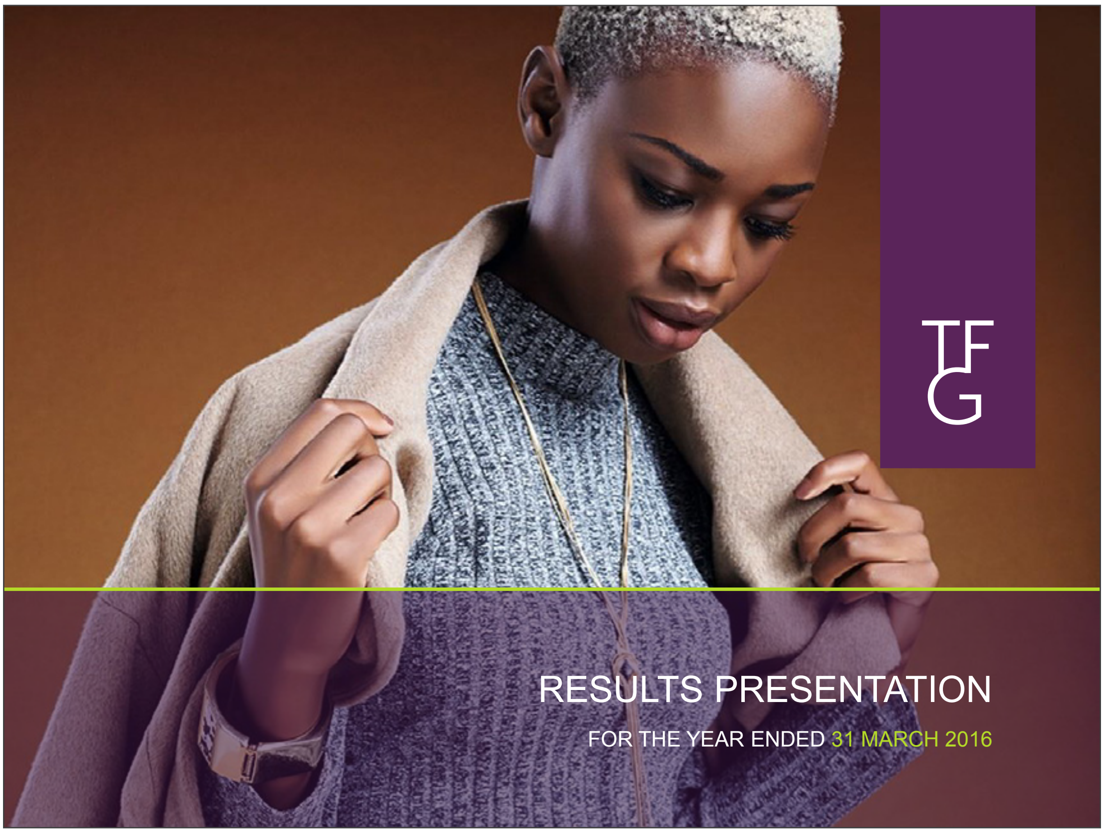
THE FOSCHINI GROUP LIMITED

RESULTS PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2016



AGENDA

– Economy and retail environment	Doug Murray
– Business overview	Doug Murray
– Review of the year	Doug Murray
– Financial review	Anthony Thunström
– TFG Financial Services	Jane Fisher
– International expansion	Doug Murray
– Key performance indicators	Doug Murray
– Outlook	Doug Murray

THE ECONOMY AND RETAIL ENVIRONMENT

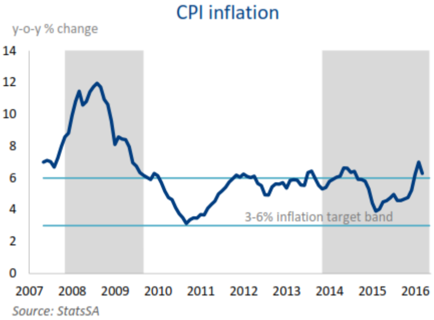
GLOBAL ECONOMY REMAINS UNCERTAIN

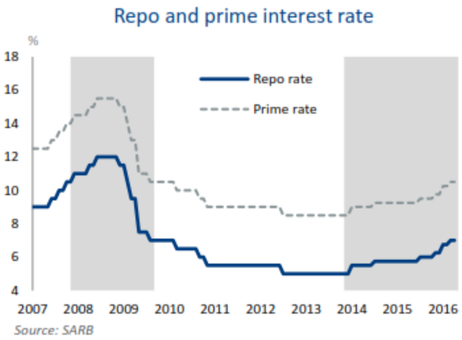
- Brexit
- US elections and economy
- Concerns remain with regards to the Chinese economy

DOMESTIC ECONOMY

- Outlook for consumer spending a concern – impact of:
  - Rising inflation
  - Interest rate hikes
  - Unemployment
  - Low consumer confidence
- Political uncertainty
- Rand extremely volatile
- Threat of ratings downgrade
- Increase in CPI during 2nd half of our financial year
  - 6,6% at end March 2016 vs 4,6% at end September 2015
  - Potentially above target range until mid 2017
- GDP growth outlook for 2016 at 0,4% *(BER)*
  - Outlook for 2017 at 1,3% *(BER)*

