RETAIL TURNOVER UP
18,5% TO R5,4 BILLION

HEADLINE EARNINGS PER SHARE UP
25,6% TO 341,9 CENTS

INTERIM DIVIDEND UP
37,7% TO 190,0 CENTS
PER SHARE

SUSTAINED
STRONG FINANCIAL POSITION

TFG

THE FOSCHINI GROUP LIMITED (FORMERLY FOSCHINI LIMITED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Sept. 2011 Unaudited Rm	Sept. 2010 Unaudited Rm	March 2011 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**1 208,1**	1 003,0	1 086,9
Goodwill and intangible assets	**36,9**	43,0	37,0
Staff housing loans	**0,6**	0,9	0,7
RCS Group private label card receivables	**256,1**	258,5	320,8
RCS Group loan receivables	**553,9**	493,3	521,7
Participation in export partnerships	**61,7**	70,4	72,5
Deferred taxation asset	**242,2**	162,7	249,9
	2 359,5	2 031,8	2 289,5
Current assets			
Inventory (note 10)	**1 843,3**	1 407,4	1 804,7
Trade receivables – retail	**4 155,8**	3 388,5	3 823,0
RCS Group private label card receivables	**1 930,5**	1 646,6	1 709,4
Other receivables and prepayments	**266,5**	190,8	194,3
RCS Group loan receivables	**394,1**	307,7	336,7
Participation in export partnerships	**11,4**	11,3	6,4
Preference share investment	**200,0**	200,0	200,0
Cash	**468,6**	296,9	338,5
	9 270,2	7 449,2	8 413,0
Total assets	**11 629,7**	9 481,0	10 702,5
EQUITY AND LIABILITIES			
Equity attributable to equity holders of The Foschini Group Limited	**5 763,0**	4 981,3	5 462,9
Non-controlling interest	**513,4**	455,6	485,6
Total equity	**6 276,4**	5 436,9	5 948,5
Non-current liabilities			
Interest-bearing debt	**225,8**	187,4	262,8
RCS Group external funding	**1 010,0**	490,9	491,0
Non-controlling interest loans	**214,4**	120,3	144,3
Operating lease liability	**160,3**	141,1	146,1
Deferred taxation liability	**173,2**	136,3	165,2
Post-retirement defined benefit plan	**91,0**	87,0	91,0
	1 874,7	1 163,0	1 300,4
Current liabilities			
Interest-bearing debt	**1 134,4**	1 135,0	1 246,8
RCS Group external funding	**490,0**	201,1	417,0
Trade and other payables	**1 754,2**	1 499,5	1 710,7
Taxation payable	**100,0**	45,5	79,1
	3 478,6	2 881,1	3 453,6
Total liabilities	**5 353,3**	4 044,1	4 754,0
Total equity and liabilities	**11 629,7**	9 481,0	10 702,5

SUPPLEMENTARY INFORMATION

	Sept. 2011 Unaudited	Sept. 2010 Unaudited	March 2011 Audited
Net ordinary shares in issue (millions)	**204,6**	204,6	205,3
Weighted average ordinary shares in issue (millions)	**204,6**	208,0	206,5
Tangible net asset value per ordinary share (cents)	**2 798,9**	2 413,6	2 642,9

