

This communication is for information only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, securities in the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia (the "United States") or any other jurisdiction. None of the securities referred to in this communication are registered under the U.S. Securities Act of 1933, as amended, and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted.

PRESS RELEASE



**K2016470219 (SOUTH AFRICA) LIMITED
("HoldCo 2")**

and

**K2016470260 (SOUTH AFRICA) LIMITED
("HoldCo 1" and, together with HoldCo 2, the "Issuers")**

Solicitation of Consents to (i) Defer Certain Reporting Requirements and (ii) Waive any Related Existing Defaults under the Indentures Relating to the:

**Series A-1 25.00% Senior Secured PIK Notes due 2022 (the "25.00% Senior Secured PIK Notes")
(ISIN: XS1540039754 / XS1540027825 / XS1540040174); and**

**Series A-2 5.00% Senior Secured PIK Notes due 2022 (the "5.00% Senior Secured PIK Notes")
(ISIN: XS1540040760 / XS1540040505 / XS1540041149)**

(collectively, the "HoldCo 1 Notes"); and

**Series A 8.00% Senior Secured PIK Notes due 2022 (the "8.00% Senior Secured PIK Notes")
(ISIN: XS1540047344 / XS1540045306 / XS1540047690);**

**Series B 3.00% Senior Secured PIK Notes due 2022 (the "3.00% Senior Secured PIK Notes")
(ISIN: XS1540048235 / XS1540047856 / XS1540051452); and**

**Series B 10.177% Senior Secured PIK Notes due 2022 (the "10.177% Senior Secured PIK Notes" and,
collectively with the 3.00% Senior Secured PIK Notes, the "Series B Senior Secured PIK Notes")
(ISIN: XS1540051882 / XS1540051700 / XS1540052187)**

(collectively, the "HoldCo 2 Notes" and, collectively with the HoldCo 1 Notes, the "Notes")

Johannesburg, South Africa, 27 September 2018: The Issuers (collectively with their subsidiaries, the "Group") today announced that they have launched consent solicitations (the "Consent Solicitations") pursuant to a Consent Solicitation Statement dated 27 September 2018, available at www.edcon.co.za (the "Consent Solicitation Statement"), by which they are seeking consents of Noteholders (the "Consents") to amend the indentures governing the Notes and waive certain defaults thereunder. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Consent Solicitation Statement.

As discussed in the Consent Solicitation Statement, on 20 September 2018 the requisite majorities of lenders under the Group's debt facilities agreements agreed to extend the respective maturity dates thereunder until 31 January 2019, with the potential for automatic extension of such maturities until 31 March 2019, subject to certain conditions. The Group continues to review its strategic alternatives with respect to the Group's business and corporate and capital structure, including, *inter alia*, a merger or acquisition process. At this time, none of HoldCo 2 or any member of the Group has committed to any such strategic alternative and there is no certainty that any review of strategic alternatives will result in such a commitment.

The Issuers are therefore seeking the Consents to extend the Deferral Period under the Notes to align with the waiver periods provided in connection with such facilities maturity date extensions, and to allow the Group to continue to discuss these facilities and conduct its ongoing strategic review of the Group's business and capital structure.

The Consent Solicitations will expire at 5:00pm, London time, on 3 October 2018, unless terminated or extended by the relevant Issuer (the "Expiration Time"). The Expiration Time may be extended at the sole discretion of the

relevant Issuer. Consents must be validly delivered in accordance with the terms and conditions set forth in the Consent Solicitation Statement no later than the Expiration Time. Noteholders may revoke their Consents at any time prior to, but not at or after, the Revocation Deadline.

Noteholders wishing to participate in the Consent Solicitations should contact the Information and Tabulation Agent for the Consent Solicitations, Lucid Issuer Services Limited ("Lucid"), at the contact detail below.

Under no circumstances shall the Consent Solicitations constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, any Notes in any jurisdiction.

This press release includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. By their nature, the forward-looking events described in this press release may not be accurate or occur at all. Accordingly, you should not place undue reliance on these forward-looking statements, which speak only as of the date on which the statements were made.

END

Contact details:

Edcon

Vannie Pillay

GM: Corporate Affairs and Communication

chr@edcon.co.za

Lucid

Arlind Bytyqi

Information and Tabulation Agent

Tel: +44 (0) 20 7704 0880

Fax: +44 (0)20 3004 1590

edcon@lucid-is.com

About Edcon

Edcon is southern Africa's largest non-food retailer. We have been in operation for more than 80 years and have expanded our footprint to 1,314 stores as at April 2018, including 187 stores in eight countries outside of South Africa. We operate our business under four principal operating divisions comprising three key store chains as well as mono-branded stores throughout southern Africa:

- Our Edgars Division, is targeted at middle-to-upper-income customers and includes the Edgars store chains and mono-branded stores. We have 395 stores in our Edgars Division and an average retail space of 729 thousand square meters.
- Our Jet Division, which consists of discount stores selling value merchandise targeted at lower- to middle-income customers, includes store chains Jet and Jet. We have 732 stores in this division and an average retail space of 643 thousand square meters.
- Our C.N.A division offers a wide range of consumer stationery staples and multimedia products to upper and middle income customers through 187 standalone stores and an average retail space of 69 thousand square metres.
- Our Thank U division is a newly formed Operating Division focused on enhancing the customer journey through convenient, personalised access to goods, services, credit and financial services through a variety of physical and digital sales channels. It includes our loyalty program, *Thank U*, which is one of the largest rewards programs in Sub Saharan Africa.

Edcon owns a controlling stake in Celrose Proprietary Limited which controls Eddels Proprietary Limited, which are both South African manufacturing businesses. Celrose manufactures apparel whilst Eddels manufactures footwear.

Our primary operations are in South Africa where Edcon generated 90% of our retail sales in financial year 2018. The rest of our operations are in neighbouring Namibia, Botswana, Lesotho, Swaziland, Mozambique, Ghana, Zimbabwe and Zambia, where we operate 187 retail outlets. Edgars Zimbabwe is managed independently and disclosed as a separate division.

For more information, please visit the Edcon website: www.edcon.co.za