NOTICE OF ANNUAL GENERAL MEETING 2019

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DEAR SHAREHOLDER

NOTICE OF ANNUAL GENERAL MEETING

We have pleasure in enclosing the notice of annual general meeting and form of proxy for The Foschini Group Limited's 82nd annual general meeting of shareholders to be held at the company's registered office at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town on Tuesday, 3 September 2019 at 12h15.

Included with this notice are the summary consolidated financial statements of The Foschini Group Limited for the financial year ended 31 March 2019. The summary consolidated financial statements comprise a summary of the audited annual financial statements of the Group for the year ended 31 March 2019. The annual financial statements of the Group have been audited by Deloitte & Touche, in compliance with the applicable requirements of the Companies Act of South Africa, No. 71 of 2008 as amended (Companies Act), and an unmodified audit opinion has been expressed thereon.

The summary consolidated financial statements have not been audited, but have been extracted from the audited annual financial statements. The directors of the Group take full responsibility for the summary consolidated financial statements and ensuring the financial information is correctly extracted from the underlying audited annual financial statements.

The Foschini Group Limited's 2019 integrated annual report and the audited annual financial statements for the year ended 31 March 2019 are available for viewing and downloading on the Group's website: www.tfglimited.co.za.

Printed copies of The Foschini Group Limited's 2019 integrated annual report will only be mailed to shareholders on request.

Kindly email company_secretary@tfg.co.za and provide a postal address to request a printed copy.

Yours faithfully

Darwin van Rooyen
Company Secretary

28 June 2019

IMPORTANT DATES AND TIMES

Record date to determine which shareholders are entitled to receive the notice	Friday, 5 July 2019
Post and email notice of annual general meeting	Friday, 12 July 2019
Last day to trade in order to be able to attend, participate and vote at the annual general meeting	Tuesday, 20 August 2019
Record date in order to be able to attend, participate and vote at the annual general meeting and last date to apply for electronic participation by 12h15	Friday, 23 August 2019
Proxy forms for the annual general meeting should (but are not required to) be received by 12h15	Monday, 2 September 2019
Annual general meeting to be held at 12h15	Tuesday, 3 September 2019
Results of annual general meeting released on SENS	Tuesday, 3 September 2019

The dates and times provided for in this document are subject to amendment. Any amendment will be published on SENS. All times are South African times.

NOTICE OF ANNUAL GENERAL MEETING

THE FOSCHINI GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1937/009504/06
Share code: TFG – TFGP
(ISIN: ZAEOOO148466 – ZAE000148516)
("TFG" or "company")

Notice is hereby given that the 82nd annual general meeting of shareholders of TFG will be held at the company's registered office at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town on Tuesday, 3 September 2019 at 12h15 to:

1. deal with such business as may lawfully be dealt with at the meeting; and

2. consider and, if deemed fit, pass with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act and the company's memorandum of incorporation (MOI), which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 23 August 2019.

It should be noted that TFG made provision for its shareholders or their proxies to participate electronically in the annual general meeting as detailed later in this notice.

ORDINARY RESOLUTION NUMBER 1 (PRESENTATION OF ANNUAL FINANCIAL STATEMENTS)

To receive and adopt the annual financial statements of the company and the Group for the year ended 31 March 2019. The consolidated audited annual financial statements of the company and its subsidiaries (as approved by the Supervisory Board), incorporating the independent auditors' report, the directors' report and the Audit Committee's report for the year ended 31 March 2019, as well as the Social and Ethics Committee's report contained in the 2019 integrated annual report, have been made available and will be presented.

ORDINARY RESOLUTION NUMBER 2 (REAPPOINTMENT OF EXTERNAL AUDITORS)

That upon the recommendation of the Audit Committee, Deloitte & Touche be reappointed as auditors (and Mr M van Wyk as the designated partner) of the company until the following annual general meeting.

ORDINARY RESOLUTION NUMBER 3 (RE-ELECTION OF DIRECTOR)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Prof F Abrahams who is retiring by rotation as an independent non-executive director in accordance with the provisions of the MOI; Prof F Abrahams being eligible, offers herself for re-election as an independent non-executive director.

A brief curriculum vitae is included in annexure 1.

ORDINARY RESOLUTION NUMBER 4 (RE-ELECTION OF DIRECTOR)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Mr M Lewis who is retiring by rotation as an independent non-executive director in accordance with the provisions of the MOI; Mr M Lewis being eligible, offers himself for re-election as an independent non-executive director.

A brief curriculum vitae is included in annexure 1.

ORDINARY RESOLUTION NUMBER 5 (RE-ELECTION OF DIRECTOR)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Mr S E Abrahams who is retiring by rotation as an independent non-executive director in accordance with the provisions of the MOI; Mr S E Abrahams being eligible, offers himself for re-election as an independent non-executive director.

A brief curriculum vitae is included in annexure 1.

ORDINARY RESOLUTION NUMBER 6 (RE-ELECTION OF DIRECTOR)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Ms B Ntuli, who ceases to hold office as a director at the termination of this, the first shareholders' meeting held after her appointment, in accordance with the provisions of the MOI; Ms B Ntuli being eligible, offers herself for re-election as an executive director. Ms B Ntuli is currently the Chief Financial Officer and was appointed as an executive director on 14 January 2019 by the Supervisory Board.

A brief curriculum vitae is included in annexure 1.

ORDINARY RESOLUTION NUMBER 7 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr S E Abrahams, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 8 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Ms B L M Makgabo-Fiskerstrand, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 9 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr E Oblowitz, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 10 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Ms N V Simamane, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 11 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr D Friedland, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 12 (ELECTION OF AUDIT COMMITTEE MEMBER)

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Prof F Abrahams, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

ORDINARY RESOLUTION NUMBER 13 (NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY)

That shareholders endorse, by way of a non-binding advisory vote, the company's remuneration policy as set out in the Remuneration Committee report as it appears in the 2019 integrated annual report.

ORDINARY RESOLUTION NUMBER 14 (NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT)

That shareholders endorse, by way of a non-binding advisory vote, the company's remuneration implementation report as set out in the Remuneration Committee report as it appears in the 2019 integrated annual report.

SPECIAL RESOLUTION NUMBER 1 (NON-EXECUTIVE DIRECTOR REMUNERATION)

To approve the remuneration to be paid to non-executive directors for the year 1 October 2019 to 30 September 2020, details of which are as follows:

	Excl. VAT
Chairman	R1 150 000
Director (South African)	R366 500
Director (foreign)	R618 000
Audit Committee Chairperson	R336 000
Risk Committee Chairperson	R247 000
Remuneration Committee Chairperson	R146 000
Social and Ethics Committee Chairperson	R130 500
Member/Invitee of Audit Committee	R142 000
Member/Invitee of Risk Committee	R111 000
Member of Remuneration Committee	R89 000
Member of Social and Ethics Committee	R72 000
Member of Nomination Committee	R47 300
Member of *ad hoc* Finance Committee	R47 300

REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 1

To approve the remuneration to be paid to non-executive directors for the calendar year commencing 1 October 2019 until 30 September 2020.