CONDENSED CONSOLIDATED INCOME STATEMENT

	6 months ended 30.09.2011 Unaudited Rm	6 months ended 30.09.2010 Unaudited Rm	% change	Year ended 31.03.2011 Audited Rm
Revenue (note 5)	**6 815,1**	5 758,9		12 370,6
Retail turnover	**5 428,3**	4 581,6	18,5	9 936,5
Cost of turnover (note 6)	**(3 156,0)**	(2 674,0)		(5 768,1)
Gross profit	**2 272,3**	1 907,6		4 168,4
Interest income (note 7)	**813,0**	736,3		1 486,2
Dividend income	**5,7**	6,3		12,1
Other revenue (note 8)	**568,1**	434,7		935,8
Trading expenses (note 9)	**(2 415,1)**	(2 077,0)		(4 301,3)
Operating profit before finance charges	**1 244,0**	1 007,9	23,4	2 301,2
Finance cost	**(137,1)**	(122,0)		(250,1)
Profit before tax	**1 106,9**	885,9	24,9	2 051,1
Income tax expense	**(359,7)**	(280,0)		(662,3)
Profit for the period	**747,2**	605,9		1 388,8
Attributable to:				
Equity holders of The Foschini Group Limited	**699,0**	566,3	23,4	1 301,8
Non-controlling interest	**48,2**	39,6		87,0
Profit for the period	**747,2**	605,9		1 388,8
Earnings per ordinary share (cents)				
Basic	**341,6**	272,3	25,5	630,4
Headline	**341,9**	272,3	25,6	632,3
Diluted (basic)	**333,1**	268,5	24,1	618,1
Diluted (headline)	**333,3**	268,5	24,1	619,9
Weighted average ordinary shares in issue (millions)	**204,6**	208,0	(1,6)	206,5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30.09.2011 Unaudited Rm	6 months ended 30.09.2010 Unaudited Rm	% change	Year ended 31.03.2011 Audited Rm
Profit for the period	**747,2**	605,9		1 388,8
Other comprehensive income				
Movement in effective portion of changes in fair value of cash flow hedges	**82,2**	(11,3)		(0,6)
Foreign currency translation reserve movements	**5,7**	(2,2)		1,0
Movement in insurance cell reserves	**0,1**	–		2,9
Other comprehensive income for the period before tax	**88,0**	(13,5)		3,3
Deferred tax on movement in effective portion of cash flow hedges	**(26,9)**	4,0		0,1
Other comprehensive income for the period, net of tax	**61,1**	(9,5)		3,4
Total comprehensive income for the period	**808,3**	596,4		1 392,2
Attributable to:				
Equity holders of The Foschini Group Limited	**760,1**	556,8	36,5	1 305,2
Non-controlling interest	**48,2**	39,6		87,0
Total comprehensive income for the period	**808,3**	596,4		1 392,2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity holders of The Foschini Group Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2010	5 058,3	427,0	5 485,3
Total comprehensive income for the half-year	556,8	39,6	596,4
Profit for the period	566,3	39,6	605,9
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	(11,3)	–	(11,3)
Foreign currency translation reserve movements	(2,2)	–	(2,2)
Deferred tax on movement in effective portion of cash flow hedges	4,0	–	4,0
Contributions by and distributions to owners			
Share-based payments reserve movements	19,0	–	19,0
Dividends paid	(355,0)	(11,0)	(366,0)
Shares purchased in terms of share incentive schemes	(297,8)	–	(297,8)
Equity at 30 September 2010	4 981,3	455,6	5 436,9
Total comprehensive income for the half-year	748,4	47,4	795,8
Profit for the period	735,5	47,4	782,9
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	10,7	–	10,7
Foreign currency translation reserve movements	3,2	–	3,2
Movement in insurance cell reserves	2,9	–	2,9
Deferred tax on movement in effective portion of cash flow hedges	(3,9)	–	(3,9)
Contributions by and distributions to owners			
Share-based payments reserve movements	36,9	–	36,9
Dividends paid	(282,5)	(17,4)	(299,9)
Shares purchased in terms of share incentive schemes	(156,0)	–	(156,0)
Proceeds on delivery of shares by share trust	134,8	–	134,8
Equity at 31 March 2011	**5 462,9**	**485,6**	**5 948,5**
Total comprehensive income for the half-year	**760,1**	**48,2**	**808,3**
Profit for the period	**699,0**	**48,2**	**747,2**
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	**82,2**	**-**	**82,2**
Foreign currency translation reserve movements	**5,7**	**-**	**5,7**
Movement in insurance cell reserves	**0,1**	**-**	**0,1**
Deferred tax on movement in effective portion of cash flow hedges	**(26,9)**	**-**	**(26,9)**
Contributions by and distributions to owners			
Share-based payments reserve movements	**39,9**	**-**	**39,9**
Dividends paid	**(435,4)**	**(20,4)**	**(455,8)**
Shares purchased in terms of share incentive schemes	**(76,6)**	**-**	**(76,6)**
Proceeds on delivery of shares by share trust	**12,1**	**-**	**12,1**
Equity at 30 September 2011	**5 763,0**	**513,4**	**6 276,4**

