28 February 2008

This notice is important and requires your immediate attention.

EDCON HOLDINGS (PROPRIETARY) LIMITED ("EDCON")

CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 29 DECEMBER 2007

SUMMARY OF FINANCIAL AND OTHER DATA

The following unaudited historical financial data relates to the three-month period ended 30 December 2006 and the three-month period ended 29 December 2007. Unless the context requires otherwise, references in this notice to (i) “third quarter 2007” and “third quarter 2008” shall mean the 13-week period ended 30 December 2006 and the 13-week period ended 29 December 2007, respectively, (ii) “fiscal 2007” and “fiscal 2008” shall mean the 52-week period ended 31 March 2007 and the 52-week period ending 29 March 2008, respectively, and (iii) “year-to-date 2007” and “year-to-date 2008” shall mean the 39-week period ended 30 December 2006 and the 39-week period ended 29 December 2007, respectively.

On 14 May 2007, Edcon Acquisition (Proprietary) Limited, a wholly owned subsidiary of Edcon, acquired the issued share capital of Edgars Consolidated Stores Limited (the “Acquired Business”). Financial information for the periods prior to 5 May 2007 (the date on which the acquisition was accounted for) are derived from the historical financial statements of the Acquired Business, which appear (i) for the five-week period ended 5 May 2007 and the thirty-nine week period ended 30 December 2006 in the “Predecessor” column of the financial statements attached hereto, and (ii) 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 to the summary financial statements. 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.

	Third Quarter (in millions) (unaudited)		Year-To-Date (in millions) (unaudited)	
	2007	**2008**[1]	2007	**2008**[1,2]
Income statement data				
Revenues	R 6 686	R **7 409**	R 15 759	R **17 430**
Retail sales	6 280	**6 862**	14 582	**15 880**
Cost of sales	(3 812)	**(4 262)**	(8 906)	**(9 844)**
Gross profit	2 468	**2 600**	5 676	**6 036**
Other income	112	**113**	307	**331**
Store costs	(857)	**(1 006)**	(2 269)	**(2 563)**
Other operating costs	(561)	**(605)**	(1 638)	**(1 707)**
Additional depreciation and amortisation [3]	-	**(124)**	-	**(329)**
Retail trading profit	1 162	**978**	2 076	**1 768**
Net (expense)/income from credit	(92)	**39**	(167)	**63**
Equity accounted earnings of joint venture	64	**75**	181	**208**
Trading profit	1 134	**1 092**	2 090	**2 039**
Restructure and acquisition costs	(11)	**(62)**	(14)	**(130)**
Net fair value movement on notes and associated derivatives	-	**(110)**	-	**(980)**
Profit before financing costs	1 123	**920**	2 076	**929**
Net financing costs	(12)	**(672)**	(8)	**(1 862)**
Taxation	(325)	**(64)**	(604)	**146**
Net (loss)/earnings	R 786	R **184**	R 1 464	R **(787)**
Other financial data				
EBITDA	R 1 199	R **1 144**	R 2 293	R **1 524**
Adjusted EBITDA [4]	1 266	**1 316**	2 359	**2 634**
Operating lease expense	264	**297**	776	**845**
Adjusted EBITDAR	1 530	**1 613**	3 135	**3 479**
Capital expenditure	202	**245**	461	**497**
Depreciation and amortisation	76	**224**	217	**595**
Proforma adjusted EBITDA [5]	R 1 284	R **1 316**	R 2 417	R **2 634**
Select operating data				
Number of stores	947	**1 141**	947	**1 141**
Same store sales growth (%)	7	**3**	5	**4**
Average retail space (in ‘000 sqm)	1 075	**1 191**	1 062	**1 134**
Number of customer credit accounts (in ‘000s)	4 153	**4 145**	4 153	**4 145**

	Year-To-Date (in millions) (unaudited)	
	2007	**2008**(1)
Balance sheet data		
Cash and cash equivalents	R 1 026	R **432**
Working capital	1 913	**1 868**
Total assets	10 333	**33 176**
Total debt	4	**18 512**
Total net (cash)/debt including cash and derivatives	(1 090)	**18 223**
Total shareowners' funds	5 112	**6 526**

	Third Quarter (in millions) (unaudited)		Year-To-Date (in millions) (unaudited)	
	2007	**2008**(1)	2007	**2008**(1,2)
Cash flow data				
Operating cash inflow before changes in working capital	R 1 200	R **1 163**	R 2 298	R **2 414**
Working capital movement	264	**669**	(40)	**195**
Cash generated from operating activities	1 464	**1 832**	2 258	**2 609**
Net cash invested	(203)	**(206)**	(457)	**(24 695)**
Net cash inflow from financing activities	(669)	**(1 272)**	(114)	**24 079**
Increase/(decrease) in cash and cash equivalents	580	**(92)**	676	**468**

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1) As of 6 May 2007 ("Consolidation Date"), we have consolidated the OntheCards securitisation programme ("OtC") in our financial statements. This change in accounting treatment of OtC does not impact the non-recourse status of the sale of receivables by Edcon to OtC, nor the security or rights of either the noteholders or of the creditors of OtC. For comparative purposes with periods prior to the Consolidation Date, all figures presented in the summary financial statements above exclude the impact of consolidating OtC. See "Changes in accounting policies and comparability" in the notes to the financial statements attached hereto.

