30 August 2007

This notice is important and requires your immediate attention.

EDCON HOLDINGS (PROPRIETARY) LIMITED ("EDCON")
SUMMARY OF CONSOLIDATED TRADING RESULTS
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2007

Summary of Financial and Other Data

The following unaudited historical financial data relates to the three-month period ended 30 June 2006 and the three-month period ended 30 June 2007. Unless the context requires otherwise, references in this notice to "first quarter 2007" and "first quarter 2008" shall mean the three-month period ended 30 June 2006 and the three-month period ended 30 June 2007, respectively, and "fiscal 2007" and fiscal 2008" shall mean the 12-month period ended 31 March 2007 and the 12-month period ended 31 March 2008, respectively.

On 14 May 2007, Edcon Acquisition (Proprietary) Limited, a wholly owned subsidiary of Edcon, acquired the entire issued share capital of Edgars Consolidated Stores Limited (the "Acquired Business"). Financial information for the periods prior to 14 May 2007 are derived from the historical financial statements of the Acquired Business, which appear in the final offering memorandum in relation to the €1,180 million senior secured floating rate notes due 2014 and the €630 million floating rate notes due 2015 (together the "Floating Rate Notes") dated 14 June 2007 (the "Offering Memorandum"). References to "we" and "us" are to the Acquired Business on a consolidated basis in respect of periods prior to 14 May 2007, and are references to Edcon on a consolidated basis in respect of periods after 14 May 2007.

We also present below certain pro forma financial data to show the effect of certain aspects of the Transactions (as defined in the Offering Memorandum), the offering of the Notes and the application of the proceeds therefrom and certain other post-closing transactions, in each case as set forth in the notes thereto. The pro forma data are presented for illustrative purposes only and do not project our future results of operations for any future period or our financial condition on any date.

	First Quarter (in millions) (unaudited)			
		2007		**2008**
Summary income statement data				
Revenues	R	4,720	**R**	**5,286**
Retail sales		4,350		**4,806**
Gross profit		1,713		**1,868**
Retail trading profit before depreciation & amortisation		622		**691**
Credit & financial services net profit / (loss) before depreciation & amortisation		(34)		**45**
Trading profit before depreciation and amortisation	R	588	**R**	**736**
Summary balance sheet data				
Cash and cash equivalents	R	377	**R**	**611**
Total assets		8,313		**32,492**
Total debt		692		**18,268**
Total equity		4,467		**6,342**
Summary cash flow data				
Operating cash inflow before changes in working capital	R	600	**R**	**665**
Working capital movement		(984)		**(238)**
Cash generated from operating activities		(384)		**427**
Capital expenditure		(137)		**(115)**
Other financial data				
Adjusted EBITDA [1]	R	612	**R**	**736**
Operating lease expense		268		**286**
Pro forma data				
Adjusted EBITDA [2]	R	641	**R**	**756**
Adjusted corporate EBITDA [3][4]		592		**735**
Corporate debt [5]		17,298		**16,952**

	First Quarter (unaudited)			
		2007		**2008**
Select operating data				
Number of stores		928		**959**
Same store sales growth (%)		5		**8**
Average retail space (in '000 sqm)		1,049		**1,093**
Trading density	R	16,062	**R**	**17,367**
Number of customer credit accounts (in '000s)		4,088		**4,148**

1) The following table reconciles trading profit before depreciation and amortisation to EBITDA and adjusted EBITDA.

	First Quarter (in millions) (unaudited)			
		2007		**2008**
Trading profit before depreciation and amortisation	R	588	**R**	**736**
Net fair value movement on notes and associated derivatives [a]		0		**(620)**
Private equity transaction costs [b]		0		**(72)**
EBITDA	R	588	**R**	**44**
Net fair value movement on notes and associated derivatives [a]		0		**620**
Private equity transaction costs [b]		0		**72**
Other non-recurring costs [c]		24		**0**
Adjusted EBITDA	R	612	**R**	**736**

a) Prior to the issuance of the Floating Rate Notes we executed currency derivatives to hedge the repayment of the principal and interest on the Floating Rate Notes to 2012. This adjustment relates to the change in the fair value of these derivatives between the date they were executed and the date the Floating Rate Notes were issued. The majority of this change relates to once-off cost for the execution of the derivatives.
b) This adjustment reflects the one-time costs incurred by Edcon in relation to the private equity transaction.
c) This adjustment reflects non-recurring income and costs as detailed in the Offering Memorandum.

