ANALYST PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2011

TFG

AGENDA

OVERVIEW OF THE ECONOMY & RETAIL ENVIRONMENT	DOUG MURRAY
REVIEW OF THE YEAR	DOUG MURRAY
FINANCIAL REVIEW	RONNIE STEIN
DIVISIONAL REVIEW	DOUG MURRAY
TFG FINANCIAL SERVICES	RONNIE STEIN
RCS GROUP	SCHALK VAN DER MERWE
SUPPLY CHAIN	MARTIN MENDELSOHN
OUTLOOK	DOUG MURRAY
QUESTIONS	ALL

OVERVIEW OF THE ECONOMY AND RETAIL ENVIRONMENT

OVERVIEW OF THE ECONOMY & RETAIL ENVIRONMENT

- Global economic recovery, while facing some headwinds, continues to improve, although the downside risks have increased
- The South African economy continues to strengthen
- The BER projects GDP growth of 3,7% in 2011 and 3,8% for 2012
- Real wage increases awarded in many sectors
- Unemployment still remains a potential risk
- Impact of higher food and oil prices will filter through into inflation, with CPI projected to average above 6% in 2011 q4 and 5,8% for 2012
- Central bank now projected to start interest rate tightening cycle in September 2011
- Rand continues to be strong
- Overall household expenditure forecast to rise by 4,3% in 2011 and 4,5% in 2012

REVIEW OF THE YEAR

REVIEW OF THE YEAR

- Our group trades in the mass middle market space and our customers have benefited from the more positive consumer sentiment driven by
  - real wage increases,
  - lower inflation, and
  - lower interest rates
- Supply chain initiatives beginning to bear fruit
- CRM initiatives resulting in substantial growth in number of active accounts
- Strategy of driving top-line growth – pricing efficiencies passed on to customers
- RCS Group
  - Performed well
  - Its DMTN programme has been successfully implemented with in excess of R1 billion raised
- Healthy debtors' books – retail and RCS Group

REVIEW OF THE YEAR

- Group turnover:
  - up 15,5% to R9,9 billion
  - 2nd half group turnover up 18,1%
- Headline earnings per share up 21,3% to 632,3 cents
- Operating margin increased to 23,2%
- Dividend
  - final dividend increased by 24,7% to 212,0 cents per share
  - total dividend for year increased 21,5% to 350,0 cents per share
- 590 000 new accounts opened, with active accounts growing by 10,5%
- Net bad debt as a percentage of closing retail debtors' book improves to 9,2% from 9,9%
- Recourse gearing of 16,3%
- R454 million share buy-backs by share trust

RETAIL TURNOVER BY MERCHANDISE CATEGORY

	2011 (Rm)	2010 (Rm)	1st half growth	2nd half growth	2011 FY growth	1st half same store growth	2nd half same store growth	2011 FY same store growth
Clothing	6 550,9	5 660,2	11,7%	19,5%	15,7%	7,6%	14,0%	10,8%
Jewellery	1 134,2	1 025,6	10,4%	10,7%	10,6%	7,3%	6,3%	6,7%
Cellphones	894,8	707,6	25,5%	27,2%	26,5%	22,0%	25,6%	23,9%
Cosmetics	677,6	622,7	5,9%	11,4%	8,8%	3,0%	7,4%	5,4%
Homeware & furniture	679,0	589,0	15,9%	14,8%	15,3%	7,9%	8,6%	8,3%
Total	**9 936,5**	**8 605,2**	**12,5%**	**18,1%**	**15,5%**	**8,3%**	**13,2%**	**10,8%**

- All merchandise categories performed satisfactorily with stronger growth in second half
- Clothing growth substantially improved in 2nd half
- Jewellery, being a luxury commodity, had much better performance than last year
- Cellphone turnover improved significantly now that supply issues addressed
- Cosmetics turnover on the increase
- Homewares & furniture performed well - pleasing same store turnover growth of 8,3%
- Product inflation for the year of approx 1%

FINANCIAL REVIEW

FINANCIAL PERFORMANCE: LAST 10 YEARS

Years ended	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Retail turnover (Rm)	3 289,9	3 880,6	4 410,0	5 279,3	6 432,1	7 230,0	7 668,7	8 089,6	8 605,2	9 936,5
Retail turnover growth %	10,4	18,0	13,6	19,7	21,8	12,4	6,1	5,5	6,4	15,5
Compound retail turnover growth %						15,9	14,5	13,7	12,5	**12,8**
Operating profit before finance charges(Rm)	348,5	582,0	814,6	1 204,8	1 567,3	1 887,0	1 905,5	2 025,5	1 972,6	2 301,2
Headline earnings per share (cents)	87,9	162,2	237,1	359,6	463,0	534,2	547,0	559,5	521,4	632,3
HEPS % change	75,4	84,5	46,2	51,7	28,8	15,4	2,4	2,3	(6,8)	21,3
Compound HEPS growth %						48,4	40,7	30,3	29,7	**28,9**
Dividends per share	31,0	56,0	94,0	164,0	220,0	270,0	288,0	288,0	288,0	350,0

- Upward cycle between 2002 to 2007
    - Operating profit increased from R349m to R1 887m
- 3-year slowdown between 2008 and 2010
- 2011 1st year of upward cycle

FINANCIAL REVIEW: 2011

Income Statement for the year ended 31 March	2011 (Rm)	2010 (Rm)	% change
Retail turnover	9 936,5	8 605,2	**15,5**
Cost of turnover	(5 768,1)	(5 005,8)	
Gross profit	**4 168,4**	**3 599,4**	
Interest received	1 486,2	1 443,7	
Dividends received	12,1	13,8	
Other revenue	935,8	717,6	
Trading expenses	(4 301,3)	(3 801,9)	
Operating profit before finance charges	**2 301,2**	**1 972,6**	
Interest paid	(250,1)	(261,5)	
Profit before tax	**2 051,1**	**1 711,1**	19,9
Income tax expense	(662,3)	(548,6)	
Profit for the year	**1 388,8**	**1 162,5**	
Attributable to:			
Equity holders of The Foschini Group Limited	1 301,8	1 085,6	19,9
Non-controlling interest	87,0	76,9	
HEPS (cents)	632,3	521,4	**21,3**
Diluted HEPS (cents)	619,9	518,2	19,6

FINANCIAL REVIEW 1ST HALF VS 2ND HALF

Income Statement for the year ended 31 March	1st half growth	2nd half growth	2011 growth
Retail turnover	12,5%	**18,1%**	15,5%
Operating profit before finance charges	13,2%	19,5%	16,7%
Profit before tax	17,4%	21,8%	19,9%
Profit after tax	17,0%	21,4%	19,5%
Attributable income	17,1%	22,2%	19,9%
HEPS	16,9%	**24,8%**	21,3%
Diluted HEPS	15,8%	22,7%	19,6%

- Trade improved during the year resulting in 2nd half being stronger than 1st half
- 2nd half
  - turnover growth of 18,1%
  - HEPS up 24,8%

REVENUE

	2011 (Rm)	2010 (Rm)	% growth
Retail turnover	9 936,5	8 605,2	15,5
Interest received	1 486,2	1 443,7	2,9
Dividends received - retail	12,1	13,8	(12,3)
Other revenue	935,8	717,6	30,4
Total	**12 370,6**	**10 780,3**	**14,8**

