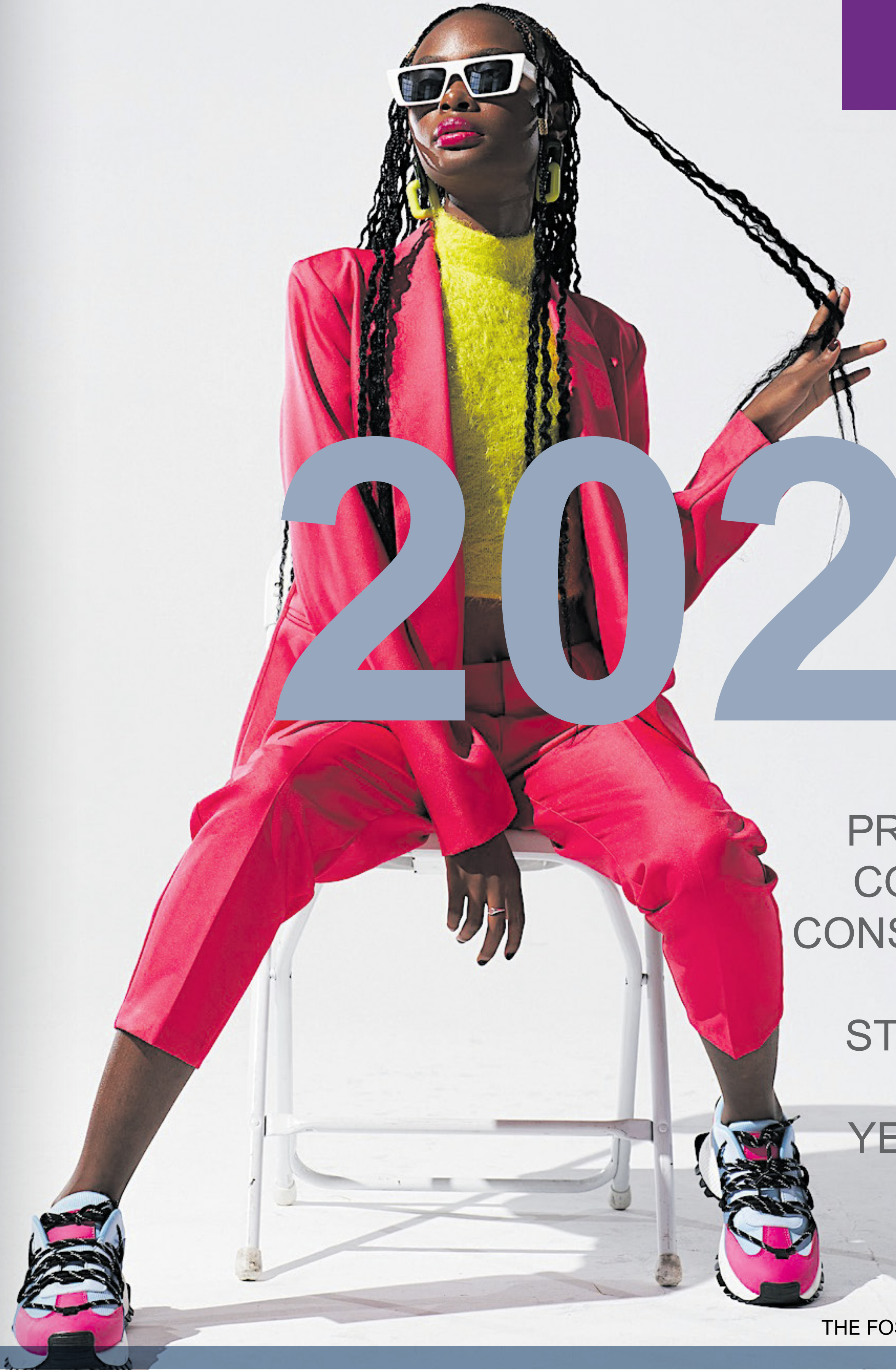

2023

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

THE FOSCHINI GROUP LIMITED

Salient features

Robust growth in Group retail turnover up

+19,4%

TO R51,8 BILLION WITH ALL TERRITORIES ACHIEVING DOUBLE-DIGIT GROWTH

Profit after tax increases

+4,0%

TO R3,0 BILLION

Group revenue increases

+19,4%

TO R55,1 BILLION (FY2022: R46,2 BILLION)

Basic earnings per share of 938,5 cents increases

+4,1%

(FY2022: 901,9 CENTS PER SHARE)

Group online retail turnover growth of

+6,6%

TO R4,7 BILLION, CONTRIBUTING 9,1% TO TOTAL GROUP RETAIL TURNOVER

Headline earnings per share of 968,9 cents decreases

-4,0%

(FY2022: 1 009,0 CENTS PER SHARE)

Group gross margin contracts 60bps to

47,9%

(FY2022: 48,5%)

Cash generation from operations of

R7,1 billion

(FY2022: R8,2 BILLION)

Trading expenses contained at

41,3%

OF RETAIL TURNOVER (FY2022: 41,4%)

Pre-IFRS 16 Net debt* of

R7,1 billion

(MARCH 2022: R1,0 BILLION)

PRE-IFRS 16 NET DEBT* TO PRE-IFRS 16 ADJUSTED EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) RATIO* INCREASED TO 1,2 (MARCH 2022: 0,2) FOLLOWING THE TAPESTRY ACQUISITION AND SIGNIFICANT INVESTMENT IN A NUMBER OF KEY STRATEGIC AREAS OF THE EXISTING BUSINESS TO ENSURE STRONG FUTURE GROWTH

Operating profit before finance costs increases

+12,4%

TO R5,4 BILLION

Final dividend declared of

150,0 cents per share,

A DECREASE OF 54,5%

* *Non-IFRS performance measures – refer to note 2 of the reviewed provisional condensed consolidated financial statements for the year ended 31 March 2023.*

These results were prepared by the TFG Finance Centre of Excellence department of The Foschini Group Limited, acting under supervision of Bongiwe Ntuli CA(SA), Chief Financial Officer (CFO) of The Foschini Group Limited.