2) The following table reconciles adjusted EBITDA to pro forma adjusted EBITDA

	First Quarter (in millions) (unaudited)			
		2007		**2008**
Adjusted EBITDA	R	612	**R**	**736**
OtC Securitisation income [d]		8		**20**
Other adjustments [e]		21		**0**
Pro forma adjusted EBITDA	R	641	**R**	**756**

d) This adjustment shows the net impact on EBITDA had the new On the Cards securitisation (the “OtC Securitisation”) structure, which purchases receivables at a lower advance rate, been implemented at the beginning of fiscal 2007.
e) This includes other adjustments as detailed in the Offering Memorandum.

3) This adjustment assumes that R3,200 million of eligible receivables were sold to the OtC Securitisation at the beginning of fiscal 2007.

4) The following table reconciles pro forma adjusted EBITDA to pro forma adjusted corporate EBITDA.

	First Quarter (in millions) (unaudited)			
		2007		**2008**
Pro forma adjusted EBITDA	R	641	R	**756**
Interest from credit book [f]		(164)		**(189)**
Net charge-off [g]		121		**138**
OtC Securitisation income [h]		(6)		**30**
Pro forma adjusted corporate EBITDA	R	592	R	**735**

f) This adjustment reflects interest from the receivables credit book that would not have accrued to Edcon if the R3,200 million receivables pool had been sold to the OtC Securitisation at the beginning of fiscal 2007.

g) This adjustment adds back the net charge-off expense which would be attributable to the R3,200 million receivables pool accrued in our income statement, assuming the sale of the R3,200 million receivables pool to the OtC Securitisation.

h) This adjustment reflects our share of the income from the OtC Securitisation that would have resulted from the securitisation of the R3,200 million receivables credit book in fiscal 2007.

5) This reflects total debt assuming that R3,200 million of eligible receivables were sold to the OtC Securitisation at the beginning of fiscal 2007.

Management Discussions of Consolidated Trading Results

Retail environment in South Africa

The South African economy continues to experience sustained economic growth driven by a rapidly emerging black middle class and the government's infrastructure programme. Retailers benefited from strong consumer spending during the first quarter 2008, although retail sales grew at a slower rate than the exceptional pace seen in recent reporting periods as rising interest rates and fuel prices impacted disposable incomes.

Retail Sales

Retail sales increased by R456 million, or 10.5%, from R4,350 million in the first quarter 2007 to R4,806 million in the first quarter 2008, primarily as a result of the strong continued growth in clothing and footwear sales. This increase occurred with the addition of 4.2% average retail space from the first quarter 2008 compared with the first quarter 2007. Credit sales accounted for 58% of total retail sales in the first quarter 2008, down from 62% in the first quarter 2007. In the department store division (excluding CNA), retail sales in the first quarter 2008 increased by 11.1% from the first quarter 2007 driven by strong results from product lines such as childrenswear, ladies outerwear and homewares. CNA retail sales in the first quarter 2008 increased 13.5% from the first quarter 2007 primarily due to growth in sales of stationery, cards, computer accessories and cd's. Retail sales in the discount division increased by 9.1% from the first quarter 2007 to the first quarter 2008 primarily due to the growth in childrenswear, mobile phones and other non-clothing and footwear products.

Gross profit

Gross profit increased by R155 million, or 9.0%, from R1,713 million in the first quarter 2007 to R1,868 million in the first quarter 2008. Gross profit as a percentage of retail sales decreased from 39.4% in the first quarter 2007 to 38.9% in the first quarter 2008 as a result of higher markdowns in the discount division. The department store division (excluding CNA) increased its gross profit as a percentage of retail sales from 42.4% in the first quarter 2007 to 42.6% in the first quarter 2008, primarily as a result of reduced cost of sales resulting from higher volume purchases. Gross profit as a percentage of retail sales in CNA increased from 32.9% in the first quarter 2007 to 34.0% in the first quarter 2008 primarily because of improved product mix. In contrast, gross profit as a percentage of retail sales in the discount division decreased from 36.5% in the first quarter 2007 to 34.6% in the first quarter 2008 due to slower sales and higher markdowns on menswear and footwear as a result of stock imbalances and the higher relative sales growth of lower-margin non-clothing and footwear goods.

Retail trading profit

Retail trading profit before depreciation and amortisation increased by R69 million, or 11.1%, from R622 million in the first quarter 2007 to R691 million in the first quarter 2008. This growth exceeded the increase in retail sales for the same period.

Store costs excluding depreciation and amortisation increased by 8.4% for the first quarter 2008, compared with the same period in the first quarter 2007, primarily as a result of wage and rent increases and the addition of 4.2% of average retail space from the first quarter 2007 to the first quarter 2008. Store costs as a percentage of retail sales decreased from 16.5% in the first quarter 2007 to 16.2% in the first quarter 2008.

