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## PRESS RELEASE



**K2016470219 (SOUTH AFRICA) LIMITED**  
**(“HoldCo 1”)**

and

**K2016470260 (SOUTH AFRICA) LIMITED**  
**(“HoldCo 2” and, together with HoldCo 1 and their subsidiaries, the “HoldCos”)**

Issuers of:

**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”)**

The Notes are admitted to the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market

### **Edcon Limited (“Edcon”) enters into a R500 million bridge facility**

- **Bridge financing of R500 million secured**
- **Provides assurance for adequate shorter-term cash flow requirements**
- **Serves as a bridge to the wider long-term solution related to existing debt of the HoldCos and their subsidiaries under discussion**

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**Johannesburg, South Africa, 1 June 2018:** As part of an ongoing effort to improve its financial performance, implement its strategic plan and maximize its liquidity position, the HoldCos (collectively with their subsidiaries, the “Group”) today have announced that, following the support of certain of the Group’s existing holders of the Notes (the “Noteholders”) and lenders under its facilities agreements, Edcon has entered into a bridge financing agreement to meet its near-term liquidity requirements while a longer-term strategy for a comprehensive restructuring of the Group’s entire capital structure is agreed.

Earlier this year, Noteholders ratified amendments to the indentures governing the Notes pursuant to a consent solicitation dated 19 March 2018 to allow for the incurrence of up to an additional R1 billion of Credit Facilities (as defined in such indentures) and to provide current stakeholders of the Group the opportunity to participate in the financing. The HoldCos believe the amendments obtained will provide the Group greater flexibility in managing its liquidity and working capital needs while devising a long-term restructuring strategy, which is expected to include a significant reduction of the Group's current outstanding indebtedness.

In furtherance of the Group's long-term restructuring strategy, Edcon has entered into a new bridge facility, dated 25 May 2018, provided by lenders under its existing super senior credit facilities agreement, dated 25 May 2007 (as amended and restated on 1 February 2017) (the "Existing SSCF Agreement"), which has been approved by the South African Reserve Bank and has available commitments of up to R500,000,000 (equivalent) (the "Bridge Facility"). The Bridge Facility will consist of two tranches, one denominated in euro and the other in South African rand, and will mature on 30 September 2018. The Bridge Facility will help support Edcon's liquidity needs while a long-term capital structure solution for the Group is finalized.

The Bridge Facility will rank senior to the HoldCos' existing debt and will be subject to the same intercreditor agreement that currently governs the ranking and priority of Edcon's existing debt, as amended to reflect the incurrence of the Bridge Facility.

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.

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**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 1,292 stores as at 23 December 2017, including 186 stores in eight countries outside of South Africa. We operate our business under three principal operating divisions comprising eight 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. We have 286 stores in our Edgars Division and an average retail space of 740 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 737 stores in this division and an average retail space of 648 thousand square meters.

- Our Specialty division, which consist of stores selling value merchandise targeted at middle- to upper-income customers, includes store chains CNA, as well as our mono-branded stores. We have 218 stores in this division and an average space of 88 thousand square meters.

We offer credit and insurance products to the Edcon's customers via our strategic partnerships. 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 *Thank U* rewards program, which was introduced in 2012, allows customers to earn Thank U points for their purchases in most of our stores which can be redeemed on future purchases.

Our primary operations are in South Africa where Edcon generated 89% of our retail sales in financial year 2017. The rest of our operations are in neighbouring Namibia, Botswana, Lesotho, Swaziland, Mozambique, Ghana, Zimbabwe and Zambia, where we operate 186 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](http://www.edcon.co.za)