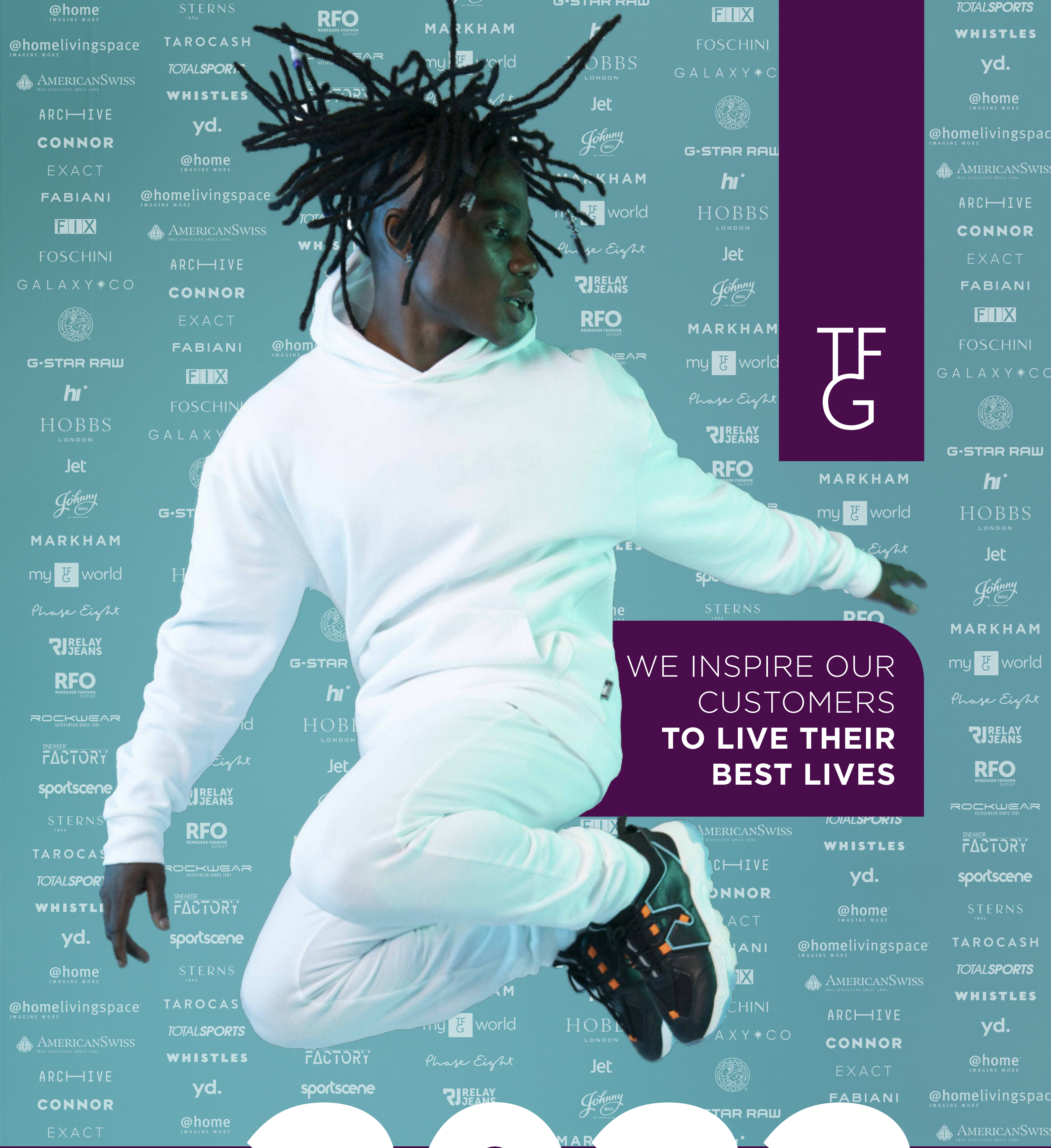

WE INSPIRE OUR CUSTOMERS **TO LIVE THEIR BEST LIVES**

2022

REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED

SALIENT FEATURES

RECORD GROUP REVENUE

+29,7%

RECORD GROUP REVENUE UP 29,7% TO R46,2 BILLION

HEADLINE EARNINGS PER SHARE

+409,9%

HEADLINE EARNINGS PER SHARE OF 1 009,0 CENTS, UP 409,9% (MARCH 2021: 197,9 CENTS PER SHARE)

GROUP RETAIL TURNOVER

+31,6%

STRONG GROWTH IN GROUP RETAIL TURNOVER TO R43,4 BILLION (UP 31,6%) WITH ALL TERRITORIES PERFORMING ABOVE EXPECTATION

BASIC EARNINGS PER SHARE

+246,9%

BASIC EARNINGS PER SHARE OF 901,9 CENTS, UP 246,9% (MARCH 2021: LOSS OF 614,0 CENTS PER SHARE)

GROUP ONLINE RETAIL TURNOVER

+11,7%

GROUP ONLINE RETAIL TURNOVER GROWTH OF 11,7% TO R4,4 BILLION, CONTRIBUTING 10,2% TO TOTAL GROUP RETAIL TURNOVER

OPERATING PROFIT

R4,8 billion

OPERATING PROFIT BEFORE FINANCE COSTS OF R4,8 BILLION (MARCH 2021: LOSS OF R719,2 MILLION)

GROSS MARGIN

48,5%

GROSS MARGIN EXPANDED STRONGLY TO 48,5% (MARCH 2021: 45,5%) AS A RESULT OF AN INCREASING PROPORTION OF FULL PRICE SALES AND LOWER INVENTORY MARKDOWNS DUE TO STRONG CONSUMER DEMAND FOR OUR PRODUCTS AND AN INCREASINGLY EFFICIENT, LOCALISED SUPPLY CHAIN SUPPORTING TFG AFRICA

CONTINUED STRONG CASH GENERATION

R8,2 billion

CONTINUED STRONG CASH GENERATION FROM OPERATIONS OF R8,2 BILLION

CONTINUED INVESTMENT IN GROWTH

Over 300 store openings

CONTINUED INVESTMENT IN GROWTH THROUGH ORGANIC INVESTMENTS (INCLUDING OVER 300 STORE OPENINGS FOR THE GROUP IN FY2022), AN INCREASE IN OMNICHANNEL PENETRATION AND INVESTMENT IN ALL TERRITORIES AND THE EXPANSION OF QUICK RESPONSE LOCAL MANUFACTURING CAPACITY IN AFRICA THROUGH STRATEGIC ACQUISITIONS, AS PREVIOUSLY ANNOUNCED

NET DEBT

R1,0 billion

NET DEBT (PRE-IFRS 16) OF R1,0 BILLION* AT HISTORIC LOW LEVELS (MARCH 2021 PRE-IFRS 16: R1,3 BILLION). GROSS DEBT PRE-IFRS 16 TO PRE-IFRS 16 ADJUSTED EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) RATIO REDUCED TO 1.3**

FINAL DIVIDEND

FINAL DIVIDEND OF 330 CENTS PER SHARE DECLARED. AN INTERIM DIVIDEND OF 170 CENTS WAS DECLARED AT HALF YEAR WHILE NO DIVIDEND WAS DECLARED IN THE 2021 FINANCIAL YEAR