SPECIAL RESOLUTION NUMBER 2 (GENERAL AUTHORITY TO ACQUIRE TFG SHARES)

That the company and/or any subsidiary of the company is hereby authorised, by way of a general authority from time to time, to acquire ordinary shares in the share capital of the company upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the MOI of the company, the provisions of the Companies Act and the JSE Limited Listings Requirements as presently constituted and which may be amended from time to time, and subject to the following:

1. The repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited).

2. Approval by shareholders in terms of a special resolution of the company, in annual general/general meeting, which shall be valid only until the next annual general meeting or for fifteen (15) months from the date of the resolution, whichever period is shorter.

3. Repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five (5) business days immediately preceding the date on which the transaction is effected.

4. At any point in time, a company may only appoint one agent to effect any repurchase/s on the company's behalf.

5. An issuer or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Limited Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

6. The aggregate of acquisitions by subsidiaries of the company may not result in the subsidiaries holding more than 10% of the number of issued shares of any class of shares of the company.

7. The general repurchase by the company of its own securities may not, in the aggregate in any one financial year, exceed 10% of the company's issued share capital of that class in any one financial year.

8. A resolution by the Supervisory Board of Directors that it has authorised the repurchase, that the company and its subsidiary(ies) have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.

Statement by the Supervisory Board

Pursuant to and in terms of the JSE Limited Listings Requirements, the Supervisory Board hereby states:

1. The intention of the directors of the company is to use the general authority if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and will ensure that any such use is in the interests of shareholders.

2. In determining the method by which the company intends to repurchase its securities, the maximum number of securities to be repurchased and the date on which such repurchase will take place, the Supervisory Board will ensure that:

    1. the company and the Group will be able to pay their debts as they become due in ordinary course of business for the next twelve (12) months;

    2. the assets of the company and the Group will be in excess of the liabilities of the company and the Group for the next twelve (12) months, and for this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;

    3. the issued share capital and reserves of the company and the Group will be adequate for the purposes of the business of the company and the Group for the next twelve (12) months; and

    4. the working capital available to the company and the Group will be sufficient for the Group's requirements for the next twelve (12) months.

The Supervisory Board will notify the shareholders of the terms of the repurchase of the company's shares by publishing an announcement in accordance with the JSE Limited Listings Requirements should the company or its subsidiaries cumulatively repurchase more than 3% of the company's issued share capital.

REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

The reason for special resolution number 2 is to grant the company a general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that the general authority shall not extend beyond fifteen (15) months from the date of this annual general meeting. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

JSE Limited Listings Requirements disclosures

Paragraph 11.26 of the JSE Limited Listings Requirements requires the following disclosures:

- Major shareholders (paragraph 11.26 (b)(i) – refer to appendix 2 of the 2019 annual financial statements)
- Share capital of the company (paragraph 11.26(b)(iii) – refer to note 10 of the 2019 annual financial statements)

Material changes

Other than the facts and developments reported on in this document, there were no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of this document.

Directors' responsibility statement

The directors whose names appear in the 2019 integrated annual report collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts were made and that this special resolution contains all information required by law and the JSE Limited Listings Requirements.

SPECIAL RESOLUTION NUMBER 3 (FINANCIAL ASSISTANCE)

The shareholders approve that the company may provide direct or indirect financial assistance to a related or interrelated company or corporation provided that such financial assistance may only be provided within two (2) years from the date of the adoption of this special resolution and subject further to sections 44 and 45 of the Companies Act.

REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 3

Section 44 of the Companies Act applies to financial assistance provided by a company to related or interrelated companies in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Section 45 of the Companies Act applies to financial assistance provided by a company to related or interrelated companies and corporations, including, among others, its subsidiaries.

Thus both sections 44 and 45 of the Companies Act provide that the financial assistance may only be provided pursuant to a special resolution passed by shareholders within the previous two (2) years.

The passing of this special resolution will have the effect of authorising the company to provide financial assistance to related and interrelated companies and corporations.

ORDINARY RESOLUTION NUMBER 15 (GENERAL AUTHORITY OF DIRECTORS)

Any director of the company is authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of ordinary resolutions 1 to 14 and special resolutions 1 to 3 proposed at the company's annual general meeting to be held on Tuesday, 3 September 2019.

To transact any other business that may be transacted at an annual general meeting.

Voting requirements

An ordinary resolution requires the support of more than 50% of the voting rights exercised on the resolution to be adopted.

A special resolution requires the support of more than 75% of the voting rights exercised on the resolution to be adopted.

General instructions

Members are encouraged to attend, speak and vote at the annual general meeting.

Meeting participants (including shareholders and proxies) will be required to provide proof of identity before being entitled to attend and/or participate in the meeting. Forms of identification include identity documents, driver's licences and passports.

If you hold shares in certificated form (in other words, you have not dematerialised your TFG shares) or are registered as an own-name dematerialised shareholder, then:

- you may attend and vote at this meeting; alternatively
- you may appoint a proxy to represent you at this meeting by completing the attached form of proxy and lodging it with the transfer secretaries of TFG by 12h15 on Monday, 2 September 2019. Any forms of proxy not lodged by this time may be handed to the Chairperson of the annual general meeting immediately prior to its commencement. The completion of a proxy form will not preclude a shareholder from attending the annual general meeting.

Where you are entitled and wish to appoint a proxy, the proxy does not have to be a TFG shareholder and you may appoint more than one proxy to exercise voting rights attached to different securities held by you that entitled you to vote.

If you have dematerialised your shares and are not registered as an own-name dematerialised shareholder (in other words, you have specifically instructed your CSDP not to hold your shares in your own name on TFG's uncertificated securities register), then subject to the custody agreement between yourself and your CSDP or broker:

- If you wish to attend the meeting you must contact your CSDP or broker and obtain the relevant letter of representation from it; or
- If you are unable to attend the meeting but wish to be represented at the meeting, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the meeting. You must not complete the attached form of proxy. The instructions must be provided in accordance with the custody agreement between yourself and your CSDP or broker within the time period required by your CSDP or broker.

CSDPs, brokers or their nominees recorded in the company's uncertificated securities register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the meeting or by completing the attached form of proxy in accordance with the instructions thereon and lodging it with the transfer secretaries of the company by 12h15 on Monday, 2 September 2019.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the annual general meeting by way of telephone conference call.

Should you wish to participate in the annual general meeting by telephone conference call, you or your proxy must complete the application form attached to this document and return it to the transfer secretaries of the company by no later than 12h15 on Friday, 23 August 2019.

By order of the Supervisory Board

Darwin van Rooyen
Company Secretary

28 June 2019

NOTICE OF ANNUAL GENERAL MEETING: ANNEXURE 1

BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION

In terms of the MOI, each year, one-third (or a number closest to) of the non-executive directors are subject to retirement by rotation and are eligible for re-election.

The Nomination Committee has considered the confirmation, performance and attendance of the following directors retiring by rotation:

- Prof F Abrahams
- Mr M Lewis
- Mr S E Abrahams

The Nomination Committee has also considered the appointment of Ms B Ntuli as the Chief Financial Officer on 14 January 2019.

The Nomination Committee has no hesitation in recommending these directors for appointment/reappointment by the shareholders.

