TFG

ANALYST PRESENTATION

FOR THE YEAR ENDED 31 MARCH 2012

AGENDA

• Overview of the economy and retail environment	Doug Murray
• Review of the year	Doug Murray
• Financial review	Ronnie Stein
• Divisional 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

- The outlook for the global economy remains highly uncertain. After improving in the early stages of 2012, more recent events in Europe have created greater uncertainty.
- South Africa, with its open economy, is not escaping the uncomfortable international situation and the global growth environment will now be less supportive of domestic growth than was expected towards the end of 2011 and early 2012
- As a result, the BER have left unchanged their GDP forecast (Apr 2012) at 2,8% in 2012 and 3,6% in 2013
- Interest rates are expected to remain unchanged through 2012
- Inflation has risen from its low point in Sept 2010 (of 3,2%) and is currently projected to remain above 6% for 2012 whilst easing to 5,8% during 2013
- After averaging R6,90 / $ in the 1st half of 2011, the Rand depreciated significantly in the 2nd half of 2011. Improved global sentiment initially saw the Rand recover this year, only to depreciate again since mid-May
- Although real wage increases are still evident in many sectors, rising food, fuel and electricity prices are eroding consumers' purchasing power
- Overall household consumption expenditure is projected to slow to 3,4% in 2012 (from 4,9% in 2011) before rebounding to a sturdier 4,3% in 2013

REVIEW OF THE YEAR

REVIEW OF THE YEAR

- Our group trades predominantly in the mass-middle market space and our customers have benefited from an environment driven by
  - Continued low interest rates
  - Real wage increases
  - Low inflation environment, albeit rising
- Continue to reap benefits of our strategic initiatives:
  - Supply chain
  - CRM – growth in active account base and rewards programme launched
  - Driving top-line growth – pricing efficiencies passed on to customers
  - Opening of new stores – 150 stores were opened (20 closed)
- RCS Group:
  - Performed well
  - DMTN programme continues to be successful (at year-end R1 billion surplus funding available to support future growth)
  - Intention to separately list RCS in the future

REVIEW OF THE YEAR CONT.

- New brands / acquisitions:
  - Upmarket luxury menswear brand Fabiani acquired effective 1 October 2011
  - As a consequence thereof, the 2 G-Star franchise stores in South Africa were acquired with effect from April 2012, with rights to roll out further stores
  - As part of the group’s supply chain initiatives, Prestige Clothing acquired with effect from 1 March 2012 – will enable the group to meet the increased demands for seasonal fast-fashion merchandise
  - 1st Charles & Keith store opened in August 2011
- Strong market share gains in all merchandise categories

REVIEW OF THE YEAR CONT.

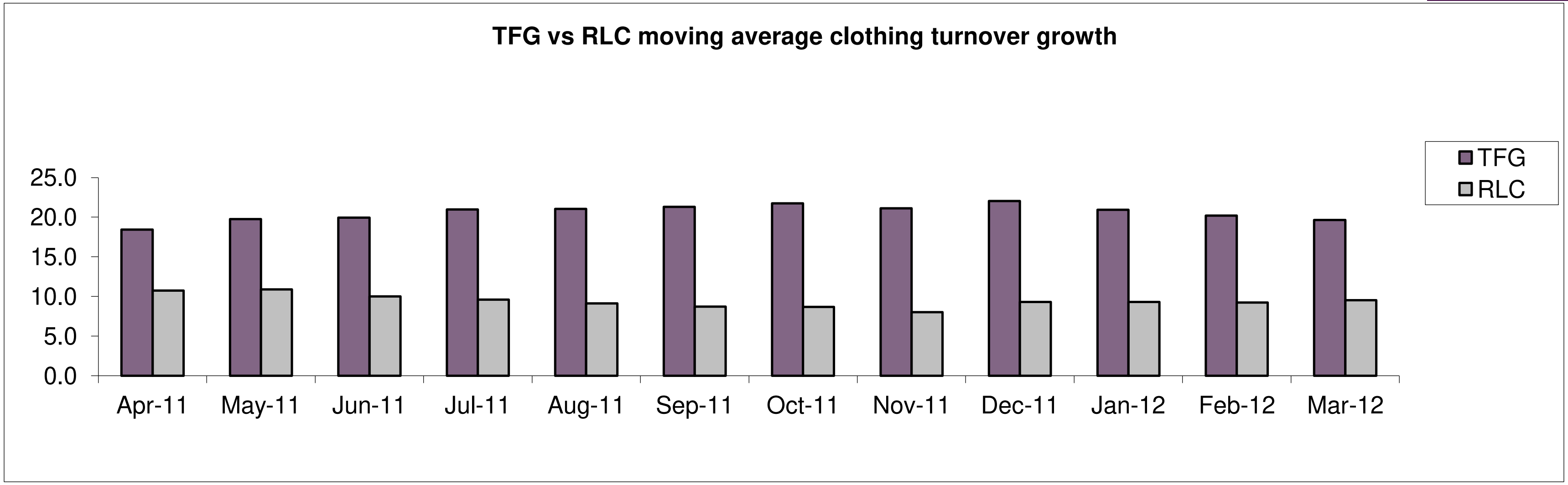
- Group turnover up 17,0% to R11,6 billion
- Headline earnings per share up 22,1% to 772,0 cents
- Diluted headline earnings per share up 23,6% to 766,1 cents
- Operating margin increased to 24,0% from 23,2%
- Dividend
  - final dividend increased by 25,0% to 265,0 cents per share
  - total dividend for the year increased by 30,0% to 455,0 cents per share
- 580k new accounts opened, with active accounts growing by 8,2%
- Net bad debt as a percentage of closing debtors' book at 9,4% (last year 9,2%)
- Recourse gearing of 14,8%