* *Pro forma information used to calculate net debt pre-IFRS 16.*

** *Pro forma information used to calculate gross debt pre-IFRS 16 to pre-IFRS 16 adjusted EBITDA ratio.*

COMMENTARY

STRONG PERFORMANCE WITH SIGNIFICANT MARKET SHARE GAINS AND INCREASED PROFITABILITY

The Group delivered a robust post-COVID-19 recovery during the past financial year. The Group's retail outlets delivered a strong trading performance as economic activity resumed in the wake of reduced restrictions on movement and travel. In South Africa, the restrictions were eased to adjusted Level 1 from 1 October 2021. The restrictions remained at adjusted Level 1 during the fourth quarter and the National State of Disaster was terminated on 4 April 2022. In Australia, the vaccination rate has reached almost 90%, which has led to the easing of restrictions by most state governments. In respect of New South Wales and Victoria, two financially significant states in Australia, stores reopened on 11 October 2021 and 30 October 2021 respectively after severe lockdown restrictions were experienced in the second quarter. On 24 February 2022 the UK Government ended all legal COVID-19 restrictions in England.

As previously announced on SENS, 198 South African stores were looted and damaged to varying degrees by the civil unrest experienced in the KwaZulu-Natal province and parts of the Gauteng province during July 2021. The Group reopened 176 of these stores by the end of May 2022. The remainder of the stores will only reopen from June 2022 onwards and 2 stores will not be reopened. SASRIA payments of R541 million (VAT inclusive) have been received to date, while the Business Interruption claim submitted is expected to be finalised by the insurers by December 2022.

Despite the continued challenging trading environment, the Group continues to invest in growth opportunities. As announced on SENS previously, the Company entered into a sale and purchase agreement to acquire the entire issued share capital of Tapestry Home Brands Proprietary Limited ('Tapestry'). Tapestry is a prominent direct-to-consumer, vertically integrated designer, manufacturer and omnichannel cash retailer of home furnishings serving consumers' living and sleeping needs, targeting the middle to upper LSM markets. The transaction will provide TFG with exposure to new products and categories as well as new customers that will complement the current TFG customer base in existing categories. The transaction is in line with TFG's stated strategy of vertical integration in key product categories, to protect and improve margins, and the continued development of its import substitution and quick response initiatives through expanded local manufacturing capability. The transaction is subject to the fulfilment of a number of conditions precedent, one being approval from the relevant competition authorities and the Takeover Regulation Panel.

FINANCIAL PERFORMANCE

The robust recovery in trading performance for the year ended 31 March 2022 is evident in the Group's retail turnover growing by 31,6% to R43,4 billion, which was above expectation. Group cash retail turnover grew by 33,6% compared to the same period in the previous financial year, contributing 79,9% (FY2021: 78,7%) to total Group retail turnover for the 12 months to 31 March 2022. Group online retail turnover grew by 11,7% (12 months to 31 March 2021: 33,4%) to R4,4 billion for the 12-month period, coming off a high COVID-19 base, contributing 10,2% (FY2021: 12,0%) to total Group retail turnover evidencing the continuing strong online demand for all our brands.

Gross margin for the Group increased to 48,5% as a result of a higher proportion of full price sales and lower markdowns due to the strong demand for the Group's products as well as an increasingly efficient localised, quick response supply chain supporting TFG Africa. Locally and regionally sourced products now contribute 72% of total apparel purchases in TFG Africa on an increasingly quick response basis, leading to increased stock turns and consequently improved stock newness and lower markdowns.

At year-end, trading expenses were 41,4% of retail turnover, the ratio materially down on 2020 pre-COVID-19 levels (March 2020: 44,8%) despite the continued investment in a number of strategic initiatives, which is in line with the growth strategy of the Group. Expense management remains a significant focus area for management teams whilst driving growth and our fit-for-the-future strategy.

Headline earnings per share and basic earnings per share increased by 409,9% and 246,9% respectively. Earnings performance was impacted by the post-COVID-19 recovery, as well as inter alia, by the following non-comparable events:

- The acquisition of certain commercially viable stores and selected assets of Jet in South Africa (effective 25 September 2020) and in Botswana, the Kingdom of Eswatini, Lesotho and Namibia (effective on various dates in December 2020 and January 2021). The inclusion of a bargain purchase gain on acquisition of R709,0 million in the year ended 31 March 2021 specifically affected basic earnings per share and diluted earnings per share;
- The R2,7 billion after tax non-cash impairment of the carrying values of TFG London's goodwill and intangible assets in the year ended 31 March 2021 specifically affected basic earnings per share and diluted earnings per share; and
- The civil unrest experienced in the current period in South Africa in July 2021, as previously reported, where the Group suffered an estimated loss of turnover in excess of R700 million.

STRONG STATEMENT OF FINANCIAL POSITION

The Group generated cash from operations of R8,2 billion for the year ended 31 March 2022 through the strong trading performance and careful management of working capital. This allowed the Group to maintain healthy reduced gearing with net debt (pre-IFRS 16) of R1,0 billion* at the end of 31 March 2022.

Focused working capital management resulted in inventory days decreasing from 169 days to 153 days while stock freshness improved. Gross debtor book growth was 3,6% while credit turnover grew 24,2%.

SEGMENTAL PERFORMANCE UPDATE

TFG Africa's retail turnover growth/(decline) (ZAR) when compared to the same period in the previous financial year in the respective merchandise categories was as follows:

Merchandise category	H1 April to Sept 2021	H2 Oct 2021 to March 2022	FY 2022	FY 2022 Contribution to TFG Africa retail turnover
Clothing	72,2%	20,4%	38,4%	75,1%
Homeware	38,5%	22,6%	29,0%	7,4%
Cosmetics	23,5%	(1,3%)	8,2%	3,2%
Jewellery	49,0%	7,0%	21,3%	4,8%
Cellphones	22,5%	(0,2%)	9,4%	9,5%
Total TFG Africa	59,5%	16,9%	32,3%	100,0%

Cash retail turnover, contributing 71,1% to TFG Africa retail turnover, grew by 35,9% when compared to the same period in the previous financial year. Credit retail turnover grew by 24,2% for the year ended 31 March 2022.

TFG Australia's retail turnover grew by 24,0% (AUD) when compared to the same period in the previous financial year, and now contributes 15,8% to Group retail turnover. Retail turnover in TFG London grew 57,3% (GBP) in the same period and now contributes 14,4% to Group retail turnover.

The retail turnover growth when compared to the same period in the previous financial year in each of our business segments in local currency was as follows:

Business segment	H1 April to Sept 2021	H2 Oct 2021 to March 2022	FY2022	FY 2022 Contribution to Group retail turnover
TFG Africa (ZAR)	59,5%	16,9%	32,3%	69,8%
TFG London (GBP)	65,6%	50,5%	57,3%	14,4%
TFG Australia (AUD)	39,2%	14,5%	24,0%	15,8%
Group (ZAR)	51,8%	19,2%	31,6%	100,0%

* *Pro forma information used to calculate net debt pre-IFRS 16.*

STORE PORTFOLIO

As at 31 March 2022, the Group traded out of 4 351 outlets across 26 countries. During the year, 377 outlets were opened and 310 outlets closed, with outlet movement in the respective business segments as follows:

Outlets	TFG Africa	TFG London	TFG Australia	Group
Opening balance as at 1 April 2021	2 929	801	554	4 284
New outlets	274	62	41	377
Closed outlets	(116)	(175)	(19)	(310)
Closing balance at 31 March 2022	**3 087**	**688**	**576**	**4 351**

The Group continued its focus on space rationalisation and the renegotiation of rentals. Since year-end, TFG Africa has opened a further 98 new outlets.

