



REVIEWED PRELIMINARY CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2010

- Retail turnover up 6,4% to R8,6 billion
- Diluted headline earnings per share down 6,3% to 518,2 cents per share
- Final dividend of 170,0 cents per share
- Good performance from our retail debtors' book
- Sustained strong balance sheet

GROUP OVERVIEW

This financial year has been difficult and volatile with consumer spending worsening during the second half of the year, particularly in the mass middle market space. The significantly higher than projected unemployment figures have also had a negative impact on this sector.

Although interest rates and inflation continued to fall, this did not translate into increased consumer spending, which remained under pressure.

Retail turnover increased by 6,4% to R8,6 billion. Gross margins for the year were down marginally by 0,2% on the previous year which was primarily due to Christmas trading being at the lower level of management expectations. Headline earnings per share decreased by 6,8% to 521,4 cents whilst diluted headline earnings per share decreased by 6,3% to 518,2 cents.

In view of our strong balance sheet and future prospects, a final dividend of 170,0 cents per share has been declared. Accordingly dividends declared in respect of the full year amount to 288,0 cents per share.

In line with our strategy of investing for the longer term, the group continued to grow trading space in the second half by opening a further 41 stores. 100 stores were therefore opened for the full year, whilst 12 stores were closed. At the year-end the group was trading out of 1 627 stores, with an increase in trading area of 8,1% compared to the previous year.

MERCHANDISE CATEGORIES

Total sales have grown by 6,4% over the previous year with growths in the various merchandise categories as follows:

– Clothing	8,3%
– Jewellery	(1,2%)
– Cosmetics	12,8%
– Homewares and furniture	15,7%
– Cellphones	(7,2%)

After a strong first half performance, clothing growth slowed in the second half resulting in a total growth of 8,3% for the year. Whilst growth in jewellery sales was negative, this performance in the current economic climate is acceptable when compared to the market both locally and overseas. The first half growth was -3,0% improving to flat in the second half. Cosmetics continued to perform satisfactorily. Homewares and furniture performed adequately in a competitive market. Cellphone sales improved substantially in the second half as the supply issues experienced in the first half improved.

TRADING DIVISIONS

Whilst turnover growth in the first half was 7,9%, consumer spending continued to deteriorate in the second half with turnover growth of 5,0%, resulting in growth of 6,4% for the year as a whole. Retail turnover and growths in the various trading divisions were as follows:

	Number of stores	Retail turnover Rm	% change
@home	78	587,8	15,7
exact!	205	759,8	2,2
Foschini	454	3 306,0	6,5
Jewellery division	365	1 095,3	(2,7)
Markham	234	1 359,6	3,7
Sports division	291	1 496,7	15,4
Total	1 627	8 605,2	6,4

Same store turnover was flat, whilst product inflation averaged approximately 6% for the year.

Credit sales as a percentage of total sales increased to 62,6% from 61,8%.

Our @home division continued with its expansion, opening a further seven stores, three of which were the larger @homelivingspace stores. Turnover grew by 15,7% to R587,8 million. Same store turnover for the year reduced by 6,3% driven by slower sales and further cannibalisation caused by the rapid roll-out of the larger format stores. This cannibalisation is taken into account in the viabilities of all these new stores.

exact! which offers contemporary and modern fashion for South African families in the LSM 5 – 7 categories grew its store base during the year from 198 to 205, growing its clothing turnover for the year by 3,9% while its cellphone turnover reduced by 5,2%. Clothing same store turnover growth was -2,7%, whilst total same store turnover growth was -4,2%. In adding more authenticity and detail to their garments, product

prices crept upwards which adversely affected sales. Focus has been placed on managing pricing architecture which has been particularly successful since its implementation in the new financial year.

The Foschini division comprising Foschini, donna-claire, fashionexpress and Luella had a mixed year with a much better growth in the first half of the year than the second half. Clothing turnover grew by 6,9% with clothing same store turnover of 2,1%. After a stronger first half, the Foschini brand suffered from a lack of casual product in the summer season. Whilst the smarter brands such as Oasis and WWW struggled, the more casual labels such as News and Instinct fared much better. The fashionexpress brand performed well whilst donna-claire had a disappointing year. Cosmetics turnover growth increased by 12,8%. Turnover of cellphones reduced by 7,9% whilst same store cellphone turnover reduced by 11,5%. Total same store turnover grew by 1,9%. The repositioning and turnaround strategy of Foschini stores is taking longer than initially anticipated, but significant progress has been made, which positions this brand well for future growth.

