

SHOPRITE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Reg. No. 1936/007721/06

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JSE Share code: SHP

NSX Share code: SRH

LuSE Share code: SHOPRITE

("Shoprite Holdings" or "the Group")

OPERATIONAL UPDATE FOR THE QUARTER ENDING SEPTEMBER 2019

In the three months to September 2019, the Shoprite Group's turnover increased by 7.3%.

The Group's core business, Supermarkets RSA grew sales by 10.3% during the quarter, continuing its market share gains. Whilst all three of our supermarket brands traded well, our hard discounter format Usave led the growth. Internal selling price inflation measured 3.0% over the period.

The Supermarkets Non-RSA segment has seen no change to the difficult operating environment articulated in our recent results. Currency devaluations have continued and our Nigerian business had a particularly challenging quarter marred by Xenophobic attacks. Overall our Supermarkets Non-RSA segment's sales declined 4.9%. Management is assessing the performance of the Supermarkets Non-RSA segment, with specific reference to the Group's return on capital invested in Africa.

The Group's other operating segments, which include the OK Franchise, Computicket, MediRite pharmacies and Checkers Food Services, reported a 6.4% increase in sales. The OK Franchise division grew sales by 8.6%.

Across our three supermarket trading brands Usave, Shoprite and Checkers the Group opened 15 new stores during the quarter: eight Usaves (four of them the smaller eKasi format), four Shoprites and three Checkers stores. Our furniture store base reduced by a net 10 stores. Liquorshop added a net 10 stores to reach a milestone 500 stores. Our OK Franchise division grew its base by a net 10 stores in the quarter.

Not included in these new store openings is the re-launch of our existing Johannesburg based Sandton City Checkers Hyper in late September. This store is a flagship for the Checkers FreshX format and the store re-opening is surpassing our expectations.

Developing and subsequently selling properties has been, and continues to be, a Shoprite Group strategy. During our year-end results we articulated plans to sell and lease-back certain non-strategic properties and we can confirm we are finalising the terms and conditions of the sale and lease-back of two of our older distribution centres (DCs) - our Western Cape Brackenfell DC and our Gauteng Centurion DC. These

transactions will not impact our operational control nor management of these facilities. We expect these sales to be finalised during the second half of our 2020 financial year.

Following the successful IT replatforming of the Group's store base across 15 countries, the Group is now able to shift focus to optimising the business. The Group took an important step in engineering the next era of growth in October with the launch of our Xtra Savings Rewards Programme in all Checkers stores nationally.

To date, the Xtra Savings Rewards Programme take up has exceeded expectations with more than a million members signing up after just one week. It marries advanced data processing with marketing automation into a powerful personalisation engine. This launch aligns with the Group's focus to ensure our customers save more every day, paving the way for smarter decision-making and precision retailing. It also unlocks alternate revenue streams from existing and new customers.

With the momentum achieved during the first quarter, the Group enters the important festive trading period with confidence in our operations and Group brand strategy both of which position us to deliver unsurpassed value to our 35 million customers across South Africa and the rest of Africa.

Pieter Engelbrecht

Anton de Bruyn

Natasha Moolman

Chief Executive Officer

Chief Financial Officer

Group Investor Relations

4 November 2019

Sponsor: Nedbank Corporate and Investment Banking