2) Figures presented for year-to-date 2008 are the aggregate of the five weeks relating to the "Predecessor column" and 34 weeks relating to the "Successor column" as reflected in the financial statements attached hereto.

3) This additional depreciation and amortisation relates to the amortisation of intangibles and the incremental depreciation arising from the fair value adjustments in relation to the Transactions. These are included in other operating costs in the financial statements attached hereto.

4) The following table reconciles net loss or earnings to EBITDA and adjusted EBITDA.

	Third Quarter (in millions) (unaudited)				Year-To-Date (in millions) (unaudited)			
		2007		**2008**[1]		2007		**2008** [1,2]
Net (loss)/earnings	R	786	R	**184**	R	1 464	R	**(787)**
Taxation		325		**64**		604		**(146)**
Net financing costs		12		**672**		8		**1 862**
Depreciation & amortisation		76		**224**		217		**595**
EBITDA	R	1 199	R	**1 144**	R	2 293	R	**1 524**
Net fair value movement on notes and associated derivatives [a]		-		**110**		-		**980**
Costs of the Transactions [b]		11		**31**		12		**99**
Usury rate lag [c]		35		**-**		56		**-**
Acquisition costs [d]		-		**31**		2		**31**
Movements in provisions [e]		20		**-**		(24)		**-**
Bonuses to staff and management [f]		1		**-**		9		**-**
RSC levy taxes [g]		-		**-**		11		**-**
Adjusted EBITDA	R	1 266	R	**1 316**	R	2 359	R	**2 634**

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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 revaluation of the Floating Rate notes to the spot exchange rate and change in the fair value of these derivatives. The majority of the year-to-date change relates to once-off costs for the execution of the derivatives.

b) This adjustment reflects the one-time professional fees incurred by Edcon in relation to the Transactions.

c) This adjustment reflects net interest that we would have earned had the Department of Trade and Industry's April 2007 decision to automatically adjust, on the basis of a formula, the maximum permissible chargeable interest rate, been implemented at the beginning of fiscal 2007.

d) This adjustment reflects the costs of the *Discom* acquisition in the current year and the failed *Myer* bid in the prior year. This adjustment does not include an EBITDA loss for Discom in the third quarter of 2008 of R19 million and year-to-date 2008 of R20 million.

e) This adjustment reflects movements in general provisions and provisions for our AIDS intervention programme.

f) This adjustment relates to discretionary bonuses accrued for and paid to employees during fiscal 2007, but pertaining to fiscal 2006.

g) This adjustment reflects Regional Services Council ("RSC") levy taxes which were paid, as the RSC levy tax legislation was withdrawn in June 2006.

5) The following table reconciles adjusted EBITDA to pro forma adjusted EBITDA.

	Third Quarter (in millions) (unaudited)				Year-To-Date (in millions) (unaudited)			
		2007		**2008**[1]		2007		**2008**[1,2]
Adjusted EBITDA	R	1 266	R	**1 316**	R	2 359	R	**2 634**
Revised supplier commission costs (Li & Fung)[h]		3		**-**		9		**-**
Cost of being a listed company		-		**-**		5		**-**
Cost of share based payments [i]		15		**-**		44		**-**
Pro forma adjusted EBITDA		1 284		**1 316**		2 417		**2 634**

h) This adjustment reflects estimated cost savings resulting from the lower commission supply agreement with Li & Fung (signed in November 2006) as if such savings commenced at the beginning of fiscal 2007.

i) This adjustment adds back the non-cash expense related to historical share options granted to employees. The historical share option programme was terminated upon the completion of the Transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

Retail Sales

Retail sales increased by R582 million, or 9.3%, from R6,280 million in the third quarter 2007 to R6,862 million in the third quarter 2008, primarily as a result of the continued growth in clothing and footwear sales and the acquisition of Discom but were dampened by the impact of rising interest rates and the implementation of the National Credit Act. Excluding Discom, sales growth was 5.4%, including same store sales growth (stores open for the full period in the current year and in the prior year) of 2.7%. Credit sales accounted for 54% of total retail sales in the third quarter 2008, down from 60% in the third quarter 2007. In the department store division (excluding CNA), retail sales in the third quarter 2008 increased by 7.2% from the third quarter 2007 primarily due to growth from product lines such as childrenswear, footwear and ladieswear. CNA's retail sales in the third quarter 2008 increased 14.3% from the third quarter 2007, driven by growth in sales of books, stationery, cards, dvd's and digital products. Retail sales in the discount division increased by 11.1% (1.4% excluding Discom) from the third quarter 2007 to the third quarter 2008 due mainly to the growth in childrenswear, footwear, homeware and other non-clothing products, offset by negative growth in menswear.

Gross profit

Gross profit increased by R132 million, or 5.3%, from R2,468 million in the third quarter 2007 to R2,600 million in the third quarter 2008. Gross profit as a percentage of retail sales decreased from 39.3% in the third quarter 2007 to 37.9% in the third quarter 2008 as a result of higher markdowns in the discount division and lower margin product sold by Discom. In the department store division (excluding CNA) gross profit as a percentage of retail sales was 42.3% in the third quarter of 2008, similar to the 42.4% achieved in the third quarter of 2007. Gross profit as a percentage of retail sales in CNA decreased from 33.8% in the third quarter 2007 to 33.3% in the third quarter 2008 primarily because of a change in product mix. In the discount division, gross profit as a percentage of retail sales decreased from 36.2% in the third quarter 2007 to 33.1% (34.0% excluding Discom) in the third quarter 2008 mainly due to higher markdowns on menswear as a result of stock imbalances and the higher relative sales growth of lower-margin non-clothing and footwear goods.

Store costs

Store costs increased by R149 million, or 17.4%, from R857 million in the third quarter 2007 to R1,006 million in the third quarter 2008. Excluding Discom, the rise was R94 million, or 11.0% and resulted primarily from wage and rent increases for our existing stores and the addition of 5.4% to average retail space from the third quarter 2007 to the third quarter 2008.

Other operating costs

Other operating costs, excluding depreciation and amortisation charges associated with the fair value adjustments from the Transactions, increased by R44 million, or 7.8%, from R561 million in the third quarter 2007 to R605 million in the third quarter 2008. This increase is primarily as a result of additional costs in the third quarter 2008 for information technology and salary increases, offset by the non-cash expense related to historical share options granted to employees in the third quarter 2007.

Depreciation and amortisation

Depreciation and amortisation increased by R148 million from R76 million in the third quarter 2007 to R224 million in the third quarter 2008, primarily as a result of increased depreciation and amortisation of intangibles, property, fixtures, equipment and vehicles which arose as a result of the Transactions.

Credit and financial services net profit

Credit and financial services net profit increased by R142 million, from a net loss of R28 million in the third quarter 2007 to a net profit of R114 million in the third quarter 2008. This increase was primarily due to higher interest income associated with a rise in the maximum permissible chargeable interest rate. Consolidated annualised bad debts as a percentage of average debtors was 11.2% for the third quarter 2008 compared with the rate achieved in the full 2007 fiscal year of 11.4%. Equity accounted earnings of joint ventures after taxation increased by R11 million, or 17.2%, from R64 million in the third quarter 2007 to R75 million in the third quarter 2008. Following an aggressive account opening programme in previous years, new account growth slowed and net of closures the number of active accounts remained at over 4.1 million, similar to fiscal 2007.

Trading profit

Trading profit decreased by R42 million from R1,134 million in the third quarter 2007 to R1,092 million in the third quarter 2008 after deducting R124 million additional depreciation and amortisation costs related to the amortisation of intangibles and the incremental depreciation arising from the fair value adjustments in relation to the Transactions. In addition, Discom incurred a trading loss of R23 million. Excluding these costs and losses, trading profit in the third quarter 2008 increased by R105 million, or 9.3%, to R1,239 million from the third quarter 2007.

Net financing costs

Net financing costs increased to a net charge of R672 million in the third quarter 2008 from R12 million in the third quarter 2007. This increase is primarily a result of interest costs associated with the Floating Rate Notes and the shareholder loan from our equity sponsors.

Cash flow

Operating cash inflow before changes in working capital decreased by R37 million, or 3.1%, from R1,200 million in the third quarter 2007 to R1,163 million in the third quarter 2008. This decrease was primarily due to (i) a dividend of R80 million from our financial services joint venture being received in the fourth quarter 2008 compared to the third quarter 2007, (ii) non-recurring costs of R31 million in relation to the Transactions, and (iii) costs of R31 million related to the Discom acquisition.

Working capital decreased by R669 million in the third quarter 2008 compared with a decrease of R264 million for the third quarter 2007. This was primarily due to (i) an increase in accounts payable of R1,705 million in the third quarter 2008 compared with an increase of R1,087 million in the third quarter 2007 as a result of higher volumes of purchases in third quarter 2008 (including Discom) and a shift in the payment date for certain key suppliers, and (ii) an increase in accounts receivable of R548 million in the third quarter 2008 compared to an increase of R675 million in the third quarter 2007 due to the reduction in the proportion of credit sales in the third quarter 2008 from the third quarter 2007.

Capital expenditure in the third quarter 2008 was R245 million compared with R202 million in the third quarter 2007. During the third quarter 2008 we have added a net 11 stores which, combined with store refurbishments, resulted in investments in store fixtures of R163 million. In the third quarter 2007 we spent R107 million to add a net 14 stores and on store refurbishments. In addition, in the third quarter 2008 we invested R74 million in information technology infrastructure and R8 million in group facilities.

