

**SHOPRITE HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

Registration no. 1936/007721/06

ISIN: ZAE000012084

JSE share code: SHP

NSX share code: SRH

LuSE share code: SHOPRITE

("Shoprite Holdings" or "the Company")

**CAUTIONARY ANNOUNCEMENT RELATING TO THE COMPANY'S CONSIDERATION OF A POTENTIAL ACQUISITION OR REDEMPTION, AND CANCELLATION OF ALL THE SHOPRITE HOLDINGS DEFERRED SHARES IN ISSUE****1. Background**

Shoprite Holdings' capital structure currently consists of two share classes, being Shoprite Holdings ordinary shares and Shoprite Holdings deferred shares ("Deferred Shares"). All the Deferred Shares are held by Thibault Square Financial Services Proprietary Limited ("Thibault"), which carries approximately 32.3% of the voting rights of Shoprite Holdings. The Company has entered into exclusive in-principle discussions with Thibault and its shareholders with regards to the acquisition or redemption, and cancellation of the Deferred Shares to ensure that the Company's economic and voting rights are fully aligned ("Proposed Transaction").

**2. Rationale of Proposed Transaction**

The Proposed Transaction will simplify the Company's voting share structure and align the Company with international best corporate governance practice. Furthermore, the Proposed Transaction will ensure that all remaining shares in the Company have equal economic and voting rights.

**3. Process**

An independent board of the Company has been constituted to consider the Proposed Transaction and the Company has appointed Investec Bank Limited as Financial Adviser to the Company. Furthermore, an independent expert has been appointed to opine on the Proposed Transaction.

**4. Cautionary**

The Proposed Transaction, if concluded, may impact the price of the securities of Shoprite Holdings. Accordingly, shareholders are advised to exercise caution when dealing in the securities of Shoprite Holdings until a further announcement is made.

**PG DU PREEZ****Company Secretary****On behalf of the Board**

Date issued: 26 February 2019

Financial Advisor and Transaction Sponsor: Investec Bank Limited