Dividend per ordinary share (cents)	6 months ended 30.09.2011 Unaudited	6 months ended 30.09.2010 Unaudited	Year ended 31.03.2011 Audited
Interim	**190,0**	138,0	138,0
Final	**-**	–	212,0
Total	**190,0**	138,0	350,0
Dividend cover	**1,8**	2,0	1,8

NOTES

1. The unaudited interim condensed consolidated results for the half-year ended 30 September 2011 have been prepared in accordance with the presentation and disclosure requirements of the South African Companies Act (No. 71 of 2008, as amended), and IAS 34 Interim Financial Reporting, using the group's accounting policies, that are in line with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and the AC 500 Standards as issued by the Accounting Practices Board or its successor and have been consistently applied to prior periods except as described in note 2.

2. During the period the group adopted the following revised accounting standards:
   - IFRS 7 Financial Instruments: Disclosures (amendments resulting from May 2010 Annual Improvements to IFRS)
   - IAS 1 Presentation of Financial Statements (amendments resulting from May 2010 Annual Improvements to IFRS)
   - IAS 24 Related Party Disclosures (revised definition of related parties)
   - IAS 34 Interim Financial Reporting (amendments resulting from May 2010 Annual Improvements to IFRS)

   The adoption of these standards has had no significant effects on these results.

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

4. Included in share capital are 24,0 (September 2010: 24,0) million shares which are owned by a subsidiary of the company, and 11,8 (September 2010: 11,8) million shares which are owned by the share incentive trust. These have been eliminated on consolidation.

	6 months ended 30.09.2011 Unaudited Rm	6 months ended 30.09.2010 Unaudited Rm	Year ended 31.03.2011 Audited Rm
5. **Revenue**			
Retail turnover	**5 428,3**	4 581,6	9 936,5
Interest income (refer note 7)	**813,0**	736,3	1 486,2
Dividend income – retail	**5,7**	6,3	12,1
Other revenue (refer note 8)	**568,1**	434,7	935,8
	6 815,1	5 758,9	12 370,6
6. **Cost of turnover**			
Cost of goods sold	**(2 893,7)**	(2 466,3)	(5 239,7)
Costs of purchase, conversion and other costs	**(262,3)**	(207,7)	(528,4)
	(3 156,0)	(2 674,0)	(5 768,1)
7. **Interest income**			
Trade receivables – retail	**405,5**	344,4	705,2
Receivables – RCS Group	**400,2**	385,2	764,2
Sundry	**7,3**	6,7	16,8
	813,0	736,3	1 486,2
8. **Other revenue**			
Merchants' commission – RCS Group	**17,1**	15,1	30,9
Club income – retail	**148,6**	119,7	248,6
Club income – RCS Group	**2,3**	2,5	4,9
Customer charges income – retail	**62,1**	21,8	55,7
Customer charges income – RCS Group	**138,5**	114,5	249,4
Insurance income – retail	**116,4**	90,1	203,2
Insurance income – RCS Group	**53,9**	45,3	90,8
Cellular income – one2one airtime product	**26,7**	23,6	47,5
Sundry income – retail	**2,5**	2,1	4,8
	568,1	434,7	935,8
9. **Trading expenses**			
Depreciation: land and buildings	**(3,3)**	(3,2)	(6,4)
Depreciation: shopfitting, vehicles, computers, and furniture and fittings	**(146,3)**	(133,7)	(275,9)
Amortisation	**(0,2)**	(0,2)	(0,4)
Goodwill impairment	**-**	–	(5,8)
Employee costs: normal	**(865,2)**	(742,0)	(1 600,2)
Employee costs: share-based payments	**(39,9)**	(19,0)	(55,9)
Occupancy costs: normal	**(494,2)**	(434,8)	(912,7)
Occupancy costs: operating lease liability adjustment	**(14,2)**	(4,2)	(9,2)
Net bad debt	**(345,4)**	(323,9)	(632,8)
Other operating costs	**(506,4)**	(416,0)	(802,0)
	(2 415,1)	(2 077,0)	(4 301,3)
10. **Inventory**			
Merchandise	**1 692,7**	1 310,6	1 678,8
Raw materials	**75,1**	60,4	82,3
Goods in transit	**54,5**	12,3	22,5
Shopfitting stock	**17,7**	19,9	17,1
Consumables	**3,3**	4,2	4,0
	1 843,3	1 407,4	1 804,7
11. **Operating profit before working capital changes**			
Profit before tax	**1 106,9**	885,9	2 051,1
Finance cost	**137,1**	122,0	250,1
Operating profit before finance charges	**1 244,0**	1 007,9	2 301,2
Interest income – sundry	**(7,3)**	(6,7)	(16,8)
Dividend income	**(5,7)**	(6,3)	(12,1)
Non-cash items	**210,2**	150,8	358,0
Operating profit before working capital changes	**1 441,2**	1 145,7	2 630,3
12. **Reconciliation of profit for the period to headline earnings**			
Profit for the period attributable to equity holders of The Foschini Group Limited	**699,0**	566,3	1 301,8
Adjusted for the after-tax effect of:			
Goodwill impairment – effective portion	**-**	–	3,2
Goodwill impairment	**-**	–	5,8
Less: non-controlling interest	**-**	–	(2,6)
Profit on disposal of property, plant and equipment	**(0,2)**	(0,4)	(0,2)
Loss on disposal of property, plant and equipment	**0,7**	0,4	0,8
Headline earnings	**699,5**	566,3	1 305,6