Liquidity and capital resources

At 29 December 2007 our total net debt including cash and derivatives (excluding OtC) of R18,223 million consisted of (i) the fair value of floating rate notes of R17,809 million, (ii) borrowings under the revolving credit facility of R187 million, (iii) borrowings under the borrowing base facility of R516 million, and (iv) net derivatives of R143 million, less cash and cash equivalents of R432 million.

At 29 December 2007, the total facility available under the revolving credit facility was R3,500 million. The total facility available 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 third quarter of 2008 the maximum utilisation of the revolving credit facility and the borrowing base facility was R1,195 million and R1,316 million (R3,862 million including OtC) 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 2009.

CRITICAL ACCOUNTING POLICIES AND USE OF ESTIMATES

In preparing our financial statements, our management has historically been required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Actual results in the future could differ from these estimates, and this may be material to our financial statements. Significant estimates and judgments made relate to an allowance for doubtful debts, allowances for slow-moving inventory, residual values, useful lives and depreciation methods, pension fund and employee obligations, estimating the fair value of share options granted and asset impairment tests.

Other judgments made relate to classifying financial assets and liabilities into separate categories.

Our group owns 40% of the shares in Edgars Zimbabwe Limited. We did not account for Edgars Zimbabwe Limited in our equity in fiscal 2007 and 2008 year-to-date and we have fully written down our investment in this company.

Revenue recognition

Revenue comprises retail sales of merchandise, manufacturing sales, club fees, financial services income, equity accounted earnings of joint ventures, dividends, interest and finance charges accrued to Edcon. Revenue from all sales of merchandise net of returns, is brought to account when delivery takes place to the customer. Revenue from manufacturing and other operations is recognised when the sale transactions giving rise to such revenue are concluded. Finance charges on arrear account balances are accrued on a time proportion basis recognising the effective yield on the underlying assets. Dividends are recognised when the right to receive payment is established. Interest received is recognised using the effective interest rate method. Club fees are recognised over the period of the contract.

Trade and other receivables

Trade and other receivables are initially recognised at fair value. Subsequent to initial measurement, receivables are recognised at amortised cost less an allowance for doubtful debts.

Delinquent accounts are impaired by applying an impairment policy recognising both contractual and recency ages of accounts. Recency is the number of months since a qualifying payment being 75% of the total due was received. The process for estimating impairment considers all credit exposures, not only those of low credit quality, and is estimated on the basis of historical loss experience, adjusted on the basis of current data, to reflect the effects of current conditions. We assess whether objective evidence of impairment exists individually for receivables that are individually significant, and individually or collectively for receivables that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, the receivable is included in a group of receivables with similar credit risk characteristics and that group of receivables is collectively assessed for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss, to the extent the carrying value of the receivable does not exceed its cost at the reversal date.

Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred from the lessor to us as lessee.

Assets subject to finance leases are capitalised at the lower of the fair value of the asset, and the present value of the minimum lease payments, with the related lease obligation recognised at the same value. Capitalised leased assets are depreciated over the shorter of the lease term and the estimated useful life if we do not obtain ownership. Finance lease payments are allocated, using the effective interest rate method, between the lease finance cost, which is included in financing costs and the capital repayment, which reduces the liability to the lessor.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals with fixed escalation clauses are charged against trading profit on a straight-line basis over the term of the lease.

In the event of a sub-lease, lease rentals received are included in profit or loss.

Inventory

Retail trading inventories are valued at the lower of cost, using the weighted average cost, and net realisable value, less an allowance for slow-moving items. Net realisable value is the estimated selling price in the ordinary course of business less necessary costs to make the sale. In the case of own manufactured inventories, cost includes the total cost of manufacture, based on normal production facility capacity, and excludes financing costs. Work-in-progress is valued at actual cost, including direct material costs, labour costs and manufacturing overheads. Factory raw materials and consumable stores are valued at average cost, less an allowance for slow-moving items. The allowance for slow-moving inventory is made with reference to an inventory age analysis. All inventory older than 18 months is provided for in full.

All store inventories are physically verified at least twice a year through the performance of inventory counts and shortages identified are written off immediately. Stores which have a history of high inventory losses, are counted more frequently. An allowance is made, based on historical trends of inventory losses, for losses incurred between the last physical count and the balance sheet date.

Financial instruments

Financial instruments recognised on the balance sheet include derivative instruments, investments in debt securities, trade and other receivables, cash and cash equivalents, trade and other payables, and interest bearing debt. Financial instruments are initially measured at fair value, including transaction costs, except those at fair value through profit and loss, when the group becomes a party to contractual arrangements.