This division added 27 new stores and now trades out of 454 locations across its various brands.

The Jewellery division comprising American Swiss, Sterns and Matrix had acceptable performance in the current difficult climate. Jewellery merchandise turnover reduced by 1,2% whilst jewellery same store turnover reduced by 4,9%. Cellphone same store turnover reduced by 13,1% whilst total same store turnover reduced by 6,1%. This division remains the dominant player in the mass middle market jewellery sector with American Swiss Jewellers being the largest jewellery chain in southern Africa, followed by Sterns. This division increased its store base by 17 stores to 365 stores.

The Markham division traded satisfactorily in the current climate with clothing turnover growth of 4,9%, whilst cellphone turnover was -4,8%. Total same store turnover was flat. Its store base increased by 12 stores to 234 stores.

The Sports division, trading as Totalsports, sportscene and DueSouth traded well in the current climate with turnover growth of 15,4% and same store turnover growth of 6,1%, maintaining its position as a market leader. Its store base increased by 27 stores to 291 stores. This is an exciting period for this division with the World Cup 2010 only a few weeks away. It has spared no effort to prepare itself for this historic event. The three largest organisations active internationally in sportswear, Nike, Adidas and Puma have officially recognised Totalsports as a preferred partner for the World Cup.

FG Financial Services – manages the group's in-store credit card programme as well as handling the group's financial service products such as Club and associated magazines, as well as insurance products. The consumer environment remains tough with many consumers without jobs or working fewer days. Anticipated defaults by customers grew as the incidence of customers resorting to bad debt counsellors for relief increased. Net bad debt as a percentage of debtors' book increased to 9,9%, but this is already showing a downward trend. Our retail debtors' book, which amounts to R3,2 billion, increased by 15,4% during the year and remains in good shape.

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.

The RCS Group, which experienced a challenging year last year, performed far better this year with net profit before tax increasing by 11,5% to R225,9 million. The quality of new business written during the year has continued to improve with net bad debt as a percentage of debtors' book reducing to 12,3% from 14,1% last year.

During March 2010 RCS Group went to the market with its DMTN (domestic medium-term note programme) and was successful in raising R303 million of funding in a mixture of long (four years) and short term (12 months) paper. Subsequent to the year-end an additional R250 million has been placed on a seven-year term. This new funding will allow RCS Group to return to its growth potential in the future and will in time, lessen its reliance on funding from the Foschini Group.

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

PROSPECTS

Retail turnover for the first eight weeks of the new financial year has been encouraging, with an upward shift in consumer spending.

The 2010 World Cup which gets under way in a few weeks' time should create more positive consumer sentiment, which together with the reduced interest rate and inflationary environment should improve consumer spending.

However, the effect of the increase in the cost of electricity on the disposable income of our consumers is unknown. In addition, unemployment and associated factors in our economy remain as a potential risk, as do the ongoing problems in international markets.

In line with our strategy of investing for long-term growth, we will continue to open new stores in certain of our formats that are under-represented and we anticipate opening in the region of 100 new stores in the year ahead, which will increase trading space by approximately 7%.

PREFERENCE DIVIDEND ANNOUNCEMENT

Dividend No. 147 of 3,25% (6,5 cents per share) in respect of the six months ending 30 September 2010 has been declared, payable on Monday, 27 September 2010 to holders of 6,5% preference shares recorded in the books of the company at the close of business on Thursday, 23 September 2010.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Thursday, 16 September 2010. Foschini Limited preference shares will commence trading "ex" the dividend from the commencement of business on Friday, 17 September 2010 and the record date, as indicated, will be Thursday, 23 September 2010.

Preference shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Friday, 17 September 2010 to Thursday, 23 September 2010, both dates inclusive.

FINAL ORDINARY DIVIDEND ANNOUNCEMENT

The directors have declared a final ordinary dividend of 170,0 cents per ordinary share payable on Monday, 12 July 2010 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 9 July 2010.

The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 2 July 2010. Foschini Limited ordinary shares will commence trading "ex" the dividend from the commencement of business on Monday, 5 July 2010 and the record date, as indicated, will be Friday, 9 July 2010.

Ordinary shareholders should take note that share certificates may not be dematerialised or rematerialised during the period Monday, 5 July 2010 to Friday, 9 July 2010, both dates inclusive.

