Mitigating internal strategies being implemented:
    - New accounts
        - Customised scorecards updated Nov 2012
        - Pre-delinquency strategy reduces collection “roll in’s” by 7,5%
    - Existing accounts
        - Use monthly external data to understand and react to affordability stress
        - Implementing strategies for the rehabilitation of distressed account holders
        - Using new call centre capacity to in-source and collect more effectively from late stage accounts

- Downward pressure on interest rates erodes lending margins
- Rewards programme for credit customers well received by customer base
- Continued innovation and good growth in insurance and publishing

TFG FINANCIAL SERVICES: PERFORMANCE

	2013 (Rm)	% change	2012 (Rm)
Interest income	983,6	15,2	853,7
Net bad debts	(670,8)	28,5	(522,0)
	312,8	(5,7)	331,7
Credit costs	(246,9)	(0,9)	(249,1)
Other income	358,9	14,8	312,8
TFG Financial Services EBIT	**424,8**	7,4	395,4

- Interest:
  - July 2012 interest rate reduction to 5,0% constrains interest growth
  - Balances attracting interest closed at 87,8% (LY 86,6%)
- Bad debt and impairment increase by 28,5%
  - Unchanged, conservative provisioning methodology
  - Increase in affordability based delinquency
- Other income:
  - Publishing added two new titles (TFG Man and Escapes)
  - Funeral Insurance product successfully launched
  - Publishing net income increased by 9,4% to R166,0m (LY 14,5%)
  - Insurance net income increased by 17,3% to R188,9m (LY 26,9%)
- Increasing collection costs were offset by improved debt collection fee income

TFG FINANCIAL SERVICES: BOOK

Key debtor statistics	March 2013	March 2012
Number of active accounts (‘000)	2 611,6	2 464,5
Credit sales as a % of total retail sales	60,0	61,0
Net debtors’ book (Rm)	5 207,7	4 569,9

- New approved accounts increases to 631,572 (LY 580,685)
- Active account base grows by 6,0% (LY 8,2%)
    - Growth limited by second half of the year increased write off’s
- Credit sales percentage declines as credit turnover growth rate slows to 9,1% (LY 16,1%)
    - Delinquency erodes growth in the number of accounts able to spend
- Book growth of 14,0% (LY 19,5%) attributable to reduced level of credit sales

TFG FINANCIAL SERVICES: STATISTICS

Key debtor statistics	March 2013	March 2012
Arrear debtors % to debtors' book[1]	22,4	21,8
Net bad debt write-off as a % of credit transactions	5,7	4,9
Net bad debt write-off as a % of debtors' book	10,5	9,4
Doubtful debt provision as a % of debtors' book	10,4	9,3
% able to purchase	79,7	80,2

[1]Arrear debt defined as 30 days+

- Bad debt to book increases to 10,5%
  - Metric reflects lower book growth against increased bad debt
- Arrears increases to 22,4% (LY 21,8%) reflecting the current consumer stress level
- Increase in doubtful debt provision ensures adequate impairment cover
- Whilst the percentage able to purchase reduces, the net number of accounts able to purchase increases modestly

TFG FINANCIAL SERVICES: STRATEGY AND OUTLOOK

- Increased uncertainty in credit regulatory environment:
    - NCR's proposed interventions in consumer lending
        - Credit amnesty; affordability guidelines; debt review process