PROF F ABRAHAMS (56)

BEcon (Hons), MCom, DCom

Member of: Audit, Remuneration and Social and Ethics Committees
Chairperson of: Social and Ethics Committee
Also a director of South African listed companies: Clicks Group Limited and Lewis Group Limited

Fatima is a senior professor (part-time) and was dean of the Economic and Management Sciences Faculty at the University of the Western Cape (UWC). She is a registered industrial psychologist and has built up extensive expertise in the human capital field. She was also a non-executive director of Transnet, B2B Africa Proprietary Limited and chairperson of Victoria & Alfred Waterfront Holdings. She has served and continues to serve on the Audit and Risk Committees and Transformation and Remuneration Committees of several companies, and has built up sound business experience over the years. **Appointed to the Supervisory Board: 2003**

M LEWIS (60)

Chairman | BA (Econ) (Hons)

Member of: Nomination and Remuneration Committees
Chairman of: Nomination Committee
Meetings attended by invitation: Risk and Audit Committees

Michael has more than 35 years' experience in the investment management and retail sectors. He is the chairman of Strandbags Holdings Proprietary Limited (Australia) and Oceana Investment Corporation Limited (UK). He is also a director of Histogenics Inc. (USA) and United Trust Bank Limited (UK). Michael served on the supervisory board of Axel Springer AG (Germany) and on the board of Cheyne Capital Management LLP (UK). He previously worked at fund managers Ivory & Sime and Lombard Odier. **Appointed to the Supervisory Board: 1989**

S E ABRAHAMS (80)

FCA, CA(SA)

Member of: Audit and Nomination Committees
Chairman of: Audit Committee
Open invitation: Risk Committee

Sam is an experienced director and was formerly an international partner and South African managing partner of Arthur Andersen. Sam is currently a non-executive director of Investec Securities Proprietary Limited and chairman of The Victor Daitz Foundation, one of the largest charitable foundations in South Africa. Sam has acted as a non-executive director for several listed companies, both in the United Kingdom and South Africa. **Appointed to the Supervisory Board: 1998**

B NTULI (42)

Chief Financial Officer
BCom (Hons Acc), CA(SA),
AMP (Harvard)

Member of: Risk Committee
Meetings attended by invitation: Audit and Social and Ethics Committees

Bongiwe joined TFG in January 2019 as Chief Financial Officer. Prior to this, she was the Chief Executive Officer of Freight Services at Grindrod Limited and a Grindrod group executive board member. Before Grindrod, she held various finance and treasury positions for Anglo American plc locally and internationally. Bongiwe has over 20 years international commercial, operational and executive management experience. She has worked in South Africa, the United Kingdom and Canada, and has completed an Advanced Management Programme at Harvard Business School. **Appointed to the Supervisory Board: 2019**

NOTICE OF ANNUAL GENERAL MEETING: ANNEXURE 2

BRIEF CURRICULUM VITAE OF DIRECTORS PROPOSED FOR ELECTION TO THE AUDIT COMMITTEE

In terms of the MOI and section 94(2) of the Companies Act, the Audit Committee is required to be elected by shareholders at each annual general meeting.

In terms of the King IV Report on Corporate Governance™ for South Africa 2016 (King IV)*, all the members of the Audit Committee must be independent non-executive directors and further, in terms of the regulations of the Companies Act, at least one-third of the members of the committee must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Having regard to the above requirements, the Nomination Committee considered the expertise, experience and independence requirements of the members offering themselves for election and recommended to the Supervisory Board that the Supervisory Board propose the following candidates to shareholders:

- Mr S E Abrahams
- Ms B L M Makgabo-Fiskerstrand
- Mr E Oblowitz
- Ms N V Simamane
- Mr D Friedland
- Prof F Abrahams

S E ABRAHAMS (80)

FCA, CA(SA)
Member of: Audit and Nomination Committees
Chairman of: Audit Committee
Open invitation: Risk Committee

Sam is an experienced director and was formerly an international partner and South African managing partner of Arthur Andersen. Sam is currently a non-executive director of Investec Securities Proprietary Limited and Chairman of The Victor Daitz Foundation, one of the largest charitable foundations in South Africa. Sam has acted as a non-executive director for several listed companies, both in the United Kingdom and South Africa. **Appointed to the Supervisory Board: 1998**

B L M MAKGABO-FISKERSTRAND (45)

BA

Member of: Audit, Risk and Social and Ethics Committees
Also a director of a South African listed company: Sun International Limited

Tumi is the founder and executive director of AfricaWorldwide Media and director of Tumi Makgabo Enterprises, focusing on enterprise development in South Africa and across the African continent. In addition, Tumi served as the vice chairperson of the World Economic Forum's Global Agenda Council on Women's Empowerment and as a member of its Council on Africa for two years. In 2008, she was nominated to the World Economic Forum's Forum of Young Global Leaders, which is a multi-stakeholder community of exceptional leaders below the age of 40, selected from around the world. **Appointed to the Supervisory Board: 2012**

E OBLOWITZ (61)

BCom, CA(SA), CPA(Isr)

Member of: Audit, Remuneration and Risk Committees
Chairman of: Remuneration and Risk Committees
Also a director of a South African listed company: Trencor Limited

Eddy has considerable audit, finance and business advisory experience, having spent 21 years in professional practice, most notably as a senior partner of the Cape Town, Durban and Port Elizabeth offices of Arthur Andersen. He also served as a member of the firm's worldwide Retail and Distribution Industry Team. In addition to serving as a non-executive director and trustee to various companies and trusts, he is the executive chairman of Stonehage Fleming South Africa, which provides multi-family office, wealth management and advisory services to an extensive local and international client base. **Appointed to the Supervisory Board: 2010**

N V SIMAMANE (60)

BSc (Chemistry & Biology) (Hons)

Member of: Audit, Risk and Social and Ethics Committees
Also a director of South African listed companies: Cashbuild Limited, Oceana Group, Hollard Insurance, Hollard Life Insurance and the South African Post Office

Nomahlubi has extensive business, marketing and communications experience, having previously held the positions of marketing manager at Unilever, marketing director of British American Tobacco and managing director of BLGK Bates Advertising Agency. She is currently the chief executive officer of Zanusi Brand Solutions, a branding consultancy she founded in 2001. She has worked in the United States and Kenya and has been recognised as a seasoned business woman, having won two Business Women of the Year Awards in 2009. She was also named the 2013 Enterprising Woman in Fort Lauderdale, Florida, USA. **Appointed to the Supervisory Board: 2009**

D FRIEDLAND (66)

BCom, CA(SA)

Member of: Audit, Remuneration and Risk Committees
Also a director of South African listed as well as public companies: Pick n Pay Stores Limited, Investec Limited and Investec Bank Limited
Also a director of foreign listed as well as public companies: Investec plc and Investec Bank plc

David is a chartered accountant with extensive audit experience from a broad range of listed retail companies. He served as an international partner at Arthur Andersen from 1990 and was a partner at KPMG from 2002. David was Head of Audit and Risk at KPMG (Cape Town) and was the lead audit partner for several listed companies. In 2013, he retired and was appointed to the boards of Investec Limited and Investec plc, serving as the group Audit Committee chairman. **Appointed to the Supervisory Board: 2013**