TRADING ENVIRONMENT





Source of graphs: BER Economic Snapshot May 2016

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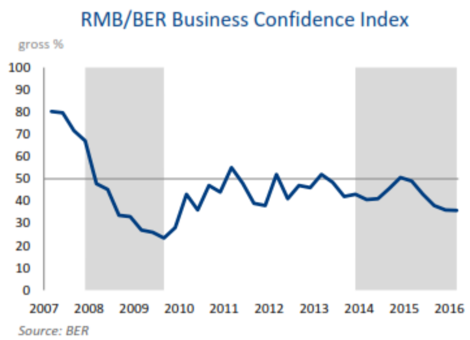
TRADING ENVIRONMENT



Source of graphs: BER Economic Snapshot May 2016

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BUSINESS OVERVIEW

TFG COMPRISES:

- 22 brands
  - Primarily own brands that are leading household names
  - During the 2016 financial year, we added SODA Bloc, Colette, Next and Whistles to our group and rebranded Fashion Express to The FIX
  - We continue to benefit from and leverage our existing infrastructure and leading IT systems ensuring that new brands can be added with minimal capital outlay and investment
- Broad product offering across various merchandise categories
  - Clothing, jewellery, homeware & furniture, cellphones and cosmetics
- We have a broad LSM appeal from value to upper end

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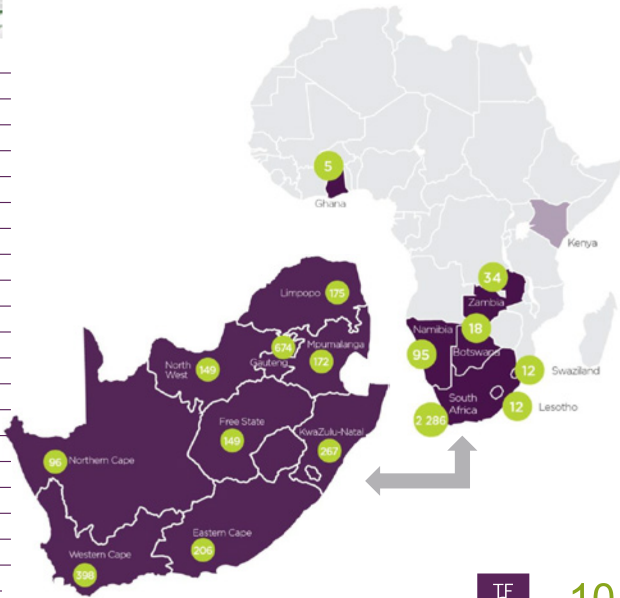
TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TFG FOOTPRINT

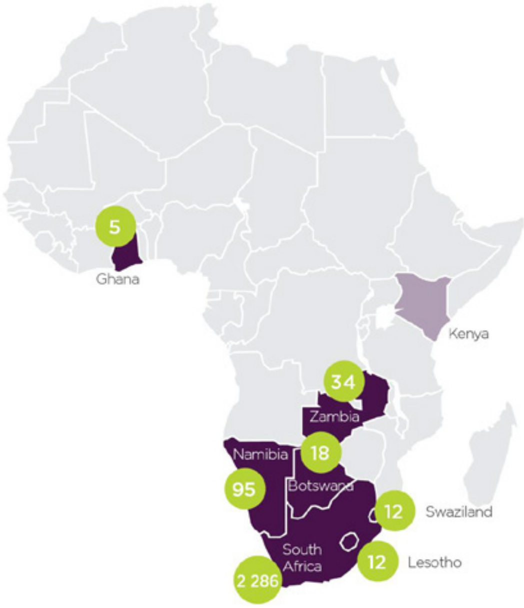
- 3 125 outlets in 31 countries globally
  - TFG South Africa 2 286 stores
  - TFG rest of Africa 176 stores in 6 countries
  - Phase Eight 542 outlets and Whistles 121 outlets in 24 countries

FOOTPRINT (EXCLUDING INTERNATIONAL)

	South Africa	Rest of Africa	Total
@home	84	5	89
@homelivingspace	24	2	26
American Swiss	217	21	238
Charles & Keith	13	-	13
Colette	6	-	6
DonnaClaire	96	4	100
Duesouth	49	5	54
Exact	257	17	274
Fabiani	22	-	22
Foschini	265	22	287
G-Star Raw	10	-	10
hi	4	-	4
Markham	299	24	323
Mat & May	26	-	26
Next	2	-	2
SODA Bloc	15	-	15
sportscene	238	18	256
Sterns	165	19	184
The FIX	216	18	234
Totalsports	278	21	299
Total	2 286	176	2 462



