



Shoprite Holdings Limited

(Incorporated in the Republic of South Africa)
Registration number 1936/007721/06
ISIN: ZAE000012084 JSE share code: SHP
NSX share code: SRH LuSE share code: SHOPRITE
("Shoprite Holdings" or "the Company")

CIRCULAR TO SHAREHOLDERS

regarding:

- the granting and approval of a specific authority for Shoprite Holdings directors to allot and issue up to a maximum of 30 000 000 Ordinary Shares for the purpose of the conversion of the Convertible Bonds;
- the granting and approval of a specific authority for Shoprite Holdings directors to allot and issue up to a maximum of 15 280 522 Deferred Shares to Thibault Square Financial Services for the purpose of the conversion of the Convertible Bonds;
- the granting and approval of a specific authority for Shoprite Holdings directors to allot and issue 13 803 405 Deferred Shares to Thibault Square Financial Services pursuant to the Share Placement; and
- the approval of the provision of financial assistance in terms of section 44 of the Companies Act.

and incorporating:

- a notice convening a meeting of Shoprite Holdings Shareholders; and
- a form of proxy (for use by Certificated Shareholders and Own Name Dematerialised Shareholders only).

JSE sponsor



Legal adviser



Independent reporting accountants



Independent professional expert



Date of issue: 30 May 2012

The definitions commencing on page 4 of this Circular apply *mutatis mutandis* to this cover page.

CORPORATE INFORMATION AND ADVISERS

Company secretary and registered office

Mr PG du Preez
Corner William Dabs and Old Paarl Roads
Brackenfell, 7560
South Africa
(PO Box 215, Brackenfell, 7561)

Date of incorporation: 26 February 1936

Place of incorporation: Pretoria, South Africa

JSE sponsor

Nedbank Capital
(A division of Nedbank Limited)
(Registration number 1951/000009/06)
135 Rivonia Road
Sandton, 2146
South Africa
(PO Box 1144, Johannesburg, 2000)

South African transfer secretaries

Computershare Investor Services (Pty) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)

NSX sponsor

Old Mutual Investment Services (Namibia) (Pty) Limited
(Registration number 2004/081)
10th Floor, Mutual Tower
223 Independence Avenue
Windhoek
Namibia
(PO Box 25549, Windhoek, Namibia)

Namibian transfer secretaries

Transfer Secretaries (Pty) Limited
(Registration number 93/731)
4 Robert Mugabe Street
Windhoek
Namibia
(PO Box 2401, Windhoek, Namibia)

Legal adviser

Werksmans Attorneys
Block B, 2nd Floor, De Wagenweg Office Park
Stellentia Road
Stellenbosch, 7600
South Africa
(PO Box 1008, Stellenbosch, 7599)

Zambian transfer agent

Spectrum Corporate Services Limited
(Trading as ShareTrack Zambia)
Farmers House, Central Park
1st Floor, Main Building
Cairo Road
Lusaka
Zambia
(PO Box 37283, Lusaka, Zambia)

Independent professional expert

PSG Capital (Pty) Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
South Africa
(PO Box 7403, Stellenbosch, 7599)

Independent reporting accountants

PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
No 1 Waterhouse Place
Century City, 7441
South Africa
(PO Box 2799, Cape Town, 8000)

This Circular is only available in English.

Copies of this Circular may be obtained during normal business hours from the registered offices of Shoprite Holdings, Nedbank Capital and the Transfer Secretaries at their respective addresses set out above from the date of issue hereof until the date of the Shareholders Meeting.

ACTION REQUIRED BY SHOPRITE HOLDINGS SHAREHOLDERS

This Circular is important and requires your immediate attention

The definitions commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

Please take careful note of the following provisions regarding the action required by Shoprite Holdings Shareholders:

If you are in any doubt as to what action to take, consult your CSDP, broker or other professional adviser immediately. If you have disposed of all of your Shoprite Holdings Shares, this Circular should be handed to the purchaser of such Shoprite Holdings Shares or the CSDP, broker or other agent who disposed of your Shoprite Holdings Shares on your behalf.

Shareholders Meeting

Shoprite Holdings Shareholders are invited to attend the Shareholders Meeting regarding the specific authority to issue Shoprite Holdings Shares, the specific authorities to issue Deferred Shares and the general authority to provide financial assistance.

The Shareholders Meeting, convened in terms of the Notice of Shareholders Meeting, will be held at the Company's registered office, corner William Dabs and Old Paarl Roads, Brackenfell, South Africa on Thursday, 28 June 2012 at 09:15 (South African time).

You should carefully read through this Circular and decide how you wish to vote on the resolutions to be proposed at the Shareholders Meeting.