PROF F ABRAHAMS (56)

BEcon (Hons), MCom, DCom

Member of: Audit, Remuneration and Social and Ethics Committees
Chairperson of: Social and Ethics Committee
Also a director of South African listed companies: Clicks Group Limited and Lewis Group Limited

Fatima is a senior professor (part-time) and was dean of the Economic and Management Sciences Faculty at the University of the Western Cape (UWC). She is a registered industrial psychologist and has built up extensive expertise in the human capital field. She was also a non-executive director of Transnet, B2B Africa Proprietary Limited and chairperson of Victoria & Alfred Waterfront Holdings. She has served and continues to serve on the Audit and Risk Committees and Transformation and Remuneration Committees of several companies, and has built up sound business experience over the years. **Appointed to the Supervisory Board: 2003**

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

	Note	2019 Rm	Restated* 2018 Rm	Restated* 2017 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**2 820,0**	2 861,9	2 469,0
Goodwill and intangible assets		**8 590,1**	7 667,2	4 675,9
Deferred taxation asset		**1 045,7**	663,6	515,4
		12 455,8	11 192,7	7 660,3
Current assets				
Inventory	4	**7 680,9**	6 900,6	5 603,8
Trade receivables – retail		**7 439,8**	7 373,6	6 843,3
Other receivables and prepayments		**1 147,6**	821,8	771,0
Concession receivables		**174,3**	296,8	246,1
Cash and cash equivalents		**1 111,0**	1 206,1	878,5
		17 553,6	16 598,9	14 342,7
Total assets		**30 009,4**	27 791,6	22 003,0
EQUITY AND LIABILITIES				
Equity attributable to equity holders of The Foschini Group Limited		**14 307,3**	13 121,5	10 396,9
Non-controlling interest		**–**	4,5	4,2
Total equity		**14 307,3**	13 126,0	10 401,1
LIABILITIES				
Non-current liabilities				
Interest-bearing debt		**6 017,4**	4 825,7	4 442,2
Put option liability		**81,0**	72,7	74,7
Cash-settled share incentive scheme		**–**	–	6,8
Operating lease liability		**363,5**	335,1	255,7
Deferred taxation liability		**933,7**	829,4	337,9
Post-retirement defined benefit plan		**233,8**	215,8	233,1
		7 629,4	6 278,7	5 350,4
Current liabilities				
Interest-bearing debt		**3 196,0**	4 524,9	3 307,0
Trade and other payables		**4 535,0**	3 724,3	2 836,7
Operating lease liability		**22,5**	30,7	15,2
Taxation payable		**319,2**	107,0	92,6
		8 072,7	8 386,9	6 251,5
Total liabilities		**15 702,1**	14 665,6	11 601,9
Total equity and liabilities		**30 009,4**	27 791,6	22 003,0

* *Refer to note 15 for the impact of the changes in accounting policies.*

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

	Note	2019 Rm	Restated* 2018 Rm
Revenue	5	**37 128,2**	31 463,0
Retail turnover		**34 101,4**	28 519,5
Cost of turnover		**(15 820,8)**	(13 557,5)
Gross profit		**18 280,6**	14 962,0
Interest income	6	**1 764,0**	1 755,8
Other income	7	**1 262,8**	1 187,7
Net bad debt		**(992,8)**	(837,5)
Trading expenses	8	**(15 986,8)**	(12 941,5)
Operating profit before acquisition costs and finance costs		**4 327,8**	4 126,5
Acquisition costs		**–**	(79,4)
Finance costs		**(749,9)**	(696,6)
Profit before tax		**3 577,9**	3 350,5
Income tax expense		**(939,3)**	(942,3)
Profit for the year		**2 638,6**	2 408,2
Attributable to:			
Equity holders of The Foschini Group Limited		**2 638,4**	2 406,9
Non-controlling interest		**0,2**	1,3
Profit for the year		**2 638,6**	2 408,2
Earnings per ordinary share (cents)			
Total			
Basic		**1 141,7**	1 070,2
Diluted (basic)		**1 131,3**	1 060,0

* *Refer to note 15 for the impact of the changes in accounting policies.*

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

	2019 Rm	Restated* 2018 Rm
Profit for the year	**2 638,6**	2 408,2
Other comprehensive income (loss):		
Items that will never be reclassified to profit or loss		
Actuarial gain on post-retirement defined benefit plan	**–**	34,2
Deferred tax on items that will never be reclassified to profit or loss	**–**	(9,6)
Items that are or may be reclassified to profit or loss		
Movement in effective portion of changes in fair value of cash flow hedges	**32,7**	27,2
Foreign currency translation reserve movements	**935,8**	(555,7)
Deferred tax on items that are or may be reclassified to profit or loss	**(8,9)**	(8,6)
Other comprehensive income (loss) for the year, net of tax	**959,6**	(512,5)
Total comprehensive income for the year	**3 598,2**	1 895,7
Attributable to:		
Equity holders of The Foschini Group Limited	**3 598,0**	1 894,4
Non-controlling interest	**0,2**	1,3
Total comprehensive income for the year	**3 598,2**	1 895,7

* *Refer to note 15 for the impact of the changes in accounting policies.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

	Attributable to equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	**Total equity Rm**
Equity at 31 March 2017	**10 515,3**	**4,2**	**10 519,5**
IFRS 15 transition*	(118,4)		(118,4)
Equity at 31 March 2017 – restated*	10 396,9	4,2	10 401,1
Total comprehensive income for the year	1 894,4	1,3	1 895,7
Profit for the year – restated*	2 406,9	1,3	2 408,2
Other comprehensive loss			
Actuarial gain on post-retirement defined benefit plan	34,2		34,2
Movement in effective portion of changes in fair value of cash flow hedges	27,2		27,2
Foreign currency translation reserve movements	(555,7)		(555,7)
Deferred tax on movement in other comprehensive income	(18,2)		(18,2)
Contributions by and distributions to owners			
Share-based payments reserve movements	155,0		155,0
Dividends paid	(1 626,2)	(1,0)	(1 627,2)
Share capital issued and share premium raised	2 473,0		2 473,0
Proceeds from sale of shares in terms of share incentive schemes	91,7		91,7
Shares purchased in terms of share incentive schemes	(231,6)		(231,6)
Increase in the fair value of the put option liability	(31,7)		(31,7)
Equity at 31 March 2018 – restated*	**13 121,5**	**4,5**	**13 126,0**

* *Refer to note 15 for the impact of the changes in accounting policies.*

	Attributable to equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2018 – restated*	13 121,5	4,5	13 126,0
IFRS 9 transition*	(517,4)		(517,4)
Equity at 1 April 2018	12 604,1	4,5	12 608,6
Total comprehensive income for the year	3 598,0	0,2	3 598,2
Profit for the year	2 638,4	0,2	2 638,6
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	32,7		32,7
Foreign currency translation reserve movements	935,8		935,8
Deferred tax on movement in other comprehensive income	(8,9)		(8,9)
Contributions by and distributions to owners			
Share-based payments reserve movements	87,3		87,3
Dividends paid	(1 756,1)		(1 756,1)
Proceeds from sale of shares in terms of share incentive schemes	46,7		46,7
Shares purchased in terms of share incentive schemes	(274,3)		(274,3)
Decrease in the fair value of the put option liability	1,6		1,6
Realisation on disposal of non-controlling interest	–	(4,7)	(4,7)
Equity at 31 March 2019	14 307,3	–	14 307,3