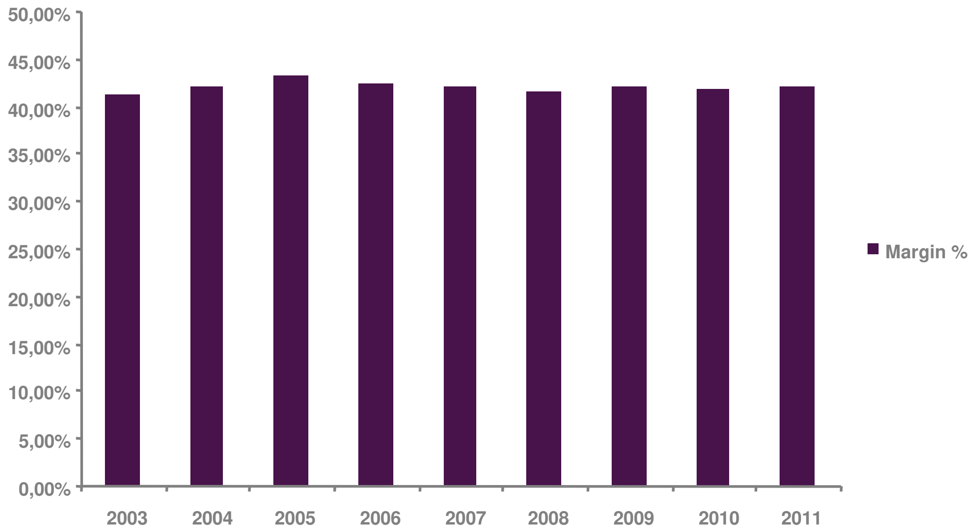
- More positive consumer sentiment evident in retail turnover growth, especially in 2nd half
- Interest received will be dealt with separately
  - Retail book interest up 10,8%
  - RCS Group interest down 4,0%
- Other revenue growth 30,4%
  - Retail club income + 28,8%
  - Retail insurance income + 43,8%
  - Cellular income - one2one airtime product + 35,7%
  - Active programmes to grow financial services income
  - These products should continue growing in an improving economy

GROSS PROFIT

	2011	2010
Gross profit (Rm)	4 168,4	3 599,4
Gross margin (%)	42,0	41,8

- Input margin marginally up
  - Improved pricing passed on to customers with focus on top-line growth
- Mark downs well controlled

GROSS PROFIT HISTORIC VIEW



INTEREST RECEIVED

	2011 (Rm)	2010 (Rm)	% growth
Trade receivables – retail	705,2	636,4	10,8
RCS Group – loan receivables	290,1	355,4	(18,4)
RCS Group – private label card receivables	474,1	440,3	7,7
Sundry - retail	8,9	8,9	-
Sundry – RCS Group	7,9	2,7	192,6
Total	**1 486,2**	**1 443,7**	**2,9**

- Due to the impact of NCA capping formula, interest yields on all receivables reduced
- Increase in interest received driven by higher average books, with the exception of the loan receivables book in RCS Group
- Interest received from retail debtors' book up 10,8%
  - Take-up of 12-month account for new customers continues to increase the retail trade receivables yield
  - 84,6% of balances now attracting interest
- Interest received RCS Group down 4,0%
  - Reduced loan receivables book
  - With availability of capital, loans book now growing

TRADING EXPENSES

	2011 (Rm)	% to turnover 2011	2010 (Rm)	% to turnover 2010	% growth
Depreciation and amortisation	(282,7)	2,8	(264,2)	3,1	7,0
Goodwill impairment	(5,8)	0,1	-	-	
Employee costs	(1 656,1)	16,7	(1 376,9)	16,0	20,3
Retail occupancy costs	(902,3)	9,1	(797,1)	9,3	13,2
Other occupancy costs	(19,6)	0,2	(19,3)	0,2	1,6
Other operating costs – RCS Group profit share MDD	(19,6)	0,2			
Other operating costs	(782,4)	7,9	(632,9)	7,4	23,6
	(3 668,5)	**36,9**	**(3 090,4)**	**35,9**	**18,7**
Net bad debts - retail	(401,7)	4,0	(359,1)	4,2	11,9
Net bad debts - RCS Group	(231,1)	2,3	(352,4)	4,1	(34,4)
Total trading expenses	**(4 301,3)**	**43,3**	**(3 801,9)**	**44,2**	**13,1**

- Expenses before bad debts at 18,7%, pushed up by
  - Employee and other operating costs relating to new stores
  - Employee performance bonuses
- Goodwill impairment write-down of RCS' subsidiary Effective Intelligence, prior to sale of this subsidiary
- Retail occupancy costs:
  - Normal lease escalations averaged 8%
  - Balance is made up of new stores
- Bad debts will be dealt with separately

EMPLOYEE COSTS

	2011 (Rm)	2010 (Rm)	% growth
Employee costs: normal - retail	1 387,1	1 207,8	14,9
Employee costs: performance bonuses	67,8	2,4	
Employee costs: share-based payments	55,9	34,3	63,0
Total employee costs – retail	1 510,8	1 244,5	21,4
Employee costs: normal – RCS Group	145,3	132,4	9,7
Total employee costs	**1 656,1**	**1 376,9**	**20,3**
% to retail turnover	16,7	16,0	

- Base staff increases this year were 5,5%, with promotional adjustments 8% - balance being in respect of new store staff
- Bonuses paid to divisions in terms of performance targets

INTEREST PAID

	2011 (Rm)	2010 (Rm)	% growth
Interest paid	250,1	261,5	(4,4)

- Decrease due to lower interest rates
- Fixed facilities only start unwinding during the course of the next financial year
- The majority of the interest paid relates to funding of RCS Group

SEGMENTAL ANALYSIS

	2011 (Rm)	2010 (Rm)	% change
Retail	1 775,5	1 485,2	19,5
RCS Group	275,6	225,9	22,0
Total profit before tax	**2 051,1**	**1 711,1**	**19,9**

- Retail produced an encouraging result with 19,5% growth
- RCS Group
  - Performed satisfactorily - up 22,0% on last year
  - contribution to PBT (before minorities) = 13,4% (vs 13,2% in 2010)
  - Regaining momentum in growing its book, now that adequate funding is in place

BALANCE SHEET

- Our group's balance sheet remains strong
- R453,8 million share buy-backs undertaken by share trust
- The next few slides deal with key elements of our balance sheet

STOCK & CREDITORS

	2011 (Rm)	2010 (Rm)	% growth
Stock	1 804,7	1 493,8	20,8

- Stock elevated at year-end due to stock brought in early because of Chinese New Year and movement of Easter
- Continue to see benefits from supply chain

	2011 (Rm)	2010 (Rm)	% growth
Trade and other payables	1 710,7	1 293,8	32,2

- Creditors' terms remain consistent at 30 days from statement
- The increase -
    - In line with additional stock
    - Provision for performance bonuses

TRADE RECEIVABLES

	2011 (Rm)	2010 (Rm)	% growth
Loan receivables	858,4	857,3	0,1
Private label card receivables	2 030,2	1 773,5	14,5
RCS Group	**2 888,6**	**2 630,8**	**9,8**
Trade receivables - retail	**3 823,0**	**3 169,3**	**20,6**
Total receivables	**6 711,6**	**5 800,1**	**15,7**

- Total receivables on balance sheet amount to R6,7 billion of which R2,9 billion relates to RCS Group
- All receivables remain on balance sheet - no securitisation
- Good growth in our retail book
- The RCS loan receivable book starting to grow. At half-year down 24%
- No intention to divorce our retail receivables from our business

BORROWINGS & NON-CONTROLLING INTEREST LOANS

	2011 (Rm)	2010 (Rm)	% growth
Interest-bearing debt and non-controlling interest loans	2 561,9	1 969,5	30,1
Less: Preference share investment	(200,0)	(200,0)	
Less: Cash	(338,5)	(284,0)	
Net borrowings	2 023,4	1 485,5	36,2
Less: SBSA loan to RCS Group (non-controlling interest loan)	(144,3)	(478,3)	
	1 879,1	1 007,2	
Less: RCS Group external funding (commercial paper + bank loan)	(908,0)	(372,1)	
Recourse debt	**971,1**	**635,1**	52,9
Less: Foschini funding of RCS Group	(733,5)	(804,5)	
Retail (cash)/borrowings	237,6	(169,4)	

- Total gearing of 34,0% (2010: 27,1%)
- Recourse gearing of 16,3% (2010: 11,6%) - this is our real gearing
- Retail gearing very low at R237 million (after share purchases of R453,8 million)
- Our current direct funding of RCS Group is R733,5 million
    - down R71 million this year
    - Will reduce further as RCS Group raises additional funds in open market