Commentary

RESILIENT PERFORMANCE DESPITE THE MACRO ECONOMIC HEADWINDS AND SIGNIFICANT LOAD SHEDDING IN SOUTH AFRICA

The Group delivered solid results for the financial year notwithstanding significant headwinds in the South African business mainly as a result of unprecedented load shedding especially during the last four months of the period. Trading performance was robust with all territories yielding double digit retail turnover growth.

Load shedding

TFG Africa lost, conservatively, c.360,000 trading hours during the twelve months ended 31 March 2023 ("FY2023"). As previously reported, the true impact, however, has been estimated at more than double this figure (i.e. c.730,000 lost trading hours) as customer demand is significantly dampened by the associated disruption and inconvenience with reduced footfall observed before, during and immediately after load shedding periods. We estimate the financial impact of load shedding to have reduced TFG Africa's retail turnover by in excess of R1,5 billion in FY2023, with a concomitant impact on operating costs and inventory provisioning which ultimately impacts gross margins achieved.

The investment in alternative power, including battery back-up power, has partially mitigated the impact of recent load shedding, although the units are less effective under the increased frequency and extended hours experienced during stages 5 and 6. As of 31 March 2023, 1 875 stores had back-up power, representing c.75% of TFG Africa's retail turnover, with plans to ensure the majority of our key stores have the much needed back-up power in place over the next few months. Capital expenditure of c.R200 million has been spent on alternative power solutions to date which was not planned and increases the cost of doing business.

The elevated levels of load shedding commenced in the middle of the festive trading season resulting in reduced available trading hours during a key trading period. This resulted in a moderate increase in inventory levels, as our proactive management of inventory in season mitigated some of this risk. Consequently, the comparable TFG Africa store units decreased by c.10% on FY2022. Additionally, due to provisions and markdown taken to clear the inventory, the gross margins decreased 220bps in the TFG Africa business for FY2023 when compared to FY2022.

Additional unbudgeted diesel and security costs were also incurred to power and protect operations and stores impacted by load shedding.

Consequently, group gross margin contracted 60bps as a result of not passing on all product cost inflation to customers in South Africa as well as proactive management of excess inventory due to load shedding. This was partially mitigated by the post recovery demand in the London and Australian businesses.

As previously announced on SENS on 1 August 2022, the Group acquired the share capital of Tapestry Home Brands Proprietary Limited ('Tapestry') for R2,2 billion. 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. This acquisition entrenches TFG's leading market position in the homeware and furniture market segment.

In addition, TFG continued to invest to improve its logistics infrastructure, local manufacturing, ecommerce capabilities and its store network (new and revamped stores). A robust balance sheet position was maintained despite the acquisition of Tapestry, the strategic capital investments and higher levels of load shedding.

Financial performance

The Group's retail turnover grew 19,4% to R51,8 billion (15,2% excluding Tapestry*). Group cash retail turnover grew by 21,5% compared to FY2022, contributing R42,1 billion, or 81,3% (FY2022: 79,9%) of total Group retail turnover. Group online retail turnover grew by 6,6% (FY 2022: 11,7%) to R4,7 billion for the 12-month period, contributing 9,1% (FY2022: 10,2%) to total Group retail turnover.

Gross margin for the Group contracted to 47,9% (March 2022: 48,5%) mainly as a result of prevailing conditions in South Africa, which experienced heightened consumer pressure, unprecedented load shedding and consequently surplus inventories causing a higher level of promotional activity which negatively impacted gross margin.

At year end, trading expenses were at 41,3% of retail turnover (FY2022: 41,4%), despite significant investments in omnichannel, manufacturing and logistics costs, which in total amounted to c.R750 million.

Basic earnings per share increased by 4,1% and headline earnings per share decreased by 4,0% with earnings in the prior year impacted by non-cash impairments.

* *Non-IFRS performance measures – refer to note 2 of the reviewed provisional condensed consolidated financial statements for the year ended 31 March 2023.*

Strong statement of financial position

The Group generated cash from operations of R7,1 billion for the year ended 31 March 2023 (FY2022: R8,2 billion) through robust trading performance and continued effective management of working capital.

The gross debtors book grew by 11,6% to R9,7 billion while credit turnover increased 11,0% on FY2022.

To further reinforce its balance sheet, the Group restructured its debt facilities at an Africa level, successfully securing R14,5 billion in facilities, which was an additional R2,8 billion and on more favourable lending terms.

At 31 March 2023, as a result of the R2,2 billion Tapestry acquisition, R3,0 billion in capital expenditure (March 2022: R1,6 billion), R1,6 billion in dividends paid (March 2022: R0,6 billion) and the movement in working capital; pre-IFRS 16 net debt* increased to R7,1 billion (March 2022: R1,0 billion) with sufficient headroom available in unutilised facilities.

Group inventory holdings increased by 8 days, mainly due to load shedding in South Africa and post Covid-19 normalisation in trading conditions in other territories. c.83,7% of Group inventory is less than 27 weeks old. The provision for inventory obsolescence, as a percentage of gross inventory was 11,1% at the end of FY2023 (FY2022: 11,0%).

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 2023 vs H1 2022 %	H2 2023 vs H2 2022 %	FY2023 vs FY2022 %	FY2023 Contribution to TFG Africa retail turnover
Clothing	16,5	11,6	13,8	72,9%
Homeware	56,9	114,3	89,7	12,0%
Cosmetics	5,8	(0,6)	2,2	2,8%
Jewellery	4,8	(3,5)	–	4,1%
Cellphones	0,2	2,2	1,3	8,2%
Total TFG Africa	**16,9**	**17,4**	**17,2**	**100,0%**

Cash retail turnover, contributing 72,7% to TFG Africa retail turnover, grew by 19,7% when compared to the same period in the previous financial year. Credit retail turnover grew by 11,0% for the year ended 31 March 2023.