REVIEW OF THE YEAR: RETAIL TURNOVER BY MERCHANDISE CATEGORY

	2012 (Rm)	2011 (Rm)	2012 growth	2012 same store growth
Clothing	7 747,9	6 550,9	18,3%	11,3%
Jewellery	1 224,3	1 134,2	7,9%	2,6%
Cellphones	1 109,1	894,8	23,9%	18,5%
Cosmetics	747,7	677,6	10,3%	5,6%
Homeware & furniture	801,5	679,0	18,0%	13,5%
Total	**11 630,5**	**9 936,5**	**17,0%**	**10,6%**

- All merchandise categories continued to perform well, gaining market share in all categories, particularly our largest product category, clothing
- Jewellery, being a more discretionary commodity, traded satisfactorily taking into account the substantial increase in the gold price
- Homewares & furniture produced very good results
- Product inflation for the year of approximately 6%

REVIEW OF THE YEAR: RLC COMPARISON



	Apr-11
TFG	18,4 %
RLC	10,7 %

	Mar-12
TFG	19,7 %
RLC	9,5 %

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

FINANCIAL REVIEW

FINANCIAL PERFORMANCE SINCE 2002

Years ended	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	11 630,5
Retail turnover growth %	10,4	18,0	13,6	19,7	21,8	12,4	6,1	5,5	6,4	15,5	17,0
Compound retail turnover growth %						15,9	14,5	13,7	12,5	12,8	**13,2**
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	2 786,5
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	772,0
HEPS % change	75,4	84,5	46,2	51,7	28,8	15,4	2,4	2,3	(6,8)	21,3	22,1
Compound HEPS growth %						48,4	40,7	30,3	29,7	28,9	**28,2**
Dividends per share	31,0	56,0	94,0	164,0	220,0	270,0	288,0	288,0	288,0	350,0	455,0
Compound dividend growth %											**34.1**

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

FINANCIAL REVIEW: 2012

Income Statement for the year ended 31 March	2012 (Rm)	2011 (Rm)	% change
Retail turnover	11 630,5	9 936,5	**17,0**
Cost of turnover	(6 750,1)	(5 768,1)	
Gross profit	**4 880,4**	**4 168,4**	
Interest income	1 712,1	1 486,2	
Dividend income	9,9	12,1	
Other revenue	1 178,3	935,8	
Trading expenses	(4 994,2)	(4 301,3)	
Operating profit before finance charges	**2 786,5**	**2 301,2**	
Finance cost	(284,9)	(250,1)	
Profit before tax	**2 501,6**	**2 051,1**	22,0
Income tax expense	(809,8)	(662,3)	
Profit for the year	**1 691,8**	**1 388,8**	
Attributable to:			
Equity holders of The Foschini Group Limited	1 582,1	1 301,8	21,5
Non-controlling interest	109,7	87,0	
HEPS (cents)	772,0	632,3	**22,1**
Diluted HEPS (cents)	766,1	619,9	23,6