* *Refer to note 15 for the impact of the changes in accounting policies.*

	2019	2018
Dividend per ordinary share (cents)		
Interim	330,0	325,0
Final	450,0	420,0
Total	780,0	745,0

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

	Note	2019 Rm	Restated* 2018 Rm
Cash flows from operating activities			
Operating profit before working capital changes	9	**5 420,8**	5 029,7
Increase in working capital		**(743,1)**	(937,2)
Cash generated from operations		**4 677,7**	4 092,5
Interest income		**15,7**	48,0
Finance costs		**(749,9)**	(696,6)
Taxation paid		**(947,1)**	(960,2)
Dividends paid		**(1 756,1)**	(1 627,2)
Net cash inflows from operating activities		**1 240,3**	856,5
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(942,4)**	(896,6)
Acquisition of assets through business combinations		**–**	(2 898,9)
Acquisition of management buy-out		**–**	(41,3)
Proceeds from sale of property, plant and equipment and intangible assets		**32,3**	40,4
Proceeds from disposal of businesses	14	**41,7**	–
Net cash outflows from investing activities		**(868,4)**	(3 796,4)
Cash flows from financing activities			
Shares purchased in terms of share incentive schemes		**(274,3)**	(231,6)
Proceeds on issue of share capital		**–**	2 473,0
Proceeds from sale of shares in terms of share incentive schemes		**46,7**	91,7
(Decrease) increase in interest-bearing debt		**(319,2)**	1 067,9
Net cash (outflows) inflows from financing activities		**(546,8)**	3 401,0
Net (decrease) increase in cash and cash equivalents during the year		**(174,9)**	461,1
Cash and cash equivalents at the beginning of the year		**1 206,1**	878,5
Cash held in non-controlling interest		**(6,4)**	–
Effect of exchange rate fluctuations on cash held		**86,2**	(133,5)
Cash and cash equivalents at the end of the year		**1 111,0**	1 206,1

* *Refer to note 15 for the impact of the changes in accounting policies.*

SUMMARY CONSOLIDATED SEGMENTAL ANALYSIS

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

2019	TFG Africa retail*** Rm	Credit*** Rm	TFG London Rm	TFG Australia Rm	Total Rm
External revenue	22 588,6	487,6	7 345,8	4 942,2	35 364,2
External interest income	15,7	1 748,3	–	–	1 764,0
Total revenue**	22 604,3	2 235,9	7 345,8	4 942,2	37 128,2
External finance costs	(678,6)		(55,1)	(16,2)	(749,9)
Depreciation and amortisation	(557,9)		(185,0)	(101,2)	(844,1)
Impairment	(66,8)		(12,5)		(79,3)
Group profit before tax					3 577,9
Segmental profit before tax	2 326,5	713,7	205,9	421,7	3 667,8
Reconciling items to Group profit before tax					
Foreign exchange transactions					10,0
Share-based payments					(87,3)
Operating lease liability adjustments					(12,6)

2018	Restated* TFG Africa retail*** Rm	Restated Credit*** Rm	TFG London Rm	TFG Australia Rm	Restated* Total Rm
External revenue	20 861,5	364,2	5 348,9	3 132,6	29 707,2
External interest income	47,3	1 707,8	–	0,7	1 755,8
Total revenue**	20 908,8	2 072,0	5 348,9	3 133,3	31 463,0
External finance costs	(617,1)		(66,5)	(13,0)	(696,6)
Depreciation and amortisation	(510,2)		(132,2)	(103,1)	(745,5)
Group profit before tax					3 350,5
Segmental profit before tax	2 378,9	731,6	202,1	253,1	3 565,7
Reconciling items to Group profit before tax					
Foreign exchange transactions					(13,2)
Share-based payments					(155,0)
Operating lease liability adjustments					(47,0)

* *Refer to note 15 for the impact of the changes in accounting policies.*

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

*** *The chief operating decision-maker assessed the Group's current operating segments and concluded that the value-added services and central and shared services segments would be allocated to TFG Africa as this better reflects the current operating segments within the Group. In addition, certain costs were reallocated between Credit and TFG Africa. The comparable prior year's information has been restated accordingly.*

SELECTED EXPLANATORY NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES

1. Basis of preparation

The summary consolidated financial statements for the year ended 31 March 2019 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, IAS 34: *Interim Financial Reporting* and the requirements of the Companies Act of South Africa, No. 71 of 2008, as amended. The accounting policies and methods of computation applied in the preparation of these summary consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements except as noted otherwise.

The summary consolidated financial statements comprise a summary of the audited consolidated annual financial statements of the Group for the year ended 31 March 2019. The consolidated annual financial statements of the Group for the year ended 31 March 2019 have been audited by Deloitte & Touche, in compliance with the applicable requirements of the Companies Act of South Africa. The preparation of the consolidated annual financial statements of the Group was supervised by Bongiwe Ntuli, CA(SA). The summary consolidated financial statements have not been audited, but have been extracted from the audited consolidated annual financial statements. The directors of the Group take full responsibility for the summary consolidated financial statements and ensuring the financial information is correctly extracted from the underlying audited consolidated annual financial statements. A copy of the full audited consolidated annual financial statements and the unmodified auditor's report thereon is available on www.tfglimited.co.za or may be requested from the company secretary at Stanley Lewis Centre, 340 Voortrekker Road, Parow East during business hours.

2. During the year, the Group adopted the following revised accounting standards:

- IFRS 15 *Revenue from Contracts with Customers*
- IFRS 9 *Financial Instruments*

Refer to note 15 for the impact of the changes in accounting policies.

3. These summary consolidated financial statements incorporate the consolidated financial statements of the company, all its subsidiaries and all entities over which it has operational and financial control.

	2019 Rm	Restated* 2018 Rm
4. Inventory		
Inventory at year-end	**7 680,9**	6 900,6
Inventory write-downs included above	**316,7**	260,2

	Note	2019 Rm	Restated* 2018 Rm
5. Revenue			
Retail turnover		**34 101,4**	28 519,5
Interest income	6	**1 764,0**	1 755,8
Other income	7	**1 262,8**	1 187,7
		37 128,2	31 463,0

* *Refer to note 15 for the impact of the changes in accounting policies.*

		2019 Rm	2018 Rm
6.	**Interest income**		
	Trade receivables – retail	**1 748,3**	1 707,8
	Sundry	**15,7**	48,0
		1 764,0	1 755,8

		2019 Rm	2018 Rm
7.	**Other income**		
	Value-added services	**754,6**	806,6
	Collection cost recovery	**487,6**	364,2
	Sundry income	**20,6**	16,9
		1 262,8	1 187,7

		2019 Rm	2018^ Rm
8.	**Trading expenses**		
	Depreciation and amortisation	**(844,1)**	(745,5)
	Employee costs	**(6 181,0)**	(4 948,0)
	Occupancy costs	**(4 141,6)**	(3 411,5)
	Other operating costs	**(4 820,1)**	(3 836,5)
		(15 986,8)	(12 941,5)

