

# APPENDICES

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## APPENDIX 1: DEFINITIONS

<b>Concession arrangement</b>	In addition to their own stand-alone stores, our international division operates through concession arrangements with key department store partners from whom they occupy an agreed floor space area (referred to as "mat") dedicated to their product
<b>COSO</b>	Committee of Sponsoring Organisations
<b>Current ratio</b>	Current assets divided by current liabilities
<b>Debt to equity ratio</b>	Net borrowings expressed as a percentage of total equity
<b>Dividend cover</b>	Basic earnings per share divided by dividend declared
<b>Doubtful debt provision as a % of debtors' book</b>	Provision for doubtful debts expressed as a percentage of gross receivables
<b>EBITDA</b>	Earnings before finance costs, tax, depreciation and amortisation
<b>EBITDA finance charge cover</b>	EBITDA divided by finance costs
<b>Finance charge cover</b>	Operating profit before finance charges divided by finance costs
<b>Gross square metres</b>	Comprises the total leased store area including stock rooms
<b>Headline earnings</b>	Net income attributable to ordinary shareholders adjusted for the effect, after tax, of exceptional items
<b>Headline earnings - adjusted</b>	Headline earnings adjusted for the impact of once-off acquisition costs incurred
<b>Headline earnings per ordinary share</b>	Headline earnings divided by the weighted average number of shares in issue for the year
<b>LSM</b>	Refers to the SAARF Universal Living Standards Measure, which is a unique means of segmenting the South African market by dividing the population into 10 LSM groups, 1 (lowest) to 10 (highest) - refer to table on the next page
<b>Market capitalisation</b>	The market price per share at the year end multiplied by the number of ordinary shares in issue at the year end
<b>Net bad debt and provision movement</b>	VAT-exclusive bad debts including provision movement, net of recoveries
<b>Net bad debt write-off - retail</b>	VAT-inclusive bad debts, net of recoveries and excluding movement in provision
<b>Net bad debt write-off as a % of credit transactions</b>	Net bad debt write-off expressed as a percentage of credit transactions
<b>Net bad debt write-off as a % of debtors' book</b>	Net bad debt write-off expressed as a percentage of gross receivables
<b>Net borrowings</b>	Interest-bearing debt and non-controlling interest loans reduced by preference share investment (where relevant) and cash
<b>Non-recourse debt</b>	Debt where lenders cannot seek compensation from TFG parent companies, their sponsors or guarantors, and is typically debt raised by our international companies
<b>Omnichannel</b>	Describes multichannel retailing (e-commerce, online sales, mobile application sales)
<b>Operating margin</b>	Operating profit before finance charges expressed as a percentage of retail turnover
<b>Operating profit</b>	Profit earned from normal business operations
<b>Overdue values as a % to debtors' book</b>	Overdue portion of debtors at statement month end as a percentage of debtors' book
<b>Outlets</b>	Our international division trades through a combination of stand-alone stores and concession arrangements resulting in their operations being referred to as outlets rather than the traditional stores

<b>Recourse debt</b>	Recourse debt is amounts owing to TFG companies in Africa (excluding our international subsidiaries) where the lenders have the ability to claim for damages from the borrower's parent, sponsor or guarantor
<b>Recourse debt to equity ratio</b>	Recourse debt reduced by preference share investment (where relevant) and cash expressed as a percentage of total equity
<b>Return on capital employed (ROCE)</b>	Earnings before interest and tax (EBIT)/capital employed
<b>Same store</b>	Stores which have traded out of the same trading area for the full current and previous financial years
<b>Tangible net asset value per ordinary share</b>	Total net asset value, after non-controlling interest, excluding goodwill and intangible assets, divided by the net number of ordinary shares in issue at the year end
<b>Trading expenses</b>	Trading expenses are costs incurred in the normal course of business, and includes, among others, depreciation and amortisation, employee costs, occupancy costs, net bad debt and other operating costs

#### SOUTH AFRICAN ADULT (15+): POPULATION SPLIT BY LSM: AVERAGE MONTHLY HOUSEHOLD INCOME

**Source:** AMPS Individual Databases (2014B, 2015B)

**Notes:**

All adults aged 15+

Average income is calculated using the midpoint of the income bands provided by AMPS. Maximum category in 2014B and 2015B is R60 000+, and the value R60 000 was used in this instance.