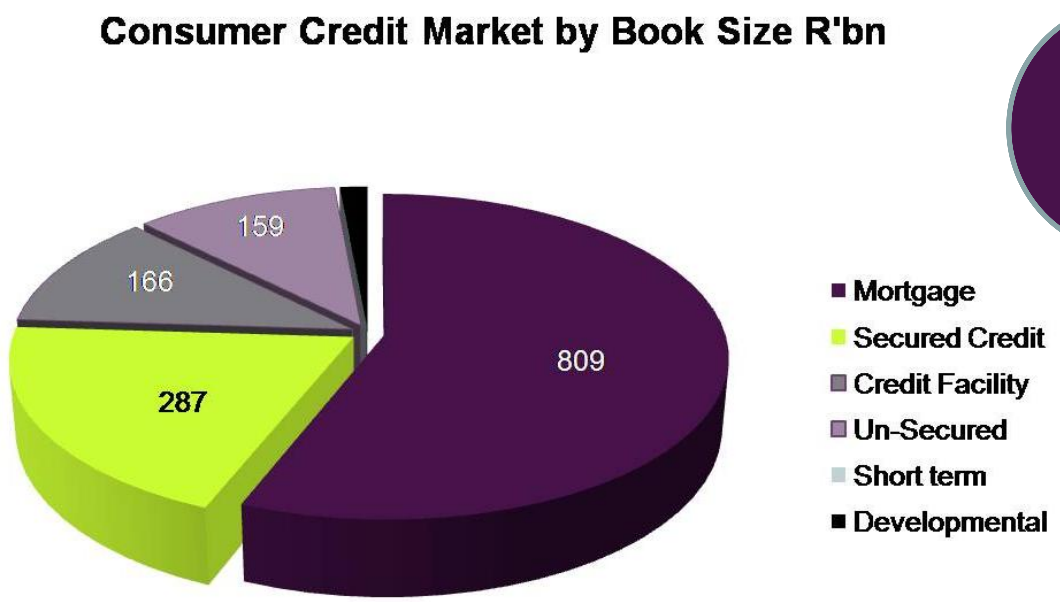
- Expect consumers to remain under pressure during 2013
    - Net bad debt statistics to trend upwards
        - Book growth will remain subdued
        - Anticipate increased pressure on bad debt & recoveries during first half FYE 2014
    - Continued focus on collection & customer management strategy
        - Expand use of monthly external data to effectively react to affordability stress
        - Implement strategies for the rehabilitation of distressed account holders
        - Use new call centre infrastructure to improve late stage collections
        - Expand customer payment options (debit orders, mobile payments)
    - Leverage rewards programme:
        - Target opportunities within the cash reward database
        - Use reward to build balances on good credit accounts

- Continue to pursue double digit growth in publishing and insurance

RCS **GROUP**

RCS GROUP: MARKET CONTEXT

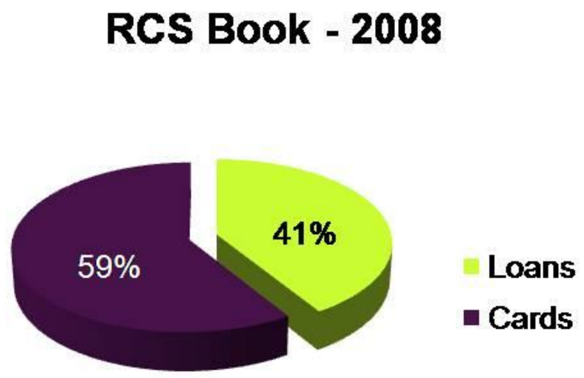
RCS
Cards
1,9%
market
share

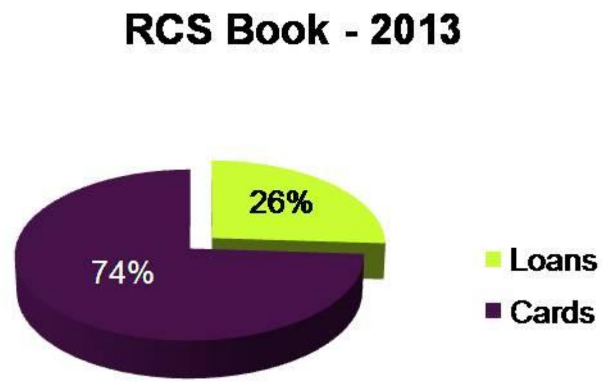


RCS
Loans
0,7%
market
share

- Cards gain market share through greater card utility and the expansion of its merchant programs
- Small market share in unsecured lending
- Stable unsecured lending portfolio
    - high repeat business
    - no term extension