FOOTPRINT: REST OF AFRICA



- All stores in rest of Africa are corporate stores
- Rest of Africa 176 stores in 6 countries
  - 31 stores opened during the year
- 16,6% turnover growth
  - Excluding Namibia, 31,6% turnover growth with 14,6% same store turnover growth
- Namibia impacted by:
  - Angolan oil-dependent economy slump
- Further expansion
  - Kenya (2017)
- Target for 2021: approximately 330 stores

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FOOTPRINT: INTERNATIONAL

	Stores	Concessions	Total outlets		Stores	Concessions	Total outlets		Stores	Concessions	Total outlets
UK & Ireland	154	322	476	Netherlands	-	7	7	USA	-	13	13
Germany	2	39	41	Australia	-	16	16	Norway	1	-	1
Switzerland	12	32	44	Hong Kong	2	2	4	Malaysia	-	1	1
Bahrain	-	1	1	Mexico	-	12	12	Latvia*	-	1	1
Kuwait	-	2	2	Saudi Arabia	-	8	8	Italy*	-	4	4
Qatar	-	1	1	United Arab Emirates	-	8	8	Japan*	-	1	1
Singapore	-	6	6	Estonia*	-	1	1	France *	-	2	2
Sweden	1	8	9	Belgium	-	4	4				

* New countries for 2016 financial year

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TURNOVER BY MERCHANDISE CATEGORY

Retail turnover by merchandise category	INCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT March 2016 (Rm)	INCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT March 2015 (Rm)	% Change INCL PHASE EIGHT	% change EXCL PHASE EIGHT	% same store growth EXCL PHASE EIGHT
Clothing	**15 517,8**	**11 914,7**	10 942,2	10 540,1	41,8	13,0	6,9
Jewellery	**1 470,5**	**1 470,5**	1 374,5	1 374,5	7,0	7,0	3,4
Cellphones	**1 672,2**	**1 672,2**	1 556,3	1 556,3	7,4	7,4	3,5
Homeware & furniture	**1 354,0**	**1 354,0**	1 211,7	1 211,7	11,7	11,7	3,1
Cosmetics	**1 093,0**	**1 093,0**	1 001,2	1 001,2	9,2	9,2	6,6
Total	**21 107,5**	**17 504,4**	16 085,9	15 683,8	31,2	11,6	5,7
Cash sales	**12 065,3**	**8 462,2**	7 548,1	7 146,0	59,8	18,4	
Credit sales	**9 042,2**	**9 042,2**	8 537,8	8 537,8	5,9	5,9	
Total	**21 107,5**	**17 504,4**	16 085,9	15 683,8	31,2	11,6	

- Cash sales
  - Represent 48,3% (including Phase Eight: 57,2%) of total sales (March 2015: 45,6% (including Phase Eight: 46,9%))
  - Strong growth at 18,4% (including Phase Eight: 59,8%)
- Credit sales was slightly slower in the 2nd half but full year growth still pleasing at 5,9% up from 4,3% in the previous year