LSM refers to SAARF Universal Living Standards Measure

All Rand values are nominal (inflation is not taken into account)

LSM	Popu- lation 2015B	% Popu- lation 2010	% Popu- lation 2011	% Popu- lation 2012	% Popu- lation 2013	% Popu- lation 2014	% Popu- lation 2015B	Average monthly household income 2015B	Average monthly household income 2014B
LSM 1	423 803	2,4%	1,9%	1,6%	1,4%	1,6%	1,1%	R2 225	R2 168
LSM 2	1 033 699	5,7%	5,1%	4,1%	3,6%	3,3%	2,7%	R3 353	R2 886
LSM 3	2 196 284	7,0%	6,1%	6,2%	5,7%	5,2%	5,7%	R3 358	R3 307
LSM 4	4 908 513	14,0%	12,2%	13,0%	11,6%	12,3%	12,8%	R4 157	R4 068
LSM 5	6 408 562	16,6%	17,4%	17,1%	16,4%	15,9%	16,8%	R5 636	R5 016
LSM 6	8 707 403	20,3%	22,4%	22,6%	23,7%	23,6%	22,8%	R7 869	R7 387
LSM 7	5 193 862	10,6%	11,4%	11,4%	12,3%	13,0%	13,6%	R13 285	R12 923
LSM 8	3 300 143	8,3%	8,4%	8,6%	8,8%	8,8%	8,6%	R19 397	R17 224
LSM 9	3 705 911	8,9%	8,9%	9,4%	10,0%	10,0%	9,7%	R26 337	R24 292
LSM 10	2 380 729	6,2%	6,2%	6,0%	6,5%	6,3%	6,2%	R38 970	R36 838
<b>Total</b>	<b>38 258 909</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>R12 459</b>	<b>R11 276</b>

## APPENDIX 2:

### CONSOLIDATED PERFORMANCE TABLE

Performance indicator	% change	2016	2015
<b>Economic and related core baseline indicators</b>			
Retail turnover (Rm)	31,2	21 107,5	16 085,9
Operating profit before finance costs and once-off acquisition costs (Rm)	28,1	3 596,1	2 807,1
EBITDA (Rm)**	25,5	4 060,8	3 235,2
Adjusted headline earnings (Rm)	16,1	2 185,2	1 881,9
Earnings per ordinary share from continuing operations excluding once-off acquisition costs (cents)	20,2	1 073,3	893,3
Headline earnings per ordinary share from continuing operations excluding once-off acquisition costs (cents)	17,6	1 055,8	897,9
Distribution declared per ordinary share (cents)	17,5	691,0	588,0
Value added (Rm)	43,7	7 782,5	5 417,6
Total number of outlets	14,7	3 125	2 724
Total number of distribution centres*	-	8	8
Number of environmental, health and safety and/or governance legal incidents	-	zero	zero
<b>Employee indicators</b>			
<b>Total number of employees</b>			
Permanent full-time employees	5,4	15 053	14 277
Permanent part-time employees	41,3	2 207	1 562
Flexitime employees	10,6	4 721	4 268
Contract employees	53,4	747	487
Casual employees	13,4	152	134
Employee turnover excluding contractors (%)	3,6	37,1	35,8

\* South Africa only.