Signed on behalf of the Board.

D M Nurek
Chairman
Cape Town
27 May 2010

A D Murray
CEO

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, 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: FOS – FOSP

ISIN: ZAE000031019 – ZAE000031027

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

Sponsor: UBS South Africa (Proprietary) Limited



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2010 Reviewed Rm	2009 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	995,8	981,3
Goodwill and intangible assets	43,2	43,2
Preference share investment	200,0	200,0
Staff housing loans	0,9	1,2
RCS Group private label card receivables	279,4	433,3
RCS Group loan receivables	802,4	886,4
Participation in export partnerships	74,4	87,8
Deferred taxation asset	158,4	160,5
	2 554,5	2 793,7
Current assets		
Inventory (note 9)	1 493,8	1 524,9
Trade receivables – retail	3 169,3	2 746,3
RCS Group private label card receivables	1 494,1	1 051,1
Other receivables and prepayments	175,7	143,1
RCS Group loan receivables	54,9	101,8
Participation in export partnerships	10,6	6,9
Cash	284,0	296,2
	6 682,4	5 870,3
Total assets	9 236,9	8 664,0
EQUITY AND LIABILITIES		
Equity attributable to equity holders of Foschini Limited	5 058,3	4 496,3
Non-controlling interest	427,0	359,2
Total equity	5 485,3	4 855,5
Non-current liabilities		
Interest-bearing debt	864,4	937,4
RCS Group external funding	372,1	–
Non-controlling interest loans	478,3	783,2
Operating lease liability	136,9	128,3
Deferred taxation liability	139,3	149,9
Post-retirement defined benefit plan	84,1	84,1
	2 075,1	2 082,9
Current liabilities		
Interest-bearing debt	254,7	402,5
Trade and other payables	1 293,8	1 252,5
Taxation payable	128,0	70,6
	1 676,5	1 725,6
Total liabilities	3 751,6	3 808,5
Total equity and liabilities	9 236,9	8 664,0

GROUP SEGMENTAL ANALYSIS

	Retail trading divisions		FG Financial Services		Central and shared services		Total retail		RCS Group		Consolidated	
	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm	2010 Reviewed Rm
External revenue*	8 605,2	1 031,0	30,0	9 666,2	1 114,1	10 780,3						
External interest received	–	636,4	8,9	645,3	798,4	1 443,7						
External interest paid	–	–	(155,8)	(155,8)	(105,7)	(261,5)						
Depreciation and amortisation	–	–	(251,2)	(251,2)	(13,0)	(264,2)						
Group profit before tax				1 485,2	225,9	1 711,1						
Segmental profit before tax	1 886,6	256,5	(620,4)	1 522,7	225,9	1 748,6						
IFRS charges				(37,5)	–	(37,5)						
Capital expenditure				283,1	6,5	289,6						
Segment assets				6 403,2	2 833,7	9 236,9						
Segment liabilities				1 842,8	1 908,8	3 751,6						
	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm	2009 Audited Rm
External revenue*	8 089,6	843,9	36,2	8 969,7	1 019,2	9 988,9						
External interest received	–	526,1	9,6	535,7	765,0	1 300,7						
External interest paid	–	–	(158,5)	(158,5)	(91,3)	(249,8)						
Depreciation and amortisation	–	–	(217,6)	(217,6)	(13,5)	(231,1)						
Group profit before tax				1 573,2	202,5	1 775,7						
Segmental profit before tax	1 925,3	220,3	(553,1)	1 592,5	202,5	1 795,0						
IFRS charges				(19,3)	–	(19,3)						
Capital expenditure				351,5	19,1	370,6						
Segment assets				6 008,5	2 655,5	8 664,0						
Segment liabilities				1 940,3	1 868,2	3 808,5						

* includes retail turnover, interest received, dividends received and other income