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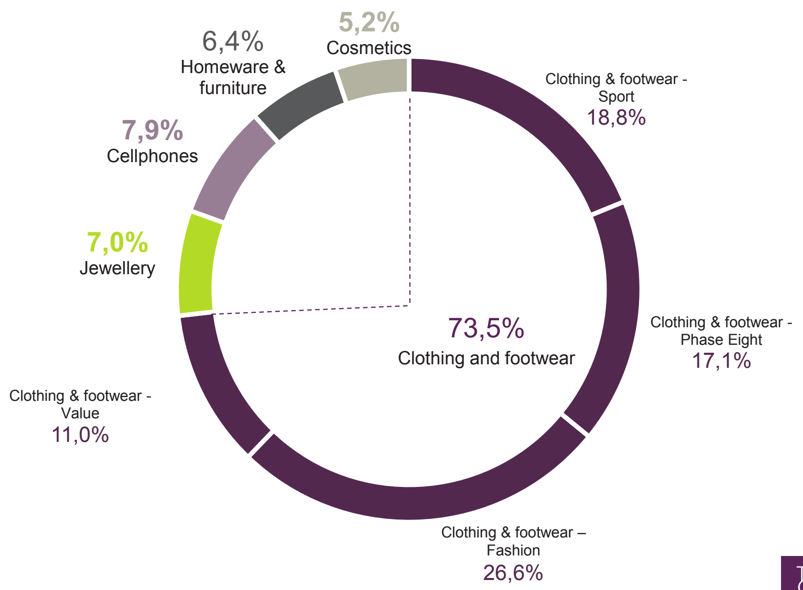
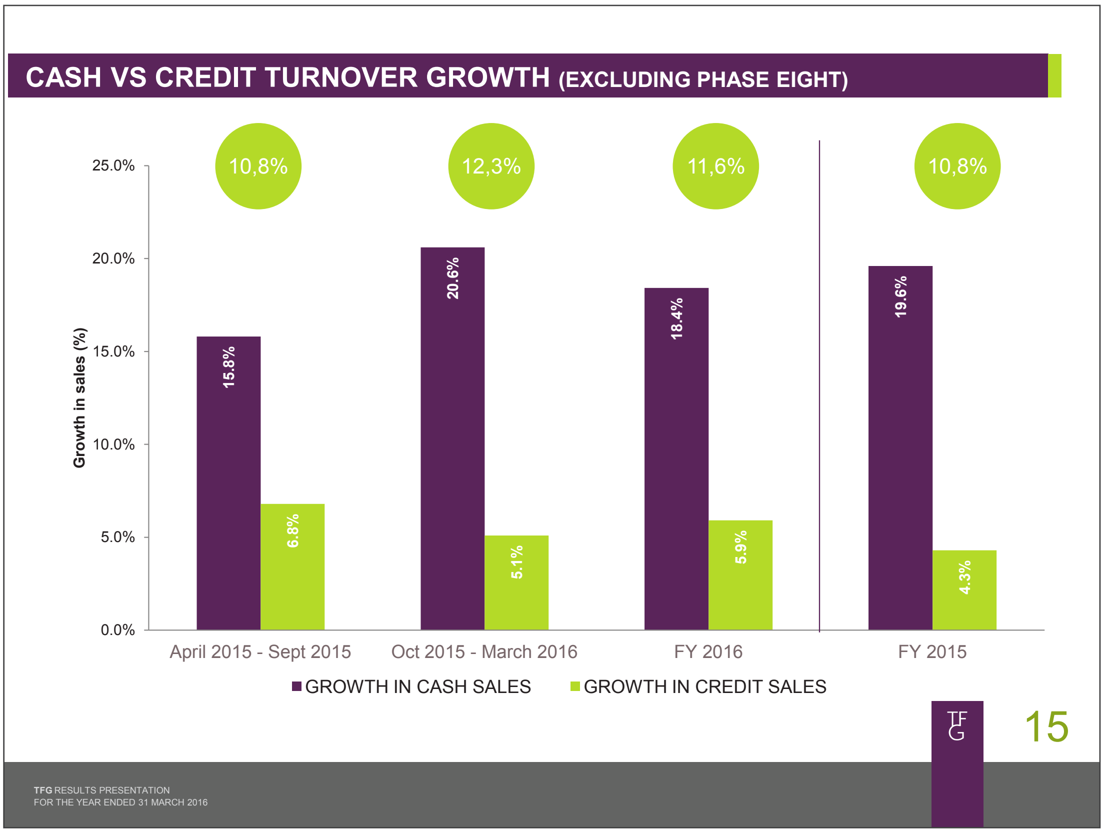
TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TURNOVER: MERCHANDISE CATEGORY CONTRIBUTION



TFG 14

TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016


CASH VS CREDIT TURNOVER GROWTH (EXCLUDING PHASE EIGHT)
10,8%
12,3%
11,6%
10,8%
Growth in sales (%)
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
15.8%
6.8%
20.6%
5.1%
18.4%
5.9%
19.6%
4.3%
April 2015 - Sept 2015
Oct 2015 - March 2016
FY 2016
FY 2015
GROWTH IN CASH SALES
GROWTH IN CREDIT SALES
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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016


REVIEW OF
THE YEAR

REVIEW OF THE YEAR

CHANGES IN GROUP STRUCTURE DURING THE YEAR

- Phase Eight: 12 months' trading included (acquired January 2015)
- Acquired franchise rights for Colette and Next
- Launched SODA Bloc
- Rebranded Fashion Express to The FIX
- Acquired Whistles in March 2016

CHANGES IN E-COMMERCE

- Launched Sports division online selling during the year (sportscene, Totalsports and Duesouth)

CHANGES IN LEGISLATION AND OPERATING ENVIRONMENT

- Affordability Regulations mid September 2015

CHANGES IN INTEREST RATE ENVIRONMENT

- Repo rate increases in July 2015 (25 bps), November 2015 (25 bps), January 2016 (50bps) and March 2016 (25bps)

TFG 17

MARCH 2016: SALIENT FEATURES

Retail turnover	R21,1 bn	⬆
Retail turnover growth	+31,2%	⬆
Gross margin	49,7%	⬆
Net bad debt / closing debtors' book	13,4%	⬇
ROE	23,9%	⬆
Debt / equity – recourse	55,6%	⬇
Debt / equity - total	73,5%	⬇

TFG 18

MARCH 2016: SALIENT FEATURES

HEPS from continuing operations including acquisition costs (cents)	**1 024,0**
HEPS from continuing operations including acquisition costs – growth	**+35,3%**
HEPS from continuing operations excluding acquisition costs (cents)	**1 055,8**
HEPS from continuing operations excluding acquisition costs – growth	**+17,6%**
Final distribution (cents per share)	**385,0**
Growth in final distribution	**+18,5%**
Growth in total distribution	**+17,5%**

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW: INCOME STATEMENT HIGHLIGHTS