13. **Contingent liabilities**
    The Foschini Group has provided RCS Group with a liquidity facility of R603,9 million in respect of their DMTN programme. This facility was R101,75 million at March 2011.

14. **Related parties**
    Related party transactions similar to those disclosed in the group's annual financial statements for the year ended 31 March 2011 took place during the period.

@home | @homelivingspace | American Swiss | Charles & Keith | Donna-Claire | Duesouth | Exact | Fabiani | Fashion Express
Foschini | Luella | Markham | Matrix | Sportscene | Sterns | Totalsports | TFG Financial Services | RCS Group

THE FOSCHINI GROUP LIMITED (FORMERLY FOSCHINI LIMITED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2011

GROUP SEGMENTAL ANALYSIS

	Retail trading divisions	TFG Financial Services	Central and shared services	Total retail	RCS Group	Consolidated
6 months ended 30.09.2011	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm
External revenue	**5 428,3**	**327,1**	**34,9**	**5 790,3**	**211,8**	**6 002,1**
External interest income	**–**	**405,5**	**4,2**	**409,7**	**403,3**	**813,0**
Total revenue*	**5 428,3**	**732,6**	**39,1**	**6 200,0**	**615,1**	**6 815,1**
Inter-segment revenue	**–**	**–**	**37,9**	**37,9**	**4,5**	**42,4**
External finance cost	**–**	**–**	**(52,5)**	**(52,5)**	**(84,6)**	**(137,1)**
Depreciation and amortisation	**–**	**–**	**(142,2)**	**(142,2)**	**(7,6)**	**(149,8)**
Group profit before tax				**955,0**	**151,9**	**1 106,9**
Segmental profit before tax	**1 178,8**	**213,6**	**(355,8)**	**1 036,6**	**151,9**	**1 188,5**
Other material non-cash items						
Foreign exchange transactions				**(27,5)**	**–**	**(27,5)**
Share-based payments				**(39,9)**	**–**	**(39,9)**
Operating lease liability adjustment				**(14,2)**	**–**	**(14,2)**
Capital expenditure				**263,0**	**12,7**	**275,7**
Segment assets				**8 231,9**	**3 397,8**	**11 629,7**
Segment liabilities				**3 029,9**	**2 323,4**	**5 353,3**
6 months ended 30.09.2010	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm	Unaudited Rm
External revenue#	4 581,6	231,6	32,0	4 845,2	177,4	5 022,6
External interest income	–	344,4	4,2	348,6	387,7	736,3
Total revenue*	4 581,6	576,0	36,2	5 193,8	565,1	5 758,9
Inter-segment revenue	–	–	35,7	35,7	5,5	41,2
External finance cost	–	–	(68,1)	(68,1)	(53,9)	(122,0)
Depreciation and amortisation	–	–	(130,2)	(130,2)	(6,9)	(137,1)
Group profit before tax				764,1	121,8	885,9
Segmental profit before tax#	905,9	176,0	(297,6)	784,3	121,8	906,1
Other material non-cash items						
Foreign exchange transactions				3,0	–	3,0
Share-based payments				(19,0)	–	(19,0)
Operating lease liability adjustment				(4,2)	–	(4,2)
Capital expenditure				144,5	3,9	148,4
Segment assets				6 548,2	2 932,8	9 481,0
Segment liabilities				2 109,4	1 934,7	4 044,1
Year ended 31.03.2011	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm	Audited Rm
External revenue#	9 936,5	507,5	64,4	10 508,4	376,0	10 884,4
External interest income	–	705,2	8,9	714,1	772,1	1 486,2
Total revenue*	9 936,5	1 212,7	73,3	11 222,5	1 148,1	12 370,6
Inter-segment revenue	–	–	95,5	95,5	11,2	106,7
External finance cost	–	–	(138,7)	(138,7)	(111,4)	(250,1)
Depreciation and amortisation	–	–	(268,7)	(268,7)	(14,0)	(282,7)
Group profit before tax				1 775,5	275,6	2 051,1
Segmental profit before tax#	2 192,5	311,7	(664,9)	1 839,3	281,4	2 120,7
Other material non-cash items						
Goodwill impairment				–	(5,8)	(5,8)
Foreign exchange transactions				1,3	–	1,3
Share-based payments				(55,9)	–	(55,9)
Operating lease liability adjustment				(9,2)	–	(9,2)
Capital expenditure				367,4	15,4	382,8
Segment assets				7 599,3	3 103,2	10 702,5
Segment liabilities				2 675,8	2 078,2	4 754,0