CONDENSED CONSOLIDATED INCOME STATEMENT

	2010 Reviewed Rm	2009 Audited Rm	% change
Revenue (note 5)	10 780,3	9 988,9	
Retail turnover	8 605,2	8 089,6	6,4
Cost of turnover	(5 005,8)	(4 694,4)	
Gross profit	3 599,4	3 395,2	
Interest received (note 6)	1 443,7	1 300,7	
Dividends received	13,8	19,1	
Other revenue (note 7)	717,6	579,5	
Trading expenses (note 8)	(3 801,9)	(3 269,0)	
Operating profit before finance charges	1 972,6	2 025,5	(2,6)
Interest paid	(261,5)	(249,8)	
Profit before tax	1 711,1	1 775,7	(3,6)
Income tax expense	(548,6)	(564,4)	
Profit for the year	1 162,5	1 211,3	
Attributable to:			
Equity holders of Foschini Limited	1 085,6	1 145,8	(5,3)
Non-controlling interest	76,9	65,5	
Profit for the year	1 162,5	1 211,3	
Earnings per ordinary share (cents)			
Basic	521,4	559,5	(6,8)
Headline	521,4	559,5	(6,8)
Diluted (basic)	518,2	553,0	(6,3)
Diluted (headline)	518,2	553,0	(6,3)
Weighted average ordinary shares in issue (millions)	208,2	204,8	

SUPPLEMENTARY INFORMATION

	2010 Reviewed	2009 Audited
Net ordinary shares in issue (millions)	209,0	207,3
Weighted average ordinary shares in issue (millions)	208,2	204,8
Tangible net asset value per ordinary share (cents)	2 399,6	2 148,1
Dividend per ordinary share (cents)		
Interim	118,0	118,0
Final	170,0	170,0
Total	288,0	288,0
Dividend cover	1,8	1,9



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2010 Reviewed Rm	2009 Audited Rm	% change
Profit for the year	1 162,5	1 211,3	
Other comprehensive income			
Movement in effective portion of changes in fair value of cash flow hedges	(12,3)	(28,6)	
Deferred tax on movement in effective portion of cash flow hedges	2,8	9,1	
Movement in insurance cell reserves	3,5	–	
Other comprehensive income for the year	(6,0)	(19,5)	
Total comprehensive income for the year	1 156,5	1 191,8	
Attributable to:			
Equity holders of Foschini Limited	1 079,6	1 126,3	(4,1)
Non-controlling interest	76,9	65,5	
Total comprehensive income for the year	1 156,5	1 191,8	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity holders of Foschini Limited Rm	Non-controlling interest Rm	Total equity Rm
Equity at 31 March 2008	3 845,2	290,9	4 136,1
Total comprehensive income for the year	1 126,3	65,5	1 191,8
Change in degree of control	–	3,4	3,4
Share-based payments reserve movements	25,7	–	25,7
Dividends paid	(589,2)	(0,6)	(589,8)
Proceeds on delivery of shares by share trust	88,3	–	88,3
Equity at 31 March 2009	4 496,3	359,2	4 855,5
Total comprehensive income for the year	1 079,6	76,9	1 156,5
Share-based payments reserve movements	34,3	–	34,3
Dividends paid	(599,1)	(9,1)	(608,2)
Proceeds on delivery of shares by share trust	47,2	–	47,2
Equity at 31 March 2010	5 058,3	427,0	5 485,3

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2010 Reviewed Rm	2009 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 10)	2 237,5	2 228,6
Increase in working capital	(541,4)	(554,7)
Cash generated by operations	1 696,1	1 673,9
Interest received	11,6	17,8
Interest paid	(261,5)	(249,8)
Taxation paid	(487,3)	(551,3)
Dividends received	13,8	19,1
Dividends paid	(608,2)	(589,8)
Net cash inflows from operating activities	364,5	319,9
Cash flows from investing activities		
Purchase of property, plant and equipment	(289,6)	(370,6)
Proceeds from sale of property, plant and equipment	9,4	3,7
Acquisition of client list	(0,1)	(0,2)
Acquisition of Massdiscounters' credit business	–	(175,0)
Decrease in participation in export partnerships	9,7	5,8
Decrease in staff housing loans	0,3	0,1
Net cash outflows from investing activities	(270,3)	(536,2)
Cash flows from financing activities		
Proceeds on delivery of shares by share trust	47,2	88,3
(Decrease) increase in non-controlling interest loans	(304,9)	288,0
Increase in RCS Group external funding	372,1	–
Decrease in interest-bearing debt	(220,8)	(33,3)
Net cash (outflows) inflows from financing activities	(106,4)	343,0
Net (decrease) increase in cash during the year	(12,2)	126,7
Cash at the beginning of the year	296,2	169,5
Cash at the end of the year	284,0	296,2

NOTES

The reviewed preliminary condensed consolidated results of Foschini Limited for the year ended 31 March 2010 have been reviewed by the company's auditors, KPMG Inc. Their unmodified review report is available at the company's registered office.