	INCL PHASE EIGHT March 2016	EXCL PHASE EIGHT March 2016	INCL PHASE EIGHT March 2015	EXCL PHASE EIGHT March 2015	% change INCL PHASE EIGHT	% change EXCL PHASE EIGHT
Revenue (Rm)	**23 746,4**	**20 143,3**	18 544,0	18 141,9	28,1	11,0
Retail turnover (Rm)	**21 107,5**	**17 504,4**	16 085,9	15 683,8	31,2	11,6
Gross margin (%)	**49,7**	**46,9**	47,3	46,7		
Total trading expenses (Rm)	**9 537,2**	**7 661,0**	7 252,7	7 001,8	31,5	9,4
Net bad debt (Rm)	**947,7**	**947,7**	1 023,6	1 023,6	(7,4)	(7,4)
Operating margin (%)	**17,0**	**18,2**	17,5	17,7		
HEPS from continuing operations excluding acquisition costs (cents)	**1 055,8**		897,9		17,6	

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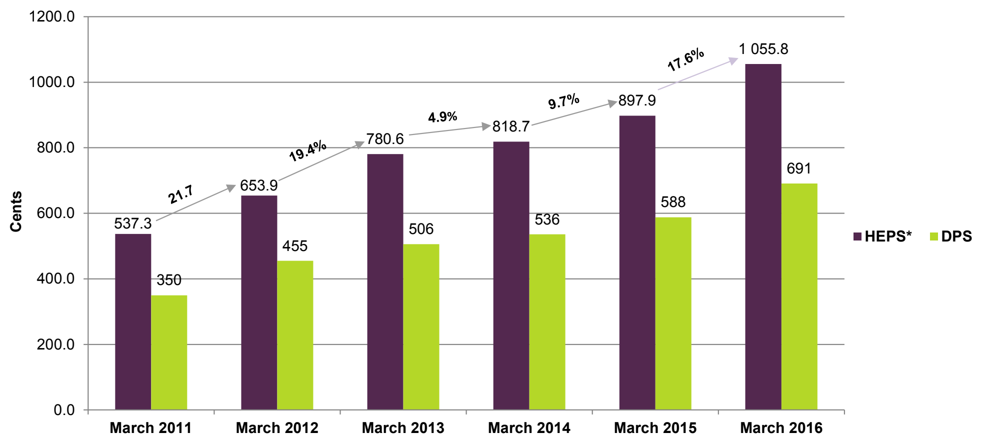
TFG EARNINGS & DISTRIBUTIONS



* Excludes acquisition costs

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REVENUE

	INCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT March 2016 (Rm)	INCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT March 2015 (Rm)	% change INCL PHASE EIGHT	% change EXCL PHASE EIGHT
Retail turnover	**21 107,5**	**17 504,4**	16 085,9	15 683,8	31,2	11,6
Interest income	**1 533,0**	**1 533,0**	1 367,7	1 367,7	12,1	12,1
Other revenue	**1 105,9**	**1 105,9**	1 090,4	1 090,4	1,4	1,4
Group total	**23 746,4**	**20 143,3**	18 544,0	18 141,9	28,1	11,0

- Retail turnover growth strong
- Interest income will be dealt with separately
- Growth in other revenue +1,4%
  - Comprises publishing income, insurance income and income from mobile one2one airtime
  - Will be dealt with separately in Financial Services section

GROSS PROFIT

	INCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT March 2016 (Rm)	INCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT March 2015 (Rm)	% change INCL PHASE EIGHT	% change EXCL PHASE EIGHT
Gross profit (Rm)	**10 494,4**	**8 211,5**	7 601,7	7 319,8	38,1	12,2
Gross margin (%)	**49,7**	**46,9**	47,3	46,7		

- Gross margins broadly consistent in all merchandise categories
- Excluding Phase Eight, gross margin at 46,9%

INTEREST INCOME

	March 2016 (Rm)	March 2015 (Rm)	% change
Trade receivables – retail	**1 510,7**	1 337,7	12,9
Sundry	**22,3**	30,0	(25,7)
Total interest income	**1 533,0**	1 367,7	12,1

- Interest income from retail debtors' book up 12,9%
  - Repo rate increases during the year
  - Book growth of 8% (March to March movement)
  - 89,0% of balances remain interest-bearing as customers favour longer term credit plans (March 2015: 89,0%)

TRADING EXPENSES

	INCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT % to turnover March 2016	INCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT % to turnover March 2015	% change INCL PHASE EIGHT	% change EXCL PHASE EIGHT
Depreciation and amortisation	**(464,7)**	**(347,1)**	**2,0**	(428,1)	(412,7)	2,6	8,5	(15,9)
Employee costs	**(3 210,8)**	**(2 595,5)**	**14,8**	(2 325,2)	(2 248,5)	14,3	38,1	15,4
Occupancy costs	**(2 043,2)**	**(1 758,7)**	**10,0**	(1 585,0)	(1 548,0)	9,9	28,9	13,6
Other net operating costs	**(2 870,8)**	**(2 012,0)**	**11,5**	(1 890,8)	(1 769,0)	11,3	51,8	13,7
- comp		**(1 819,2)**			(1 769,0)			2,8
- non-comp		**(192,8)**			-			-
Trading expenses before net bad debt	**(8 589,5)**	**(6 713,3)**	**38,4**	(6 229,1)	(5 978,2)	38,1	37,9	12,3
Net bad debts	**(947,7)**	**(947,7)**	**5,4**	(1 023,6)	(1 023,6)	6,5	(7,4)	(7,4)
Total trading expenses	**(9 537,2)**	**(7 661,0)**	**43,8**	(7 252,7)	(7 001,8)	44,6	31,5	9,4

- Expenses before bad debt growing at 12,3%
- Employee costs growth at 15,4%
  - Annual salary and promotional increases approx 7,5%
  - New stores
  - Strategic initiatives i.e. e-Commerce, analytics, new brands, African expansion, etc
- Store occupancy costs up 13,6%
  - Normal lease escalations average 7%, balance is new stores

- Other net operating costs increased by 13,7%
  - Like-for-like costs approximately 3%
  - Investment in marketing, rewards programme, international merchandise consultants, new account cards, etc
- Bad debts will be dealt with by Jane Fisher

FINANCE COST

	INCL PHASE EIGHT March 2016 (Rm)	EXCL PHASE EIGHT March 2016 (Rm)	INCL PHASE EIGHT March 2015 (Rm)	EXCL PHASE EIGHT March 2015 (Rm)	% change INCL PHASE EIGHT	% change EXCL PHASE EIGHT
Finance cost	**(509,0)**	**(409,5)**	(228,1)	(211,3)	123,1	93,8

- Level of finance cost in line with management's expectation and interest rate environment
  - 4 interest rate increases during this financial year along with increased level of term funding resulted in higher average cost of borrowings
  - Political uncertainty resulted in higher interest rate spreads
  - Impact of inclusion of UK debt for full year
- Working capital and capex investment resulted in higher average borrowing levels

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

STOCK

	March 2016 (Rm)	March 2015 (Rm)	% change
Stock	**5 116,1**	3 813,9	34,1

- Excluding Phase Eight & Whistles, stock up by 25,9%
- Impact of:
  - New stores
  - Inflation 8% - 9%
  - New brands
  - Investment in faster growing and repositioned brands
- No concern over quality of stock and levels of markdown

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TRADE RECEIVABLES

	March 2016 (Rm)	March 2015 (Rm)	% change
Trade receivables - retail	**6 695,0**	6 199,9	8,0

- Remains the biggest asset on our balance sheet
- Growth in book higher than growth in credit turnover
  - Slight lengthening of the book
  - Impact of interest rate increases during the year
- Continue to be well managed in the current climate
  - Adequate provisioning
- Jane Fisher will deal with the performance of our receivables in more detail

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BORROWINGS

	March 2016 (Rm)	March 2015 (Rm)
Interest-bearing debt	**8 165,7**	7 042,5
Less: Cash	**(888,8)**	(800,4)
Net borrowings TFG including international subsidiaries*	**7 276,9**	6 242,1
Less: International subsidiaries* net borrowings (non-recourse)	**(1 770,1)**	(1 639,2)
TFG borrowings excluding international subsidiaries*	**5 506,8**	4 602,9

* International subsidiaries: Phase Eight and Whistles

- Net borrowings up by R1 billion primarily due to working capital investment which had supported the group's growth
- TFG recourse debt 55,6%
  - Including non-recourse international subsidiaries: gearing of 73,5%

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CASH GENERATION & UTILISATION

	(Rm)	March 2016 (Rm)
Net borrowings at beginning of the year		**(6 242,1)**
Cash EBITDA	3 640,5	
Increase in creditors	116,8	
Other net investing activities	22,9	
Cash generated		**3 780,2**
Taxation paid	(921,8)	
Funds reinvested in the business for growth	(2 679,6)	
Receivables increase	(534,2)	
Inventory increase	(1 092,0)	
Capital expenditure	(901,0)	
Acquisition of Whistles and Colette, net of cash	(152,4)	
Net cash flows from share incentive scheme transactions	(175,5)	
Cash utilised		**(3 776,9)**
Forex (movement on revaluation of Phase Eight debt)		(290,3)
		(6 529,1)
Dividends paid		(747,8)
Net borrowings at the end of the year		**(7 276,9)**

- Sound cash EBITDA of R3 640,5 million (March 2015: R2 849,3 million)
  - Growth of 27,8%
- Capex at R901,0 million – further detail provided on next slide

CAPEX

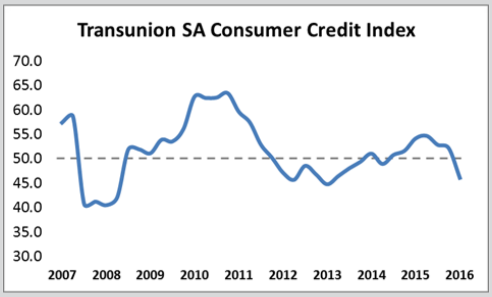
	March 2016 (Rm)	March 2015 (Rm)
Stores	**426,6**	293,5
IT	**310,0**	268,3
Phase Eight*	**117,6**	21,3
Other	**46,8**	86,7
Total	**901,0**	669,8

