

2 November 2012

Edcon Proprietary Limited
(Incorporated in the Republic of South Africa)
(Registration No. 2007/003525/07)
Company code: BIEDC1
("Issuer" or "Edcon")

FIRST CLOSING OF SALE OF PRIVATE LABEL STORE CARD PORTFOLIO TO ABSA

Long term strategic relationship formed between Edcon and Absa

On 6 June 2012, Edcon announced the intended sale of its private label store card portfolio to Absa Bank Limited ("Absa") as well as the proposed implementation of a long term strategic agreement. In terms of the strategic agreement Absa will provide retail credit to Edcon customers, while Edcon continues to be responsible for all customer-facing activities, including sales and marketing, customer services and collections.

On 1 November 2012, all conditions required for the first closing of the South African book were satisfied and R8.8 billion of the South African private label store card portfolio was sold to Absa. Simultaneously, the long term commitment to provide future retail credit to existing and new qualifying South African customers became effective.

Update to bondholders

Edcon is in the process of finalising financial results for the thirteen week period ended 29 September 2012 ("Q2:2013"). As the announcement of the first closing of the sale of the private label store card portfolio is outside of Edcon's usual reporting timelines, Edcon wishes to advise bondholders earlier than usual of the key financial results:

- Total retail sales for Q2:2013 increased by 2.4% (1.8% in Q1:2013).
- Adjusted EBITDA, excluding the consolidation of OntheCards Investments II (Pty) Ltd, is approximately 2% higher than the second quarter last year (12% down in Q1:2013).

This trading statement has not been reviewed or reported on by Edcon's auditors. Further details will be made available together with Edcon's quarterly financial results on 27 November 2012.

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