

Pick n Pay Holdings Limited RF

(Incorporated in the Republic of South Africa)

Registration number 1981/009610/06

Share code: PWK

ISIN code: ZAE000005724

("Holdings")

Announcement in respect of the Unbundling

Holdings ordinary shareholders ("**Holdings Shareholders**") are referred to the joint announcement released by Holdings and Pick n Pay Stores Limited ("**Stores**") on the stock exchange news service operated by the JSE Limited on 12 August 2016 where Holdings Shareholders were advised that the unbundling by Holdings of all the issued ordinary shares in Stores ("**Stores Shares**") held by Holdings at the time of the unbundling ("**Unbundling**") is unconditional.

Holdings Shareholders are hereby advised of the following:

- that the entitlement ratio is 48.75216 Stores Shares for every 100 Holdings ordinary shares ("**Holdings Shares**"), being 0.4875216 Stores shares for every 1 Holdings share, held by a Holdings Shareholder on record date;
- that the value applicable in determining the cash payment for the fractional entitlement is the weighted average traded price for the day after last day to trade less 10% as prescribed by the JSE, being R70.20605, and that the fractional entitlement payment will be subject to dividend withholdings tax of 15% to the extent that shareholders do not qualify for the exemption in terms of section 64F of the Income Tax Act No 58 of 1962, as amended, resulting in a net cash payment based on R59.67514; and
- that the apportionment ratio in which the expenditure incurred and/or the valuation of Holdings shares must be apportioned between the Stores shares received in term of the Unbundling and Holdings ordinary shares for South African taxation purposes will announced on or about 31 August 2016.

THIS ANNOUNCEMENT IS NOT INTENDED TO BE A COMPLETE ANALYSIS OF THE TAX IMPLICATIONS OF THE UNBUNDLING. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSIDERED TO BE, LEGAL OR TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN PROFESSIONAL TAX ADVISORS ON THE TAXATION CONSEQUENCES OF THE UNBUNDLING IN BOTH SOUTH AFRICA AND THEIR JURISDICTION OF RESIDENCE AND THE CALCULATION OF THEIR COSTS FOR TAXATION PURPOSES.

By order of the Independent Board of Holdings

Cape Town
25 August 2016

Adviser and Sponsor to Holdings

Investec Bank Limited

Legal Adviser to Holdings

Werksmans Incorporated