RCS GROUP: OVERVIEW





Performance

- Shift to card assets providing greater annuity income and predictability albeit at lower margins
- Continued growth in card portfolios through:
  - Private label and co-branded card portfolios
  - Expanded merchant network with new national retailers improving card utility
- Conservative personal loans advances growth
- Healthy profit growth delivered
- Focus on cost management yielding positive returns
- Healthy balance sheet with adequate provision cover

Funding

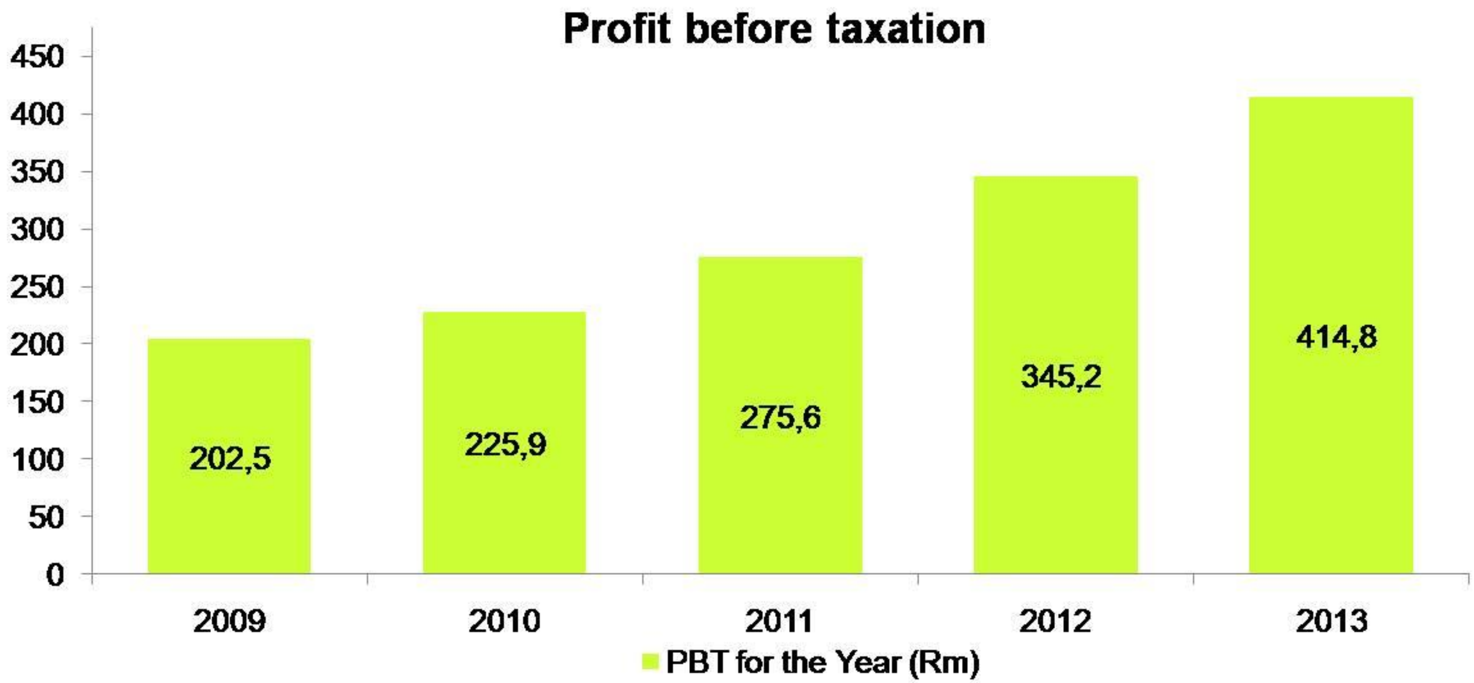
- Strong support in the capital markets for new funding and roll over funding
- Further funding diversification with significant new banking facilities and investors