TFG Australia's retail turnover grew by 29,8% (AUD) when compared to the same period in the previous financial year, and now contributes 18,2% (FY 2022: 15,8%) to Group retail turnover.

Retail turnover in TFG London grew 9,4% (GBP) when compared to the same period in the previous financial year, and now contributes 13,3% (March 2022: 14,4%) to Group retail turnover.

The retail turnover growth/(decrease) 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 2023 vs H1 2022 %	H2 2023 vs H2 2022 %	FY2023 vs FY2022 %	FY2023 Contribution to Group retail turnover
TFG Africa (ZAR'm)	16,9	17,4	17,2	68,5%
TFG London (GBP'm)	21,2	(1,1)	9,4	13,3%
TFG Australia (AUD'm)	48,7	15,4	29,8	18,2%
Group (ZAR'm)	**23,5**	**16,2**	**19,4**	**100,0%**

* *Non-IFRS performance measures – refer to note 2 of the reviewed provisional condensed consolidated financial statements for the year ended 31 March 2023.*

Store portfolio

As at 31 March 2023, the Group traded out of 4 697 (March 2022: 4 351) outlets across 23 countries. During the year, we added 169 outlets through the Tapestry acquisition, 381 new outlets were opened and 204 outlets were 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 2022	**3 087**	**688**	**576**	**4 351**
Acquisition of Tapestry	**169**	**–**	**–**	**169**
New outlets	**337**	**21**	**23**	**381**
Closed outlets	**(69)**	**(120)**	**(15)**	**(204)**
Closing balance as at 31 March 2023	**3 524**	**589**	**584**	**4 697**

The Group continued its focus on space optimisation and the renegotiation of rentals. Since year end, the Group opened 39 new stores and added a further 99 stores to its South African footprint as a result of the Street Fever acquisition.

Credit

Given the strong cash turnover growth and the prevailing economic conditions we remain conservative with our credit lending criteria. Demand for TFG credit remains strong, while approval rates for new accounts decreased to c.19% as stringent approval criteria were maintained. During the year, the Group successfully implemented credit within the newly acquired Tapestry businesses. For the year ended 31 March 2023, credit retail turnover grew by 11,0% compared to the same period in the previous financial year (FY2022: 24,2%). Credit sales now contributes 27,3% (FY2022: 28,9%) to total TFG Africa retail turnover.

The retail net debtors' book of R7,7 billion increased by 10,5% year-on-year (FY2022: 5,7%). Customer payment behaviour remains better than expected, but the allowance for impairment ratio increased to 20,0% (March 2022: 19,1%) in line with prevailing and forecasted macro economic conditions.

Supervisory board updates

As was announced on SENS on 30 June 2022, the following changes were made to the Audit Committee with effect from 1 July 2022:

- Ronnie Stein, an independent non-executive director, stepped down as a member of the Audit Committee; and

- Graham Davin, an independent non-executive director, was appointed as a member of the Audit Committee.

Update on the acquisition of Street Fever – fulfilment of conditions precedent

Shareholders of TFG are referred to the announcement released by the Company on SENS on 23 January 2023 advising that the Group, through its value athletic and leisure footwear retail brand, Sneaker Factory, had entered into an agreement to acquire Street Fever, an independent retailer of affordable branded footwear and apparel ("Transaction").

As further announced on SENS on 10 May 2023, all conditions precedent to the Transaction have either been fulfilled or waived as set out in the agreement, including obtaining the approval from the relevant competition authorities. Accordingly, the Transaction is unconditional in accordance with the terms of the agreement and was implemented with an effective date of 26 April 2023. The integration into Sneaker Factory has been seamless.

Outlook

The year ahead is expected to remain challenging especially for the South African business where load shedding and increased consumer pressures are expected to deteriorate.

In light of the current load shedding and global uncertainties and despite the Group's high level of conviction around a number of clearly defined and identified growth levers and organic investment opportunities, the Group is adopting an appropriate prudent approach to its treatment of FY2024 as a year of consolidation with focus on improving operating leverage.

Operationally, considering the current macro economic conditions and the likelihood of continued high levels of load shedding, there will be a continued focus on controlling inventory purchases so as to defend gross profit margins and reduce the absorption of working capital, with FY2024 inventory purchases expected to be below those of FY2023 on a like-for–like-basis. Maintaining operationally effective expense control remains a key lever as evidenced during the second half of FY2023, support and administration expenses of approximately R220 million were frozen. Similar cost savings initiatives are planned for the year ahead. Planned capital allocation for the year ahead has been revisited, and planned new store openings have been curtailed, resulting in our store capital expenditure likely to approximate half of what was incurred in FY2023. TFG's future brand and store roll-out pipeline remains as robust as ever, however, current market conditions require a slower execution timeline of this roll-out.

Trade since the year-end has been muted across all three of our trading territories. For the 2 month trading period to May 2023 (compared to the same period ending May 2022), TFG Africa had retail turnover growth of 15,4% (5,8% excluding Tapestry*), TFG London retail turnover declined 10,8% (GBP) whilst TFG Australia declined 4,9% (AUD). Both TFG London and TFG Australia are up against a very high base in the comparative period which was driven by a post Covid-19 heightened demand for occasionwear and back to work shopping as mentioned in the previous paragraphs.

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

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

Results presentation webcast

A live webcast of the results presentation will be broadcast at 10:00 am (SAS) on 09 June 2023. 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 150,0 cents (120,00000 cents net of dividend withholding tax) per ordinary share from profits accrued during the six-month period ended 31 March 2023. This equates to a dividend cover of 3x, which the Supervisory Board believes is appropriate, given both the high level of uncertainty in the global consumer environment as well as the significant level of investment in the business.

