

SCOPE AND BOUNDARY OF THE REPORT

ABOUT THIS REPORT

We are pleased to present our shareholders with the 2017 integrated annual report for The Foschini Group Limited and its subsidiaries (collectively referred to as “TFG” or “the Group”).

The report covers the financial year from 1 April 2016 to 31 March 2017 and includes our footprint across TFG Africa (Botswana, Ghana, Kenya, Lesotho, Namibia, South Africa, Swaziland and Zambia) and TFG International (United Kingdom, Ireland and 24 other international countries) under the various TFG retail brands. All data applies to the Group, unless specifically indicated otherwise.

The report aligns with the following requirements:

- The King Code of Governance for South Africa 2009 (King III) – the assessment of the King IV principles is in progress and the required disclosures will be included in our integrated annual report for financial year ending March 2018
- The Companies Act of South Africa, No. 71 of 2008, as amended
- The International Integrated Reporting Council’s <IR> Framework (referred to as “the Framework”)

In accordance with the stated objectives of integrated reporting, our report focuses on those matters that have a material impact on TFG’s ability to create and sustain value, and outlines how these matters have been integrated into and considered against our business strategy, risks and opportunities, while considering stakeholder perspectives. Matters were identified using the Framework’s process guidance and apply to both TFG Africa and TFG International, albeit with different levels of likelihood and impact. Read more about our process and relevant matters on page 48.

Although we have further refined the report’s structure for 2017, all data which collectively provides a consolidated review of the Group’s financial, social, economic and environmental performance, remains comparable and consistent other than indicated below.

KEY MATTERS FOR 2017

The following key matters should be taken into account while reading the report and making assessments of our performance and prospects as they may affect the comparability of financial and non-financial information:

- The acquisition of Whistles in March 2016 impacts the comparability of our Group results as follows:
 - Whistles’ trading for the full 2017 financial year is included in the Group’s 2017 results.
 - No profit or loss relating to Whistles was included in the 2016 results as the acquisition was effective 23 March 2016, the end of our financial year.
 - Their at-acquisition statement of financial position was consolidated as at 31 March 2016.
- On 3 February 2017, the Group acquired 100% of the inventory and the brand of Damsel in a Dress Limited, which continues to trade as Damsel in a Dress. Two months’ trading have been included in our 2017 results.

Read more about the impact and scope of these events in the Chief Financial Officer’s report on page 58.

OUR REPORTING SUITE

Guided by the Framework, this report aims to be a concise communication, with content developed according to the principle of materiality as indicated above. The investor centre on our website www.tfglimited.co.za provides additional information, aimed at a wider stakeholder community, and consists of the following:

| ELEMENT AND PURPOSE | TARGET AUDIENCE | WEBSITE LINK |
|--|---|--|
| Annual financial statements 2017 | Shareholders, investor community and analysts | www.tfglimited.co.za/investor-relations/financial_results |
| Detailed King III compliance checklist setting out TFG’s application of the governance principles and giving explanations of where these are not fully applied | Relevant stakeholders | www.tfglimited.co.za/investor-relations/integrated-reporting-centre |
| The Foschini Group Limited Remuneration Committee charter | Shareholders, investor community and analysts | www.tfglimited.co.za/investor-relations/integrated-reporting-centre |
| Sustainability overview report detailing our sustainability strategy, focus areas and non-financial data | Relevant stakeholders | www.tfglimited.co.za/sustainability/sustainability-overview |



Feedback on and requests for printed copies of the integrated annual report can be addressed to the Company Secretary whose contact details are on the inside back cover of this report.

Should you elect to receive regular investor-related electronic communication from TFG, kindly provide your email address by emailing our Investor Relations department at investor_relations@tfg.co.za.

NAVIGATIONAL ICONS

The following icons are used throughout the report to improve ease of reference, highlight connectivity and direct readers to additional information:

| | |
|--|--|
|  AFRICA | Information specific to TFG Africa, which refers to our activities on the African continent (Botswana, Ghana, Kenya, Lesotho, Namibia, South Africa, Swaziland and Zambia) |
|  INTERNATIONAL | Information specific to TFG International, which refers to our activities outside the African continent (United Kingdom, Ireland and 24 other international countries) |
|  | A material matter to TFG as identified for the purpose of our 2017 integrated annual report |
|  | Page reference |
|  | Website reference (www.tfglimited.co.za unless otherwise specified) |

TFG's strategic pillars:

| | |
|---|------------|
|  | Customer |
|  | Leadership |
|  | Profit |
|  | Growth |

DISCLAIMER

This report contains certain forward-looking statements regarding the results and business activities of TFG, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

These forward-looking statements have not been reviewed or reported on by the Group's external auditors.

SCOPE AND BOUNDARY OF THE REPORT CONTINUED

INDEPENDENT ASSURANCE

In respect of the 2017 financial year, we obtained external assurance of the following aspects of our integrated annual report:

| ELEMENTS ASSURED | OUTPUT FROM ASSURANCE | STATUS | ASSURANCE PROVIDER |
|-----------------------------|-------------------------------------|---------|--------------------|
| Financial | | | |
| Annual financial statements | External audit report | Audited | KPMG Inc. |
| Empowerment | | | |
| BBBEE credentials | BBBEE scorecard verified at level 7 | Assured | Empowerdex |

The Group has not commissioned additional external assurance of the non-financial information provided in this report other than what is indicated above.

GOVERNANCE

The Group adheres to the principles of good governance such as ensuring the reliability and completeness of the information contained in the integrated annual report. The integrated annual report is reviewed extensively by TFG's senior management and executives prior to approval by the Supervisory Board.

APPROVAL

The Audit Committee recommended the approval of the integrated annual report and the annual financial statements to the Supervisory Board. The Supervisory Board reviewed and assessed the content of the integrated annual report and believes that it presents the material matters that impact the Group and that it is a fair representation of TFG's integrated performance.

The Supervisory Board approved the 2017 integrated annual report on 29 June 2017.

M Lewis
Chairman

A D Murray
CEO