RCS GROUP: FINANCIAL REVIEW – 2013 FINANCIAL YEAR

	2013 (Rm)	% change	2012 (Rm)
Interest income	998,8	17,7	848,4
Other Income	535,6	17,8	454,8
Total credit income	**1 534,4**	**17,7**	**1 303,2**
Net bad debt	(269,8)	35,6	(199,0)
Operating costs	(622,1)	13,0	(550,5)
EBIT	**642,5**	**16,0**	**553,7**
Interest paid	(227,7)	9,2	(208,5)
Profit before tax	**414,8**	**20,2**	**345,2**

- Total credit income
  - Lower interest yield due to repo rate reduction in July 2012 off-set partly by strong book growth
  - Non-interest income growth driven by customer growth and insurance income
- Net bad debts
  - Gross bad debt write off below book growth and in line with expectations
  - Flat growth in post write off recoveries as a result of declining write off in the preceding two years impacting net bad debt negatively
  - Conservative provision cover maintained at 121,7% (2012: 124,7%)
- Operating costs
  - Improvement in the cost to income ratio 41% (2012: 42%)
- Interest paid
  - Lower cost of funds due to funding diversification and reduction in repo rate

RCS GROUP: PROFIT BEFORE TAXATION



RCS GROUP: PERFORMANCE

Key debtor statistics	March 2013	March 2012
Number of active accounts ('000)	898	757
Net debtors' book (Rm)	4 211	3 451
Arrear debt as percentage of total debt[1]	11,1%	10,1%
Non performing loans as percentage of total debt[2]	6,9%	6,3%
Net bad debt write-off as percentage of average debtors' book	6,6%	6,0%
Doubtful debt provision as percentage of debtors' book	8,5%	7,9%
Provisions as percentage of non performing loans	121,7%	124,7%
Percentage of applicants granted credit on card portfolios	48,1%	48,0%

[1] Arrear debt defined as 60 days+

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

- Strong growth driven by wider merchant acceptance and private label portfolios
- Active customer accounts grew by **18,6%** across all portfolios
- Increase in non performing loans (NPL) in line with lagged book growth as a number of co-branded and private label portfolios mature
- Conservative **NPL cover** maintained

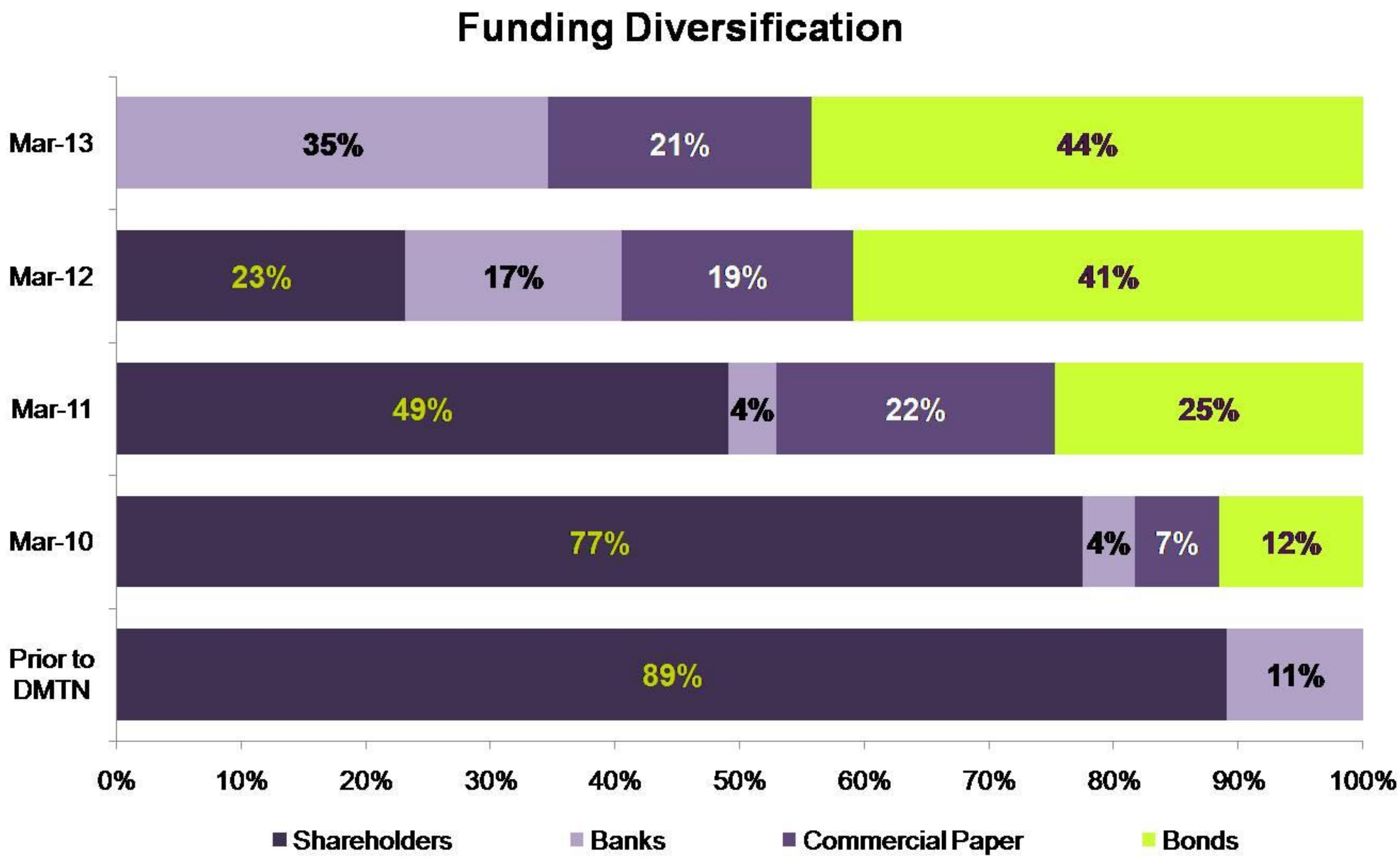
RCS GROUP: FINANCIAL POSITION & TREASURY