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

\# September 2011 reflects a change in the reportable segments as defined by the board, being the chief operating decision-maker. The March 2011 and September 2010 comparatives have been restated accordingly.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30.09.2011 Unaudited Rm	6 months ended 30.09.2010 Unaudited Rm	Year ended 31.03.2011 Audited Rm
Cash flows from operating activities			
Operating profit before working capital changes (note 11)	**1 441,2**	1 145,7	2 630,3
Increase in working capital	**(569,3)**	(17,5)	(824,1)
Cash generated by operations	**871,9**	1 128,2	1 806,2
Interest income	**7,3**	6,7	16,8
Finance cost	**(137,1)**	(122,0)	(250,1)
Taxation paid	**(344,6)**	(365,8)	(769,0)
Dividend income	**5,7**	6,3	12,1
Dividends paid	**(455,8)**	(366,0)	(665,9)
Net cash (outflows) inflows from operating activities	**(52,6)**	287,4	150,1
Cash flows from investing activities			
Purchase of property, plant and equipment	**(275,7)**	(148,4)	(382,8)
Proceeds from sale of property, plant and equipment	**4,3**	3,2	7,5
Decrease in participation in export partnerships	**5,8**	3,3	6,1
Decrease in staff housing loans	**0,1**	–	0,2
Net cash outflows from investing activities	**(265,5)**	(141,9)	(369,0)
Cash flows from financing activities			
Proceeds on delivery of shares by share trust	**12,1**	–	134,8
Shares purchased in terms of share incentive schemes	**(76,6)**	(297,8)	(453,8)
Increase (decrease) in non-controlling interest loans	**70,1**	(358,0)	(334,0)
Increase in RCS Group external funding	**592,0**	319,9	535,9
(Decrease) increase in interest-bearing debt	**(149,4)**	203,3	390,5
Net cash inflows (outflows) from financing activities	**448,2**	(132,6)	273,4
Net increase in cash during the period	**130,1**	12,9	54,5
Cash at the beginning of the period	**338,5**	284,0	284,0
Cash at the end of the period	**468,6**	296,9	338,5

COMMENTARY

GROUP OVERVIEW

Improved consumer spending which became evident to us last year, and more particularly in the second half of last year, has continued into the first half of this financial year. This, together with the strategic initiatives undertaken by our group, has produced a pleasing result for the first half of this year.

Notwithstanding the inflated turnover figures in last year's base as a result of the 2010 FIFA World Cup™, retail turnover increased by 18,5% to R5,4 billion whilst profit before tax increased by 24,9%. Headline earnings per share increased by 25,6% to 341,9 cents, whilst diluted headline earnings per share increased by 24,1% to 333,3 cents.