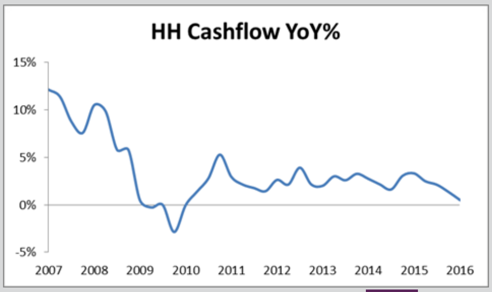
* Phase Eight spend in 2015 financial year only since acquisition (February – March 2015)

- In line with our strategy of growing floor space and market share, the majority of capex relates to opening of new stores
  - Mall of Africa & Mall of The South
  - Increased investment in Sports division with 74 stores opening this year (March 2015: 30 stores)
- Ongoing investment in IT retail and support systems
- Investment in additional capacity:
  - Expanding manufacturing capacity - Caledon

TFG FINANCIAL SERVICES: INDUSTRY REVIEW

- Consumer credit index dropped below 50%, reflection of the stress of credit customers
- Absolute value of household disposable incomes remained higher than in 2014
- Subsequent interest rate increases and inflationary pressures have led to sustained pressure on consumers
- Key economic factors expected going forward:
  - Increasing interest rate environment
  - Reduced disposable income and increased unemployment
  - Increased inflationary pressures
  - Flat GDP growth
- Proof of Income and Affordability requirements have negatively impacted on our new account growth





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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TFG FINANCIAL SERVICES: CREDIT PERFORMANCE

	March 2016 (Rm)	March 2015 (Rm)	% change
Interest income	**1 510,7**	1 337,7	12,9%
Net bad debt	**(947,7)**	(1 023,6)	(7,4%)
Credit costs	**(242,9)**	(220,4)	10,2%
EBIT	**320,1**	93,7	241,6%

- Interest income
  - Gross book growth of 7,4% (March 2015: 8,5%)
  - Repo rate increases in July 2015 (25 bps), November 2015 (25 bps), January 2016 (50bps) and March 2016 (25bps)
- Net bad debt and impairment decrease by 7,4% (March 2015: +9,4%)
  - Growth in bad debt slows to 11,4% (March 2015: 19,3%)
  - Lower book growth continues to result in lower impairment charge
- Credit costs increase by 10,2% (March 2015: 19,2%)
  - Roll-out of enhanced security store card accelerated and complete
  - Disputed transactions reduced significantly by 67,3% (March 2015: 5,4% reduction)
  - Investment in retail and credit analytics
  - Collections costs reduced by 7,3% (March 2015: 5,5% increase)
  - Additional e-Commerce investment due to launch of 3 brands

TFG FINANCIAL SERVICES: CREDIT BOOK

Key debtors statistics	March 2016	March 2015	% change
Number of active accounts ('000)	**2 560,7**	2 677,5	(4,4%)
Credit sales as a % of total retail sales (Africa only)	**51,7**	54,4	
Net debtors' book (Rm)	**6 695,0**	6 199,9	8,0%

- Active accounts reduce by 4,4% as affordability regulations impact application volumes
- Credit turnover growth rate for the year improves to 5,9% (March 2015: 4,3%)
  - 1st half: 6,8%
  - 2nd half: 5,1%
- Net debtors' book growth for the year has increased to 8,0% (March 2015: 7,0%)

TFG FINANCIAL SERVICES: CREDIT STATISTICS

Key debtors statistics	March 2016	March 2015
Overdue values % to debtors' book	**14,0**	14,6
Net bad debt write off as a % of credit transactions	**8,0**	8,0
Net bad debt write off as a % of debtors' book	**13,4**	13,6
Doubtful debt provision as a % of debtors' book	**13,2**	13,6
% able to purchase	**81,0**	80,9

- Improvements in early collections figures reduce overdue portion of debtors balances at statement month end to 14,0%
- Strong collections and recoveries performance results in improved net bad debt to book ratio of 13,4%
- Provisioning decreased in line with bad debt experience and improved book construct

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TFG FINANCIAL SERVICES: CUSTOMER VALUE ADDED PRODUCTS

	March 2016 (Rm)	March 2015 (Rm)	% change
Publishing net income	**182,1**	176,8	3,0
Insurance net income	**198,1**	205,3	(3,5)
Mobile one2one airtime net income	**57,4**	68,8	(16,6)
EBIT	**437,6**	450,9	(2,9)

- Negative growth in the opening of new credit accounts impacting on target market due to Affordability Regulations
- Publishing income
  - Net income growth achieved as a result of cost savings given use of digital marketing and e-statements
  - Leading seller in a number of publication segments
  - Two new magazines launched to bring total publications to 13
- Insurance income
  - Competitive pricing is well below anticipated regulatory limits
  - Competitive industry
- One2one
  - Mobile airtime market remains extremely competitive
  - Strong focus on operational excellence and sales
- Investment in supporting technology and marketing to cash customer base to provide growth going forward