	% change	2016	2015
<b>Employee indicators (continued)</b>			
<b>Employment equity (% representation of previously disadvantaged groups among permanent employees) – South African only</b>			
Top management	33,7	11,1	8,3
Senior management	9,7	22,6	20,6
Specialists and middle management	5,5	49,8	47,2
Skilled technical and junior management	1,5	86,1	84,8
Semi-skilled and unskilled employees	0,3	98,2	97,9
<b>Investment in employee training and development</b>			
Total expenditure (Rm)	3,6	124,9	120,6
% of payroll	(27,8)	3,9	5,4
Total number of employees trained <sup>#</sup>	(1,4)	116 043	117 737
Work-related fatalities	-	zero	zero
<b>Number of classified injuries</b>			
Number of days lost	(12,3)	1 415	1 614
Number of incidents	26,0	538	427
Number of incidents where days off were three or less	17,6	374	318
Number of work days lost due to industrial action	-	zero	zero
<b>Corporate social investment – TFG excluding international</b>			
CSI total spend (Rm)	(18,6)	7,0	8,6
Merchandise donations for the benefit of the Feel Good Project (Rm)	(14,6)	27,4	32,1
<b>Environmental matters – TFG excluding international</b>			
Purchased electricity usage (kilowatt-hours) (stores, distribution centres and offices) (millions)	(0,1)	156,1	156,2
<b>Carbon footprint (tonnes CO<sub>2</sub>e) – TFG excluding international</b>			
Total emissions	(2,8)	207 301	213 382
Scope 1	5,6	3 574	3 385
Scope 2	(2,1)	152 020	155 354
Scope 3	(6,4)	49 585	52 959
Non-kyoto	26,0	2 122	1 684
Intensity: emissions per m <sup>2</sup> (including stores)	(3,7)	0,26	0,27
Water consumption (kilolitres) (head offices and distribution centres)	(8,6)	58 924	64 481

\* Note: Data in respect of BBBEE and environmental issues are presented one year in arrears.

\*\* Excludes once-off acquisition costs.

# Refers to attendees and not individual employees.



## APPENDIX 3:

### SUBSIDIARY COMPANIES

<b>Name of subsidiary</b>	<b>Country of registration</b>	<b>Issued share capital R</b>
<b>Trading subsidiaries</b>		
Customer Arrear Solutions Proprietary Limited	South Africa	18 200
Dress Holdco A Limited	UK	31 894 676
Fashion Retailers Proprietary Limited	Namibia	250 006
Fashion Retailers (Zambia) Limited	Zambia	75
Foschini Finance Proprietary Limited	South Africa	6
Foschini (Lesotho) Proprietary Limited	Lesotho	1 000
Foschini Retail Group Proprietary Limited	South Africa	2
Foschini Services Proprietary Limited	South Africa	10
Foschini Stores Proprietary Limited	South Africa	1
Foschini (Swaziland) Proprietary Limited	Swaziland	2
Markhams Proprietary Limited	South Africa	1
Pienaar Sithole and Associates Proprietary Limited	South Africa	100
Prestige Clothing Proprietary Limited	South Africa	10
TFG Apparel Supply Company Proprietary Limited	South Africa	1
The Foschini Group Ghana Limited	Ghana	10 746 800
What U Want To Wear Proprietary Limited	South Africa	66 200

## APPENDIX 4:

# SHAREHOLDINGS OF THE FOSCHINI GROUP LIMITED

### ANALYSIS OF SHAREHOLDINGS

Compiled by JP Morgan Cazenove utilising the company's transfer secretaries' records as at 1 April 2016.

SPREAD ANALYSIS	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
1 - 1 000 shares	4 951	65,4	1 603 054	0,7
1 001 - 10 000 shares	1 764	23,3	5 165 481	2,4
10 001 - 100 000 shares	613	8,1	20 117 120	9,3
100 001 - 1 000 000 shares	206	2,7	63 859 979	29,7
1 000 001 shares and over	38	0,5	124 605 251	57,9
	7 572	100,0	215 350 885	100,0

### DISTRIBUTION OF SHAREHOLDINGS

CATEGORY	Number of shares held	% of shares in issue
Unit trusts/mutual funds	70 984 153	33,0
Pension funds	68 747 631	31,9
Private investor	20 540 750	9,5
Other managed funds	15 921 988	7,4
Sovereign wealth	12 058 418	5,6
Insurance companies	6 136 879	2,9
Custodians	5 797 125	2,7
Employees	5 035 150	2,3
Trading position	3 000 829	1,4
Exchange-traded fund	2 669 601	1,2
Hedge fund	1 654 437	0,8
Corporate holding	1 070 624	0,5
Other	1 733 300	0,8
	215 350 885	100,0

### BENEFICIAL SHAREHOLDINGS GREATER THAN 3%

Beneficial interests, direct and indirect, as per share register and information supplied by nominee companies as at 1 April 2016.