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, 9 June 2023
Last day of trade to receive a dividend	Tuesday, 18 July 2023
Shares commence trading "ex" dividend	Wednesday, 19 July 2023
Record date	Friday, 21 July 2023
Payment date	Monday, 24 July 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 July 2023 and Friday, 21 July 2023, both days inclusive.

* *Non-IFRS measure – refer to note 2 of the reviewed provisional condensed consolidated financial statements for the year ended 31 March 2023.*

Preference cash dividend declaration

Notice is hereby given that the directors have declared a gross cash dividend (no. 173) 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 2023.

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, 9 June 2023
Last day of trade to receive a dividend	Tuesday, 12 September 2023
Shares commence trading "ex" dividend	Wednesday, 13 September 2023
Record date	Friday, 15 September 2023
Payment date	Monday, 18 September 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 September 2023 and Friday, 15 September 2023, both days inclusive.

Signed on behalf of the Supervisory Board.

M Lewis
Chair

A E Thunström
Chief Executive Officer

Cape Town
8 June 2023

Date of release of SENS: 9 June 2023

Condensed consolidated statement of financial position

	As at 31 March 2023 Reviewed Rm	Restated* As at 31 March 2022 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**5 184,6**	3 209,6
Goodwill and intangible assets	**9 813,4**	6 923,7
Right-of-use assets	**9 751,4**	7 643,8
Investments	**143,7**	136,8
Deferred taxation assets	**1 345,3**	1 329,0
	26 238,4	19 242,9
Current assets		
Inventory (note 5)	**13 074,0**	9 349,2
Trade receivables – retail	**7 745,5**	7 012,4
Other receivables and prepayments	**1 700,0**	1 767,4
Concession receivables	**236,7**	195,0
Cash and cash equivalents	**4 095,2**	5 745,8
Taxation receivable	**14,3**	–
	26 865,7	24 069,8
Total assets	**53 104,1**	43 312,7
EQUITY AND LIABILITIES		
Equity attributable to equity holders of The Foschini Group Limited	**21 652,5**	19 137,9
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	**5 990,0**	3 850,0
Put option liability	**43,5**	32,6
Lease liabilities	**7 266,5**	5 449,5
Deferred taxation liabilities	**1 073,3**	839,9
Post-retirement defined benefit plan	**233,0**	221,1
	14 606,3	10 393,1
Current liabilities		
Interest-bearing debt	**5 230,3**	2 933,1
Trade and other payables	**7 799,2**	7 206,5
Lease liabilities	**3 675,0**	3 366,5
Taxation payable	**140,8**	275,6
	16 845,3	13 781,7
Total liabilities	**31 451,6**	24 174,8
Total equity and liabilities	**53 104,1**	43 312,7

* *Refer to note 19.*

Condensed consolidated income statement

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm	% change
Revenue (note 6)	**55 121,3**	46 167,4	
Retail turnover	**51 778,1**	43 370,3	19,4
Cost of turnover	**(26 959,6)**	(22 343,5)	
Gross profit	**24 818,5**	21 026,8	
Interest income (note 7)	**1 673,8**	1 227,0	
Other income (note 8)	**1 669,4**	1 570,1	
Net bad debt	**(1 351,1)**	(983,8)	
Trading expenses (note 9)	**(21 393,9)**	(17 968,6)	
Operating profit before acquisition costs	**5 416,7**	4 871,5	11,2
Acquisition costs (note 17)	**(5,6)**	(58,8)	
Operating profit before finance costs	**5 411,1**	4 812,7	12,4
Finance costs (note 10)	**(1 367,8)**	(783,8)	
Profit before tax	**4 043,3**	4 028,9	
Income tax expense	**(1 017,5)**	(1 119,4)	
Profit for the year	**3 025,8**	2 909,5	
Attributable to:			
Equity holders of The Foschini Group Limited	**3 025,8**	2 909,5	

	Year ended 31 March 2023 Reviewed	Year ended 31 March 2022 Audited	% change
Earnings per ordinary share (cents) – (note 12)			
Basic	**938,5**	901,9	4,1
Diluted (basic)	**930,2**	894,6	4,0

Condensed consolidated statement of comprehensive income

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Profit for the year	**3 025,8**	2 909,5
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	**330,1**	(80,9)
Foreign currency translation reserve movements	**746,8**	(254,4)
Deferred tax on items that are or may be reclassified to profit or loss	**(96,5)**	22,6
Other comprehensive income (loss) for the year, net of tax	**980,4**	(281,1)
Total comprehensive income for the year	**4 006,2**	2 628,4
Attributable to:		
Equity holders of The Foschini Group Limited	**4 006,2**	2 628,4

Supplementary information

	31 March 2023 Reviewed	31 March 2022 Audited
Net number of ordinary shares in issue (millions)	**322,4**	325,2
Weighted average number of ordinary shares in issue (millions)	**322,4**	322,6

Condensed consolidated statement of changes in equity

	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 – audited	19 137,9

	Attributable to equity holders of The Foschini Group Limited Rm
Equity at 31 March 2022 – audited	**19 137,9**
Total comprehensive income for the year	**4 006,2**
Income for the year	**3 025,8**
Other comprehensive income	
Movement in effective portion of changes in fair value of cash flow hedges	**330,1**
Foreign currency translation reserve movements	**746,8**
Deferred tax on movement in other comprehensive income	**(96,5)**
Share-based payments reserve movements	**217,9**
Dividends paid	**(1 635,6)**
Proceeds from sale of shares in terms of share incentive schemes	**13,1**
Shares purchased in terms of share incentive schemes	**(87,0)**
Equity at 31 March 2023 – reviewed	**21 652,5**

	Year ended 31 March 2023 Reviewed	Year ended 31 March 2022 Audited
Dividend per ordinary share (cents)		
Interim	**170,0**	170,0
Final	**150,0**	330,0
Total	**320,0**	500,0