Consolidated Financial Statements

Edcon Holdings (Proprietary) Limited

Group Condensed Balance Sheets (unaudited)

	Successor			Predecessor	
	Before OntheCards 2007 29 December Rm	Consolidation of OntheCards 2007 29 December Rm	**Total 2007 29 December Rm**	2006 30 December Rm	2007 31 March Rm
ASSETS					
Non-current assets					
Properties, fixtures, equipment and vehicles	3 282	-	**3 282**	1 563	1 560
Intangible assets	20 137	79	**20 216**	77	77
Other financial assets	1 425	(1 425)	**-**	700	700
Investment in joint ventures	103	-	**103**	38	14
Derivatives	52	-	**52**	-	-
Deferred tax	-	-	**-**	103	82
Total non-current assets	24 999	(1 346)	**23 653**	2 481	2 433
Current assets					
Inventories	2 448	-	**2 448**	1 906	1 962
Trade, other receivables and prepayments	5 032	4 082	**9 114**	4 852	4 651
Derivatives	34	-	**34**	-	-
Loan – OntheCards	231	(231)	**-**	68	-
Cash and cash equivalents	432	14	**446**	1 026	471
Total current assets	8 177	3 865	**12 042**	7 852	7 084
Total assets	33 176	2 519	**35 695**	10 333	9 517
EQUITY AND LIABILITIES					
Equity attributable to shareowners					
Share capital and premium	1 968	-	**1 968**	229	236
Other reserves	80	-	**80**	55	55
Retained (loss)/surplus	(1 032)	9	**(1 023)**	4 828	4 670
Total equity and reserves	1 016	9	**1 025**	5 112	4 961
Minority interest	2	-	**2**	-	11
Shareholder's loan	5 508	-	**5 508**	-	-
Total shareowners' funds	6 526	9	**6 535**	5 112	4 972
Non-current liabilities					
Notes issued	17 809	-	**17 809**	-	-
Deferred tax	2 023	(66)	**1 957**	-	-
Derivatives	229	-	**229**	-	-
Total non-current liabilities	20 061	(66)	**19 995**	-	-
Current liabilities					
Interest-bearing debt	703	2 546	**3 249**	4	713
Current taxation	43	1	**44**	304	64
Trade and other payables	5 843	29	**5 872**	4 913	3 768
Total current liabilities	6 589	2 576	**9 165**	5 221	4 545
Total equity and liabilities	33 176	2 519	**35 695**	10 333	9 517

Group Condensed Quarterly Income Statements (unaudited)

	Successor			Predecessor
	Before OntheCards 2007 13 weeks to 29 December Rm	Consolidation of OntheCards 2007 13 weeks to 29 December Rm	**Total 2007 13 weeks to 29 December Rm**	2006 13 weeks to 30 December Rm
Total revenues	7 409	126	**7 535**	6 686
Revenue - retail sales	6 862	-	**6 862**	6 280
Cost of sales	(4 262)	-	**(4 262)**	(3 812)
Gross profit	2 600	-	**2 600**	2 468
Other income	113	-	**113**	112
Store costs	(1 006)	-	**(1 006)**	(857)
Other operating costs	(729)	-	**(729)**	(561)
Retail trading profit	978	-	**978**	1 162
Income from credit	348	115	**463**	240
Expenses from credit	(309)	(32)	**(341)**	(332)
Equity accounted earnings of joint venture	75	-	**75**	64
Trading profit	1 092	83	**1 175**	1 134
Restructure costs	(31)	-	**(31)**	(11)
Acquisition costs	(31)	-	**(31)**	-
Derivative income	425	-	**425**	-
Unrealised foreign exchange loss	(535)	-	**(535)**	-
Profit before net financing costs	920	83	**1 003**	1 123
Interest received	18	4	**22**	5
Profit before financing costs	938	87	**1 025**	1 128
Financing costs	(690)	(83)	**(773)**	(17)
Profit before taxation	248	4	**252**	1 111
Taxation	(64)	(1)	**(65)**	(325)
(Loss)/profit for the period	184	3	**187**	786
Attributable to:				
Equity holders of the parent	185	3	**188**	786
Minority interest	(1)	-	**(1)**	-

Group Condensed Year-to-date Income Statements (unaudited)

		Successor			Predecessor	
		Before OntheCards	Consolidation of OntheCards	**Total**		
		2007	2007	**2007**	2007	2006
		34 weeks to	34 weeks to	**34 weeks to**	5 weeks to	39 weeks to
		29 December	29 December	**29 December**	5 May	30 December
	Note	Rm	Rm	**Rm**	Rm	Rm
Total revenues	3	15 336	372	**15 708**	2 094	15 759
Revenue - retail sales		13 941	-	**13 941**	1 939	14 582
Cost of sales		(8 666)	-	**(8 666)**	(1 178)	(8 906)
Gross profit		5 275	-	**5 275**	761	5 676
Other income	4	296	-	**296**	35	307
Store costs		(2 293)	-	**(2 293)**	(270)	(2 269)
Other operating costs	5	(1 830)	-	**(1 830)**	(206)	(1 638)
Retail trading profit		1 448	-	**1 448**	320	2 076
Income from credit	6.1	919	311	**1 230**	102	706
Expenses from credit	6.2	(866)	(73)	**(939)**	(92)	(873)
Equity accounted earnings of joint venture		185	-	**185**	23	181
Trading profit		1 686	238	**1 924**	353	2 090
Restructure costs		(94)	-	**(94)**	(5)	(12)
Acquisition costs		(31)	-	**(31)**	-	(2)
Derivative income		4	-	**4**	-	-
Unrealised foreign exchange loss		(984)	-	**(984)**	-	-
Profit before net financing costs		581	238	**819**	348	2 076
Interest received		45	11	**56**	-	30
Profit before financing costs		626	249	**875**	348	2 106
Financing costs		(1 899)	(237)	**(2 136)**	(8)	(38)
(Loss)/profit before taxation		(1 273)	12	**(1 261)**	340	2 068
Taxation		241	(3)	**238**	(95)	(604)
(Loss)/profit for the period		(1 032)	9	**(1 023)**	245	1 464
Attributable to:						
Equity holders of the parent		(1 030)	9	**(1 021)**	245	1 464
Minority interest		(2)	-	**(2)**	-	-