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

TFG FINANCIAL SERVICES: STRATEGY

Challenge	Strategy
Regulatory environment	– Increasing use of digital applications system – Continual process improvement to increase ease of account opening
Credit sales and new account growth	– Invitational mailings to credit unaware population – Investment in analytics and credit capabilities to target growth – Rewards initiatives specifically for credit customers
Cost of doing business increased	– Improve efficiencies to fund strategic projects – Introduction of monthly service fee
Value added product growth	– Target cash customer base – Bundled product offerings

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

INTERNATIONAL EXPANSION

VISION

- To be the leading fashion retailer in Africa ***whilst growing our international footprint***

WHY

- Constantly looking for profitable growth opportunities
  - Limited meaningful acquisition opportunities in South Africa
- Leveraging 92 years of retail experience, systems, infrastructure and brands

INTERNATIONAL EXPANSION STRATEGY

Underpinned by the strict application of the following criteria:

- Businesses with a competitive advantage
  - Product uniqueness
  - Business model
- Clear international roll-out strategy
- High quality management team that is committed to future growth

BENEFITS OF GROWING OUR INTERNATIONAL FOOTPRINT

- Creating value for our shareholders through:
  - Diversification
  - Leveraging our retail experience
  - Additional profit and value created
  - ZAR hedge

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

INTERNATIONAL EXPANSION (CONTINUED)

PHASE EIGHT

- Y1 deliverables: all strategic initiatives achieved
  - Continued UK and international roll-out with 108 new outlets opening during the year including 4 new countries (10 outlets closed)
  - Successful launch of One Stock
  - Launch of Studio 8
  - Development of wholesale model
  - Bedding down of integration of people and processes
  - Delivery of hard-currency growth
- Performance for the year:
  - Revenue = R3,6bn
  - Operational EBITDA = £26m (2015 = £24,6m)
  - Earnings accretive in constant currency Y1
  - Currently trading out of 542 outlets in 23 countries
- Strategy & outlook:
  - Continued UK and international roll-out
  - Launch of TFG Jewellery in UK
  - Integration of Whistles management team and roll-out of Phase Eight model into Whistles

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

INTERNATIONAL EXPANSION CONTINUED

WHISTLES

- Rationale:
  - Strong brand equity
  - Opportunistic acquisition
  - Unique product proposition
  - Clear growth opportunity
  - Obvious synergies with Phase Eight
- Overview of business:
  - A leading British contemporary fashion brand for men and women
  - Established in 1974 and headquartered in London, United Kingdom
  - The company currently operates through 121 outlets internationally
- Transaction detail:
  - Purchase price = £4,6m (R100,8m)
  - Enterprise value = £8,8m (R191,1m)
  - Ownership – 100% through UK subsidiary, Phase Eight
- Strategy
  - Realise synergies and economies of scale
  - Leverage existing Phase Eight management and business model

WHISTLES

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

KEY PERFORMANCE INDICATORS

	2021 target	March 2016	March 2015
Turnover (Rbn)	R39 bn	**21,1**	16,1
Gross margin (%)	47% - 48%	**49,7**	47,3
Operating margin (%)	17% - 19%	**17,0**	17,5
Debt equity ratio – recourse (%)	40%	**55,6**	56,6
ROE (%)	28% - 30%	**23,9**	23,4
Space growth (TFG excluding international) (%)	6%	**6,6**	6,7
Number of rewards customers – cash (million)	5,0	**5,4**	3,6
Number of rewards customers – credit (million)	3,5	**2,9**	2,7
Number of stores - SA	3 090	**2 286**	2 132
Number of stores - Africa	330	**176**	148
Number of outlets - Phase Eight	820	**542**	444
Number of outlets – Whistles*		**121**	-

* Target-setting for Whistles will be completed during the 2017 financial year

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

OUTLOOK & GUIDANCE FOR 2017

- Cash sales
  - Expected to continue at current levels
- Credit sales
  - Environment likely to remain challenging
  - Impact of the Affordability Regulations will inhibit new account growth
- Gross margin to be maintained
  - Product inflation anticipated to be around 8% - 9%
- Continued focus on costs and working capital
- Space growth
  - In excess of 150 stores planned for 2017 (Africa only)
    - Approximately 6% floor space growth
  - Phase Eight - approximately 50 new outlets planned for 2017
  - Whistles – approximately 20 new outlets planned for 2017
- Continued focus on key strategic initiatives
- Omni-channel roll-out remains on track with Markham, Fabiani, @home furniture and Foschini cosmetics due to launch online in 2017
- 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

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TFG RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 2016 Reviewed Rm	Restated March 2015 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**2 335,7**	1 925,2
Goodwill and intangible assets	**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	**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	**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	**1 533,0**	1 367,7	
Other income	**1 105,9**	1 090,4	
Trading expenses	**(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	

NOTES

DISCLAIMER

THIS ANNOUNCEMENT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES, WHICH BY THEIR NATURE INVOLVE RISK AND UNCERTAINTY BECAUSE THEY RELATE TO EVENTS AND DEPEND ON CIRCUMSTANCES THAT MAY OCCUR IN THE FUTURE.

TFG

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