Condensed consolidated cash flow statement

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Cash flows from operating activities		
Operating profit before working capital changes (note 11)	**10 631,6**	9 490,6
Increase in working capital	**(3 528,0)**	(1 294,6)
Cash generated from operations	**7 103,6**	8 196,0
Interest income	**145,4**	65,1
Finance costs (note 10)	**(1 367,8)**	(783,8)
Taxation paid	**(1 223,2)**	(1 192,1)
Dividends received	**93,4**	82,4
Dividends paid	**(1 635,6)**	(556,0)
Net cash inflows from operating activities	**3 115,8**	5 811,6
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	**(3 000,6)**	(1 574,0)
Proceeds from sale of property, plant and equipment and intangible assets	**15,8**	90,4
Acquisitions during the year, net of cash acquired (note 17)	**(2 096,2)**	(220,3)
Net cash outflows from investing activities	**(5 081,0)**	(1 703,9)
Cash flows from financing activities		
Shares purchased in terms of share incentive schemes	**(87,0)**	(244,4)
Proceeds from sale of shares in terms of share incentive schemes	**13,1**	11,8
Net increase in interest-bearing debt	**4 047,2**	688,9
Lease liabilities	**(4 006,6)**	(3 536,9)
Net cash outflows from financing activities	**(33,3)**	(3 080,6)
Net (decrease) increase in cash and cash equivalents during the year	**(1 998,5)**	1 027,1
Cash and cash equivalents at the beginning of the year	**5 745,8**	4 843,2
Effect of exchange rate fluctuations on cash held	**347,9**	(124,5)
Cash and cash equivalents at the end of the year	**4 095,2**	5 745,8

Condensed consolidated segmental analysis

Year ended 31 March 2023	TFG Africa Retail Reviewed Rm	TFG Africa Credit Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
External revenue	**36 399,6**	**750,3**	**6 900,1**	**9 397,5**	**53 447,5**
External interest income	**126,6**	**1 528,4**	**–**	**18,8**	**1 673,8**
Total revenue*	**36 526,2**	**2 278,7**	**6 900,1**	**9 416,3**	**55 121,3**
External finance costs	**(736,1)**	**–**	**(56,5)**	**(1,3)**	**(793,9)**
External finance costs on lease liabilities	**(459,5)**	**–**	**(30,4)**	**(84,0)**	**(573,9)**
Depreciation and amortisation	**(790,2)**	**–**	**(75,5)**	**(192,7)**	**(1 058,4)**
Depreciation on right-of-use assets	**(2 711,8)**	**–**	**(199,5)**	**(1 056,9)**	**(3 968,2)**
(Impairment) impairment reversal of property, plant and equipment and intangible assets	**(45,2)**	**–**	**32,5**	**(13,4)**	**(26,1)**
Impairment reversal (impairment) of right-of-use assets	**16,8**	**–**	**(16,2)**	**(49,2)**	**(48,6)**
Group profit before tax					**4 043,3**
Segmental profit before tax	**1 944,8**	**311,5**	**397,0**	**1 390,0**	**4 043,3**

Year ended 31 March 2022	TFG Africa Retail Audited Rm	TFG Africa Credit Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited 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 (loss) before tax	2 665,6	174,6	372,4	816,3	4 028,9

* *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 Chief Operating Decision-Maker (CODM). The Operating Board, is 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.

Performance is measured based on segmental profit before tax, as included in the monthly management report reviewed by the CODM.

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

Year ended 31 March 2023	TFG Africa Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
Clothing	**25 868,8**	**6 900,1**	**9 397,5**	**42 166,4**
Homeware	**4 270,6**	**–**	**–**	**4 270,6**
Cosmetics	**981,3**	**–**	**–**	**981,3**
Jewellery	**1 449,5**	**–**	**–**	**1 449,5**
Cellphones	**2 910,3**	**–**	**–**	**2 910,3**
Total retail turnover	**35 480,5**	**6 900,1**	**9 397,5**	**51 778,1**

Year ended 31 March 2022	TFG Africa Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited 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 2023	TFG Africa Retail Reviewed Rm	TFG Africa Credit Reviewed Rm	TFG London Reviewed Rm	TFG Australia Reviewed Rm	Total Reviewed Rm
Segment revenue					
South Africa	**33 451,1**	**2 230,2**	**–**	**–**	**35 681,3**
Rest of Africa	**1 820,0**	**48,5**	**–**	**–**	**1 868,5**
United Kingdom and Ireland	**–**	**–**	**3 324,8**	**–**	**3 324,8**
Australia	**–**	**–**	**–**	**8 294,3**	**8 294,3**
Rest of the World	**–**	**–**	**732,6**	**529,0**	**1 261,6**
E-commerce**	**1 255,1**	**–**	**2 842,7**	**593,0**	**4 690,8**
Total segment revenue*	**36 526,2**	**2 278,7**	**6 900,1**	**9 416,3**	**55 121,3**
Segment non-current assets					
South Africa					**15 044,5**
Rest of Africa					**405,7**
United Kingdom and Ireland					**3 019,5**
Australia					**6 094,8**
Rest of the World					**184,9**
Total segment non-current assets***					**24 749,4**

Year ended 31 March 2022	TFG Africa Retail Audited Rm	TFG Africa Credit Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited 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

* *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 2023 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional condensed financial statements and the provisions of the South African Companies Act No. 71 of 2008, as amended (Companies Act) applicable to provisional condensed financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. 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 Finance Centre of Excellence department acting under supervision of Bongiwe Ntuli CA(SA), CFO of The Foschini Group Limited.

The provisional condensed consolidated financial statements are presented in South African Rand, which is the Group's functional currency, rounded to the nearest million, unless otherwise stated.

2. NON-IFRS PERFORMANCE MEASURES

Non-IFRS performance measures are measures that:

(i) are not defined by IFRS;

(ii) are not uniformly defined or used by all entities; and

(iii) may not be comparable with similar labeled measures and disclosures provided by other entities.

The directors are responsible for compiling the non-IFRS performance measures.