CREDIT

Given the strong cash turnover growth and the prevailing economic conditions we remain cautiously conservative with our credit lending criteria and the retail debtors' book remains conservatively provided. Average approval rates for new accounts increased to c.25% as customer payments and therefore credit book performance continued to exceed expectations. For the year ended 31 March 2022 credit retail turnover grew by 24,2% compared to the same period in the previous financial year on the back of better than expected payments from our credit customers and continued improvements in the quality of the book. Credit sales now contribute 28,9% (March 2021: 30,7%) to total TFG Africa retail turnover.

The retail net debtors' book of R7,0 billion increased by 5,7% year-on-year. Provisioning levels have been retained given the ongoing pressure on the South African consumer with the total allowance for impairment as a percentage of the debtors' book declining slightly to 19,1% (March 2021: 20,7%).

PRO FORMA INFORMATION

Pro forma information for net debt pre-IFRS 16 and the gross debt pre-IFRS 16 to pre-IFRS 16 adjusted EBITDA ratio is used in this announcement, as these are key metrics within the Group's debt reporting. These key metrics are non-IFRS measures.

This pro forma information is prepared for illustrative purposes and because of its nature, may not be a fair reflection of the Group's results of operations, 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 pro forma net debt pre-IFRS 16 numbers were calculated using reviewed numbers from current and audited numbers from previously published results as follows:

	March 2022 Rm	March 2021 Rm
Total interest-bearing debt	**15 599,1^**	14 344,6^^
Less: Cash and cash equivalents	**5 745,8^**	4 843,2^^
Net debt	**9 853,3**	9 501,4
Less: Lease liabilities	**8 816,0^**	8 186,9^^
Net debt pre-IFRS 16	**1 037,3**	1 314,5

^ *Reviewed.*
^^ *Audited.*

PRO FORMA INFORMATION continued

The pro forma gross debt pre-IFRS 16 to pre-IFRS 16 adjusted EBITDA ratio was calculated using reviewed numbers from current and audited numbers from previously published results as follows:

	March 2022 Rm	March 2021 Rm
Total interest-bearing debt	**15 599,1^**	14 344,6^^
Less: Lease liabilities	**8 816,0^**	8 186,9^^
Gross debt pre-IFRS 16	**6 783,1**	6 157,7

^ *Reviewed.*
^^ *Audited.*

	March 2022 Rm	March 2021 Rm
Operating profit (loss) before finance costs	**4 812,7^**	(719,2)^^
Add: Depreciation and amortisation	**860,6^**	857,6^^
Add: Depreciation on right-of-use assets	**3 453,5^**	3 418,3^^
EBITDA	**9 126,8**	3 556,7
Add: Acquisition costs	**58,8^**	16,8^^
Less: Gain on bargain purchase	**–^**	709,0^^
Add: Impairment of goodwill and brands	**–^**	2 958,1^^
Adjusted EBITDA	**9 185,6**	5 822,6
Less: Occupancy costs lease reversal	**4 027,8^**	4 043,5^^
Less: Profit on termination of leases	**58,3^**	31,1^^
Add: Impairment of right-of-use assets	**118,8^**	239,5^^
Pre-IFRS 16 adjusted EBITDA	**5 218,3**	1 987,5

^ *Reviewed.*
^^ *Audited.*

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 2022.

Deloitte & Touche has issued an unmodified reporting accountants' report on the pro forma financial information, which is available for inspection at the Company's registered office and on the Company's website at https://tfglimited.co.za/investor-information/financial-reports-and-presentations/.

SUPERVISORY BOARD UPDATES

As was announced on SENS on 2 July 2021, Samuel Ellis Abrahams retired from TFG's Supervisory Board at the conclusion of the Company's annual general meeting on 2 September 2021 after twenty-three years of valued service.

OUTLOOK

Macroeconomic conditions in all territories in which we operate are likely to remain constrained. Current shipping disruptions will most likely continue for most of the 2022 calendar year and global inflationary pressures and the rising interest rate environment are both expected to persist.

The Group will however continue to invest in its key strategic initiatives to further strengthen its differentiated business model, which has proven to be resilient and has delivered superior growth in all its operating territories. Further, the Group made progress on the implementation of its key strategic objectives and its speciality brand business portfolio. The Group remains very well positioned for further organic and inorganic growth, supported by a strong Group balance sheet.

Operationally, there will be a continued focus on further improving gross profit margins, expense control, working capital management and disciplined capital allocation.

The Supervisory Board thanks the management teams and employees of each of the business units for leading the Group through the pandemic and the challenging economic environments within which TFG operates.

RESULTS PRESENTATION WEBCAST

A live webcast of the result presentation will be broadcast at 10:00 am (SAS) on 10 June 2022. A registration link for the webcast will be available on the Company's website at www.tfglimited.co.za. The slides for the annual results presentation will be made available on the Company's website prior to the commencement of the webcast. A delayed version of the webcast will be available later the same day.

FINAL ORDINARY CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross cash dividend of 330,0 cents (264,00000 cents net of dividend withholding tax) per ordinary share from profits accrued during the six-month period ended 31 March 2022.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The issued share capital at the declaration date is 331 027 300 ordinary shares.

The salient dates for the ordinary dividend will be as follows:

Publication of declaration data	Friday, 10 June 2022
Last day of trade to receive a dividend	Tuesday, 19 July 2022
Shares commence trading "ex" dividend	Wednesday, 20 July 2022
Record date	Friday, 22 July 2022
Payment date	Monday, 25 July 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 July 2022 and Friday, 22 July 2022, both days inclusive.

PREFERENCE CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a gross cash dividend (no. 171) of 3,25% or 6,5 cents (5,20000 cents net of dividend withholding tax) per preference share for the six-month period ending 30 September 2022.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 200 000 preference shares.

The salient dates for the preference dividend will be as follows:

Publication of declaration data	Friday, 10 June 2022
Last day of trade to receive a dividend	Tuesday, 13 September 2022
Shares commence trading "ex" dividend	Wednesday, 14 September 2022
Record date	Friday, 16 September 2022
Payment date	Monday, 19 September 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 14 September 2022 and Friday, 16 September 2022, both days inclusive.

Signed on behalf of the Supervisory Board.