CASH GENERATION & UTILISATION

	Rm	Total Rm
Net borrowings at beginning of year		**(1 485,5)**
Cash EBITDA	2 409,1	
Increase in creditors	416,9	
Other investing activities	13,8	
Sale of shares by share trust	134,8	
Cash generated		**2 974,6**
Taxation paid	(769,0)	
Dividends paid	(665,9)	
Retail and other debtors	(672,3)	
RCS Group debtors	(257,8)	
Inventory increase	(310,9)	
Capital expenditure	(382,8)	
Share purchased by share trust	(453,8)	
Cash utilised		**(3 512,5)**
Net borrowings at the end of the year		**(2 023,4)**

- Cash EBITDA of R2,4 billion (+ 22,1%), remains sound
- Investment in receivables of R930 million
  - Retail debtors R672 million
  - RCS debtors R258 million
- Capex at R382,8 million largely due to store openings – investment for future growth
- Share buy-backs to the value of R453,8 million

CAPEX

	2011 (Rm)	2010 (Rm)	% growth
Stores	239,3	171,3	39,7
RCS Group	15,4	6,5	136,9
IT	72,9	76,1	(4,2)
Other	55,2	35,7	54,6
Total	**382,8**	289,6	**32,2**

- The majority of capex relates to opening of new stores, in line with our strategy of growing floor space
- IT spend in line with prior years
- R10 million spent on design centre building

DIVISIONAL REVIEW

DIVISIONAL REVIEW: OVERALL

	2011 Turnover (Rm)	1st half growth %	2nd half growth %	% FY growth	1st half same store growth %	2nd half same store growth %	% FY same store growth	Number of stores
Foschini division	3 719,0	7,2	17,7	12,5	3,8	12,7	8,3	484
Markham	1 634,7	16,4	23,7	20,2	13,2	20,3	16,9	247
Exact!	932,7	20,2	25,0	22,7	16,8	23,6	20,4	208
Sports division	1 750,0	17,1	16,7	16,9	11,6	8,3	9,9	324
Jewellery division	1 221,1	10,9	11,9	11,5	7,8	8,1	8,0	381
@home	679,0	16,1	15,0	15,5	7,9	8,7	8,3	83
Group	**9 936,5**	**12,5**	**18,1**	**15,5**	**8,3**	**13,2**	**10,8**	**1 727**
Cash sales	3 823,7	18,4	18,9	18,7				
Credit sales	6 112,8	9,1	17,6	13,5				
Total	**9 936,5**	**12,5**	**18,1**	**15,5**				

- All divisions performed satisfactorily with stronger growths in the 2nd half
- Credit sales represent 61,5% (2010: 62,6%)
- Growth in cash sales exceeded credit sale growth until January 2011
- 6,3% growth in floor space

DIVISIONAL REVIEW: OVERALL

- **Foschini division**
  - All brands traded particularly well in the 2nd half
  - Much better performance from Foschini and Donna-Claire

Clothing and footwear only	1st half growth %	2nd half growth %	% FY Ggrowth	1st half same store growth %	2nd half same store growth %	% FY same store growth
Foschini	3,0	18,2	10,5	1,2	16,0	8,5
Fashion Express	23,6	28,7	26,2	15,3	12,8	14,1
Donna-Claire	3,7	21,6	12,6	(1,0)	14,8	6,7
Luella	(10,7)	15,9	0,8	(12,0)	8,2	(3,3)
Total	5,8	19,5	12,6	3,0	15,2	8,9

- **Markham**
  - Traded well
  - Clothing turnover for year grew by 18,8% with clothing same store turnover growth of 15,5%
- **Exact**
  - Focus on reduced clothing price points has been extremely successful
  - Clothing turnover growth of 22,4% and clothing same store turnover growth of 20,2%

DIVISIONAL REVIEW: OVERALL

- **Sports division**
  - Traded well, assisted in the 1st half by the 2010 FIFA World Cup™

	% FY growth	% FY same store growth
Totalsports	20,0	11,3
Sportscene	10,5	5,8
Duesouth	22,8	16,3
Total	16,9	9,9

- **Jewellery division**
  - Remains dominant one and two player in mass-middle market jewellery sector
  - Performed satisfactorily

	% FY growth	% FY same store growth
American Swiss	11,9	8,6
Sterns	10,0	5,4
Matrix	24,9	16,3
Total	11,5	8,0

- **@home**
  - Traded well with turnover growth of 15,5%
  - Same store turnover growth of 8,3% - first time positive in a number of years, now that the rate of store openings have reduced allowing for greater focus on merchandise efficiencies

FINANCIAL SERVICES

FINANCIAL SERVICES AGENDA

financialservices

Financial Services Overview

- Structure

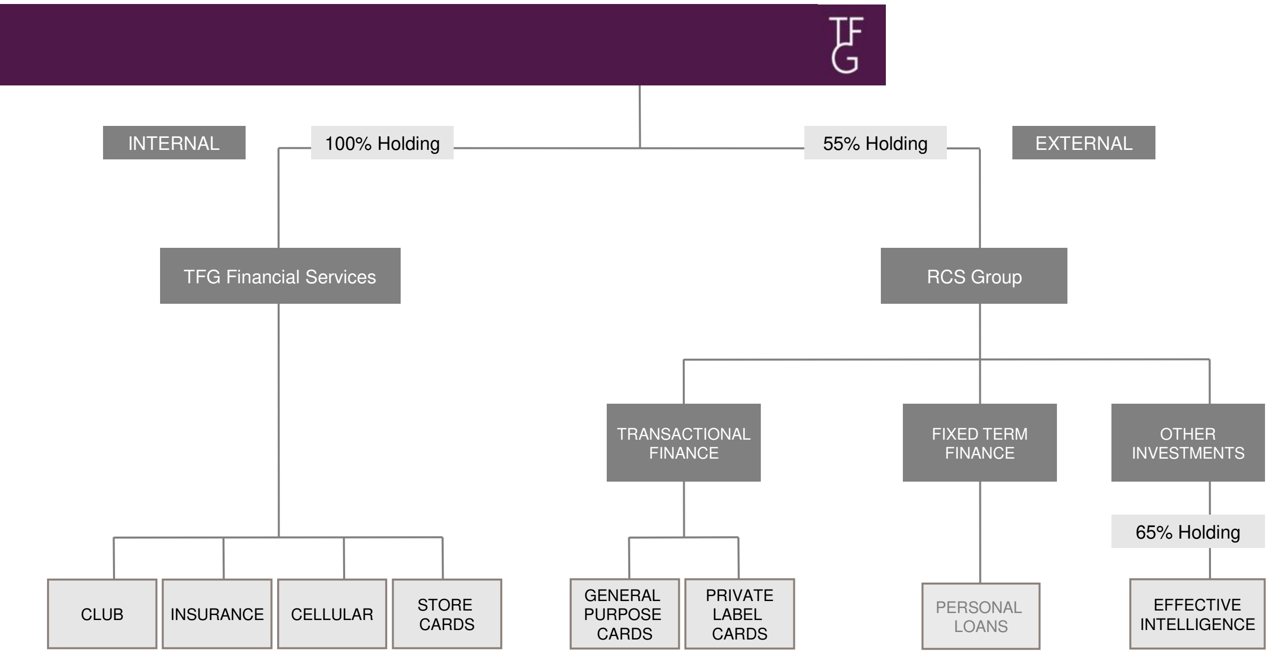
TFG Financial Services

- Period overview
- Performance
- Book
- Statistics
- Strategy & outlook

RCS Group

- Structure
- Overview
- Financial review
- Performance
- Balance sheet and funding
- Strategy & outlook

TFG FINANCIAL SERVICES OVERVIEW: STRUCTURE



TFG FINANCIAL SERVICES

TFG FINANCIAL SERVICES: PERIOD OVERVIEW

financialservices

- Profit contribution increase of 32,9%
- Bad Debt remains on a downward trend
- Health of the book improves, arrears reduce to 20,7% (LY 22,1%)
- Strong growth in active account base
- 590 000 new accounts opened