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	35 346 900	16,4
Lewlef Investments (Pty) Ltd	9 652 445	4,5
	44 999 345	20,9



## APPENDIX 4:

### SHAREHOLDINGS OF THE FOSCHINI GROUP LIMITED CONTINUED

#### FUND MANAGERS' HOLDINGS GREATER THAN 3%

According to disclosures made, the following fund managers administered client portfolios, which included more than 3% of the company's issued shares:

	Holding	% of shares in issue
Coronation Asset Management (Pty) Ltd	41 575 049	19,3
Government Employees Pension Fund (PIC)	28 064 929	13,0
Sanlam Investment Management (Pty) Ltd (SIM)	12 053 243	5,6
Old Mutual PLC	6 768 668	3,2
	88 461 889	41,1

#### SHAREHOLDING SPREAD

CATEGORY	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public	7 253	95,8	196 717 126	91,3
Directors	7	0,1	12 890 699	6,0
Trust	1	-	2 150 586	1,0
Subsidiary	1	-	1 049 824	0,5
Employees of TFG	310	4,1	2 542 650	1,2
Total	7 572	100,0	215 350 885	100,0

## APPENDIX 5:

### EXCHANGE RATE AND SHARE PERFORMANCE INFORMATION

EXCHANGE RATE INFORMATION	2016	2015
Closing US\$ conversion rate	14,69	12,15
Average US\$ conversion rate	13,85	11,12
Closing GBP conversion rate	21,15	18,01
Average GBP conversion rate	20,73	17,85

  

SHARE PERFORMANCE	2016	2015
Market price per share (cents)		
- at year end	14 144	18 057
- highest	20 178	18 198
- lowest	10 205	10 014
- average	14 452	12 983
Number of beneficial shareholdings	7 572	7 424
Price/earnings ratio at year end	13,58	19,86
Dividend yield (%)	4,9	3,3
Number of shares traded during the year (millions)	285,9	283,8
Volume traded/number of shares in issue (%)	132,8	134,5
Market capitalisation (Rm)	30 459,2	38 101,2

## APPENDIX 6: VALUE-ADDED STATEMENT

	Note	2016		2015	
		Rm	%	Rm	%
Retail turnover		21 107,5		16,085,9	
Paid to suppliers for goods and services		(13 325,0)		(10,668,3)	
Value added		7 782,5	100,0	5 417,6	100,0
<b>Applied as follows:</b>					
<b>Employees</b>					
Remuneration to employees		3 210,8	41,2	2 325,2	42,9
<b>Providers of capital</b>					
To lenders as finance charges		509,0	6,5	228,1	4,2
To shareholders as dividends		1 327,6	17,1	1 146,9	21,2
<b>Taxation</b>					
Taxation		954,8	12,3	770,7	14,2
<b>Reinvested</b>					
Reinvested in the group to finance future expansion and growth	1	1 780,3	22,9	946,7	17,5
Employment of value added		7 782,5	100,0	5 417,6	100,0

### NOTES TO THE VALUE-ADDED STATEMENT

#### 1. Reinvested in the group to finance future expansion and growth

Depreciation and amortisation	464,7	6,0	428,1	7,9
Deferred taxation	82,3	1,1	(284,9)	(5,2)
Retained income	1 233,3	15,8	803,5	14,8
	1 780,3	22,9	946,7	17,5

#### 2. State taxes

Direct taxation as above	954,8		770,7	
Net value added taxation	515,0		497,7	
Employees taxation	473,3		379,6	
Channelled through the group	1 943,1		1 648,0	

### VALUE-ADDED STATEMENT