M Lewis
Chair

A E Thunström
Chief Executive Officer

Cape Town
10 June 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2022 Reviewed Rm	As at 31 March 2021 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**3 209,6**	2 525,0
Goodwill and intangible assets	**6 923,7**	7 301,8
Right-of-use assets	**7 643,8**	6 967,8
Investment	**136,8**	123,8
Deferred taxation assets	**1 329,0**	1 169,5
	19 242,9	18 087,9
Current assets		
Inventory (note 4)	**9 349,2**	8 331,5
Trade receivables - retail	**7 012,4**	6 636,9
Other receivables and prepayments	**1 767,4**	1 331,3
Concession receivables	**195,0**	39,3
Cash and cash equivalents	**5 745,8**	4 843,2
Taxation receivable	**–**	3,4
	24 069,8	21 185,6
Total assets	**43 312,7**	39 273,5
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**19 137,9**	17 211,0
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	**4 883,7**	3 894,6
Put option liability	**32,6**	45,5
Lease liabilities	**5 449,5**	5 064,6
Deferred taxation liabilities	**839,9**	816,5
Post-retirement defined benefit plan	**221,1**	246,7
	11 426,8	10 067,9
Current liabilities		
Interest-bearing debt	**1 899,4**	2 263,1
Trade and other payables	**7 206,5**	6 382,3
Lease liabilities	**3 366,5**	3 122,3
Taxation payable	**275,6**	226,9
	12 748,0	11 994,6
Total liabilities	**24 174,8**	22 062,5
Total equity and liabilities	**43 312,7**	39 273,5

CONDENSED CONSOLIDATED INCOME STATEMENT

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm	% change
Revenue (note 5)	**46 167,4**	35 585,8	
Retail turnover	**43 370,3**	32 950,3	31,6
Cost of turnover	**(22 343,5)**	(17 960,0)	
Gross profit	**21 026,8**	14 990,3	
Interest income (note 6)	**1 227,0**	1 358,4	
Other income (note 7)	**1 570,1**	1 277,1	
Net bad debt	**(983,8)**	(1 222,4)	
Trading expenses (note 8)	**(17 968,6)**	(14 856,7)	
Operating profit before acquisition costs, gain on bargain purchase and impairment of goodwill and brands	**4 871,5**	1 546,7	215,0
Acquisition costs (note 17)	**(58,8)**	(16,8)	
Gain on bargain purchase	**–**	709,0	
Impairment of goodwill and brands	**–**	(2 958,1)	
Operating profit (loss) before finance costs	**4 812,7**	(719,2)	769,2
Finance costs (note 9)	**(783,8)**	(993,5)	
Profit (loss) before tax	**4 028,9**	(1 712,7)	
Income tax expense	**(1 119,4)**	(149,1)	
Profit (loss) for the year	**2 909,5**	(1 861,8)	
Attributable to:			
Equity holders of The Foschini Group Limited	**2 909,5**	(1 861,8)	

	Year ended 31 March 2022 Reviewed	Year ended 31 March 2021 Audited	% change
Earnings per ordinary share (cents) – (note11)			
Basic	**901,9**	(614,0)	246,9
Diluted (basic)	**894,6**	(611,8)	246,2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Profit (loss) for the year	**2 909,5**	(1 861,8)
Other comprehensive income (loss):		
Items that will never be reclassified to profit or loss		
Actuarial gain on post-retirement defined benefit plan	**43,8**	–
Deferred tax on items that will never be reclassified to profit or loss	**(12,2)**	–
Items that are or may be reclassified to profit or loss		
Movement in effective portion of changes in fair value of cash flow hedges	**(80,9)**	(402,1)
Foreign currency translation reserve movements	**(254,4)**	(281,3)
Deferred tax on items that are or may be reclassified to profit or loss	**22,6**	119,0
Other comprehensive loss for the year, net of tax	**(281,1)**	(564,4)
Total comprehensive income (loss) for the year	**2 628,4**	(2 426,2)
Attributable to:		
Equity holders of The Foschini Group Limited	**2 628,4**	(2 426,2)

SUPPLEMENTARY INFORMATION

	31 March 2022 Reviewed	31 March 2021 Audited
Net number of ordinary shares in issue (millions)	**325,2**	323,4
Weighted average number of ordinary shares in issue (millions)	**322,6**	303,2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of The Foschini Group Limited Rm
Equity at 31 March 2020 – audited	15 942,6
Total comprehensive loss for the year	(2 426,2)
Loss for the year	(1 861,8)
Other comprehensive loss	
Movement in effective portion of changes in fair value of cash flow hedges	(402,1)
Foreign currency translation reserve movements	(281,3)
Deferred tax on movement in other comprehensive income	119,0
Share-based payments reserve movements	220,4
Share capital issued and share premium raised	3 808,3
Proceeds from sale of shares in terms of share incentive schemes	2,9
Shares purchased in terms of share incentive schemes	(337,0)
Equity at 31 March 2021 – audited	17 211,0

	Attributable to equity holders of The Foschini Group Limited Rm
Equity at 31 March 2021 – audited	**17 211,0**
Total comprehensive income for the year	**2 628,4**
Income for the year	**2 909,5**
Other comprehensive loss	
Actuarial gain on post-retirement defined benefit plan	**43,8**
Movement in effective portion of changes in fair value of cash flow hedges	**(80,9)**
Foreign currency translation reserve movements	**(254,4)**
Deferred tax on movement in other comprehensive income	**10,4**
Share-based payments reserve movements	**87,1**
Dividends paid	**(556,0)**
Proceeds from sale of shares in terms of share incentive schemes	**11,8**
Shares purchased in terms of share incentive schemes	**(244,4)**
Equity at 31 March 2022 – reviewed	**19 137,9**

	Year ended 31 March 2022 Reviewed	Year ended 31 March 2021 Audited
Dividend per ordinary share (cents)		
Interim	**170,0**	–
Final	**330,0**	–
Total	**500,0**	–

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 10)	**9 490,6**	6 523,7
(Increase) decrease in working capital	**(1 294,6)**	2 910,5
Cash generated from operations	**8 196,0**	9 434,2
Interest income	**65,1**	105,2
Finance costs (note 9)	**(783,8)**	(993,5)
Taxation paid	**(1 192,1)**	(396,6)
Dividends received	**82,4**	34,8
Dividends paid	**(556,0)**	–
Net cash inflows from operating activities	**5 811,6**	8 184,1
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	**(1 574,0)**	(628,7)
Proceeds from sale of property, plant and equipment and intangible assets	**90,4**	10,8
Acquisitions during the year, net of cash acquired (note 17)	**(220,3)**	(374,1)
Investment in insurance arrangement	**–**	(127,0)
Net cash outflows from investing activities	**(1 703,9)**	(1 119,0)
Cash flows from financing activities		
Shares purchased in terms of share incentive schemes	**(244,4)**	(337,0)
Proceeds from sale of shares in terms of share incentive schemes	**11,8**	2,9
Increase (decrease) in interest-bearing debt	**688,9**	(5 076,4)
Lease liability payments	**(3 536,9)**	(3 491,7)
Net proceeds from rights issue	**–**	3 808,3
Net cash outflows from financing activities	**(3 080,6)**	(5 093,9)
Net increase in cash and cash equivalents during the year	**1 027,1**	1 971,2
Cash and cash equivalents at the beginning of the year	**4 843,2**	2 969,1
Effect of exchange rate fluctuations on cash held	**(124,5)**	(97,1)
Cash and cash equivalents at the end of the year	**5 745,8**	4 843,2