^ *Due to the adoption of IFRS 9, the net bad debt line item is now presented on the face of the consolidated income statement for better comparability.*

		2019 Rm	Restated* 2018 Rm
9.	**Operating profit before working capital changes**		
	Profit before tax	**3 577,9**	3 350,5
	Finance costs	**749,9**	696,6
	Operating profit before finance costs	**4 327,8**	4 047,1
	Adjustments for:		
	Interest income – sundry	**(15,7)**	(48,0)
	Non-cash items	**1 108,7**	1 030,6
	Depreciation and amortisation	**844,1**	745,5
	Operating lease liability adjustments	**12,6**	47,0
	Share-based payments	**87,3**	155,0
	Post-retirement defined benefit medical aid movement	**18,0**	16,9
	Employee related provisions	**21,0**	–
	Foreign currency translation reserve movements	**(10,0)**	13,2
	Cash-settled share incentive scheme	**–**	0,1
	Profit on disposal of non-controlling interest	**(1,4)**	–
	Loss on disposal of business	**23,8**	–
	Loss on disposal and impairment of property, plant and equipment and intangible assets	**123,4**	54,4
	Profit on disposal of property, plant and equipment and intangible assets	**(10,1)**	(1,5)
		5 420,8	5 029,7

* *Refer to note 15 for the impact of the changes in accounting policies.*

	2019 Rm	Restated* 2018 Rm
10. Reconciliation of profit for the year to headline earnings		
Profit for the year attributable to equity holders of The Foschini Group Limited	**2 638,4**	2 406,9
Adjusted for:		
Profit on disposal of non-controlling interest	**(1,4)**	–
Loss on disposal of business	**23,8**	–
Loss on disposal and impairment of property, plant and equipment and intangible assets	**123,4**	54,4
Profit on disposal of property, plant and equipment and intangible assets	**(10,1)**	(1,5)
Headline earnings before tax	**2 774,1**	2 459,8
Tax on headline earnings adjustments	**(30,7)**	(11,0)
Headline earnings	**2 743,4**	2 448,8
Acquisition costs	**–**	79,4
Headline earnings excluding acquisition costs**	**2 743,4**	2 528,2

	2019	2018
Net number of ordinary shares in issue (millions)	**231,3**	231,3
Weighted average number of ordinary shares in issue (millions)	**231,1**	224,9

Earnings per ordinary share (cents)	2019	Restated* 2018
Total		
Basic	**1 141,7**	1 070,2
Headline	**1 187,1**	1 088,8
Diluted (basic)	**1 131,3**	1 060,0
Diluted (headline)	**1 176,3**	1 078,4
Total (excluding acquisition costs)**		
Basic	**1 141,7**	1 105,5
Headline	**1 187,1**	1 124,1
Diluted (basic)	**1 131,3**	1 094,9
Diluted (headline)	**1 176,3**	1 113,4

* *Refer to note 15 for the impact of the changes in accounting policies.*

** *Headline earnings excluding acquisition costs is calculated to remove the impact of the prior year's acquisition costs of the RAG, G-star RAW and Hobbs acquisitions as well as the TFG London management buy-out.*

This pro forma financial information has been prepared for illustrative purposes only to provide information on the headline earnings excluding acquisition costs per share. Because of its nature, the pro forma financial information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows. There are no events subsequent to the reporting date which require adjustment to the pro forma information. The directors are responsible for compiling the pro forma financial information in accordance with the JSE Limited Listings Requirements and in compliance with the SAICA Guide on Pro Forma Financial Information. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ended 31 March 2018. The pro forma information should be read in conjunction with the unmodified Deloitte & Touche independent reporting accountants' report thereon dated 23 May 2018, which is available for inspection at the company's registered offices, at no charge, during normal business hours.

11. Related parties

The Group entered into related party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the Group's annual financial statements for the year ended 31 March 2018.

12. Subsequent events

The directors have declared a gross final ordinary dividend of 450,0 cents per ordinary share from income reserves, for the period ended 31 March 2019. No further significant events took place between the year ended 31 March 2019 and date of issue of this report.

13. Changes to directors

During the year, the following changes took place:

- Doug Murray stepped down as CEO on 3 September 2018 and retired from the Group at the end of September 2018.
- Anthony Thunström, previously the CFO of the Group, assumed the position of CEO on 3 September 2018.
- Bongiwe Ntuli was appointed as CFO and executive director of the Group with effect from 14 January 2019.

14. Disposals during the year

The assets of the G-Star RAW franchise stores in Australia were disposed of effective 6 December 2018 for a purchase consideration of AUD11,1 million (R111,2 million). The purchase consideration will be repaid over a 3 year period. In the current year, AUD3,8 million (R38,2 million) of the purchase consideration was received. The loss on disposal raised amounted to AUD2,4 million (R23,8 million) and is reflected in trading expenses in the current year.

In the current year, the Group disposed of Pienaar Sithole and Associates Proprietary Limited for a consideration of R3,5 million.

15. Change in accounting policies

15.1 IFRS 15 ***Revenue from Contracts with Customers***

During the current year, the Group has adopted IFRS 15. This standard applies specific rules whereby the timing of cash payments specified in a contract are different to the transfer of control of the related goods to the customer, thus changing when the related revenue is recognised.

IFRS 15 *Revenue from Contracts with Customers* replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts*. It is a single, comprehensive revenue recognition model for all contracts with customers and has the objective of achieving greater consistency in the recognition and presentation of revenue.

In terms of the new standard, revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods transfers to a customer.

The Group previously accounted for lay-by revenue on the initiation of the contract. With the adoption of IFRS 15, the Group now accounts for the revenue once the contract is concluded and risks and rewards have been transferred to the customer. Upon receipt of final payment from the customer, control of the goods will transfer to the customer and the sale will be concluded. On conclusion, the full revenue will be recognised by the Group at this point in time.

The Group has adopted this standard fully retrospectively as at the start of the earliest period presented, as is permitted in the transitional arrangements. The change in accounting policy has therefore resulted in a restatement of the comparative figures on the statement of financial position, income statement, statement of changes in equity and cash flow statement.

Refer to the details on the following page for a summary of the effect of this change in the IFRS 15 accounting policy.