REVENUE

	2012 (Rm)	2011 (Rm)	% growth
Retail turnover	11 630,5	9 936,5	17,0
Interest income	1 712,1	1 486,2	15,2
Dividend income	9,9	12,1	(18,2)
Other revenue	1 178,3	935,8	25,9
Total	**14 530,8**	**12 370,6**	**17,5**

- Good growth in retail turnover
- Interest received will be dealt with separately
  - Retail book interest up 21,1%
  - RCS Group interest up 10,2%
- Other revenue growth 25,9%
  - Club income + 17,4%
  - Customer charges income +34,9%
  - Insurance income + 26,6%
  - Cellular income - one2one airtime product + 11,2%
  - These products should continue to grow as our customer base grows

GROSS PROFIT

	2012	2011
Gross profit (Rm)	4 880,4	4 168,4
Gross margin (%)	42,0	42,0

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

INTEREST RECEIVED

	2012 (Rm)	2011 (Rm)	% growth
Trade receivables – retail	853,7	705,2	21,1
Receivables – RCS Group	842,4	764,2	10,2
Sundry	16,0	16,8	
Total	**1 712,1**	**1 486,2**	**15,2**

- Due to the impact of NCA capping formula, interest yields at their lowest
- Increase in interest received driven by higher average books
- Interest received from retail debtors' book up 21,1%
  - Impact of good account growth
  - Increased credit sales
  - Increase in number of 12-month accounts continues to increase the yield
  - 86,6% of balances now attracting interest (LY 84,6%, interim 84,8%)
- Interest received by RCS Group up 10,2%
  - Improved from -4% last year, and + 3,9% at half-year
  - Gradual improvement as the book grows
  - Peter Meiring will deal with this in more detail in his section

TRADING EXPENSES

	2012 (Rm)	% to turnover 2012	2011 (Rm)	% to turnover 2011	% growth
Depreciation and amortisation	(311,6)	2,7	(282,7)	2,8	10,2
Goodwill impairment	-	-	(5,8)	0,1	
Employee costs	(1 929,6)	16,6	(1 656,1)	16,7	16,5
Occupancy costs - normal	(1 041,9)	9,0	(912,7)	9,2	14,2
Occupancy costs – lease liability adjustment	(25,7)	0,2	(9,2)	0,1	179,3
Other net operating costs	(964,2)	8,3	(802,0)	8,1	20,2
	(4 273,0)	**36,7**	**(3 668,5)**	**36,9**	**16,5**
Net bad debts	(721,2)	6,2	(632,8)	6,4	14,0
Total trading expenses	**(4 994,2)**	**42,9**	**(4 301,3)**	**43,3**	**16,1**

- Expenses before bad debts at 16,5%, pushed up by
  - Employee and other operating costs relating to new stores
  - Fleet transport (fuel)
  - Electricity
  - RCS re-branding & tele-marketing costs
- Employee costs
  - Staff increases this year were 7% and with promotional and “out-of-line” adjustments 8,5% - balance in respect of
    - New store staff
    - Additional call centre staff for collections and tele-marketing
- Store occupancy costs:
  - Normal lease escalations averaged 8%
  - Balance is made up of new stores
- Bad debts will be dealt with separately by Peter Meiring

INTEREST PAID

	2012 (Rm)	2011 (Rm)	% growth
Interest paid	284,9	250,1	13,9

- Finance charges increased due to investment in debtors, stock and capital expenditure

SEGMENTAL ANALYSIS

	2012 (Rm)	2011 (Rm)	% change
Retail	2 156,4	1 775,5	21,5
RCS Group	345,2	275,6	25,3
Total profit before tax	**2 501,6**	**2 051,1**	**22,0**

- Retail produced a good result with 21,5% growth
- RCS Group
  - Good performance - up 25,3% on last year
  - Contribution to PBT (before minorities) = 13,8% (vs 13,4% in 2011)

BALANCE SHEET

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

STOCK & CREDITORS

	2012 (Rm)	2011 (Rm)	% growth
Stock	2 155,0	1 804,7	19,4

- Stock increased 19,4%, in respect of new stores and expected levels of trading
- Easter earlier
- Chinese New Year

	2012 (Rm)	2011 (Rm)	% growth
Trade and other payables	1 827,0	1 710,7	6,8

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

TRADE RECEIVABLES

	2012 (Rm)	2011 (Rm)	% growth
Loan receivables	1 067,6	858,4	24,4
Private label card receivables	2 382,9	2 030,2	17,4
RCS Group	**3 450,5**	**2 888,6**	**19,5**
Trade receivables - retail	**4 569,9**	**3 823,0**	**19,5**
Total receivables	**8 020,4**	**6 711,6**	**19,5**

- Total receivables on balance sheet amount to R8 billion of which R3,4 billion relates to RCS Group
- Good growth in all receivables categories
- Intention to separately list RCS Group in the future
- Peter Meiring will deal with the performance of our receivables in more detail

BORROWINGS & NON-CONTROLLING INTEREST LOANS

	2012 (Rm)	2011 (Rm)	% growth
Interest-bearing debt and non-controlling interest loans	3 737,7	2 561,9	45,9
Less: Preference share investment	-	(200,0)	
Less: Cash	(710,9)	(338,5)	
Net borrowings	3 026,8	2 023,4	49,6
Less: SBSA loan to RCS Group (non-controlling interest loan)	(242,4)	(144,3)	
	2 784,4	1 879,1	
Less: RCS Group external funding (commercial paper + bank loan)	(1 766,4)	(908,0)	
Recourse debt	**1 018,0**	**971,1**	**4,8**
Less: TFG funding of RCS Group	(291,9)	(733,5)	
Retail borrowings	726,1	237,6	

- Total gearing of 44,1% (2011: 34,0%)
- Recourse gearing of 14,8% (2011: 16,3%)
- Retail gearing of 10,6% (2011: 4,0%)
- Our current direct funding of RCS Group is R291,9 million – down R441,6 million this year

CASH GENERATION & UTILISATION

March 2012	Rm	Total Rm
Net borrowings at beginning of year		**(2 023,4)**
Cash EBITDA	2 921,5	
Increase in creditors	109,9	
Other investing activities	19,8	
Sale of shares by share trust	54,4	
Cash generated		**3 105,6**
Taxation paid	(880,9)	
Dividends paid	(849,0)	
Retail and other debtors	(773,6)	
RCS Group debtors	(561,9)	
Inventory increase	(342,8)	
Capital expenditure	(541,1)	
Acquisition of assets through acquisitions	(82,5)	
Shares purchased in terms of share incentive schemes	(77,2)	
Cash utilised		**(4 109,0)**
Net borrowings at the end of the year		**(3 026,8)**

- Cash EBITDA of R2,9 billion (+ 20%), remains sound
- Investment in receivables of R1 336 million
  - Retail and other debtors R774 million
  - RCS debtors R562 million
- Capex largely due to store openings – investment for future growth

CAPEX

	2012 (Rm)	2011 (Rm)	% growth
Stores	361,3	239,3	51,0
RCS Group	21,7	15,4	40,9
IT	125,0	72,9	71,5
Other (including assets acquired through acquisitions)	39,4	55,2	(28,6)
Total	**547,4**	**382,8**	**43,0**

- The majority of capex relates to opening of new stores, in line with our strategy of growing floor space, as well as IT spend

DIVISIONAL REVIEW

DIVISIONAL REVIEW: OVERALL

	2012 Turnover (Rm)	% growth	% same store growth	Number of stores
Foschini division	4 254,3	14,3	8,9	516
Markham division	1 991,1	21,7	15,4	266
Exact	1 118,1	19,9	16,4	215
TFG Sports division	2 130.8	21,8	10,8	377
Jewellery division	1 334,4	9,2	4,1	395
@home	801,8	18,0	13,5	88
Group	**11 630,5**	**17,0**	**10,6**	**1 857**
Cash sales	4 533,6	18,6		
Credit sales	7 096,9	16,1		
Total	**11 630,5**	**17,0**		

- All divisions traded well
- Cash sales
  - represent 39,0% (2011: 38,5%)
  - Good growth at 18,6% (2011: 18,7%)

DIVISIONAL REVIEW: OVERALL

- **Foschini division**
  - All brands traded satisfactorily

	% growth	% same store growth
Foschini	15,4	9,3
Fashion Express	25,8	6,2
Donna-Claire	8,2	5,3
Luella	16,3	9,1
Total	**14,3**	**8,9**

- **Markham**
  - Excellent result
  - Clothing turnover grew by 22,1% with clothing same store turnover growth of 15,5%

- **Exact**
  - Excellent result
  - Continued focus on reduced clothing price points remains extremely successful
  - Clothing turnover growth of 21,8% and clothing same store turnover growth of 18,0%

DIVISIONAL REVIEW: OVERALL

- **Sports division**
  - Traded well
  - Excluding the base effect of the World Cup, same store clothing growth up 12,2%

	% growth	% same store growth
Totalsports	20,2	9,6
Sportscene	24,0	11,6
Duesouth	24,8	16,5
Total	**21,8**	**10,8**

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

	% growth	% same store growth
American Swiss	8,0	3,6
Sterns	10,0	3,4
Matrix	22,1	17,5
Total	**9,2**	**4,1**

- **@home**
  - Very good result
  - Turnover growth of 18,0% with same store turnover growth of 13,5%

NEW ACQUISITIONS

- **Charles & Keith**
  - Fashion-forward ladies footwear and accessories brand
  - International presence with over 200 stores in 28 countries
  - Our first store opened in Canal Walk in August 2011
  - Performing better than viability

- **Fabiani**
  - Luxury menswear brand
  - Gives our group an entry into the high end customer segment
  - Currently 7 stores
  - 100% acquired effective 1 October 2011
  - Good expansion potential
  - Existing management retained
  - G-Star
    - The 2 G-Star mono-brand stores purchased with effect from 1 April 2012
    - Rights to roll-out further stores
    - Managed together with Fabiani

NEW ACQUISITIONS

- **Prestige**
  - As part of our supply chain initiatives, Prestige Clothing acquired with effect from 1 March 2012
  - Has been a supplier to our group for over 20 years
  - Will enable our group to meet the increased demands for seasonal fast-fashion merchandise

DIVISIONAL REVIEW: AFRICA EXPANSION

- Rest of Africa (excluding South Africa) now 87 stores with turnover of R500 million annualised
- All African stores are corporate stores

Locations	2012	Proposed additions			Total
		2013	2014	2015	
Namibia	58	4	17	-	79
Botswana	11	5	-	5	21
Zambia	12	-	6	-	18
Swaziland	4	-	-	-	4
Lesotho	2	5	-	-	7
Mozambique	-	-	-	8	8
Nigeria	-	2	-	4	6
Total	**87**	**16**	**23**	**17**	**143**

- Projected turnover in 2015 R900 million

TFG
FINANCIAL
SERVICES

TFG FINANCIAL SERVICES: PERIOD OVERVIEW

- Account expansion remained a key objective
    - 581 580 (LY 590 000) new accounts opened
    - Active account base increased by 8,2% (LY 10,5%)
- Bad debt increase reflects the impact of three year’s of the new account expansion strategy
- Successful launch of cash rewards programme securing 541 221 card holders by year-end

TFG FINANCIAL SERVICES: PERFORMANCE

	2012 (Rm)	% change	2011 (Rm)
Interest income	853,7	21,1	705,2
Net bad debt	(522,0)	29,9	(401,7)
	331,7	9,3	303,5
Credit costs	(249,1)	0,4	(248,1)
Other income	312,8	22,3	255,8*
Profit before tax	395,4	27,0	311,2

* 2011 restated to exclude O2O

- Interest:
  - Interest rate unchanged as repo remains at 5,5%
  - Increase in interest income is caused by account expansion and book growth of 19,5% (LY 20,6%)
  - Account balances attracting interest closed at 86,6% (LY 84,6%)
- Other income:
  - Club added a new title (Balanced Life)
  - Income from publishing increased by 14,5%
  - Critical Illness insurance product launched
  - Insurance net income increased by 26,9% (LY 25,6%)
- Growth in credit costs offset by improved recovery of debt collection costs

- Bad debt :
  - Increase in bad debt follows account expansion and consequent increase in proportion of new accounts in the portfolio

TFG FINANCIAL SERVICES: BOOK

Key debtor statistics	March 2012	March 2011
Number of active accounts ('000)	2 464,5	2 278,0
Credit sales as a % of total retail sales	61,0	61,5
Net debtors' book (Rm)	4 569,9	3 823,0

- Active accounts grow by 8,2% (LY 10,5%)
- Despite a 16,1% increase in credit sales, cash sales growth outperformed credit sales growth
- Book growth at 19,5% (LY 20,6%) reflects the impact of account growth and increased credit sales