Other operating costs excluding depreciation and amortisation increased by R32 million, or 7.7%, from R414 million in the first quarter 2007 to R446 million in the first quarter 2008.

Credit and financial services net profit

Credit and financial services net profit before depreciation and amortisation increased to a profit of R45 million in the first quarter 2008 from a loss of R34 million in the first quarter 2007. This rise was primarily due to higher interest income associated with a rise in the maximum permissible chargeable interest rate. Annualised bad debts as a percentage of average debtors was 11.4% for the first quarter 2008 unchanged from the rate achieved in the full 2007 fiscal year. Equity accounted earnings of joint ventures after taxation increased by R10 million or 16.9% from R59 million in the first quarter 2007 to R69 million in the first quarter 2008. Following an aggressive account opening programme in previous years new account growth slowed and the number of active accounts rose by only 1.5% over the year.

Trading Profit

Trading profit before depreciation and amortisation increased by R148 million, or 25.2% from R588 million in the first quarter 2007 to R736 million in the first quarter 2008, primarily due to increased productivity in the retail operations and increased profitability in credit and financial services.

Cash flow

Operating cash inflow before changes in working capital increased by R65 million, or 10.8%, from R600 million in the first quarter 2007 to R665 million in the first quarter 2008. This increase was primarily due to the higher trading profit, offset by R72 million in non recurring costs incurred by Edcon in relation to the Transactions. Excluding these costs, operating cash inflow before changes in working capital would have been 22.8% higher in the first quarter 2008 compared with the first quarter 2007.

Working capital increased by R238 million in the first quarter 2008 compared with an increase of R984 million for the first quarter 2007 primarily due to a shift in the normal scheduled payment date of approximately R1,300 million for accounts payable from late June in fiscal 2007 to early July in fiscal 2008. This reduction was partially offset by an additional R725 million one-time collateral investment in the new OtC Securitisation due to a lower advance rate on the receivables.

Capital expenditure of R115 million in the first quarter 2008 consisted of expenditure of R97 million to maintain operations and R18 million to expand operations. During the first quarter 2008 we have added a net 11 stores which, combined with store refurbishments, resulted in investments in store fixtures of R52 million in the department store division and R19 million in the discount division. We also invested R41 million in enhancements to our IT infrastructure.

Capital expenditure of R137 million in the first quarter 2007 consisted of expenditure of R127 million to maintain operations and R10 million to expand operations. During the first quarter 2007 we added a net 19 stores which, combined with store refurbishments, resulted in investments in store fixtures of R76 million in the department store division and R39 million in the discount division. We also invested R21 million in enhancements to our IT infrastructure.

Liquidity and capital resources

At 30 June 2007 our total debt of R18,268 million consisted of (i) fair value of floating rate notes of R16,826 million, (ii) borrowings under the revolving credit facility of R126 million and (iii) borrowings under the borrowing base facility of R1,316 million. In addition, we had R611 million of cash and cash equivalents.

At 30 June 2007, the total facility under the revolving Credit facility was R3,500 million. The total aggregate commitment under the Borrowing base facility was R3,900 million, although this may increase to R6,500 million if commitments under the OtC Securitisation are transferred to our borrowing base facility.

During the first quarter of 2008 the maximum utilisation of the revolving credit facility and the borrowing base facility was R841 million and R1,725 million respectively. We believe that operating cash flows and amounts available under the revolving credit facility and borrowing base facility will be sufficient to fund our debt service obligations and operations, including capital expenditure and contractual commitments, through to 31 March 2008.

OtC Securitisation

The OtC Securitisation is not consolidated in our first quarter 2008 results. However, changes in accounting rules or regulations, changes in the interpretation of such rules or regulations or changes in the OtC Securitisation could require us to consolidate the OtC Securitisation in our audited financial statements. In the event that the OtC Securitisation were consolidated in our financial results for the first quarter 2008, then the balance of the receivables sold to the OtC Securitisation, R4,100 million as of 30 June 2007, and the debt in the OtC Securitisation of R2,589 million, would be consolidated on our balance sheet. We estimate that our EBITDA for the first quarter 2008 would be R118 million greater if the OtC Securitisation were consolidated.

Tracy Sheridan, Listing Executive – The bank of New York Mellon Corporation
Corporate Trust Services
Phone +353 1 542 6991
Fax +353 1 542 6 999
Tracy.x.sheridan@bankofny.com