Own Name Dematerialised Shareholders and Certificated Shareholders

You are entitled to attend, or be represented by proxy at, the Shareholders Meeting.

If you are unable to attend the Shareholders Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries at 70 Marshall Street, Johannesburg, 2001, South Africa or PO Box 61051, Marshalltown, 2107, by no later than 48 hours before the commencement of the Shareholders Meeting (or any adjournment of the Shareholders Meeting) or hand it to the Chairman of the Shareholders Meeting before the appointed proxy exercises any of your Shareholder rights at the Shareholders Meeting (or any adjournment of the Shareholders Meeting), provided that, should you return such form of proxy (*blue*) to the Transfer Secretaries at either of the above addresses less than 48 hours before the Shareholders Meeting, you will also be required to furnish a copy of such form of proxy to the Chairman of the Shareholders Meeting before the appointed proxy exercises any of your Shareholders rights at the Shareholders Meeting (or any adjournment of the Shareholders Meeting).

Dematerialised Shareholders

You must **not** complete the attached form of proxy (*blue*). If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will then be obliged to act in terms of your mandate furnished. You must advise your CSDP or broker timeously if you wish to attend, or be represented at, the Shareholders Meeting. Your CSDP or broker will then be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the Shareholders Meeting.

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SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

2012

Last day to trade Shoprite Holdings Shares in order to be recorded in the Register to vote at the Shareholders Meeting	Friday, 15 June
Shareholders Meeting record date	Friday, 22 June
Form of proxy for the Shareholders Meeting to be received by 09:15 on	Tuesday, 26 June
Shareholders Meeting to be held at 09:15 on	Thursday, 28 June
Results of Shareholders Meeting released on SENS on	Thursday, 28 June
Results of Shareholders Meeting published in the South African press on	Friday, 29 June

Notes:

1. These dates and times are subject to amendment. Any material amendment will be released on SENS and published in the South African press.
2. All times given in this Circular are South African local times.

DEFINITIONS

In this Circular, unless otherwise stated or the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column. Words in the singular include the plural and *vice versa*, words and expressions which denote one gender include the other gender, and a reference to a natural person includes a juristic person and an association and *vice versa*:

"Board"	board of directors of the Company from time to time;
"Bondholders"	registered holders of the Convertible Bonds, from time to time;
"Business Day"	any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;
"Certificated Shareholders"	Shoprite Holdings Shareholders who hold Certificated Shares;
"Certificated Shares"	Shoprite Holdings Shares that have not been Dematerialised, the title to which is represented by a physical document of title;
"Circular"	this bound document, including the annexures thereto, the Notice of Shareholders Meeting and the form of proxy (<i>blue</i>);
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"Convertible Bonds"	the 6,5% convertible bonds due April 2017 issued by Shoprite Investments;
"CSDP"	central securities depository participant, accepted as such participant in terms of the Securities Services Act;
"Deferred Share"	a non-convertible, non-participating no par value deferred share(s) in the share capital of Shoprite Holdings;
"Dematerialised" or "Dematerialisation"	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of securities holders by a CSDP;
"Dematerialised Shareholders"	Shoprite Holdings Shareholders who hold Dematerialised Shares, excluding Own Name Dematerialised Shareholders;
"Dematerialised Shares"	Shoprite Holdings Shares that have been Dematerialised;
"Directors"	directors of the Company from time to time;
"IAS"	the International Accounting Standards;
"IFRS"	International Financial Reporting Standards;
"Joint Bookrunners"	the joint bookrunners for the placement of Convertible Bonds in a nominal amount of R4,5 billion as announced on 22 March 2012, being Goldman Sachs International, Morgan Stanley & Co. International PLC and Rand Merchant Bank, a division of FirstRand Bank Limited;
"JSE"	JSE Limited (Registration number 2006/022939/06), a public Company incorporated in South Africa and licensed under the Securities Services Act to operate an exchange;
"King III"	the South African King Code on Corporate Governance, 2009;
"Last Practicable Date"	Friday, 18 May 2012, being the last practicable date prior to finalisation of this Circular;