Group Condensed Statements of Changes in Ordinary Shareowners' Equity (unaudited)

	Share capital and premium Rm	Other reserves Rm	Retained surplus Rm	Minority Interest Rm	Share-holders loan Rm	Total Rm
PREDECESSOR						
Balance at 1 April 2006	171	41	3 818			4 030
Foreign currency translation		14				14
Total income and expense for the period recognised directly in equity		14				14
Profit for the period			1 464			1 464
Net income for the period		14	1 464			1 478
Ordinary share capital issued on 24 May 2006	53					53
Net movement in treasury shares	5					5
Share-based payment credit			44			44
Ordinary dividends paid			(498)			(498)
Balance at 30 December 2006	229	55	4 828			5 112
Balance 31 March 2007	236	55	4 670	11		4 972
Foreign currency translation		(5)				(5)
Total income for the period recognised directly in equity		(5)				(5)
Profit for the period			245			245
Net income for the period		(5)	245			240
Ordinary share capital issued	726					726
Share-based payment credit			4			4
Balance at 5 May 2007	962	50	4 919	11		5 942
SUCCESSOR						
Opening balance at 6 May 2007	-	-	-	-		-
Foreign currency translation		(10)				(10)
Net gain on cash flow hedges		90				90
Total income and expense for the period recognised directly in equity		80				80
Interest on shareholder's loan					451	451
Loss for the period			(1 023)	2		(1 021)
Net loss for the period		80	(1 023)	2	451	(490)
Ordinary share capital issued	1 761					1 761
Preference share capital issued	207					207
Shareholder's loan	-				5 057	5 057
Balance at 29 December 2007	**1 968**	**80**	**(1 023)**	**2**	**5 508**	**6 535**

Group Condensed Cash Flow Statements (unaudited)

	Note	Successor			Predecessor	
		Before OntheCards 2007 34 weeks to 29 December Rm	Consolidation of OntheCards 2007 34 weeks to 29 December Rm	**Total 2007 34 weeks to 29 December Rm**	2007 5 weeks to 5 May Rm	2006 39 weeks to 30 December Rm
Cash retained from operating activities						
Operating profit		581	238	**819**	348	2 076
Depreciation		292	-	**292**	27	216
Amortisation		276	-	**276**	-	1
Unrealised foreign exchange loss		984	-	**984**	-	-
Derivative expense		(4)	-	**(4)**	-	-
Other non-cash items		(74)	-	**(74)**	(16)	5
Operating cash inflow before changes in working capital		2 055	238	**2 293**	359	2 298
Working capital movement		701	670	**1 371**	(506)	(40)
Inventories		(401)	-	**(401)**	45	(238)
Trade accounts receivable		(394)	(307)	**(701)**	(59)	(1 009)
Other debtors		(21)	6	**(15)**	(12)	(47)
Accounts payable		2 473	15	**2 488**	(480)	1 322
Loan – OntheCards		(231)	231	**-**	-	(68)
OntheCards investment		(725)	725	**-**	-	-
Cash generated/(utilised) from operating activities		2 756	908	**3 664**	(147)	2 258
Interest received		17	11	**28**	-	30
Financing costs paid		(1 322)	(237)	**(1 559)**	(8)	(38)
Taxation paid		(212)	-	**(212)**	-	(505)
Cash inflow/(outflow) from operations		1 239	682	**1 921**	(155)	1 745
Dividends paid		-	-	**-**	-	(498)
Net cash retained/(utilised)		1 239	682	**1 921**	(155)	1 247
Cash utilised in investment activities						
Net investment in fixtures, equipment and vehicles		(450)	-	**(450)**	(47)	(457)
Acquisitions[1]		(24 198)	-	**(24 198)**	-	-
Net cash invested		(24 648)	-	**(24 648)**	(47)	(457)
Cash effects of financing activities						
Increase in shareowner funding		7 025	-	**7 025**	-	58
Notes issued		17 064	-	**17 064**	-	-
(Decrease)/increase in interest bearing debt		(248)	(929)	**(1 177)**	238	(172)
Net cash inflow/(outflow) from financing activities		23 841	(929)	**22 912**	238	(114)
Increase in cash and cash equivalents		432	(247)	**185**	36	676
Cash and cash equivalents at the beginning of the period		-	-	**-**	471	349
Currency adjustments		-	-	**-**	-	1
Consolidation of OntheCards	7	-	261	**261**	-	-
Cash and cash equivalents at the end of the period		432	14	**446**	507	1 026

[1] Refer to the Consolidated Condensed Interim Financial Statements for the six-month period ended 29 September 2007.