Pre-IFRS 16 net debt

Pre-IFRS 16 net debt is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Pre-IFRS 16 net debt is the total interest-bearing debt, net of cash and cash equivalents and IFRS 16 lease liabilities. Management considers it to be a key measure within the Group's debt reporting. The following adjustments are made to total interest-bearing debt to determine Pre-IFRS 16 net debt:

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Total interest-bearing debt	**22 161,8**	15 599,1
Less: Cash and cash equivalents	**(4 095,2)**	(5 745,8)
Net debt	**18 066,6**	9 853,3
Less: Lease liabilities	**(10 941,5)**	(8 816,0)
Net debt pre-IFRS 16	**7 125,1**	1 037,3

2. NON-IFRS PERFORMANCE MEASURES continued

Pre-IFRS 16 adjusted EBITDA

Pre-IFRS 16 adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Pre-IFRS 16 adjusted EBITDA is determined by adjusting operating profit before finance costs for depreciation and amortisation, IFRS 16-related income and expenses and acquisition costs. EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items. Management considers it to be a key measure within the Group's debt reporting. The following adjustments are made to operating profit before finance costs to determine the pre-IFRS16 adjusted EBITDA.

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Operating profit before finance costs	**5 411,1**	4 812,7
Add: Depreciation and amortisation	**1 058,4**	860,6
Add: Depreciation on right-of-use assets	**3 968,2**	3 453,5
EBITDA	**10 437,7**	9 126,8
Add: Acquisition costs	**5,6**	58,8
Adjusted EBITDA	**10 443,3**	9 185,6
Less: Occupancy costs lease reversal	**(4 560,6)**	(4 027,8)
Less: Profit on termination of leases	**(33,6)**	(58,3)
Add: Impairment of right of use assets	**48,6**	118,8
Pre-IFRS 16 adjusted EBITDA	**5 897,7**	5 218,3

Group retail turnover excluding Tapestry

Retail turnover growth excluding the acquisition of Tapestry is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Management considers it to be more reflective of the operating performance of the Group.

The measure provides an indicative retail turnover growth for TFG Africa excluding the acquired Tapestry business. Tapestry retail turnover for the period since acquisition on 1 August 2022 to 31 March 2023 was removed as if the acquisition did not take place.

Group	**Year ended 31 March 2023 Reviewed Rm**	Year ended 31 March 2022 Audited Rm	Growth %
Group retail turnover including Tapestry	**51 778,1**	43 370,3	19,4%
Less: Tapestry retail turnover	**(1 800,0)**		
Group retail turnover excluding Tapestry	**49 978,1**	43 370,3	15,2%

TFG Africa	**2 month trading period to May 2023 Unaudited Rm**	2 month trading period to May 2022 Unaudited Rm	Growth %
TFG Africa retail turnover including Tapestry	**6 168,3**	5 347,1	15,4%
Less: Tapestry retail turnover	**(509,0)**		
TFG Africa retail turnover excluding Tapestry	**5 659,3**	5 347,1	5,8%

3. NEW AND REVISED ACCOUNTING STANDARDS

No material new accounting standards were adopted by the Group during the current year.

The Group has implemented the following change in estimate during the current year:

The Group reassessed certain variables used within the inventory provision obsolescence model in TFG Africa valued on the Retail Inventory Method (RIM). The calculation has been enhanced by assessing the ageing of inventory starting at the receipt of inventory at the distribution centre compared to previously being assessed at receipt into stores as well as changes to certain ageing bucket provisioning rates. The change in estimate has not resulted in a material change in the provision.

4. BASIS OF CONSOLIDATION

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 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
5. INVENTORY		
Inventory at year end	**13 074,0**	9 349,2
Inventory provision as a % of gross inventory	**11,1%**	11,0%
Inventory losses	**754,4**	448,1
Inventory loss as a % of gross inventory	**5,1%**	4,3%
6. REVENUE		
Retail turnover	**51 778,1**	43 370,3
Interest income (note 7)	**1 673,8**	1 227,0
Other income (note 8)	**1 669,4**	1 570,1
	55 121,3	46 167,4
Retail turnover consists of:		
Cash sales*	**42 081,6**	34 632,7
Credit sales*	**9 696,5**	8 737,6
	51 778,1	43 370,3

* *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	**42 166,4**	35 835,7
Homeware	**4 270,6**	2 251,2
Cosmetics	**981,3**	959,8
Jewellery	**1 449,5**	1 449,7
Cellphones	**2 910,3**	2 873,9
	51 778,1	43 370,3
7. INTEREST INCOME		
Trade receivables – retail	**1 528,4**	1 161,9
Sundry**	**145,4**	65,1
	1 673,8	1 227,0

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

8. OTHER INCOME		
Value-added services	**816,9**	767,2
Collection cost recovery	**750,3**	581,0
Sundry income	**102,2**	221,9
	1 669,4	1 570,1

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm

9. TRADING EXPENSES

Net occupancy costs^	**(859,5)**	(632,5)
Occupancy costs	**(5 420,1)**	(4 660,3)
Occupancy costs lease reversal	**4 560,6**	4 027,8
Depreciation on right-of-use assets	**(3 968,2)**	(3 453,5)
Depreciation and amortisation	**(1 058,4)**	(860,6)
Employee costs	**(9 019,6)**	(7 366,8)
Other operating costs	**(6 488,2)**	(5 655,2)
	(21 393,9)	(17 968,6)

^ *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.*

10. FINANCE COSTS

Finance costs on lease liabilities	**(573,9)**	(490,9)
Interest-bearing debt	**(793,9)**	(292,9)
	(1 367,8)	(783,8)

Finance costs increased predominantly due to the increase in interest rates.

11. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

Profit before tax	**4 043,3**	4 028,9
Finance costs (note 10)	**1 367,8**	783,8
Operating profit before finance costs	**5 411,1**	4 812,7
Interest income – sundry	**(145,4)**	(65,1)
Dividends received	**(93,4)**	(82,4)
Non-cash items	**5 459,3**	4 825,4
Depreciation and amortisation	**1 095,9**	880,6
Depreciation on right-of-use assets	**3 968,2**	3 453,5
Share-based payments	**217,9**	87,1
Post-retirement defined benefit medical aid movement	**11,9**	18,1
Employee-related provisions	**22,1**	63,9
Foreign currency transactions	**33,2**	(12,5)
Put option liability movement	**5,7**	(10,8)
Fair value adjustment	**1,9**	(13,0)
Loss on disposal of property, plant and equipment and intangible assets	**63,1**	367,9
Impairment (impairment reversal) of property, plant and equipment and intangible assets	**26,1**	(24,1)
Profit on disposal of property, plant and equipment and intangible assets	**(1,7)**	(45,8)
Impairment of right-of-use assets	**48,6**	118,8
Profit on termination of leases	**(33,6)**	(58,3)
	10 631,6	9 490,6

12. RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Profit for the year attributable to equity holders of The Foschini Group Limited	**3 025,8**	2 909,5
Adjusted for:		
Loss on disposal of property, plant and equipment and intangible assets	**63,1**	367,9
Impairment (impairment reversal) of property, plant and equipment and intangible assets	**26,1**	(24,1)
Profit on disposal of property, plant and equipment and intangible assets	**(1,7)**	(45,8)
Impairment of right-of-use assets	**48,6**	118,8
Change in South African tax rate	**–**	(7,4)
Change in UK tax rate	**–**	49,7
Headline earnings before tax	**3 161,9**	3 368,6
Tax on headline earnings adjustments	**(38,1)**	(113,9)
Headline earnings	**3 123,8**	3 254,7

	Year ended 31 March 2023 Reviewed	Year ended 31 March 2022 Audited	% change
Earnings per ordinary share (cents)			
Basic	**938,5**	901,9	4,1
Headline	**968,9**	1 009,0	(4,0)
Diluted (basic)	**930,2**	894,6	4,0
Diluted (headline)	**960,3**	1 000,8	(4,0)

13. 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 2022.

14. CHANGES TO DIRECTORS

Other than as set out above, there were no changes in directors during the current year.

15. 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 seek 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 our expansion strategy. The Group continually assess the current store base and do not anticipate that these stores will return to profitability in the future until their respective closures.

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 (CGUs) 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. The Group assessed the recoverable amount of goodwill and brands and there is no indication of impairment.

16. 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 17,2% (ZAR) when compared to the same period in the previous financial year. Online retail turnover, increased by 33,2% (ZAR) and now contributes 3,5% (ZAR) to total TFG Africa retail turnover. Outlet retail turnover, increased by 16,7% (ZAR) and now contributes 96,5% (ZAR) to total TFG Africa retail turnover.

This region experienced heightened consumer pressure, unprecedented load shedding and consequently surplus inventories which resulted in a higher level of promotional activity which negatively impacted gross margin.

TFG Africa credit

Average approval rates for new accounts decreased to c.19% as the demand for TFG credit increased but stringent approval criteria was maintained. During the year, the Group successfully implemented credit within the newly acquired Tapestry businesses. For the year ended 31 March 2023, credit retail turnover grew by 11,0% compared to the same period in the previous financial year (FY2022: 24,2%). Credit sales now contributes 27,3% (FY2022: 28,9%) to total TFG Africa retail turnover.

The retail net debtors' book of R7,7 billion increased by 10,5% year-on-year (FY2022: 5,7%). Customer payment behaviour remains better than expected, but the allowance for impairment ratio increased to 20,0% (March 2022: 19,1%) in line with economic conditions.

TFG London

The growth in TFG London's retail turnover increased by 9,4% (GBP) when compared to the same period in the previous financial year. Online retail turnover, decreased by 0,3% (GBP) and now contributes 41,2% (GBP) to total TFG London retail turnover. Outlet retail turnover, increased by 17,4% (GBP) and now contributes 58,8% (GBP) to total TFG London retail turnover.

16. JUDGEMENTS AND ESTIMATES APPLIED IN THE CURRENT FINANCIAL RESULTS continued

Financial performance during the current year continued

TFG Australia

TFG Australia's retail turnover grew by 29,8% (AUD) when compared to the same period in the previous financial year. Online retail turnover, decreased by 11,5% (AUD) and now contributes 6,3% (AUD) to total TFG Australia retail turnover. Outlet retail turnover, increased by 34,0% (AUD) and now contributes 93,7% (AUD) to total TFG Australia retail turnover.

Statement of financial position:

Property, plant and equipment

The Group continued to invest in capital expenditure to improve its logistics infrastructure, local manufacturing, ecommerce capabilities and its store network (new and revamped stores); a robust balance sheet position was maintained despite the acquisition of Tapestry Home Brands Proprietary Limited ('Tapestry'), strategic capital investments and higher levels of load shedding.

Interest-bearing debt

To further reinforce its statement of financial position, the Group restructured its debt facilities at an Africa level, successfully raising R14,5 billion in facilities, which was an additional R2,8 billion and on more favourable lending terms.

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. The going concern assumption was considered to be appropriate for the preparation of the Group's results for the year ended 31 March 2023 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 2023. This performance was achieved despite load shedding in South Africa. Group retail turnover grew by 19,4%, 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 R6,8 billion, as well as available cash of R4,1 billion as at 31 March 2023; 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.

> Debt covenants are measured within the specific segments in which the debt is obtained. The covenants have been met as at the period end and the directors are satisfied that there is sufficient headroom between the measured metric obtained and the debt covenant triggers.