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

Year ended 31 March 2022	TFG Africa retail Reviewed Rm	Credit Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
External revenue	**31 264,1**	**581,0**	**6 253,8**	**6 841,5**	**44 940,4**
External interest income	**65,1**	**1 161,9**	**–**	**–**	**1 227,0**
Total revenue*	**31 329,2**	**1 742,9**	**6 253,8**	**6 841,5**	**46 167,4**
External finance costs	**(213,1)**	**–**	**(75,5)**	**(4,3)**	**(292,9)**
External finance costs on lease liabilities	**(376,7)**	**–**	**(40,7)**	**(73,5)**	**(490,9)**
Depreciation and amortisation	**(641,1)**	**–**	**(94,8)**	**(124,7)**	**(860,6)**
Depreciation on right-of-use assets	**(2 377,6)**	**–**	**(202,1)**	**(873,8)**	**(3 453,5)**
(Impairment) impairment reversal of property, plant and equipment and intangible assets	**(11,2)**	**–**	**41,9**	**(6,6)**	**24,1**
Impairment of right-of-use assets	**(82,9)**	**–**	**(35,9)**	**–**	**(118,8)**
Group profit before tax					**4 028,9**
Segmental profit before tax	**2 665,6**	**174,6**	**372,4**	**816,3**	**4 028,9**

Year ended 31 March 2021	TFG Africa retail Audited Rm	Credit Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited Rm
External revenue	23 619,0	543,9	4 178,9	5 885,6	34 227,4
External interest income	105,2	1 253,2	–	–	1 358,4
Total revenue*	23 724,2	1 797,1	4 178,9	5 885,6	35 585,8
External finance costs	(380,9)	–	(58,1)	(2,7)	(441,7)
External finance costs on lease liabilities	(400,9)	–	(66,3)	(84,6)	(551,8)
Depreciation and amortisation	(596,3)	–	(141,1)	(120,2)	(857,6)
Depreciation on right-of-use assets	(2 073,7)	–	(404,6)	(940,0)	(3 418,3)
Impairment of property, plant and equipment and intangible assets	(29,6)	–	(144,8)	(8,9)	(183,3)
Impairment of right-of-use assets	(31,5)	–	(154,4)	(53,6)	(239,5)
Impairment of trademarks and brands	–	–	(1 253,5)	–	(1 253,5)
Impairment of goodwill	–	–	(1 704,6)	–	(1 704,6)
Group loss before tax					(1 712,7)
Segmental profit (loss) before tax	1 802,0	45,6	(4 235,1)	674,8	(1 712,7)

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

The Group has identified that the Chief Executive Officer (CEO) in conjunction with the Operating Board fulfils the role of the CODM. The Operating Board, as distinct from the Group's Supervisory Board, consists only of executive directors. All operating segments' operating results are reviewed regularly by the CODM to make decisions about the allocation of resources to the operating segment and to assess its performance.

The merchandise category information per segment is presented in the table below:

Year ended 31 March 2022	TFG Africa retail Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
Clothing	22 740,4	6 253,8	6 841,5	35 835,7
Homeware	2 251,2	–	–	2 251,2
Cosmetics	959,8	–	–	959,8
Jewellery	1 449,7	–	–	1 449,7
Cellphones	2 873,9	–	–	2 873,9
Total retail turnover	**30 275,0**	**6 253,8**	**6 841,5**	**43 370,3**

Year ended 31 March 2021	TFG Africa retail Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited Rm
Clothing	16 431,3	4 178,9	5 885,0	26 495,2
Homeware	1 745,6	–	–	1 745,6
Cosmetics	887,4	–	–	887,4
Jewellery	1 194,7	–	0,6	1 195,3
Cellphones	2 626,8	–	–	2 626,8
Total retail turnover	22 885,8	4 178,9	5 885,6	32 950,3

Year ended 31 March 2022	TFG Africa retail Reviewed Rm	Credit Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
Segment revenue					
South Africa	**28 753,2**	**1 703,9**	**–**	**–**	**30 457,1**
Rest of Africa	**1 633,9**	**39,0**	**–**	**–**	**1 672,9**
United Kingdom and Ireland	**–**	**–**	**2 868,3**	**–**	**2 868,3**
Australia	**–**	**–**	**–**	**5 866,7**	**5 866,7**
Rest of the World	**–**	**–**	**559,1**	**341,8**	**900,9**
E-commerce**	**942,1**	**–**	**2 826,4**	**633,0**	**4 401,5**
Total segment revenue*	**31 329,2**	**1 742,9**	**6 253,8**	**6 841,5**	**46 167,4**
Segment non-current assets					
South Africa					**9 312,2**
Rest of Africa					**327,3**
United Kingdom and Ireland					**2 622,9**
Australia					**5 238,3**
Rest of the World					**276,4**
Total segment non-current assets***					**17 777,1**

Year ended 31 March 2021	TFG Africa retail Audited Rm	Credit Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited Rm
Segment revenue					
South Africa	21 763,7	1 755,6	–	–	23 519,3
Rest of Africa	1 162,2	41,5	–	–	1 203,7
United Kingdom and Ireland	–	–	1 069,1	–	1 069,1
Australia	–	–	1,1	5 043,3	5 044,4
Rest of the World	–	–	498,8	310,0	808,8
E-commerce**	798,3	–	2 609,9	532,3	3 940,5
Total segment revenue*	23 724,2	1 797,1	4 178,9	5 885,6	35 585,8
Segment non-current assets					
South Africa					8 102,5
Rest of Africa					330,0
United Kingdom and Ireland					2 982,4
Australia					5 122,4
Rest of the World					257,3
Total segment non-current assets***					16 794,6

* *Includes retail turnover, interest income and other income.*
** *E-commerce sales is revenue earned throughout the world in which the segments operate.*
*** *Non-current assets consist of property, plant and equipment, right-of-use assets, goodwill and intangible assets.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The provisional condensed consolidated financial statements for the year ended 31 March 2022 are prepared in accordance with the framework concepts and the measurement and recognition requirements of the 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 provisional condensed 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. These results were prepared by the TFG Centre of Excellence department acting under supervision of Bongiwe Ntuli CA(SA), CFO of The Foschini Group Limited.

2. During the year, the Group adopted the following accounting standard amendment:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (amendment to IFRS 16)

Refer to note 15 for the impact of the adoption of the amendment to IFRS 16.

