

THE FOSCHINI GROUP LIMITED
 Reg. No.: 1937/009504/06
 Code: TFG
 ISIN: ZAE000148466
 ("TFG" and "Group")

Trading Update for the nine months to 28 December 2019

TFG enjoyed a solid November/December trading period, which included a record high Black Friday for the Group and which is increasingly measured against the high base that has been created over the past several prior comparative periods. Subsequent trade continues to be in line with management expectation.

The Group's consolidated turnover grew 5,9% for the nine months to 28 December 2019 when compared to the same period in the previous financial year with performances in line with expectations in all regions, apart from TFG Australia, which continued to exceed expectation.

TFG Africa showed resilience across all merchandise categories and despite the high base of the past several years, produced turnover growth of 5.9%. This included a new record high Black Friday performance, which helped to offset the negative impact of the load-shedding experienced in South Africa during December. Same store turnover grew by 4.1%. Cash turnover grew pleasingly by 11.2% whilst credit turnover declined by -1,0% as a result of the Group's prudent approach to credit in the current constrained economic environment.

TFG London's turnover declined 1.1% against the backdrop of a very subdued and disrupted environment, characterized by large store format closures and the accelerated restructuring of the department store model by owners and lenders, as well as continued footfall declines on the high street amidst Brexit uncertainty and generally poor retail sales being reported for the festive season period. TFG London's turnover, excluding concession turnover from House of Fraser (an independently owned UK department store placed under administration in August 2018), grew by 1,8%^ which is positive given these circumstances and the fact that this result was achieved without the sacrifice of margin.

TFG Australia's turnover grew 11.4% off an already high base. Excluding the G-Star RAW franchise stores disposed of in December 2018, TFG Australia's turnover grew by 15,3%^, with a record high Black Friday performance in November.

^ Pro forma management account numbers used to calculate an indicative turnover growth.

Cash turnover now contributes 73,6% to Group turnover.

The turnover growth in each of our business segments was as follows:

Business segment	Currency	Total turnover growth	Comparable turnover growth	Contribution to Group turnover
TFG Africa	R	5,9%	4,1%	64,2%
TFG London	£	(1,1%)	N/A*	20,5%
TFG Australia	A\$	11,4%	6,5%	15,3%

* TFG London trades, inter alia, through department store concessions. As concessions by nature change floor space on a continuous basis, a comparable turnover number is not calculated.

Within TFG Africa, turnover growth in the respective categories was as follows:

Merchandise category	Total turnover growth	Comparable turnover growth	Contribution to TFG Africa turnover
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Clothing	6,5%	4,4%	73,6%
Homeware	7,8%	5,4%	6,9%
Cosmetics	1,0%	0,0%	4,7%
Jewellery	2,3%	2,4%	6,7%
Cellphones	4,8%	3,8%	8,1%

Shareholders are advised that this trading update has not been reviewed or reported on by the Company's external auditors.

PRO FORMA INFORMATION

Pro forma management account information for TFG Australia and TFG London were used in this announcement for illustrative purposes only to provide an indicative turnover growth for these business segments.

In TFG Australia, turnover for the period 1 April to 5 December 2018 relating to the G-Star RAW franchise stores were removed as if the disposal of these stores took place effective 31 March 2018.

In TFG London, all turnover transacted through House of Fraser were removed to illustrate the impact of House of Fraser going into administration during August 2018.

This pro forma information, because of its nature, may not be a fair reflection of the Group's results of operations, financial position, changes in equity or cash flows. There are no events subsequent to the reporting date which require adjustment to the pro forma information.

The pro forma management account turnover numbers used were:

	Year ending March 2020	Year ended March 2019	
	A\$m	A\$m	% change
TFG Australia for the period 1 April to 28 December	436,3	391,6	11,4%
Less G-Star RAW franchise stores (1 April 2018 to 5 December 2018) #		(13,1)	
Comparable TFG Australia	436,3	378,5	15,3%
	Year ending March 2020	Year ended March 2019	
	£m	£m	% change
TFG London turnover for the period 1 April to 28 December	315,3	318,8	(1,1%)
Less turnover through House of Fraser (1 April to 28 December) #	(16,6)	(25,3)	(34,4%)
Comparable TFG London turnover	298,7	293,5	1,8%

The adjustment is based on management accounts. The Group is satisfied with the quality of these management accounts which are unaudited.

The directors are responsible for compiling the pro forma financial information in accordance with the JSE Limited Listings Requirements and in compliance with the SAICA Guide on Pro Forma Financial Information. The underlying information used in the preparation of the pro forma financial information has been

prepared using the accounting policies in place for the year ending 31 March 2020.

Cape Town
17 January 2020

Sponsor:
UBS South Africa Proprietary Limited