TFG FINANCIAL SERVICES: STATISTICS

Key debtor statistics	March 2012	March 2011
Arrear debtors % to debtors' book[1]	21,8	20,7
Net bad debt write-off as a % of credit transactions	4,9	4,7
Net bad debt write-off as a % of debtors' book	9,4	9,2
Doubtful debt provision as a % of debtors' book	9,3	8,7
% able to purchase	80,2	82,0

[1] Arrear debt defined as 30 days+

- Bad debt to book within the expected range of 9,2% - 9,5%
- Arrears increased to 21,8% (LY 20,7%)
- Doubtful debt provision increased to 9,3% following the increase in bad debt
- More customers in a buying position despite decrease in proportion able to spend

TFG FINANCIAL SERVICES: STRATEGY AND OUTLOOK

- Expect net bad debt to trend upwards
- Update scorecards to improve the prediction of retail credit behaviour
- Continue to selectively expand account base
- Continue to build the cash rewards programme database to 1 million customers
- Extend rewards programme to account customers – anticipate positive incremental impact on credit sales
- Maintain double digit growth in income from publishing and insurance with the expansion and enhancement of product offerings


RCS GROUP

RCS GROUP: OVERVIEW

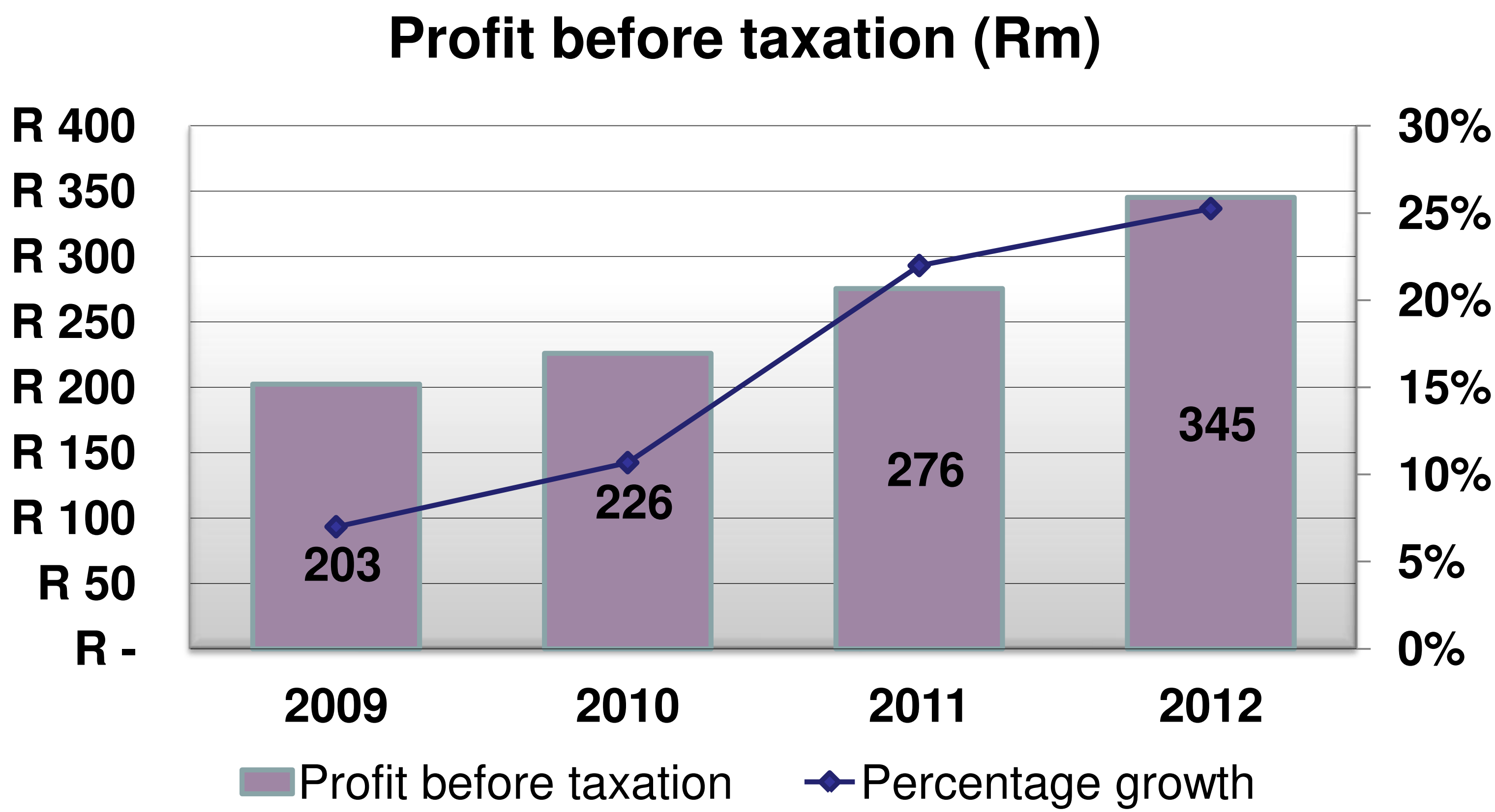
- Significant card growth fueled by:
  - Expansion of our merchant network with new national retailers
  - Growth in private label and co-branded card portfolios
- Strong loan advance growth continues momentum from first half of the year
- Launch of new insurance business partnership - Hollard
- Better asset quality resulting in lower net bad debt, but reaching plateau
- Treasury
  - Continued support from capital markets on new funding
  - Further diversification with raising of new bank funding
- Brand re-launch
- IT systems consolidated for all Card products