Notes to the Financial Statements (unaudited)

Basis of Accounting

Edcon Holdings (Proprietary) Limited's consolidated financial statements (Financial Statements) are prepared in accordance with International Financial Reporting Standards (IFRS) and stated in Rands (R).

These Financial Statements are presented in accordance with IAS 34 *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in the annual financial statements have been condensed or omitted.

These Financial Statements have not been audited or reviewed by an auditor. In the opinion of management, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods have been made.

With effect 14 May 2007, the issued ordinary shares and preference shares in Edgars Consolidated Stores Limited (the "Predecessor") were acquired by Edcon Acquisition (Proprietary) Limited whose sole shareholder is Edcon Holdings (Proprietary) Limited (the "Successor"). Edcon Acquisition (Proprietary) Limited is the legal successor to Edgars Consolidated Stores Limited and Edcon Holdings (Proprietary) Limited the parent of the Edcon Group.

As of 5 May 2007, all conditions precedent to the private equity transaction had been fulfilled and the new Group consisting of Edcon Holdings (Proprietary) Limited and all its subsidiaries has been consolidated as from that date.

In preparing these Financial Statements, the same accounting principles and methods of computation are applied as in the consolidated Financial Statements of the Predecessor, Edgars Consolidated Stores Limited on 31 March 2007 and for the period then ended except for the changes set out below.

Accordingly, information for the current and comparative periods has been provided on the following basis: For periods ending prior to 6 May 2007, the financial position and results of the Predecessor are included and presented. For periods ending after 6 May 2007, the financial position and results of the Successor are included and presented.

On 15 June 2007, Edcon Holdings (Proprietary) Limited and Edcon (Proprietary) Limited issued EUR630 million and EUR 1,180 million of Floating Rate Senior Notes and Floating Rate Senior Secured Notes respectively due 15 June 2015 and 15 June 2014 respectively.

These Financial Statements should be read in conjunction with the audited Financial Statements as at and for the year ended 31 March 2007 as included in the 2007 audited Annual Financial Statements of the Predecessor.

Changes in accounting policies and comparability

OntheCards

A portion of trade receivables is securitised to OntheCards ("OtC") on a non recourse basis. As a result of the refinancing of the OtC securitisation structure through the issue of unlisted and unrated notes and subordinated loan borrowings, management has reassessed all judgments and assumptions and has concluded that Edcon (Proprietary) Limited, a subsidiary of Edcon Holdings (Proprietary) Limited, should consolidate OntheCards from 5 May 2007.

The Group's Financial Statements have been presented in three columns for the Successor to show the effects of consolidating OtC. The "Before OntheCards" column is comparable with the Financial Statements presented for the Predecessor in the prior period. "Consolidation of OntheCards" column demonstrates the effect of consolidating OtC, including consolidation adjustments. The "Total" column represents the Group's consolidated Financial Statements in accordance with IFRS, IAS 27, *Consolidated and Separate Financial Statements*.

Notes to the Financial Statements (unaudited) *continued*

		Successor			Predecessor	
		Before OntheCards 2007 34 weeks to 29 December Rm	Consolidation of OntheCards 2007 34 weeks to 29 December Rm	**Total 2007 34 weeks to 29 December Rm**	2007 5 weeks to 5 May Rm	2006 39 weeks to 30 December Rm
2.	**SEGMENTAL RESULTS**					
2.1	**Revenues**					
	Edgars	7 480	-	**7 480**	1 052	7 896
	CNA	1 129	-	**1 129**	144	1 123
	Department Stores Division	8 609	-	**8 609**	1 196	9 019
	Discount Division	5 600	-	**5 600**	776	5 844
	Manufacturing	28	-	**28**	2	26
	Credit and Financial Services	1 054	361	**1 415**	120	840
	Group Services	45	11	**56**	-	30
		15 336	372	**15 708**	2 094	15 759
2.2	**Retail sales**					
	Edgars	7 354	-	**7 354**	1 036	7 766
	CNA	1 129	-	**1 129**	144	1 123
	Department Stores Division	8 483	-	**8 483**	1 180	8 889
	Discount Division	5 458	-	**5 458**	759	5 693
		13 941	-	**13 941**	1 939	14 582
2.3	**Number of stores**					
	Edgars	251	-	**251**	250	247
	CNA	201	-	**201**	193	194
	Department Stores Division	452	-	**452**	443	441
	Discount Division	689	-	**689**	516	506
		1 141	-	**1 141**	959	947
2.4	**Segment result - operating profit**					
	Department Stores Division	1 092	**-**	**1 092**	216	1 386
	Discount Division[1]	369	**-**	**369**	103	688
	Manufacturing	(5)	**-**	**(5)**	1	(11)
	Credit and Financial Services	237	238	**475**	33	14
	Group Services[2]	(1 112)	**-**	**(1 112)**	(5)	(1)
		581	238	**819**	348	2 076

[1] Included in the 34 weeks to 29 December 2007 is an operating loss for Discom of R25 million.