	March 2013	March 2012
Return on equity	18,7%	18,8%
Debt : Equity[1]	65,0%	64,2%

[1] Debt : Equity - Term Funding/(Shareholders Equity (excl. Minority Interest) + Term Funding)

- Balance sheet
  - Healthy balance sheet with a strong capital base and well provided assets
  - Gearing ratio conservative and in line with prior year
  - Bigger cash reserves carried on balance sheet
- Treasury
  - Successful DMTN program continues with **R1,9bn** in issue
  - Size of the DMTN program increased from **R2bn** to **R5bn**
  - Sufficient surplus funding facilities in place to support growth for the future
  - Maintained a positive asset liability mismatch through conservative treasury approach

RCS GROUP: FUNDING DIVERSITY – DRAWN FACILITIES



RCS GROUP: STRATEGY AND OUTLOOK

- Outlook
  - Backdrop of muted economic growth and a tougher consumer environment
  - Positive trends in book and profit growth but at a lower level than in previous years
  - Adequate funding facilities in place to deliver business plans
  - Continue capital markets activity through periodic fund raising efforts
  - Maintain healthy balance sheet with a specific focus on collections
- Growth
  - Further expansion of private label and co-branded opportunities
  - Product enhancements in both Cards and Loans portfolios
  - New distribution channels
  - Expansion of our merchant network with new national retailers
- Investment
  - Further consolidation of IT platforms
  - Collections capacity and transactional fraud capabilities
- RCS sale
  - Still under review

OUTLOOK

OUTLOOK

- Customers remain under pressure
- Economic conditions will remain difficult
- Credit environment is likely to deteriorate further due to current levels of consumer indebtedness – significant attention is being given to this area
- Strategic initiatives to continue
  - Supply chain
  - CRM – new accounts and rewards programme
- Space growth - in excess of 150 new stores planned for 2014 – approximately 6% floor space growth
- Problems in the supply of ladies and childrenswear improving
- Significant focus on costs and inventory management
- Merchandise inflation for current winter season and forthcoming summer season approximately 5%
- Continued good performance from RCS Group
- We believe the group is well positioned to once again produce solid results in the year ahead, although caution is warranted given the state of the consumer environment

Thank you