

EDCON RESTRUCTURING FINALISATION ANNOUNCEMENT

1. Edcon Limited (“**Edcon**”) has pleasure in confirming that the restructuring of Edcon was implemented on 25 June 2019 (“**Implementation Date**”).
2. As a result of the restructuring:
 - 2.1. The lenders to Edcon (“**Lenders**”) have converted all their debt to shares in Edcon's new holding company, K2019216440 (South Africa) Limited (“**New Holdco**”) and notes issued by Edcon, with effect from the Implementation Date;
 - 2.2. The Unemployment Insurance Fund (represented in the restructuring by the Public Investment Corporation Limited) (“**UIF**”) contributed new funding of ZAR 1,2 billion for shares in New Holdco and notes issued by Edcon on the Implementation Date;
 - 2.3. The top participating landlords to Edcon (“**Participating Landlords**”) also contributed approximately ZAR 879,1 million of new funds (via a combination of upfront payments which were made on or about the Implementation Date and through commitments to provide monthly subscriptions or rent reductions over a 24 month period which commenced on 1 April 2019) for shares in New Holdco and notes issued by Edcon;
 - 2.4. Edcon forms part of a new corporate structure under New Holdco, which is currently owned by the Lenders, UIF and the Participating Landlords, with shares to be issued to BEE shareholders and management within 6 months of the Implementation Date (“**MIP/BEE Issue**”);
 - 2.5. Certain of the Lenders (who had contributed bridge funding of R500 million to assist Edcon with its liquidity requirements pending the implementation of the restructuring) contributed additional funding of ZAR 10 million to Edcon on or about the Implementation Date;
 - 2.6. The notes (which are interest free) will be converted to shares in New Holdco upon Edcon achieving certain profit targets.
3. In summary (save for trade creditors and interest free notes issued to the shareholders) Edcon is debt free and has been recapitalised with new funding to secure its liquidity.

4. Up to 2% of the shares of New Holdco (subject to dilution following any MIP/BEE Issue), which will be stapled to a particular tranche of the notes issued by Edcon, will be offered to the holders of A Shares and B Shares of K2016470219 (South Africa) Limited ("**Holdco 2**"), Edcon's former holding company, in exchange for their release of all claims in their capacity as shareholders and creditors of Holdco 2 and K2016470260 (South Africa) Limited. Further details on this leg of the transaction will be announced to the market in due course.
5. All the Edcon businesses operated in South Africa are still owned by Edcon and the businesses operated outside of South Africa are still operated and owned by subsidiaries of Edcon (save and except for the operations in Zimbabwe where Edcon holds a minority stake).
6. PJT Partners and Rothschild & Co South Africa acted as financial advisors on the transaction while ENS and Kirkland & Ellis acted as legal advisors to the Company.

END

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.