- These results have been prepared in accordance with the presentation and disclosure requirements of 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 and note 11.
- During the year, the group adopted IAS 1 Presentation of Financial Statements, IFRS 8 Segmental Reporting and Circular 3/2009 Headline Earnings. The principal effect of the changes required by IAS 1 were as follows:
 - All non-owner changes in equity are now presented in "other comprehensive income" in the Condensed Consolidated Statement of Comprehensive Income. Previously these were presented in the Condensed Consolidated Statement of Changes in Equity.
 - The Condensed Consolidated Balance Sheet is now the Condensed Consolidated Statement of Financial Position.
The adoption of IFRS 8 and Circular 3/2009 has had no significant effect on these results.
- These financial statements incorporate the financial statements of the company, all its subsidiaries and all entities over which it has operational and financial control.
- Included in share capital are 24,0 (2009: 24,0) million shares which are owned by a subsidiary of the company and 7,5 (2009: 9,1) million shares which are owned by the share incentive trust. These have been eliminated on consolidation.

	2010 Reviewed Rm	2009 Audited Rm
5 Revenue		
Retail turnover	8 605,2	8 089,6
Interest received (refer note 6)	1 443,7	1 300,7
Dividends received – retail	13,8	19,1
Other revenue (refer note 7)	717,6	579,5
	10 780,3	9 988,9
6 Interest received		
Trade receivables – retail	636,4	526,1
Loan receivables – RCS Group	355,4	307,6
Private label card receivables – RCS Group	440,3	449,2
Sundry – RCS Group	2,7	8,2
Sundry – retail	8,9	9,6
	1 443,7	1 300,7
7 Other revenue		
Merchants' commission – RCS Group	30,2	36,7
Club income – retail	193,0	169,6
Club income – RCS Group	5,4	6,0
Customer charges income – retail	25,3	18,9
Customer charges income – RCS Group	192,3	136,2
Insurance income – retail	141,3	99,5
Insurance income – RCS Group	87,8	75,3
Cellular income – one2one airtime product	35,0	29,8
Sundry income – retail	7,3	7,5
	717,6	579,5
8 Trading expenses		
Depreciation: land and buildings	(6,1)	(6,1)
Depreciation: shopfitting, vehicles, computers and furniture and fittings	(258,0)	(223,8)
Amortisation	(0,1)	(1,2)
Employee costs: normal – retail	(1 207,8)	(1 069,7)
Employee costs: normal – RCS Group	(132,4)	(110,6)
Employee costs: bonuses and restraint payments	(2,4)	(16,0)
Employee costs: share-based payments	(34,3)	(25,7)
Occupancy costs: normal – retail	(797,1)	(668,1)
Occupancy costs: normal – RCS Group	(10,7)	(8,1)
Occupancy costs: operating lease liability adjustment	(8,6)	0,4
Net bad debt – retail	(359,1)	(261,5)
Net bad debt – RCS Group	(352,4)	(317,1)
Other operating costs	(632,9)	(561,5)
	(3 801,9)	(3 269,0)
9 Inventory		
Merchandise	1 355,0	1 433,0
Raw materials	59,2	55,2
Goods in transit	59,9	12,9
Shopfitting stock	14,8	18,1
Consumables	4,9	5,7
	1 493,8	1 524,9
10 Operating profit before working capital changes		
Operating profit before finance charges	1 972,6	2 025,5
Interest received – sundry	(11,6)	(17,8)
Dividends received	(13,8)	(19,1)
Non-cash items	290,3	240,0
Operating profit before working capital changes	2 237,5	2 228,6
11 Comparative figures		
In order to provide improved disclosure in the condensed consolidated cash flow statement, certain reclassifications have been made. These changes have no impact on overall equity, net assets or profitability. The RCS Group loan and private label card receivables are now disclosed as part of working capital changes as is required by IAS 7 Cash Flow Statements. The interest received on trade receivables – retail, as well as the RCS Group loan and private label card receivables, is now included in operating profit before working capital changes as this is considered to be part of our revenue. The effect on the comparative cash flow statement is as follows:		
Movement in operating profit before working capital changes		1 282,9
Movement in working capital changes		(520,5)
Movement in cash generated from operations		762,4
Movement in RCS Group private label card receivables		248,5
Movement in RCS Group loan receivables		272,0
Movement in interest received		(1 282,9)
Movement in net cash inflow from operating activities		–