TFG FINANCIAL SERVICES: PERFORMANCE

financialservices

	2011 Rm	% change	2010 Rm
Interest income	705,2	10,8	636,4
Net bad debt	(401,7)	11,9	(359,1)
	303,4	9,4	277,3
Credit costs	(248,1)	4,8	(236,7)
Other income	285,5	32,2	215,9
Profit before tax	340,9	32,9	256,5

- Interest growth
  - Average NCA rate reduces to 23,4%
  - (LY 26,0%)
  - Book grows by 20,6%
- Other income growing strongly
  - Club added 2 new titles and magazine
  - Magazine circulation reaches 1,68m units
  - Men’s only insurance product launched
  - Insurance net income increased by 25,6%
  - O2O account base increased by 35,9%
- Bad debt growth of 11,9% (LY 37,3%) due to:
  - Economic improvement
  - Improvement in late and early delinquency
  - Debt review stabilising

TFG FINANCIAL SERVICES: BOOK

financialservices

Key debtor statistics	March 2011	March 2010
Number of active accounts with debit balances (‘000)	**2 278**	2 062,0
Credit sales as a % of total retail sales	**61,5**	62,6
Net debtors’ book (Rm)	**3 823,0**	3 169,3

- Active accounts grow by 10,5%
- Growth in cash sales outperforms increase in credit sales
- Book growth at 20,6% reflects the impact of good account growth, increased credit sales and the move to 12-month accounts
- Account balances attracting interest now at 84,6%

TFG FINANCIAL SERVICES: STATISTICS

financialservices

Key debtor statistics	March 2011	March 2010
Arrear debtors % to debtors' book[1]	**20,7**	22,1
Net bad debt write-off as a % of credit transactions	**4,7**	4,8
Net bad debt write-off as a % of debtors' book	**9,2**	9,9
Doubtful debt provision as a % of debtors' book	**8,7**	8,8
% able to purchase	**82,0**	81,7

[1] Arrear debt defined as 30 days+

- Arrears continue to improve
- Provision calculated using Markhov adequately covers projected bad debt
- More customers in a buying position

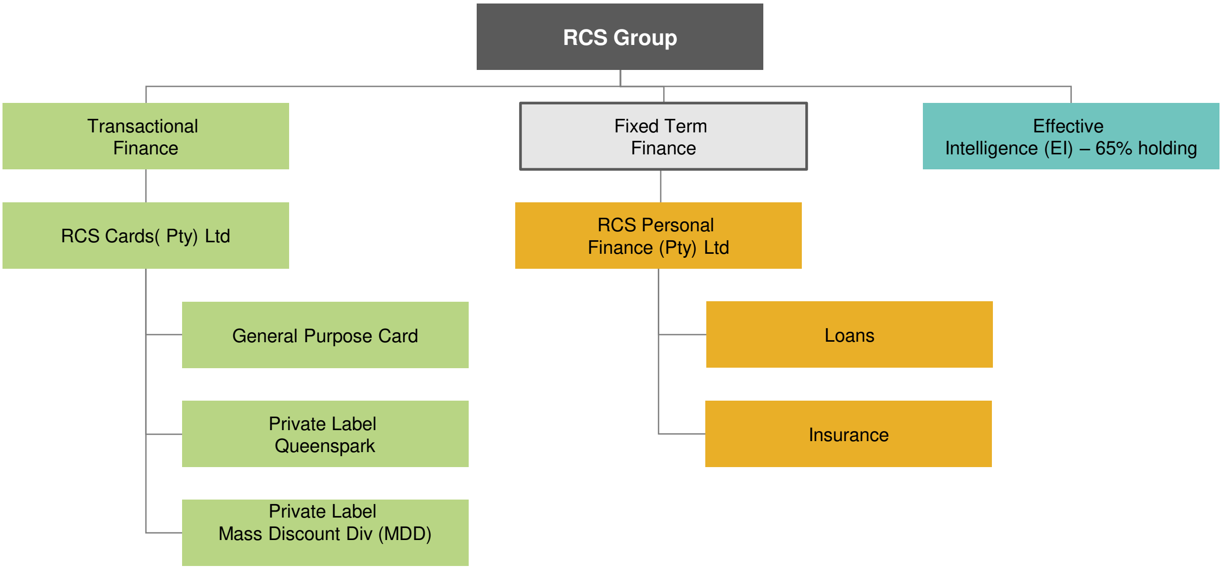
TFG FINANCIAL SERVICES: STRATEGY AND OUTLOOK

financialservices

- Continued focus on growing active account base
- Drive repeat sales from cash customers
- Evaluate opportunity to expand cellular and other related products
- Grow income from other financial services


RCS GROUP

RCS GROUP STRUCTURE



RCS GROUP: OVERVIEW

- Further improvements compared to half-year results (profit before tax and balance sheet health)
- Expanded private label and co-branded opportunities
- New distribution channel capabilities
- Interest margin compression counterbalanced by:
  - Increased non-interest revenue and growth in insurance offering
  - Improved asset quality resulting in lower net bad debt
- Massdiscounters private label programme positive profit contributor
- Notes programme success - funding targets exceeded
- Comparable cost growth remain within set parameters

RCS GROUP: FINANCIAL REVIEW – 2011 FINANCIAL YEAR

	2011 Rm	% change	2010 Rm
Interest income	772,1	(3,3)	798,4
Other income	383,3	11,5	343,8
Total credit income	1 155.4	1,2	1 142,2
Net bad debt	(231,1)	(34,4)	(352,4)
Operating costs	(448,6)	17,0	(383,5)
EBIT	475,7	17,1	406,3
Interest paid	(180,5)	(2,6)	(185,4)
Profit before profit share	295,2	33,6	220,9
Profit share	(19,6)	(491,0)	5,0
Profit before tax	275,6	22,0	225,9

- Total credit income
  - Continued interest yield pressure
  - Positive growth in non-interest income including insurance income
- Net bad debts
  - Improvements in bad debt write-off (better asset quality, portfolio diversification and collections focus)
  - Deliberate Increase in provisioning levels (despite improved asset quality) absorbed in net bad debt
- Operating costs
  - Comparative cost within set parameters
- Profit share expense vs. prior year income due to Massdiscounters programme generating profit

RCS GROUP: PERFORMANCE

Key debtor statistics	2011	2010
Number of active accounts ('000)	**665**	643
Net debtors' book (Rm)	**2 889**	2 628
Arrear debt as percentage of total debt[1]	**11,1%**	14,4%
Non-performing loans as percentage of total debt[2]	**7,3%**	10,1%
Net bad debt write-off as percentage of turnover (cards)	**6,0%**	9,3%
Doubtful debt provision as percentage of debtors' book	**8,2%**	9,2%
Provisions as percentage of non-performing loans	**112,3%**	90,8%
Percentage of applicants granted credit on cards portfolios[3]	**44,4%**	45,7%

[1] Arrear debt defined as 60 days+

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

[3]Current and prior year include the MDD portfolio

- Growth in debtors' book & customers' numbers supported by private and co-branded cards programmes
- Non-performing loans (NPL) cover increased purposefully
- Asset quality remain key criteria to maintain and improve the credit rating

RCS GROUP: BALANCE SHEET & FUNDING

Capital ratios	2011	2010
Return on equity	**18,73%**	17,11%
Debt:Equity[1]	**61.9%**	63,5%

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

- Balance Sheet
  - Low gearing with excess capital (below 70% target ratio)
  - Healthy bad debt provisions relative to the book quality and peer comparisons
  - ROE improvement despite lower gearing
- Funding
  - Successful notes programme with over R1bn raised to date
  - Positive market sentiment and steady flow of reverse inquiries
  - Diversified funding base from previous predominant shareholder loans.
  - Surplus funding facilities of +-R600m at year-end
  - Strong and predictable monthly cash flows from primary assets (R250-300m p/m)

RCS GROUP: STRATEGY AND OUTLOOK

- Outlook
  - Positive profit growth for the next financial year
  - Healthy balance sheet with adequate funding to deliver business
  - Lower cost of funds
  - Continue capital market activity through periodic fund-raising efforts
  - Maintain asset quality relative to peers and market expectations
- Growth
  - Expand Private label and co-branded portfolios
  - Expand product offerings in both Cards and Loans portfolios
  - Improve the quality of the RCS retailer base and offer greater card utility
  - Grow non-interest and insurance income
  - Book acquisitions opportunities
- Investment
  - New systems & enhancements to consolidate IT platforms
  - Investment to enhance and grow the RCS brand
  - Investigate complementary acquisition opportunities
  - Key appointments to support future growth