[2] Included in the 34 weeks to 29 December 2007 are the restructure costs, derivative income, unrealised foreign exchange loss, and amortisation of R42 million allocated to the Group Services segment.

Notes to the Financial Statements (unaudited) *continued*

				Successor	Predecessor	
		Before OntheCards 2007 34 weeks to 29 December Rm	Consolidation of OntheCards 2007 34 weeks to 29 December Rm	**Total 2007 34 weeks to 29 December Rm**	2007 5 weeks to 5 May Rm	2006 39 weeks to 30 December Rm
3.	**REVENUES**					
	Retail sales	13 941	-	**13 941**	1 939	14 582
	Club fees	268	-	**268**	33	281
	Preference dividend	4	-	**4**	4	40
	Finance charges on trade receivables	747	479	**1 226**	93	619
	Equity accounted earnings of joint ventures	185	-	**185**	23	181
	Interest received	45	11	**56**	-	30
	Interest received from OntheCards	118	(118)	**-**		
	Manufacturing sales to third parties	28	-	**28**	2	26
		15 336	372	**15 708**	2 094	15 759
4.	**OTHER INCOME** This is stated after taking account of the following items:					
4.1	**Club fees**	268	-	**268**	33	281
4.2	**Manufacturing sales to third parties**	28	-	**28**	2	26
5.	**OTHER OPERATING COSTS** This is stated after taking account of the following items:					
5.1	**Amortisation of trademarks**					
	Charge for the year	276	-	**276**	-	1
5.2	**Depreciation of properties, fixtures, equipment and vehicles**					
	Buildings	2	-	**2**	-	2
	Leasehold improvements	41	-	**41**	3	28
	Fixtures and fittings	150	-	**150**	13	100
	Computer equipment and software	88	-	**88**	10	78
	Machinery and vehicles	11	-	**11**	1	8
		292	-	**292**	27	216

Notes to the Financial Statements (unaudited) *continued*

				Successor	Predecessor	
		Before OntheCards 2007 34 weeks to 29 December Rm	Consolidation of OntheCards 2007 34 weeks to 29 December Rm	**Total 2007 34 weeks to 29 December Rm**	2007 5 weeks to 5 May Rm	2006 39 weeks to 30 December Rm
5.3	**Operating lease expenses**					
	Properties					
	Minimum lease payments	601	-	**601**	71	594
	Turnover clause payments	25	-	**25**	7	47
	Operating lease adjustment	(17)	-	**(17)**	(2)	(11)
	Sublease rental income	(10)	-	**(10)**	(1)	(8)
	Equipment and vehicles	145	-	**145**	26	154
		744	-	**744**	101	776
5.4	**Net (loss)/gain on disposal of properties, fixtures, equipment and vehicle**	(2)	-	**(2)**	(4)	2
6.	**CREDIT INCOME AND EXPENSE**					
6.1	**Income from credit**					
	Discount received	-	-	**-**	-	6
	Preference dividend	4	-	**4**	4	40
	Interest received	118	(118)	**-**	-	-
	Finance charges on trade receivables	747	479	**1 226**	93	619
	Credit default swap	50	(50)	**-**	5	41
	Income from credit	919	311	**1 230**	102	706
6.2	**Expenses from credit**					
	Net bad debt	(498)	(109)	**(607)**	(56)	(505)
	Net increase in doubtful debt provision	(60)	30	**(30)**	(4)	(56)
	Discount paid	(29)	29	**-**	-	-
	Administration costs	(279)	(23)	**(302)**	(32)	(312)
		(866)	(73)	**(939)**	(92)	(873)
6.3	**Net credit income/(expense)**	53	238	**291**	10	(167)

	Successor 2007 29 December Rm Fair value	Carrying value
7. Consolidation of OntheCards Investments Limited		
The fair value of net assets consolidated at 6 May 2007 was as follows:		
Non-current assets		
Deferred taxation	**66**	
	66	
Current assets		
Trade, other receivables and prepayments	**3 783**	
Cash and cash equivalents	**261**	
	4 044	
Non-current liabilities		
Notes issued	**3 475**	
	3 475	
Current liabilities		
Trade and other payables	**714**	
	714	
Net liabilities at fair value consolidated	**(79)**	
Goodwill arising on consolidation	**79**	
Consideration	**-**	

Corporate Information

Edcon Holdings (Proprietary) Limited
Incorporated in the Republic of South Africa
Registration number 2006/036903/07

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