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

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
4. Inventory		
Inventory at year-end	**9 349,2**	8 331,5
Inventory losses in the current year amounted to R448,1 million (March 2021: R291,4 million).		
5. Revenue		
Retail turnover	**43 370,3**	32 950,3
Interest income (note 6)	**1 227,0**	1 358,4
Other income (note 7)	**1 570,1**	1 277,1
	46 167,4	35 585,8
Retail turnover consists of:		
Cash sales*	**34 632,7**	25 915,6
Credit sales*	**8 737,6**	7 034,7
	43 370,3	32 950,3
* *Retail turnover included in the revenue disclosed under segmental reporting for TFG Africa retail includes both cash and credit sales. For the TFG London and TFG Australia segments, revenue only includes cash sales.*		
Retail turnover per merchandise category consists of:		
Clothing	**35 835,7**	26 495,2
Homeware	**2 251,2**	1 745,6
Cosmetics	**959,8**	887,4
Jewellery	**1 449,7**	1 195,3
Cellphones	**2 873,9**	2 626,8
	43 370,3	32 950,3
6. Interest income		
Trade receivables – retail	**1 161,9**	1 253,2
Sundry**	**65,1**	105,2
	1 227,0	1 358,4

*** Sundry primarily relates to bank interest income earned.*

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm

7. Other income

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Value-added services	**767,2**	698,7
Collection cost recovery	**581,0**	543,9
Sundry income***	**221,9**	34,5
	1 570,1	1 277,1

**** Refer to note 16 for further information relating to the increase in sundry income.*

8. Trading expenses

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Net occupancy costs^	**(632,5)**	(127,3)
Occupancy costs	**(4 660,3)**	(4 170,8)
Occupancy costs lease reversal	**4 027,8**	4 043,5
Depreciation on right-of-use assets	**(3 453,5)**	(3 418,3)
Depreciation and amortisation	**(860,6)**	(857,6)
Employee costs^^	**(7 366,8)**	(5 816,7)
Other operating costs	**(5 655,2)**	(4 636,8)
	(17 968,6)	(14 856,7)

^ *Net occupancy costs include occupancy costs and occupancy costs lease reversal. Occupancy costs refers to costs associated with the rental of property leases. Occupancy costs lease reversal refers to the costs associated with property leases that are accounted for under the IFRS 16 standard. Included within the occupancy costs line is COVID-19 rent concessions amounting to R32,3 million (March 2021: R469,3 million). Refer to note 15 for further details relating to the COVID-19 rent concessions.*

^^ *Employee costs include COVID-19 government relief of R20,3 million (March 2021: R 767,8 million).*

9. Finance costs

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Finance costs on lease liabilities	**(490,9)**	(551,8)
Interest-bearing debt	**(292,9)**	(441,7)
	(783,8)	(993,5)

10. Operating profit before working capital changes

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Profit (loss) before tax	**4 028,9**	(1 712,7)
Finance costs (note 9)	**783,8**	993,5
Operating profit (loss) before finance costs	**4 812,7**	(719,2)
Interest income – sundry	**(65,1)**	(105,2)
Dividends received	**(82,4)**	(34,8)
Non-cash items	**4 825,4**	7 382,9
Depreciation and amortisation	**880,6**	874,7
Depreciation on right-of-use assets	**3 453,5**	3 418,3
Share-based payments	**87,1**	220,4
Post-retirement defined benefit medical aid movement	**18,1**	18,1
Employee-related provisions	**63,9**	(7,3)
Foreign currency transactions	**(12,5)**	12,1
Hedge ineffectiveness on cash flow hedges	**–**	42,1
Put option liability movement	**(10,8)**	(4,5)
Fair value adjustment	**(13,0)**	3,2
Loss on disposal of property, plant and equipment and intangible assets	**367,9**	165,8
Impairment of property, plant and equipment and intangible assets	**(24,1)**	183,3
Profit on disposal of property, plant and equipment and intangible assets	**(45,8)**	(0,6)
Impairment of right-of-use assets	**118,8**	239,5
Impairment of trademarks and brands	**–**	1 253,5
Impairment of goodwill	**–**	1 704,6
Profit on termination of leases	**(58,3)**	(31,3)
Gain on bargain purchase	**–**	(709,0)
	9 490,6	6 523,7

11. Reconciliation of profit (loss) for the year to headline earnings

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Profit (loss) for the year attributable to equity holders of The Foschini Group Limited	**2 909,5**	(1 861,8)
Adjusted for:		
Loss on disposal of property, plant and equipment and intangible assets	**367,9**	165,8
Impairment of property, plant and equipment and intangible assets	**(24,1)**	183,3
Profit on disposal of property, plant and equipment and intangible assets	**(45,8)**	(0,6)
Impairment of right-of-use assets	**118,8**	239,5
Impairment of trademarks and brands	**–**	1 253,5
Impairment of goodwill	**–**	1 704,6
Gain on bargain purchase	**–**	(709,0)
Change in South African tax rate	**(7,4)**	–
Change in UK tax rate	**49,7**	–
Headline earnings before tax	**3 368,6**	975,3
Tax on headline earnings adjustments	**(113,9)**	(375,2)
Headline earnings	**3 254,7**	600,1

	Year ended 31 March 2022 Reviewed	Year ended 31 March 2021 Audited	% change
Earnings per ordinary share (cents)			
Basic	**901,9**	(614,0)	246,9
Headline	**1 009,0**	197,9	409,9
Diluted (basic)	**894,6**	(611,8)	246,2
Diluted (headline)	**1 000,8**	197,2	407,6

12. Related parties

During the year, 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 2021.

13. Changes to directors

During the year, the following change took place, as was communicated on the Stock Exchange News Service (SENS) on 2 July 2021:

- S E Abrahams retired from the Board of TFG with effect from 2 September 2021, following the conclusion of the Company's annual general meeting.

14. Impairment of property, plant and equipment, right-of-use assets and goodwill and intangibles

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are assessed at an individual store level for indicators of impairment. Stores with indicators of impairment are often marginally profitable and loss-making stores that the Group potentially seeks to close by no later than the next lease renewal date. These stores usually contribute negatively to the future projected cash flows or are not aligned with the Group's expansion strategy. The Group continually assesses the current store base and do not anticipate that these stores will return to profitability in the future until their respective closures. Certain IT assets were written off and impaired due to the new digitalisation strategy in TFG Africa.

14. Impairment of property, plant and equipment, right-of-use assets and goodwill and intangibles continued

Goodwill and intangibles

Indefinite life intangible assets and goodwill are tested at each reporting period for impairment. Prior to the testing of the relevant cash generating units (CGU's) for impairment, the indefinite life brands are individually assessed for impairment. The Group is required to assess the recoverable amount in accordance with IAS 36 Impairment of assets. A detailed assessment is performed with a number of scenarios which have been weighted and stress tested accordingly. The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates, expected changes to gross margin and EBITDA margins. The key assumptions included in the impairment assessments are derived from the weighted average cost of capital (WACC) and applicable royalty rate.

TFG London

No impairment was required as the recoverable amount exceeded the carrying amount.

TFG Australia

No impairment was required as the recoverable amount exceeded the carrying amount.

15. Accounting standard amendment adopted in the current year

The International Accounting Standards Board (IASB) issued a COVID-19-Related Rent Concessions beyond 30 June 2021 (amendment to IFRS 16), which extends the practical relief on COVID-19-related rent concessions.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. The criteria are as follows:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- the reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The practical expedient has been adopted for rent concessions that satisfy the criteria above. Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration and discount rate, with the adjustment to the lease liability resulting in a decrease in the right-of-use asset. By applying the practical expedient, the Group is not required to reassess the lease liability and the effect of the change to the lease liability is reflected in profit or loss in the period in which the rent concession occurs. The impact on profit or loss amounted to R32,3 million (March 2021: R469,3 million) and is accounted for within the occupancy costs line item under trading expenses (note 8).

16. Impact of COVID-19 and riots on financial results and going concern

For the purposes of the current reporting year ended 31 March 2022, management has assessed COVID-19 and related impacts on the Group's operations.