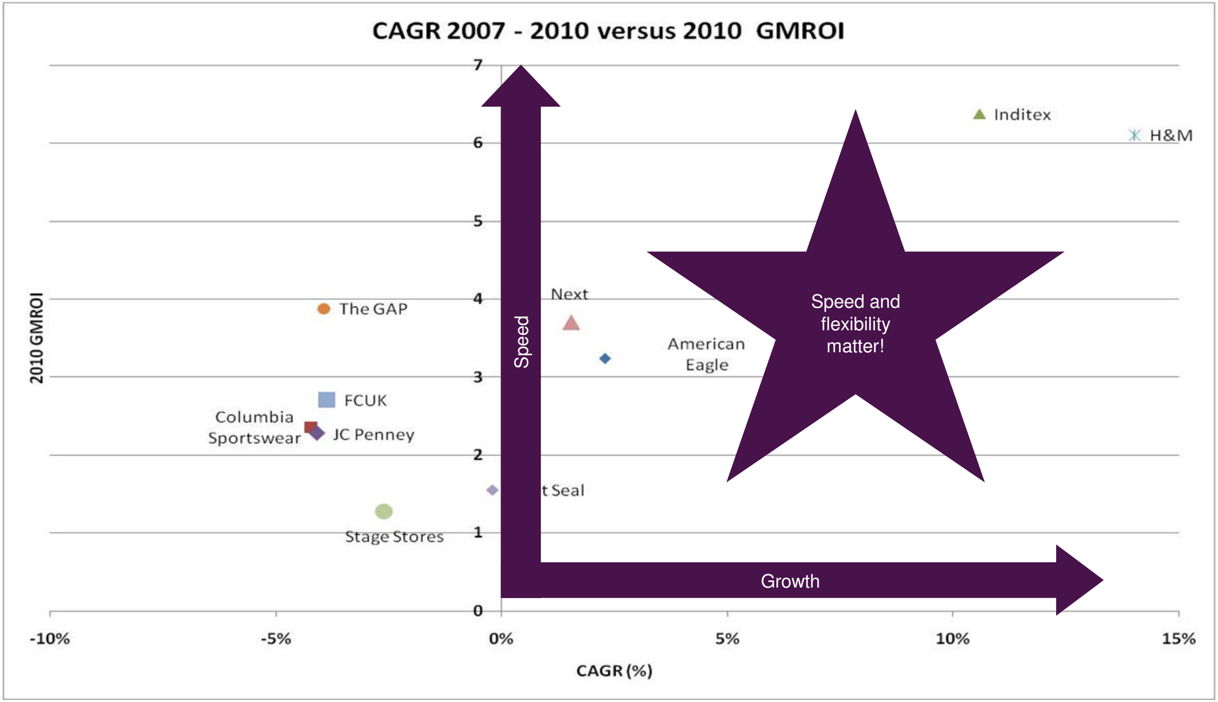
SUPPLY CHAIN

TOP 10 RETAIL INDUSTRY PREDICTIONS FOR 2011

By consulting firm AlixPartners

- Cost increases may reduce profits more than expected
- “Speed to market” accelerates to new levels
    - Winners in 2011 will have the fastest and most responsive supply chains. They will place smaller initial buys and be able to get a winning style back into the store in three to four weeks, not three to four months. We will see companies begin to move toward vertical models once again through acquisitions and "true partnerships" in the supply chain. Speed will become the name of the game, and only the fast will survive.
- Inventory leverage separates winners and losers

WHY THE FAST FASHION MODEL?



Source: Barnes (2010)

PROGRAMME LIFECYCLE

OBJECTIVES | PROJECTS

- Reduce Lead Times
- Enhance Reliability
- Reduce Waste
- Guarantee Quality
- Standard Procedures
- Appropriate Measures
- Increase Stock Turn

LEAD TIME

REPLENISHMENT

SUPPLIER RELATIONSHIP MANAGEMENT

PIPELINE

PROGRAMME LIFECYCLE

OBJECTIVES

- Reduce Lead Times
- Enhance Reliability
- Reduce Waste
- Guarantee Quality
- Standard Procedures
- Appropriate Measures
- Increase Stock Turn

PROJECTS

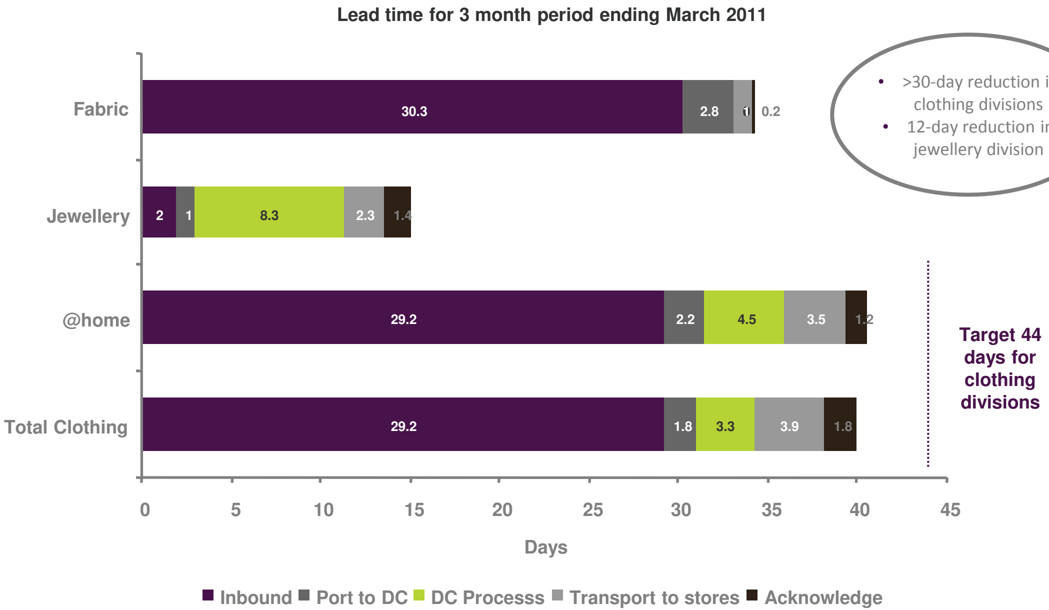
- LEAD TIME
- REPLENISHMENT
- SUPPLIER RELATIONSHIP MANAGEMENT
- PIPELINE

TRADING DIVISION WITH PROJECTS

- TRADING DIVISION
  - LEAD TIME
  - REPLENISHMENT
  - SUPPLIER RELATIONSHIP MANAGEMENT
  - PIPELINE

PROJECT PROGRESS

Logistical Lead Times



- >30-day reduction in clothing divisions
- 12-day reduction in jewellery division

PROJECT PROGRESS

Replenishment

- Replenishment principles agreed & system selected
  - Implementation began January 2011
- Tested Hold-back principles
  - Implementation completed by September 2011

PROJECT PROGRESS

Supplier relationship management

- TFG Merchandise Procurement Division established
  - New supplier sign-on process
  - Audit process in place

- Supplier scorecard and grading implemented
  - Monthly e-mails & summary reports

- Delivery conformance scorecard and improvement process in place
  - R4,4m carton packaging saving over the past 2 years

PROJECT PROGRESS

Foschini; Exact, TFGA Pipeline

- Planning & buying processes to support in-season trading

- TFG Mmanufacturing realigned with trading divisions
  - Refocused CMTs
  - Quick response line piloted and rolled out to selected business areas
  - Procured new system (I-Sync)
  - Delivered 4,5m units LY (18% unit growth)

- Fabric
  - Fabric processes reviewed

PROJECT PROGRESS

Style	Commodity	PIS Week	Status	Year Season
ORANGE COWL CLASSIC TOP	(3061) Fitted	201031	(CLR) On Clearance	SUMMER 2010 (04)