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. ACQUISITION DURING THE YEAR

With effect from 1 August 2022, TFG acquired 100% of the issued share capital of Tapestry Home Brands Proprietary Limited ('Tapestry') for a cash equivalent purchase consideration of R2,2 billion (a net cash purchase consideration of R2,1 billion), obtaining control as of this date. TFG acquired the sale shares from Westbrooke Investments Proprietary Limited, funds managed by Actis, as well as the current and previous management of Tapestry in South Africa, Botswana and Namibia. Tapestry is a 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 acquisition seeks to provide the Group with exposure to new and diverse products and categories as well as gaining new customers to 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 and the continued development of its quick response local manufacturing capability.

17. ACQUISITION DURING THE YEAR continued

TFG measured the identifiable assets and liabilities of Tapestry at their acquisition-date fair values.

The values are presented below:

	Rm
Non-current assets	**1 353,9**
Property, plant and equipment	138,5
Goodwill and intangible assets	534,8
Right-of-use assets	662,2
Deferred taxation assets	18,4
Current assets	**686,3**
Inventory	544,9
Other receivables and prepayments	25,3
Cash and cash equivalents	116,1
Non-current liabilities	**803,5**
Lease liabilities	405,0
Interest-bearing debt	243,9
Deferred taxation liabilities	154,6
Current liabilities	**754,1**
Trade and other payables	458,5
Taxation payable	38,4
Lease liabilities	257,2
Total identifiable net assets at fair value	**482,6**
Goodwill arising from acquisition	1 729,7
Purchase consideration	**2 212,3**
Less: Cash and cash equivalents acquired	(116,1)
Net cash outflow on acquisition	**2 096,2**

Goodwill of R1,7 billion and the Tapestry brands of R530,6 million has been recognised as intangible assets at acquisition. Goodwill represents the value paid in excess of the provisional fair value of the net assets. This consists largely of the value assigned to the unique operating business model and future growth prospects. The goodwill recognised is not tax depreciable or otherwise recognised for tax purposes.

Retail turnover and profit and loss for the eight-month trading post acquisition amounted to R1,8 billion and R157,6 million respectively. Once-off acquisition costs of R2,9 million related to the acquisition have been expensed in the current period (March 2022: R36,6 million).

If Tapestry was acquired on 1 April 2022, the retail turnover and earnings before interest and tax for the 12-month period is estimated to be R2,6 billion and R350 million respectively.

18. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 March 2023 Reviewed Rm	Year ended 31 March 2022 Audited Rm
Level 2		
Forward exchange contracts – asset	**144,2**	–
Forward exchange contracts – liability	**–**	(185,7)
Insurance cell captive receivables	**239,0**	278,4
Investments	**143,7**	136,8
Level 3		
Put option liability	**(43,5)**	(32,6)

There are no level 1 financial instruments in the Group.

There were no transfers between levels during the current year.

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.

Investments

The investments 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^.

^ *Pre IFRS 16.*

19. RESTATEMENT OF NON-CURRENT INTEREST BEARING DEBT AS CURRENT INTEREST BEARING DEBT

In February 2020, TFG London's existing funding arrangement with a consortium of UK based banks ("the consortium") was extended to cover a five-year period. The arrangement provided for a facility of three years and two further periods where the Group has the right to request extensions for 12 months each, subject to the approval of the consortium. In October 2022 the first extension was granted by the consortium, extending the facility to February 2024 with no changes to the existing terms as described above.

Subsequent to the extension and on further analysis of the contractual terms of the funding arrangement, the Group has revised the classification of the liability previously disclosed as Non-current liabilities, to current liabilities, restating the March 2022 financial information as illustrated below. The extension approval took place after year end, which did not give the Group the substantive right as at 31 March 2022 to defer repayment beyond 12 months of that date, and in accordance with IAS1 Presentation of Financial Statements (IAS1), this liability should be classified as current in this financial period and in the comparative financial period. The Group has classified the liability as current through a restatement thereby complying with IAS1 in line with the financial impacts as detailed below.

This restatement only impacts certain classifications within the Statement of Financial Position and the relevant notes reflecting current and non-current interest bearing debt, and has no impact on the profit or cash flows of the Group. The restatement had no impact on the Group's income statement, Statement of changes in equity and Statement of cash flows. The restatement had no impact on the Statement of Financial Position at 31 March 2021.

The Group has already commenced discussions with the consortium and based on the actual and projected trading results of the Group, TFG London is confident that the facility will be further extended to February 2025 on the existing terms.

The impact of the restatements on the Group's statement of financial position is detailed as follows:

	As at 31 March 2022		
	As previously reported Rm	**Restatement Rm**	**Restated Rm**
Non-current liabilities			
Interest-bearing debt	4 883,7	(1 033,7)	**3 850,0**
Current liabilities			
Interest-bearing debt	1 899,4	1 033,7	**2 933,1**

	As at 30 September 2022		
	As previously reported Rm	**Restatement Rm**	**Restated Rm**
Non-current liabilities			
Interest-bearing debt	5 542,4	(1 092,4)	**4 450,0**
Current liabilities			
Interest-bearing debt	6 625,0	1 092,4	**7 717,4**

20. SUBSEQUENT EVENTS

Shareholders of TFG ("Shareholders") are referred to the announcement released by the Company on SENS on 23 January 2023 advising that the Group, through its value athletic and leisure footwear retail brand, Sneaker Factory, had entered into an agreement to acquire Street Fever, an independent retailer of affordable branded footwear and apparel ("Transaction").

As further announced on SENS on 10 May 2023, all conditions precedent to the Transaction have either been fulfilled or waived as set out in the agreement, it being noted that the approval from the relevant competition authorities was obtained. Accordingly, the Transaction is now unconditional in accordance with the terms of the agreement and was implemented with an effective date of 26 April 2023. The integration has been seamless.

No further significant events took place between the year ended 31 March 2023 and date of issue of this report.

21. 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.

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 2023 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 2023 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

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Deloitte & Touche
Registered Auditor

Per: JHW de Kock
Partner

8 June 2023

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
Registration number:	1937/009504/06
Tax reference number:	9925/133/71/3P
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)
Auditors:	Deloitte & Touche
Website:	www.tfglimited.co.za

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