Judgements and estimates applied in the current financial results

The preparation of these financial statements for the Group requires management to make estimates that affect the amounts reported in these financial statements and accompanying notes. Management applies their judgement based on historical evidence, current events and actions that may be undertaken in future. Actual results may ultimately differ from estimates.

Financial performance during the current year:

TFG Africa

TFG Africa's retail turnover increased by 32,3% (ZAR) when compared to the same period in the previous financial year and now contributes 69,8% to Group retail turnover. Cash retail turnover, contributing 71,1% to TFG Africa retail turnover, grew by 35,9% (ZAR) when compared to the same period in the previous financial year. Credit retail turnover grew by 24,2% (ZAR) for the year ended 31 March 2022. Online retail turnover increased by 18,0% (ZAR) and now contributes 3,1% (ZAR) to total TFG Africa retail turnover.

TFG Africa credit

Given the strong cash turnover growth and the prevailing economic conditions we remain cautiously conservative with our credit lending criteria and the retail debtors' book remains conservatively provided. Average approval rates for new accounts increased to c.25,0% as customer payments and therefore credit book performance continued to exceed expectations. For the year ended 31 March 2022 credit retail turnover grew by 24,2% (ZAR) compared to the same period in the previous financial year on the back of better than expected payments from our credit customers and continued improvements in the quality of the book. Credit sales now contribute 28,9% (March 2021: 30,7%) to total TFG Africa retail turnover.

The retail net debtors' book of R7,0 billion increased by 5,7% year-on-year. Provisioning levels have been retained given the ongoing pressure on the South African consumer with the total allowance for impairment as a percentage of the debtors' book declining slightly to 19,1% (March 2021: 20,7%).

16. Impact of COVID-19 on financial results and going concern continued

Financial performance during the current year continued

TFG London

Retail turnover in TFG London grew 57,3% (GBP) in the same period and now contributes 14,4% to Group retail turnover. The remaining lockdown restrictions in England were relaxed from 19 July 2021 and demand for TFG London products has continued to exceed expectation, an indication that consumer confidence and footfall in the UK retail market is recovering. Online retail turnover, increased by 13,8% (GBP) and now contributes 45,2% (GBP) to total TFG London retail turnover.

TFG Australia

TFG Australia's retail turnover grew by 24,0% (AUD) when compared to the same period in the previous financial year, and now contributes 15,8% to Group retail turnover. In TFG Australia, further lockdowns and restrictions impacted the business during the current year. The remaining lockdown restrictions, were specific to the two significant Australian states, New South Wales and Victoria, as well as New Zealand. These restrictions were relaxed for New South Wales on 11 October 2021 as at which stores reopened, while for Victoria, stores reopened from 30 October 2021. Online retail turnover, increased by 26,9% (AUD) and now contributes 9,3% (AUD) to total TFG Australia retail turnover.

Impact of COVID-19 on trade receivables – retail

On Monday the 4th of April 2022, the end of the National State of Disaster in South Africa was announced. This follows 750 days since the declaration of the National State of Disaster on 15 March 2020, which enabled the government to implement the necessary interventions in response to the impact of the COVID-19 pandemic. As at the 2022 financial year reporting date, management does not believe that any residual credit risk remains related to the impact on credit losses due to the COVID-19 pandemic, which would not have been adequately accounted for in the expected credit loss (ECL) model.

Impact of COVID-19 on concession receivables

Concession receivables relates to balances due from stores located in the United Kingdom, Australia and internationally, where concessions are in place. The provision relating to concessions has taken into account the uncertain environment and forward-looking component available at 31 March 2022.

Impact of civil unrest in TFG Africa

TFG Africa was impacted by the week of civil unrest which took place in the KwaZulu-Natal and Gauteng provinces in South Africa during July 2021. 198 South African stores were looted and damaged to varying degrees by the civil unrest experienced. The Group reopened 174 of these stores by the end of March 2022. The majority of these stores have reopened at the date of this report. SASRIA payments of R541 million (VAT inclusive) in relation to damages have been received to date. The Group has raised an receivable of R150 million for the year ended 31 March 2022 to recover for the losses of profit due to the business interruption, which is included within sundry income. The total receivable outstanding as at the end of the current financial year amounts to R230 million.

As the insurance income relating to damages is linked directly to expenses incurred due to the riot, the Group has included both the income and expenses relating to losses within other operating expenses. The Group performed an assessment to identify if the losses related to store assets should be capitalised or treated as repairs and maintenance based on the nature of the damages incurred at a store level. The inventory losses have been included under other operating expenses as the Group determined this to be an abnormal expense in terms of IAS2.38, which is directly linked to the insurance income.

Insurance claims receivable: Significant judgement is required in assessing the virtual certainty of the recoverability of insurance claims receivable resulting from the civil unrest in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Although the Group is adequately insured for loss of assets and business interruption, this assessment was supported by the progression of the discussion with the insurer and their representatives, the payments received to date, market confidence provided regarding their commitment and financial ability of the insurer to settle outstanding claims.

The table below shows the classification of the relevant insurance losses and income incurred in the current financial year:

Description of (loss) income	Loss incurred (Rm)	Insurance income (Rm)	Net Impact (Rm)	Classification
Inventory losses	(332,9)	332,9	–	Other operating costs
PPE losses capitalised*	(28,7)	73,6	44,9	Other operating costs
Repair and maintenance	(135,4)	135,4	–	Other operating costs
Other costs	(6,7)	6,7	–	Other operating costs
Business interruption income	–	150,0	150,0	Sundry income
Net income from insurance claim	(503,7)	698,6	194,9	

* *A profit is realised on damages of property, plant and equipment as insurance income received was at replacement cost.*

16. Impact of COVID-19 on financial results and going concern continued

Financial performance during the current year continued

Impact of COVID-19 on inventory

The Group assessed the inventory provisioning to identify the impact specifically relating to COVID-19. The impact relates to possible markdowns below cost due to end of season stock not sold during the closure periods. The Group has made provision where it is anticipated that stock will be sold under circumstances which require significant discounting. The total inventory provision amounted to R1,2 billion (March 2021: R1,1 billion).

Going concern

The going concern assumption is evaluated based on information available up to the date on which the results are approved for issuance by the Supervisory Board. While there is continuing widespread economic uncertainty regarding the extent of the financial impact of COVID-19 on the segments in which the Group operates, the going concern assumption was considered to be appropriate for the preparation of the Group's results for the year ended 31 March 2022 and management is not aware of material uncertainties related to events or circumstances that may cast significant doubt upon the Group's ability to do so. The Group continues to adapt the business as effectively as possible to deal with the dynamic environment within which we operate and continues to make significant progress in respect of our ongoing cost saving initiatives. In this regard, key considerations included:

- **the Group's outlook regarding trading conditions that will persist into the foreseeable future:** the Group delivered a strong performance for the year ended 31 March 2022, recovering from the unprecedented trading conditions in the year ended 31 March 2021 caused by the COVID-19 pandemic. This performance was achieved despite continued disruptions during the current year, including extended lockdowns in Australia and the civil unrest and resumption of load shedding in South Africa. Group retail turnover grew by 31,6%, supported by continued market share gains, expansion of our footprint and brand portfolio and further growth in online retail turnover;
- **the Group's debt service and covenants requirements:** the Group has complied with its financial covenants for the reporting period. The Group currently has adequate available unutilised facilities in place of R5,9 billion, as well as available cash of R5,7 billion as at 31 March 2022; and
- the Group continues to manage its cash resources through various working capital initiatives and also continues to prioritise cost savings initiatives across all operations.