In line with our strategy of driving top-line growth, buying efficiencies achieved during the period were passed on to our customers resulting in the gross margin being marginally up on the previous period. These efficiencies were achieved as a result of our supply chain initiatives.

The group's operating margin for the period increased to 22,9% from 22,0%.

At 31 March 2011 the dividend cover was changed from 2 times to 1,8 times and consistent with that the interim dividend has increased by 37,7% to 190,0 cents per share.

Supporting our strategy of investing for the longer term, the group continued to grow trading space in certain of our formats and 71 stores were opened during the period, an increase in trading area of 3,6% during the period. Space growth for the full financial year is expected to be around 7%.

MERCHANDISE CATEGORIES

Total sales have grown by 18,5% over the previous period with growths in the various merchandise categories as follows:

- Clothing 19,9%
- Jewellery 7,4%
- Cosmetics 11,1%
- Homewares 15,5%
- Cellphones 29,4%

All merchandise categories continue to perform well, and we have gained market share in all categories, particularly our largest product category, clothing. Jewellery, being a more discretionary commodity, has traded satisfactorily taking into account the substantial increase in the gold price.

TRADING DIVISIONS

Retail turnover and growths in the various trading divisions were as follows:

	Number of stores	Retail turnover Rm	% change
@home	84	350,3	15,5
Exact	210	533,6	25,3
Foschini division	500	2 067,1	18,4
Jewellery division	389	592,4	10,3
Markham	256	920,2	22,7
TFG Sports	350	964,7	17,8
Total	**1 789**	**5 428,3**	**18,5**

Same store turnover grew by 12,1%, whilst product inflation averaged approximately 5% for the period. Credit sales as a percentage of total sales increased to 63,1% from 61,8%.

@home increased its store base by one store and is now trading out of 84 stores, 13 of which are the larger @homelivingspace stores. Turnover grew by 15,5% to R350,3 million. With the rate of new store openings having declined, greater focus is being placed on merchandise efficiencies. Same store turnover growth was 11,6%.

Exact increased its store base by two stores during the period to 210 stores. The focus on clothing price points has continued to be very successful. Clothing turnover increased by 27,4%, with clothing same store turnover growth of 23,4%. Cellphone turnover increased by 14,5%. Total same store turnover increased by 21,4%.

The **Foschini division** comprising Foschini, Donna-Claire, Fashion Express and Luella increased its store base by 16 stores to 500 stores during the period, with turnover of R2 067,1 million. Clothing turnover grew by 20,6%, with clothing same store turnover growth of 14,4%. Cosmetics same store turnover grew by 6,4%. Same store turnover of cellphones increased by 12,7%, whilst total same store turnover increased by 12,5%.

The **jewellery division** comprising American Swiss Jewellers, Sterns and Matrix increased its store base during the period by eight stores, to 389 stores, with turnover of R592,4 million. Trading was satisfactory with jewellery merchandise turnover increasing by 7,8% and cellphone turnover increasing by 24,6%. Jewellery same store turnover grew by 1,8% and total same store turnover increased by 4,5%.

The **Markham division** increased its store base by nine stores during the period to 256 stores. Clothing turnover growth for the period was 22,3%, whilst cellphone turnover increased by 25,0%. Clothing same store turnover for the period grew by 16,5%, whilst cellphone same store turnover increased by 18,9%. Total same store turnover increased by 16,9%.

TFG Sports division, trading as Totalsports, Sportscene and Duesouth, grew its clothing turnover by 13,7%, notwithstanding the 2010 FIFA World Cup™ inflated base. It increased its store base by 26 stores to 350 stores. Same store turnover grew by 7,3%. Excluding the World Cup months of May and June, same store clothing turnover growth was 15,9%. During the period this division introduced cellphones into its product offering.

TFG Financial Services' retail debtors' book, which amounts to R4,2 billion, increased by 8,7% since the year-end, reflecting the impact of good account growth, increased credit sales and the increase in the number of 12-month accounts. With the increase in new active accounts, there is an inherently greater risk of bad debt than from established accounts. Bad debt as a percentage of closing debtors' book was 9,3%.