VIEW REPORT UPLOAD IMAGE

Sales History Views

CREATE EDIT DELETE

Sales History Weeks

ALL FIRST LAST

9 weeks

24021100

Supplier	TFGM & SOURCING (05670)	On Order		Supplier Style No	85843
Country	S. A. (Imported)	Colour	ORANGE (028)	Comment	
OSP	130	Cum PIS (U)	2,007	1st 6W Clr %	87.0
LSP	29	Cum Sales (U)	1,996	1st 8W Clr %	91.4
Cost	51.43	Cum Clr (U) %	99.5	Avg. ROS %	33.3
Margin %	60	Stock To Sales (CW)	2		

SALES HISTORY

WEEK

EVENT	WK/MTH	TIME	LSP	PIS (U)	SLS (U)	SOH (U)	Wk ROS %	SOH (R)	SLS (R)
	9	W201039	130	0	36	132	21.4	17,170	4,680
	8	W201038	130	0	34	167	16.9	21,720	4,420
	7	W201037	130	0	55	201	21.5	26,140	7,155
	6	W201036	130	0	122	256	32.3	33,295	15,865
	5	W201035	130	0	141	378	27.2	49,160	18,345
	4	W201034	130	1	322	519	38.3	67,505	41,890
	3	W201033	130	121	443	841	34.5	109,395	57,640
	2	W201032	130	1,879	718	1,277	36.0	166,010	93,105
	1	W201031	130	6	0	1,365	0.0	177,450	0

Show Filter - Records: 1 to 9 of 9 - Pages 1

Direct repeat - updated colours with Mauritian supplier
10 500 units across 4 colours – 10-week response, including shipping
Repeat order sold out

PROJECT PROGRESS

Style	Commodity	PIS Week	Status	Year Season
ZEBRA PRINTED TOP	(3061) Fitted	201033	(CLR) On Clearance	SUMMER 2010 (04)

VIEW REPORT UPLOAD IMAGE

Sales History Views

CREATE EDIT DELETE

Sales History Weeks

ALL FIRST LAST

9 weeks

24026858

24026858

Supplier	TFGM & SOURCING (05670)		On Order			Supplier Style No	85847
Country	S. A. (Imported)	Colour	NATURALS (037)			Comment	
OSP	170	Cum PIS (U)	1,076	1st 6W Clr %	81.3		
LSP	39	Cum Sales (U)	1,065	1st 8W Clr %	89.0		
Cost	78.00	Cum Clr (U) %	99.0	Avg. ROS %	16.7		
Margin %	54	Stock To Sales (CW)	4				

SALES HISTORY

EVENT	WK/MTH	TIME	LSP	PIS (U)	SLS (U)	SOH (U)	Wk ROS %	SOH (R)	SLS (R)
	9	W201041	170	0	17	98	14.8	16,665	2,890
	8	W201040	170	0	35	115	23.3	19,555	5,950
	7	W201039	170	0	48	150	24.2	25,505	8,160
	6	W201038	170	0	57	199	22.3	33,835	9,690
	5	W201037	170	0	62	256	19.5	43,525	10,540
	4	W201036	170	0	150	318	32.1	54,065	25,435
	3	W201035	170	0	290	468	38.3	79,575	49,325
	2	W201034	170	475	263	758	25.8	128,900	44,745
	1	W201033	170	601	53	998	5.0	169,660	9,010

Show Filter - Records: 1 to 9 of 9 - Pages

Repeat 1 - 5 weeks response - 1 500u cleared 75% 8 weeks
Repeat 2 - 5 weeks response - 1 900u cleared 91% in 8 weeks
Both repeats done with strategic fabric stocks

PROJECT PROGRESS

VIEW REPORT UPLOAD IMAGE

CREATE EDIT DELETE

Sales History Weeks

ALL FIRST LAST

9 weeks

24029842

24029842

Supplier	AFRICAN LEATHER FOOTWEAR CC (300068)	On Order		Supplier Style No	Fiona 1332
Country	S. A. (Imported)	Colour	TURQUOISE (016)	Comment	
OSP	299	Cum PIS (U)	338	1st 6W Clr %	79.0
LSP	299	Cum Sales (U)	331	1st 8W Clr %	86.4
Cost	121.50	Cum Clr (U) %	97.9	Avg. ROS %	5.8
Margin %	59	Stock To Sales (CW)	0		

SALES HISTORY WEEK

EVENT	WK/MTH	TIME	LSP	PIS (U)	SLS (U)	SOH (U)	Wk ROS %	SOH (R)	SLS (R)
	9	W201044	299	0	9	42	17.7	12,558	2,691
	8	W201043	299	0	12	51	19.1	15,249	3,588
	7	W201042	299	0	13	58	18.3	17,342	3,887
	6	W201041	299	0	34	71	32.4	21,229	10,166
	5	W201040	299	6	46	105	30.5	31,395	13,754
	4	W201039	299	0	63	151	29.4	45,149	18,837
	3	W201038	299	19	62	208	23.0	62,192	18,538
	2	W201037	299	279	61	270	18.4	80,730	18,014
	1	W201036	299	34	1	330	0.3	98,670	299

Show Filter - Records: 1 to 31 of 31 - Pages 1

EVENT	WK/MTH	TIME	LSP	PIS (U)	SLS (U)	SOH (U)	Wk ROS %	SOH (R)	SLS (R)
	6	W201049	299	0	40	87	31.5	26,013	11,960
	5	W201048	299	0	42	127	24.9	37,973	12,558
	4	W201047	299	0	48	169	22.1	50,531	14,302
	3	W201046	299	0	47	217	17.8	64,883	14,053
	2	W201045	299	95	50	264	15.9	78,936	14,950
	1	W201044	299	243	24	314	7.1	93,886	7,176

Direct repeat 6 weeks response time

PROJECT PROGRESS

VIEW REPORT UPLOAD IMAGE

Sales History Views

CREATE EDIT DELETE

Sales History Weeks

ALL FIRST LAST

9 weeks

24037211

Supplier	SDM OPTICS (01249)	On Order		Supplier Style No	EX1041		
Country	China	Colour	BLACK (011)	Comment			
OSP	49	Cum PIS (U)	400	1st 6W Clr %	73.8		
LSP	19	Cum Sales (U)	387	1st 8W Clr %	80.8		
Cost	21.00	Cum Clr (U) %	96.8	Avg. ROS %	10.0		
Margin %	57	Stock To Sales (CW)	11				

SALES HISTORY

WEEK

EVENT	WK/MTH	TIME	LSP	PIS (U)	SLS (U)	SOH (U)	Wk ROS %	SOH (R)	SLS (R)
	9	W201050	49	0	10	69	12.7	3,381	490
	8	W201049	49	0	11	79	12.2	3,871	539
	7	W201048	49	0	17	90	15.9	4,410	833
	6	W201047	49	0	15	109	12.1	5,341	735
	5	W201046	49	0	48	122	28.2	5,978	2,352
	4	W201045	49	3	87	168	34.1	8,232	4,281
	3	W201044	49	15	93	255	26.7	12,495	4,575
	2	W201043	49	376	52	348	13.0	17,052	2,548
	1	W201042	49	6	0	397	0.0	19,453	0

	6	W201102	49	0	25	174	12.6	8,544	1,225
	5	W201101	49	3	38	200	16.0	9,818	1,874
	4	W201052	49	6	76	238	24.2	11,692	3,730
	3	W201051	49	27	71	311	18.6	15,275	3,479
	2	W201050	49	334	14	385	3.5	18,865	686
	1	W201049	49	29	0	375	0.0	18,375	0

Direct repeat 5 weeks response time

FASHION EXPRESS

■ **fashion**	latest trends
■ **express**	high speed into stores
■ **for less**	at low prices

FASHION EXPRESS: FEBRUARY 2011 RESULTS

fashíonexpress

- 30% (18 000 units) of our range was turn-on stock in reaction to sales and fashion trends
- 28% (17 000 units) of the range was repeats from best sellers in summer
- Close to 60% of our range in Feb was reactionary:
  - 36% sales growth (104% of plan)
  - 36% clearance versus LY 27%