Management is confident that there is adequate short-term available funding to meet working capital requirements in the normal course of its operations. The Supervisory Board has assessed the solvency and liquidity of the Group and is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

17. Acquisitions during the year

During the year, the Group acquired certain manufacturing assets from House of Monatic Proprietary Limited, Trade Call Investments Apparel Proprietary Limited, Radeen Fashions Proprietary Limited and Hanes South Africa Proprietary Limited for a combined consideration of R21,7 million. The acquisitions align with TFG's strategy to increase both local procurement and local jobs within the industry.

The Group purchased the business, including certain assets and hired employees of Flat Circle, with effect from 1 October 2021 for a consideration of R18,4 million. Flat Circle is a specialist mobile software development agency, which will reinforce the development of TFG's upcoming new digital platform and architecture. This will accelerate our digital transformation efforts towards becoming the leading omni-channel retailer in South Africa. By bringing this capability in-house, this will enable TFG to redefine the customer shopping experience and reshape TFG's omni-channel capabilities.

The Group acquired the iconic brand Granny Goose for a consideration of R13,4 million, effective 1 October 2021. Granny Goose products will be available exclusively to TFG's @home brand giving TFG a competitive advantage in the high quality, premium and duvet sector. As part of the acquisition, the Group also acquired Cotton Traders for a consideration of R45,0 million, which is the manufacturing arm of Granny Goose. The acquisitions resulted in over 235 Granny Goose and Cotton Traders employees joining the Group and represent TFG's long-standing commitment to harness innovation and home-grown talent in South Africa as well as support our overall local manufacturing strategy.

The Group has entered into a partnership with Tyme Bank which will allow an integrated end-to-end service offering into the retail environment, both instore and via digital platforms. TFG currently offers store credit facilities to enable merchandise sales, but this strategic partnership will allow TFG to expand product offerings and make transacting easier to meet customers' changing needs throughout their financial journey.

The Group acquired Quench, with effect from 3 December 2021, for a consideration of R141,8 million. Quench is a premium multilateral digital shopping platform that has developed a new distribution channel in the marketplace. The addition of Quench to TFG's existing portfolio of brands will further position TFG as a leading omni-channel retailer in Africa. The acquisition is expected to give the Group access to fast, reliable delivery across South Africa and to proprietary software and engineering capability that brings a scientific approach to planning, least-cost routing and asset utilisation. The acquisition is a key step to enabling TFG's inclusive economy ambitions and will contribute to the continued growth in TFG's online turnover.

18. Fair value hierarchy of financial assets and liabilities at fair value through profit or loss

	Year ended 31 March 2022 Reviewed Rm	Year ended 31 March 2021 Audited Rm
Level 2		
Forward exchange contracts – liability	**(185,7)**	(106,2)
Insurance cell captive receivables	**278,4**	292,5
Investment in insurance arrangement	**136,8**	123,8
Level 3		
Put option liability	**(32,6)**	(45,5)

Measurement of fair values:

The following valuation techniques were used for measuring level 2 fair values:

Forward exchange contracts

The fair values are based on authorised financial institution quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Insurance cell captive receivables

The insurance cell captive receivables have been valued at its net asset value at the reporting date and approximates fair value.

Investment in insurance arrangement

The insurance arrangement has been valued at its net asset value at the reporting date and approximates fair value.

The following valuation techniques were used for measuring level 3 fair values:

Put option liability

The Group has put/call arrangements with certain joint venture partners which is payable on a basis of 7 times pre-IFRS 16 EBITDA less pre-IFRS 16 net debt. The put/call liability will increase/(decrease) in line with the pre-IFRS 16 EBITDA increase/(decrease) times the multiple less pre-IFRS 16 net debt.

19. Subsequent events

On 4 March 2022, the Company entered into a sale and purchase agreement to acquire the entire issued share capital of Tapestry Home Brands Proprietary Limited ('Tapestry') for a purchase consideration of R2,4 billion. TFG is acquiring the Sale Shares from Westbrooke Investments Proprietary Limited, funds managed by Actis, as well as the current and previous management of Tapestry. The transaction is subject to the fulfilment of a number of conditions precedent, one being approval from the relevant competition authorities and the Takeover Regulation Panel.

The Group was impacted by the recent flooding that occurred in KwaZulu-Natal during the month of April 2022. 36 stores as well as a cloth warehouse located in the province have been damaged to varying degrees. These damages are not considered to be material in the context of the Group's South African operations and all affected stores have since resumed trading. The Group has appropriate insurance cover and has notified its insurers accordingly.

No further significant events took place between the year ended 31 March 2022 and date of issue of this report.

20. Auditor's review report

The condensed consolidated financial statements have been reviewed by the company's auditors, Deloitte & Touche. They have issued an unmodified review conclusion on the condensed consolidated financial statements. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Any reference to future outlook or prospects included in this announcement has not been reviewed or reported on by the company's auditors.

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF THE FOSCHINI GROUP LIMITED

We have reviewed the condensed consolidated financial statements of The Foschini Group Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 31 March 2022 and the condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a provisional report to be 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 and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of The Foschini Group Limited for the year ended 31 March 2022 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

DocuSigned by:
Deloitte & Touche
6D473497B2544EA...

Deloitte & Touche
Registered Auditor

Per: JHW de Kock
Partner

10 June 2022

Unit 11 Ground Floor
La Gratitude
97 Dorp Street
Stellenbosch 7600

COMPANY INFORMATION

Executive directors:	A E Thunström, B Ntuli
Non-executive directors:	M Lewis (Chairman), Prof. F Abrahams, C Coleman, G H Davin, D Friedland, B L M Makgabo-Fiskerstrand, A D Murray, E Oblowitz, N V Simamane, R Stein
Company Secretary:	D van Rooyen
Registered office:	Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa
Tax reference number:	9925/133/71/3P
Registration number:	1937/009504/06
Share codes:	TFG – TFGP
ISIN:	ZAE000148466 – ZAE000148516
Transfer secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa Telephone: +27(0) 11 370 5000
Sponsor:	RAND MERCHANT BANK (a division of FirstRand Bank Limited)
Website:	www.tfglimited.co.za

GREYMATTERFINCH # 16207

@home
IMAGINE MORE

@homelivingspace
IMAGINE MORE

AMERICANSWISS
FINE JEWELLERS SINCE 1896

ARCHIVE

CONNOR

EXACT

FABIANI

FIX

FOSCHINI

GALAXY✷CO

GRANNY GOOSE

G-STAR RAW

hi

HOBBS
LONDON

Jet

Johnny BIGG
BY TAROCASH

MARKHAM

my TFG world

Phase Eight

RJ RELAY JEANS

RFO
RENEGADE FASHION OUTLET

ROCKWEAR
ACTIVEWEAR SINCE 1991

SNEAKER FACTORY

sportscene

STERNS
1896

TAROCASH

TOTALSPORTS

WHISTLES

yd.

WWW.TFGLIMITED.CO.ZA