RCS GROUP: FINANCIAL REVIEW – 2012 FINANCIAL YEAR

	2012 (Rm)	% change	2011 (Rm)
Interest income	848,4	9,9	772,1
Other income	454,8	18,7	383,3
Total credit income	1 303,2	12,8	1 155,4
Net bad debt	(199,0)	(13,9)	(231,1)
Operating costs	(550,5)	17,6	(468,2)
EBIT	553,7	21,4	456,1
Interest paid	(208,5)	15,5	(180,5)
Profit before tax	345,2	25,3	275,6

- Total credit income
  - Lower interest yield due to repo rate reductions
  - Non-interest income growth driven by customer growth and insurance income
- Net bad debts
  - Lower write-off due to better asset quality but reaching low point and to increase in new year
  - Provision cover increased to **124,7%** of non-performing loans (90day+)
- Operating costs
  - Overall growth driven by book growth and non-comparative spend for strategic projects
- Interest paid
  - Strong cash flows generated by assets contributes to lower growth in funding compared to assets
  - Introduction of diversified funding lines starting to yield benefits leading into new year

RCS GROUP: PROFIT BEFORE TAXATION



RCS GROUP: PERFORMANCE

Key debtor statistics	March 2012	March 2011
Number of active accounts ('000)	**757**	665
Net debtors' book (Rm)	**3 451**	2 889
Arrear debt as percentage of total debt[1]	**10,1%**	11,1%
Non-performing loans as percentage of total debt[2]	**6,3%**	7,3%
Net bad debt write-off as percentage of average debtors' book	**6,0%**	7,4%
Doubtful debt provision as percentage of debtors' book	**7,9%**	8,2%
Provisions as percentage of non-performing loans	**124,7%**	112,3%
Percentage of applicants granted credit on cards portfolios	**48,0%**	44,4%

[1] Arrear debt defined as 60 days+

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

- Significant growth driven by Loans gaining momentum and private label programs
- Active accounts grow by **13,8%** across all portfolios
- Health of book improved due to further diversification of portfolios
- Conservative non-performing loans (NPL) provision cover increased YoY