OBJECTIVES

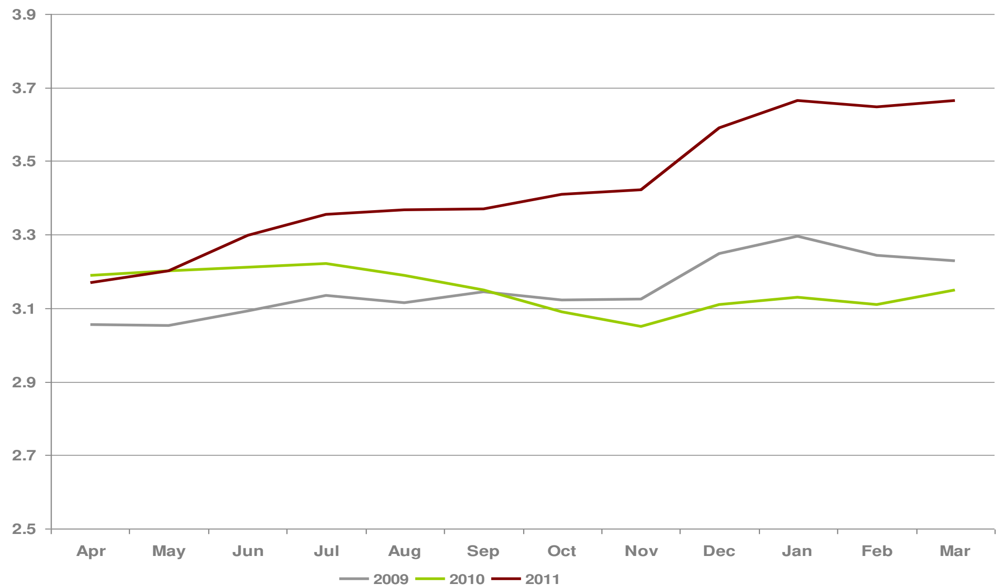
- Reduce Lead Times
- Enhance Reliability
- Reduce Waste
- Guarantee Quality
- Standard Procedures
- Appropriate Measures
- **Increase Stock Turn**

Key Measure:

Increased Stock Turn

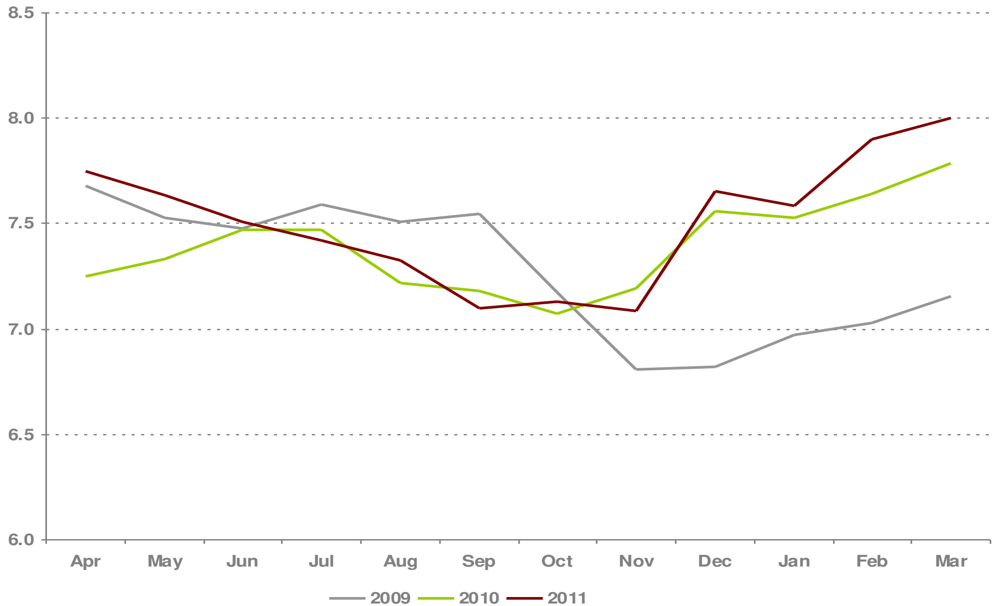
STOCK TURN – CLOTHING

12-month rolling

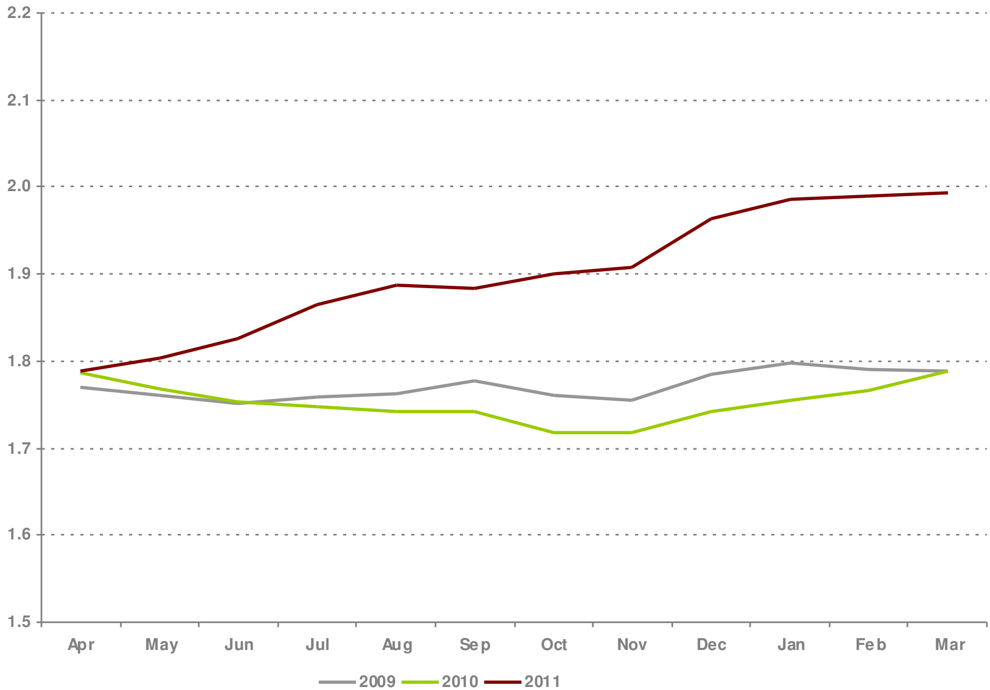


STOCK TURN – CELLULAR

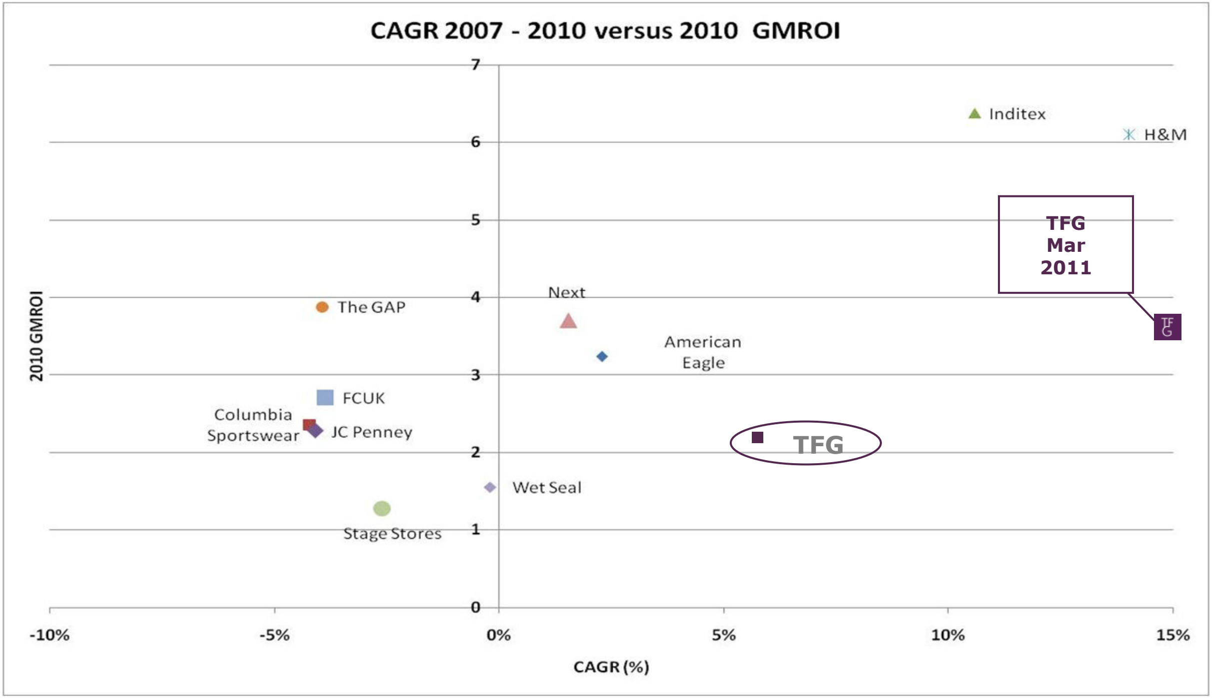
12-month rolling



STOCK TURN - Cosmetics, Jewellery, Homewares



WHY THE FAST FASHION MODEL?



Source: Barnes (2010)

WHERE TO FROM HERE?

Projects → Process, Tools & Learnings

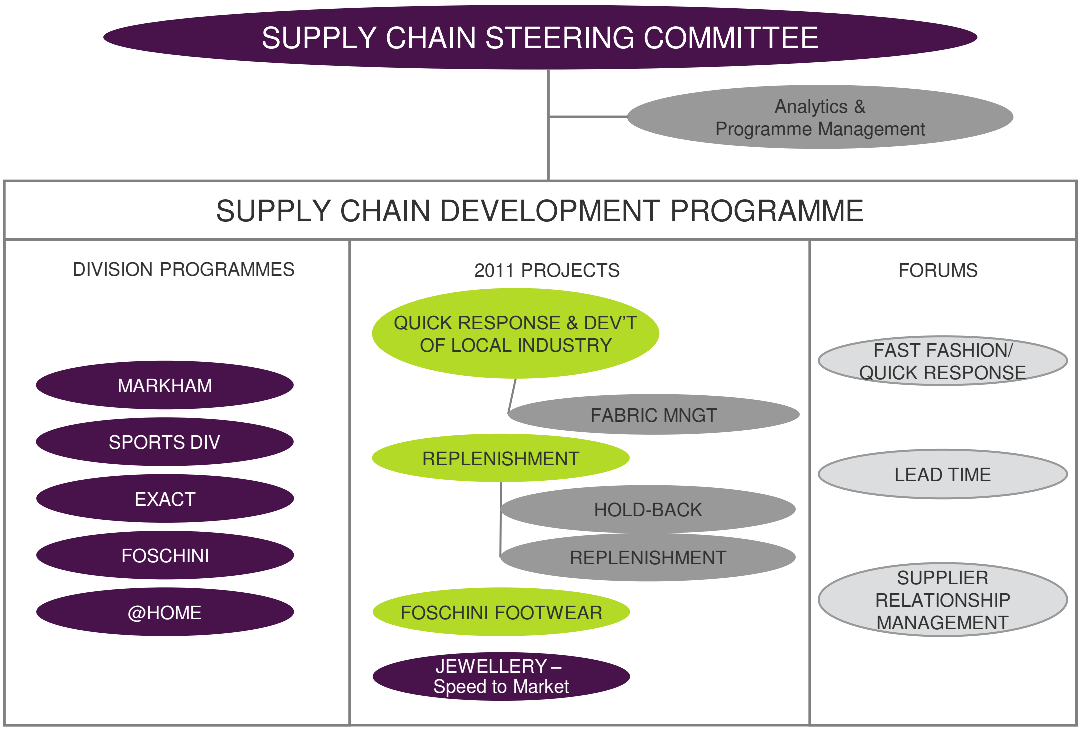
Ensure sustainability

Maintain cross-division learning

Ensure continuous improvement

SUPPLY CHAIN REMAINS A BOARD STRATEGIC FOCUS & A KEY OBJECTIVE

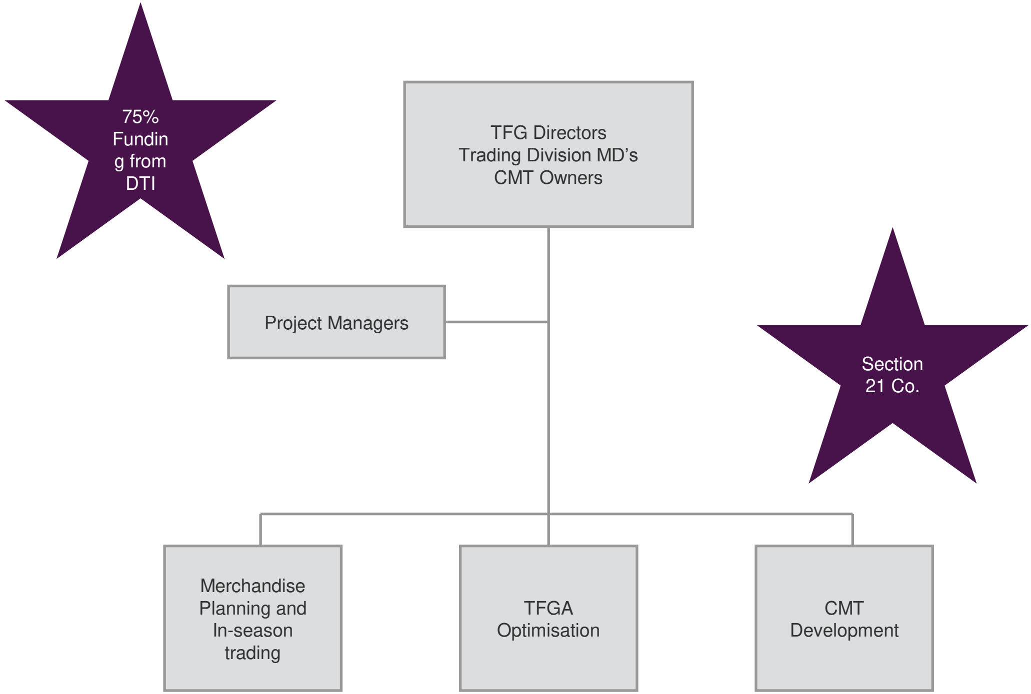
SUPPLY CHAIN DEVELOPMENT PROGRAMME



INTRODUCING THE FOSCHINI GROUP FAST FASHION CLUSTER

Clothing and Textiles Competitiveness improvement
Programme Cluster Project

HOW IS THE CLUSTER STRUCTURED INSTITUTIONALLY?



WHAT WILL THE CLUSTER DO?

Establish a World-class Fast Fashion merchandise planning process within Foschini and Exact Divisions, as well as between Foschini/Exact, TFGA and CMTs:

- Development of an Open-To-Buy (OTB) merchandising plan to facilitate FF opportunities
- Development of improved capacity planning at TFGA to control pre-production and CMT operations
- CMT development programmes to support fast fashion capabilities
- Introduction of a basic Product Lifecycle Management (PLM) system, as well as enhanced distribution centre (DC) and shipping optimisation processes
- Development of a FF fabric and trim operating model

OUTLOOK

OUTLOOK

- More positive consumer sentiment with improved consumer spending expected to continue
- However, mindful of current inflation rate environment and expected interest rate increases
- Merchandise inflation current winter season approximately 5%
- Forthcoming summer season approximately 8%
- Supply chain initiatives ongoing
- CRM initiatives to continue
- Constant focus on costs and inventory management
- Good performance expected from our retail debtors' book
- Space growth – in excess of 100 new stores planned for 2012 – approximately 6% floor space growth
- Continued good performance from RCS Group
- Retail sales for the first seven weeks encouraging and above expectation

THANK YOU

DISCLAIMER

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of The Foschini Group Limited and its subsidiaries, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future.