

THE FOSCHINI GROUP LIMITED

Incorporated in the Republic of South Africa

Registration number: 1937/009504/06

Ordinary share code: TFG

Preference share code: TFGP

Ordinary share ISIN: ZAE000148466

Preference share ISIN: ZAE000148516

("TFG" or "the Company")

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM AN OFFER OF SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION.

LAUNCH OF ACCELERATED BOOKBUILD OFFERING

Investors are advised of the launch of a placing of new TFG ordinary shares ("Bookbuild Shares") through an accelerated bookbuild offering ("Bookbuild") to raise up to R2 billion, to be issued under the Company's existing authority to issue shares as approved at the shareholders' extraordinary general meeting on Friday, 28 July 2017. The Bookbuild constitutes a vendor consideration placement, the proceeds of which will be utilised to repay all or a portion of the short-term acquisition facility relating to the acquisition by TFG of 100% of Retail Apparel Group, announced by the Company on SENS on 25 May 2017.

The Bookbuild is being offered to qualifying investors only (as set out in greater detail in the disclaimers below) and is not an offer to the public in any jurisdiction.

The book for the Bookbuild is open with immediate effect and is expected to close as soon as possible.

Pricing and allocations will be announced as soon as practicable following the closing of the book. Listing and trading of the Bookbuild Shares is expected to commence at 09:00 on Friday, 4 August 2017, in accordance with the JSE Limited's 3 business day settlement period.

Rand Merchant Bank, a division of FirstRand Bank Limited and Morgan Stanley & Co. International plc are, pursuant to a placing agreement entered into with TFG, acting as joint bookrunners for the Bookbuild. Under the placing agreement TFG will not, subject to customary exceptions relating to employee share participation and similar arrangements, issue any further ordinary shares for a period of 90 days from the date the Bookbuild is closed, without the prior written consent of the joint bookrunners.

Cape Town

31 July 2017

Sole financial adviser, transaction sponsor and joint bookrunner
Rand Merchant Bank (A division of FirstRand Bank Limited)

Joint bookrunner
Morgan Stanley & Co. International plc

Legal counsel to TFG
ENS Africa
Shearman & Sterling (London) LLP

Legal counsel to the joint bookrunners
Bowman Gilfillan Inc
Freshfields Bruckhaus Deringer LLP

The distribution of this announcement and the offer and sale of the Bookbuild Shares in certain jurisdictions may be restricted by law. The Bookbuild Shares may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any prospectus or offering document relating to the Bookbuild Shares in such jurisdiction. No action has been taken by TFG or the joint bookrunners or any of their respective affiliates that would permit an offering of the Bookbuild Shares or possession or distribution of this announcement or any other offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In South Africa, the Bookbuild will not be an "offer to the public" as defined in the South African Companies Act, No.71 of 2008 ("Companies Act"). Qualifying investors will accordingly only be permitted to apply for shares, if the applicant is a person who or which falls within one of the specified categories of persons listed in section 96(1)(a) of the Companies Act, or in accordance with s96(1)(b) of the Companies Act, the application is for a minimum total acquisition cost, per single addressee acting as principal, of greater than or equal to ZAR1 000 000.

This press release is for informational purposes only and does not constitute or form a part of an offer to sell or a solicitation of an offer to purchase any security in the United States or in any other jurisdiction where such offer or solicitation is unlawful. The securities described in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any applicable state or foreign securities laws and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. The Bookbuild Shares are being offered and sold in the United States only to a limited number of "qualified institutional buyers" ("QIBs") in reliance on Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act, and are being sold outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. There will be no public offering of securities in the United States.

In Member States of the European Economic Area ("EEA"), this announcement and any offer if made subsequently is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Directive ("Qualified Investors"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. In the United Kingdom, this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated.