

The Foschini Group Limited  
Registration number: 1937/009504/06  
Share codes: TFG-TFGP  
ISIN codes: ZAE000148466 - ZAE000148516  
("TFG" or "the Company")

Referral by the National Credit Regulator to the National Consumer Tribunal for alleged breach of the National Credit Act

Foschini Retail Group (Pty) Ltd ("FRG"), a wholly-owned subsidiary of the Company, has been referred to the National Consumer Tribunal ("NCT") for allegedly being in breach of the National Credit Act ("NCA"). FRG sells Club magazine subscriptions to consumers, which the National Credit Regulator ("NCR") considers to be "charging" a "fee" that is not permitted by the NCA.

TFG's Club products are optional magazine subscriptions with insurance and other benefits which can be subscribed to at application stage, or later via telemarketing and other marketing channels. Consumers can cancel their subscription at any stage and without penalty.

The Company is of the view that FRG's referral is based on an incorrect interpretation of the applicable legislation, as the NCA does not limit which products retailers may sell to its customers on their credit accounts. This was also recently confirmed by the NCT in a similar case against Lewis Stores. The referral is also similar to the referrals regarding Club "fees" against Edcon and Mr Price.

The Company will oppose FRG's referral to the NCT, as it does not agree with the view held by the NCR for the reasons stated above, amongst others. The Company also obtained the opinions of senior counsel, which was to the effect that the NCR's position is untenable as it appears that the NCR has no rational basis for the relief sought against FRG in these proceedings.

4 July 2017

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