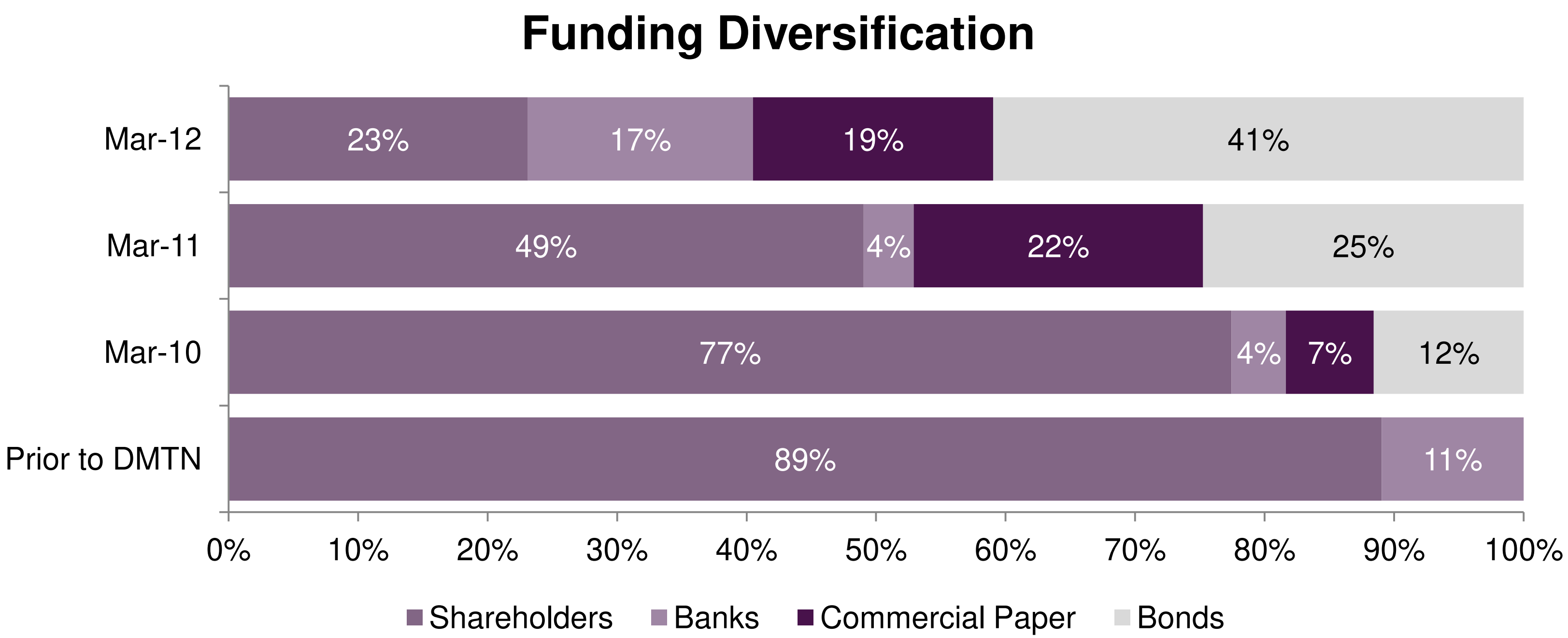
RCS GROUP: FINANCIAL POSITION & TREASURY

Capital Ratios	March 2012	March 2011
Return on equity	**18,8%**	18,7%
Debt : Equity[1]	**64,2%**	61,9%

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

- Balance Sheet
  - Healthy balance sheet with conservative NPL cover compared to peers
  - Low gearing with excess capital (70% target ratio)
  - ROE improvement despite low gearing ratio
- Treasury
  - Successful DMTN program continues with positive market sentiment – **R 1.9bn** raised to date
  - Surplus funding facilities of more than **R1bn** to support growth
  - Conservative ALCO in place with significant asset to liability mismatch
  - Sufficient capital in place for growth

RCS GROUP: FUNDING DIVERSITY – DRAWN FACILITIES



RCS GROUP: STRATEGY AND OUTLOOK

- Outlook
  - Expectation of positive profit growth for the new financial year
  - Adequate funding facilities in place to deliver business plans
  - Maintain a conservative approach to treasury
  - Continue capital markets activity through periodic fundraising efforts
  - Maintain healthy balance sheet
  - Possible future IPO
- Growth
  - Private label and co-branded opportunities
  - Product enhancements in both Cards and Loans portfolios
  - Expansion of our merchant network with new national retailers
  - Grow non-interest and insurance income
  - Evaluate book acquisition opportunities
- Investment
  - Consolidation of IT platforms for future growth
  - Grow and enhance the RCS Brand

OUTLOOK

OUTLOOK

- Although real wage increases are still evident, rising food, fuel and electricity prices are eroding consumers' purchasing power
- Caution is warranted given the fragile financial environment in Europe
- Strategic initiatives to continue
  - Supply chain
  - CRM – new accounts and rewards programme
  - Store optimisation (Capital C project)
  - Space growth – in excess of 140 new stores planned for 2013 – approximately 6% floor space growth
- Constant focus on costs and inventory management
- Merchandise inflation
  - Current winter season approximately 6%
  - Forthcoming summer season approximately 6%
- Continued good performance from RCS Group and future IPO
- Confident we can again deliver a favourable result for 2013, albeit against a very strong comparative base
- Retail sales for the 1st 8 weeks satisfactory

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.