RCS GROUP

The RCS Group is an operationally independent consumer finance business that provides a broad range of financial services under its own brand in South Africa, Namibia and Botswana. It is structured into two operating business units, namely transactional finance and fixed term finance. The transactional finance business comprises the RCS general-purpose card and other private label card programmes, whilst the fixed term finance business comprises RCS personal loans.

Despite interest margin compression arising from the interest-capping formula under the National Credit Act, the RCS Group performed well during the period with net profit before tax increasing by 24,7% to R151,9 million. Net bad debt further improved with a reduction of 25,5% compared to the previous period. Its debtors' book of R3,1 billion increased by 8,5% during the period.

Its domestic medium-term note (DMTN) programme continues to be successfully implemented with over R1,5 billion of funding being raised in a mixture of long- and short-term paper. The RCS Group now has surplus funding of approximately R1 billion which is available to support its future growth.

Our group's shareholding in RCS Group is 55% with the balance being held by The Standard Bank of South Africa Limited.

NEW BRANDS

During the period our group entered into a franchise agreement with an exciting footwear and accessory international brand, Charles & Keith. Charles & Keith is a fashion-forward ladies footwear and accessories brand that has international presence with over 200 stores in 28 countries. Our first store which opened in Canal Walk, Cape Town, in August 2011 has performed better than viability and further stores will be rolled out in the future.

Effective from 1 October 2011, our group has acquired the luxury menswear brand, Fabiani, which will give our group an entry into the high-end customer segment where we currently do not operate. Fabiani currently trades out of seven outlets and has great potential for expansion.

AFRICA EXPANSION

The group currently trades out of 70 stores outside of South Africa, with 56 in Namibia, six in Botswana, four in Zambia and four in Swaziland. In the next three years a further 57 stores are planned to be opened in the countries where we already operate, as well as Lesotho, Mozambique and Nigeria.

PROSPECTS

For the first five weeks of the second half retail turnover has continued to be encouraging, though some caution is warranted given the very difficult and fragile global financial environment, as well as the very strong comparative base. However, we remain confident that we can again deliver a favourable result for the second half of this year. The second half of the year is heavily dependent on Christmas trading, which will largely determine the performance of the group in the second half. We expect to open a further 69 stores in the second half.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend No. 150 of 3,25% (6,5 cents per share) in respect of the six months ending 31 March 2012 has been declared, payable on Monday, 26 March 2012 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Friday, 23 March 2012.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Thursday, 15 March 2012. The Foschini Group Limited preference shares will commence trading "ex" the dividend from the commencement of business on Friday, 16 March 2012 and the record date, as indicated, will be Friday, 23 March 2012.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Friday, 16 March 2012 to Friday, 23 March 2012, both dates inclusive.

INTERIM ORDINARY DIVIDEND ANNOUNCEMENT

The directors have declared an interim ordinary dividend of 190,0 cents per ordinary share, for the period ending 30 September 2011, payable on Monday, 9 January 2012 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 6 January 2012.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Thursday, 29 December 2011. The Foschini Group Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Friday, 30 December 2011 and the record date, as indicated, will be Friday, 6 January 2012.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Friday, 30 December 2011 to Friday, 6 January 2012, both dates inclusive.

Certificated ordinary shareholders are reminded that all entitlements to dividends with a value less than R5,00 per certificated shareholder will be aggregated and the proceeds donated to a registered charity of the directors' choice, in terms of the articles of association of the company.

Signed on behalf of the Board.

D M Nurek
Chairman

A D Murray
CEO

Cape Town

3 November 2011

CORPORATE INFORMATION

Executive directors: A D Murray, R Stein, P S Meiring

Non-executive directors: D M Nurek (Chairman), Prof F Abrahams, S E Abrahams, W V Cuba, K N Dhlomo, M Lewis, E Oblowitz, D M Polak, N V Simamane

Company Secretary: D Sheard

Registered office: Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500

Registration number: 1937/009504/06

Share codes: TFG – TFGP

ISIN: ZAE000148466 – ZAE000148516

Transfer secretaries: Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001

Sponsor: UBS South Africa (Proprietary) Limited

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