15. Change in accounting policies (continued)

15.1 IFRS 15 *Revenue from Contracts with Customers* (continued)

	31 March 2017 Rm	IFRS 15 Rm	Restated 31 March 2017 Rm
Consolidated statement of financial position			
Non-current assets			
Deferred taxation asset	483,6	31,8	515,4
Current assets			
Inventory	5 511,2	92,6	5 603,8
Trade receivables – retail	7 000,7	(157,4)	6 843,3
Equity			
Total equity	10 519,5	(118,4)	10 401,1
Current liabilities			
Trade and other payables	2 751,3	85,4	2 836,7

	31 March 2018 Rm	IFRS 15 Rm	Restated 31 March 2018 Rm
Consolidated statement of financial position			
Non-current assets			
Deferred taxation asset	620,6	43,0	663,6
Current assets			
Inventory	6 773,6	127,0	6 900,6
Trade receivables – retail	7 573,8	(200,2)	7 373,6
Equity			
Total equity	13 272,3	(146,3)	13 126,0
Current liabilities			
Trade and other payables	3 608,2	116,1	3 724,3
Consolidated income statement			
Retail turnover	28 593,0	(73,5)	28 519,5
Cost of turnover	(13 591,9)	34,4	(13 557,5)
Income tax expense	(953,5)	11,2	(942,3)
Consolidated cash flow statement			
Operating cash flows before working capital changes	5 068,8	(39,1)	5 029,7
Increase in working capital	(976,3)	39,1	(937,2)

15. Change in accounting policies (continued)

15.2 IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* (IFRS 9) was issued in July 2014 and has replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The standard is effective from 1 January 2018 and was implemented by the Group from 1 April 2018. This standard incorporates amendments to the classification and measurement of financial instruments, hedge accounting guidance and the accounting requirements for the impairment of financial assets measured at amortised cost and fair value through other comprehensive income (OCI).

Adoption of IFRS 9

As permitted by IFRS 9, the Group has elected not to restate its comparative financial statements. IFRS 9 has been retrospectively adopted on 1 April 2018 with an adjustment to the Group's opening 1 April 2018 retained earnings. Comparability will therefore not be achieved due to the fact that the comparative financial information has been prepared in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39).

Classification and measurement

IFRS 9 requires all financial assets to be classified and measured on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Management have assessed the business models which apply to the financial assets held by the Group and the financial instruments have been classified into the appropriate IFRS 9 categories.

Trade receivables – retail, other receivables and prepayments and concession receivables satisfy the conditions for classification at amortised cost and hence there is no change to the classification and measurement of these assets. There has been no change to the classification of the Group's financial liabilities which are classified and measured at amortised cost.

Measurement of Expected Credit Losses (ECLs)

Impairments in terms of IFRS 9 are determined based on an ECL model, as opposed to an incurred loss model applied in terms of IAS 39. The ECL model applies to all financial assets measured at amortised cost. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group. The Group measures ECLs using probability of write-off, exposure at write-off, timing of when write-off is likely to occur and loss given write-off. These components are multiplied together and adjusted for the likelihood of write-off. For variable rate financial instruments, the ECLs are discounted using the current effective interest rate applicable to the portfolio of financial assets. For fixed rate financial instruments, the ECLs are discounted using the original effective interest rate applicable to the portfolio of financial assets.

The Group has adopted the simplified approach which recognises lifetime ECLs regardless of stage classification. Trade receivables – retail account customer balances can move in both directions through the stages of the impairment model.

At each reporting date the Group assesses whether financial assets carried at amortised cost are credit-impaired and therefore classified as stage 3. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group's definition of credit-impaired is aligned to our internal definition of default. IFRS 9 does not define default. The Group has adopted the rebuttable presumption that default is evident where a trade receivables – retail account customer is in arrears for more than 90 days based on contractual payment requirements.

When a financial asset is classified as stage 3 impaired, interest income is calculated on the impaired value (gross carrying amount less impairment allowance) based on the original effective interest rate. The contractual interest income on the gross carrying amount of the financial asset is suspended and is only recognised in interest income when the financial asset is reclassified out of stage 3.

No provision is made and held against trade receivables – retail unutilised facilities based on the fact that the facility does not meet the definition of a loan commitment, given that the Group can refuse or limit future purchases at any point.

15. Change in accounting policies (continued)

15.2 IFRS 9 *Financial Instruments* (continued)

Forward-looking information

The calculation of the ECLs incorporates forward-looking information that can be sourced without undue cost or effort and which is deemed to be reasonable and supportable. This forward-looking view includes:

- Information based on expected future macroeconomic conditions;
- Potential impacts based on industry specific challenges, including but not limited to existing or potential legislative changes; and
- Expert management judgement.

Significant judgement and estimates are applied in the process of incorporating forward-looking information into the ECLs calculation.

The following approach is followed to assess forward-looking information via a formally mandated governance committee. This entails:

- Use of third-party economic reports and forecasts;
- Upside and downside scenarios based on alternative macroeconomic conditions which will be compared to our base scenario and will be probability-weighted based on our best estimate of their relative likelihood; and
- A governance process to approve the probability-weighting and scenarios used.

Write-off policy

The Group writes off its trade receivables – retail and concession receivables when it has no reasonable expectations of recovering the receivable in its entirety, or a portion thereof. The Group utilises both an in-house collection department and external collection specialists in an effort to recover outstanding amounts. Trade receivables – retail are written off where the trade receivables – retail account customer has not made a qualifying payment for 6 months.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, and the amortised cost is presented on the face of the statement of financial position.

Impact on the financial statements

The following table sets out the impact of the changes in accounting policies and retrospective adjustments made for each individual line item affected on the financial statements for IFRS 15 and the retrospective impact of IFRS 9 recognised in the opening statement of financial position on 1 April 2018. IFRS 9 was adopted without restating comparative information and the impact is not reflected in the restated comparatives.

	31 March 2018 Rm	IFRS 15* Rm	Restated 31 March 2018 Rm	IFRS 9 Rm	1 April 2018 Rm
Consolidated statement of financial position					
Non-current assets					
Deferred taxation asset	620,6	43,0	663,6	176,0	839,6
Current assets					
Trade receivables – retail	7 573,8	(200,2)	7 373,6	(542,5)	6 831,1
Concession receivables	296,8	–	296,8	(150,9)	145,9
Equity					
Total equity	13 272,3	(146,3)	13 126,0	(517,4)	12 608,6

* *Refer to note 15.1 for the impact of the IFRS 15 change in accounting policy.*

SHAREHOLDERS' CALENDAR

KEY DATES

Financial year end	31 March 2019
Integrated report publication date	12 July 2019
Annual general meeting (82nd)	3 September 2019
Interim profit announcement (2020)	7 November 2019

UPCOMING DISTRIBUTION PAYMENTS

Ordinary	
– final 2019	July 2019
– interim 2020	January 2020
Preference	
– interim 2020	September 2019
– final 2020	March 2020

COMPANY INFORMATION

THE FOSCHINI GROUP LIMITED
Registration number 1937/009504/06
JSE codes: TFG – TFGP
ISIN: ZAE000148466 – ZAE000148516

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South Africa

HEAD OFFICE
Stanley Lewis Centre
340 Voortrekker Road
Parow East 7500
South Africa
Telephone +27(0) 21 938 1911

COMPANY SECRETARY
D van Rooyen, BAcc (Hons), CA(SA)
Stanley Lewis Centre
340 Voortrekker Road
Parow East 7500
South Africa
PO Box 6020, Parow East 7501
South Africa

SPONSOR
UBS South Africa Proprietary Limited
64 Wierda Road East, Wierda Valley
Sandton 2196
South Africa

AUDITORS
Deloitte & Touche

ATTORNEYS
Edward Nathan Sonnenbergs Inc.

PRINCIPAL BANKER
FirstRand Bank Limited

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
Telephone +27(0) 11 370 5000

UNITED STATES ADR DEPOSITARY
The Bank of New York Mellon
620 Avenue of the Americas
New York, NY 10011

WEBSITE
www.tfglimited.co.za

APPLICATION TO PARTICIPATE ELECTRONICALLY IN THE AGM

THE FOSCHINI GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1937/009504/06
Share codes: TFG – TFGP
(ISIN: ZAE000148466 – ZAE000148516)

Shareholders or their duly appointed proxy(ies) (participants) who wish to participate in the annual general meeting via electronic communication, being via teleconference, must apply to the company's transfer secretaries using this form.

Participants are advised that they will not be able to vote during the meeting. Participants, should they wish to have their vote counted at the meeting, must act in accordance with the general instructions contained on pages 7 to 8 of this notice.

Shareholders must take note of the following:

- A limited number of telecommunication lines will be available.
- Each participant will be contacted between 09h00 and 11h00 on Tuesday, 3 September 2019 via email and/or SMS. Participants will be provided with a code and the relevant telephone number to allow them to dial in.
- The cost of the shareholder's phone call will be for his/her own expense.
- The cut-off time for dialling in on the day of the meeting will be at 12h10 on Tuesday, 3 September 2019, and no late dial-in will be possible.

To be returned to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107) as soon as possible and to be received by no later than 12h15 on Friday, 23 August 2019.

Full name of shareholder	
ID number of shareholder	
Email address	
Cellphone number	
Telephone number (including dialling code from South Africa)	
Name of CSDP/broker (if shares are in dematerialised form)	
Contact number of CSDP/broker	
Contact person at CSDP/broker	
Number of share certificate (if applicable)	
Signature of shareholder	
Date	

Please take note of the terms and conditions overleaf.

Terms and conditions for participation in the annual general meeting via electronic communication

1. The cost of dialling in using a telecommunication line to participate in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own telephone service provider.
2. The shareholder/participant acknowledges that the telecommunication lines are provided by a third party and indemnifies TFG against any loss, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines whether or not the problem is caused by any act or omission on the part of the shareholder/participant or anyone else.
3. Shareholders who wish to participate in the meeting by dialling in must note that they will not be able to vote during the meeting. Such shareholders, should they wish to have their votes counted at the meeting, must act in accordance with the general instructions contained in this notice of annual general meeting by:

   (a) completing the form of proxy; or

   (b) contacting their CSDP/broker.
4. The application will only be successful if this application form has been completed in full and signed by the shareholder/proxy, and the terms and conditions have been complied with.

FORM OF PROXY

THE FOSCHINI GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1937/009504/06
Share codes: TFG – TFGP
(ISIN: ZAE000148466 – ZAE000148516)

To be returned to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107) as soon as possible and should (but is not required to) be received by no later than 12h15 on Monday, 2 September 2019.

FORM OF PROXY (NB FOR USE ONLY BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS)

ANNUAL GENERAL MEETING: TUESDAY, 3 SEPTEMBER 2019

I/We (full names) ____________________

of (address) ____________________

Tel (home): ____________________Cell: ____________________Email: ____________________

being a shareholder(s) of The Foschini Group Limited and entitled to ____________________ votes (ONE PER SHARE HELD)

hereby appoint ____________________

or failing him/her ____________________

or failing him/her the Chairperson of the meeting as my/our proxy to act for me/us at the annual general meeting of the company to be held at 12h15 on Tuesday, 3 September 2019, at Stanley Lewis Centre, 340 Voortrekker Road, Parow East and at any adjournment thereof as follows:

		Insert X in appropriate block		
		For	Against	Abstain
Ordinary resolution no. 1	Presentation of annual financial statements			
Ordinary resolution no. 2	Reappointment of external auditors			
Ordinary resolution no. 3	Re-election of Prof F Abrahams as a director			
Ordinary resolution no. 4	Re-election of Mr M Lewis as a director			
Ordinary resolution no. 5	Re-election of Mr S E Abrahams as a director			
Ordinary resolution no. 6	Re-election of Ms B Ntuli as a director			
Ordinary resolution no. 7	Election of Mr S E Abrahams as a member of the Audit Committee			
Ordinary resolution no. 8	Election of Ms B L M Makgabo-Fiskerstrand as a member of the Audit Committee			
Ordinary resolution no. 9	Election of Mr E Oblowitz as a member of the Audit Committee			
Ordinary resolution no. 10	Election of Ms N V Simamane as a member of the Audit Committee			
Ordinary resolution no. 11	Election of Mr D Friedland as a member of the Audit Committee			
Ordinary resolution no. 12	Election of Prof F Abrahams as a member of the Audit Committee			
Ordinary resolution no. 13	Non-binding advisory vote on remuneration policy			
Ordinary resolution no. 14	Non-binding advisory vote on remuneration implementation report			
Special resolution no. 1	Non-executive director remuneration			
Special resolution no. 2	General authority to acquire TFG shares			
Special resolution no. 3	Financial assistance			
Ordinary resolution no. 15	General authority of directors			

Signed this ____________________ day of ____________________ 2019

Signature ____________________

Assisted by (where applicable) ____________________

Please read the notes on the reverse side of this proxy form.

NOTES

1. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, the Chairperson shall be deemed to be appointed as the proxy.

2. Unless otherwise instructed above, a proxy is entitled to vote as he/she thinks fit.

3. A proxy appointed by a shareholder to attend, speak and vote in his/her stead need not also be a shareholder of the company.

4. In order to be effective, this proxy form and the power of attorney or other authority (if any) under which it is signed, should be RECEIVED by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, not less than twenty-four (24) hours before the time appointed for the holding of the meeting or any adjournment thereof, as the case may be, at which the proxy proposes to vote, excluding Saturdays, Sundays and South African public holidays. Any forms of proxy not lodged by this time may be handed to the Chairperson of the annual general meeting immediately prior to its commencement.

5. Any alteration or correction made to this proxy form must be initialled by the signatory(ies), but may not be accepted by the Chairperson.

6. If you hold shares in certificated form (i.e. you have not dematerialised your shares) or are registered as an own-name dematerialised shareholder, you may attend and vote at this meeting; alternatively, you may appoint a proxy to represent you at the meeting by completing the attached form of proxy and lodging it with the transfer secretaries of the company to be RECEIVED at least 24 hours before the time of the meeting, excluding Saturdays, Sundays and South African public holidays. Any forms of proxy not lodged by this time may be handed to the Chairperson of the annual general meeting immediately prior to its commencement.

7. If you have dematerialised your shares and are not registered as an own-name dematerialised shareholder (in other words, you have specifically instructed your CSDP not to hold your shares in your own name on TFG's uncertificated securities register), then subject to the custody agreement between yourself and your CSDP or broker:

   - If you wish to attend the meeting you must contact your CSDP or broker and obtain the relevant letter of representation from it; or
   - If you are unable to attend the meeting but wish to be represented at the meeting, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the meeting. You must NOT complete the attached form of proxy. The instructions must be provided in accordance with the custody agreement between you and your CSDP or broker within the time period required by your CSDP or broker.

8. Brokers or their nominees recorded in the company's register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company may vote by either appointing a duly authorised representative to attend and vote at the meeting or by completing the attached form of proxy in accordance with the instructions thereon, which must be RECEIVED by the transfer secretaries of the company at least 24 hours before the time of the meeting, excluding Saturdays, Sundays and South African public holidays.


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