"Listings Requirements"	Listings Requirements of the JSE, as amended;
"MOI"	the Memorandum of Incorporation of a Company, as the context may require, as that term is defined in the Companies Act;
"Notice of Shareholders Meeting"	the notice convening the Shareholders Meeting of Shoprite Holdings Shareholders, which forms part of this Circular;
"NSX"	the Namibian Stock Exchange;
"Ordinary Shares"	ordinary shares with a par value of 113,4 cents each in the share capital of Shoprite Holdings;
"Own Name Dematerialised Shareholders"	Shoprite Holdings Shareholders who hold Dematerialised Shares with own name registration;
"Rand" or "R"	South African Rand, the lawful currency of South Africa;
"Related Party" or "Related Parties"	(a) a director, future director, prescribed officer, or future prescribed officer of the Shoprite Group; (b) person related or inter-related (both as defined in the Companies Act) to Shoprite Holdings, or to a director or prescribed officer of Shoprite Group; or (c) a nominee of a person contemplated in paragraph (a) or (b) above;
"Securities Services Act"	Securities Services Act, 2004 (Act 36 of 2004), as amended;
"SENS"	the Securities Exchange News Service of the JSE;
"Share Placement"	the issue of 27,1 million new Ordinary Shares at a price of R127,50 per share on 29 March 2012;
"Shareholders Meeting"	the meeting of Shoprite Holdings Shareholders to be held at 09:15 on Thursday, 28 June 2012 at the Company's registered office, to consider and, if deemed appropriate, pass (with or without modification) the resolutions set out in the Notice of Shareholders Meeting, and including any adjournment of such meeting;
"Shoprite Holdings" or "the Company"	Shoprite Holdings Limited (Registration number 1936/007721/06), a public company incorporated in South Africa and listed on the JSE;
"Shoprite Checkers"	Shoprite Checkers (Proprietary) Limited (Registration number 1929/001817/07), a private company incorporated in South Africa and a wholly owned subsidiary of Shoprite Holdings;
"Shoprite Group" or "the Group"	Shoprite Holdings and all of its subsidiaries, whether direct or indirect;
"Shoprite Investments"	Shoprite Investments Limited (Registration number 1985/000928/06), a public company incorporated in South Africa and a wholly owned subsidiary of Shoprite Holdings;
"Shoprite Holdings Shareholders"	registered holders of Shoprite Holdings Shares, inclusive of Certificated Shareholders, Dematerialised Shareholders and Own Name Dematerialised Shareholders, from time to time;
"Shoprite Holdings Shares"	Ordinary Share(s) and Deferred Shares;
"South Africa"	Republic of South Africa;
"Special Resolution"	a special resolution as defined in the Companies Act;
"Thibault Square Financial Services"	Thibault Square Financial Services (Proprietary) Limited (Registration number 1992/004170/07), a private company incorporated in South Africa and a wholly owned subsidiary of Titan Premier Investments;

"Titan Premier Investments"	Titan Premier Investments (Proprietary) Limited (Registration number 1979/00776/07), a private company incorporated in South Africa which is ultimately owned by the Christo Wiese Family Trust, of which Dr CH Wiese and his immediate family are the beneficiaries;
"Titan Share Dealers"	Titan Share Dealers (Proprietary) Limited (Registration number 1969/003884/07), a private company incorporated in South Africa and a wholly owned subsidiary of Titan Premier Investments;
"Transfer Secretaries"	Computershare Investor Services (Proprietary) Limited (Registration number: 2004/003647/06), a private company incorporated in South Africa;
"Terms and Conditions"	the terms and conditions on which the Convertible Bonds were issued;
"Trust Deed"	the Shoprite Convertible Bond Trust Deed;
"VWAP"	volume weighted average price; and
"VAT"	value-added tax levied in terms of the Value-Added Tax Act, No. 89 of 1991.



Shoprite Holdings Limited

(Incorporated in the Republic of South Africa)
Registration number 1936/007721/06
ISIN: ZAE000012084 JSE share code: SHP
NSX share code: SRH LuSE share code: SHOPRITE
("Shoprite Holdings" or "the Company")

Directors of Shoprite Holdings

Executive directors

Dr JW Basson (*Chief Executive Officer*)
Mr CG Goosen (*Financial Director*)
Mr B Harisunker
Mr AE Karp
Mr EL Nel
Mr BR Weyers

Non-executive directors

Dr CH Wiese (*Chairman*)
Mr JG Rademeyer (*Lead Independent*)[†]
Mr JJ Fouché
Mr EC Kieswetter[†]
Mr JA Louw[†]
Mr JF Malherbe[†]
Mr JA Rock[†]

[†] *Independent*

CIRCULAR TO SHOPRITE HOLDINGS SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

On 22 March 2012 Shoprite Holdings announced the successful placement of new Ordinary Shares and Convertible Bonds for total gross proceeds of approximately R8,0 billion, by way of concurrent accelerated bookbuild offerings to qualifying investors, as follows:

- on 29 March 2012 Shoprite Holdings issued 27,1 million new Ordinary Shares under general authority at R127,50 per share, for gross proceeds of approximately R3,5 billion. The new Ordinary Shares represent 4,99% of the number of existing Ordinary Shares in issue before the Share Placement; and
- on 2 April 2012 Shoprite Investments issued 6,5% convertible bonds due April 2017 in a nominal amount of R4,5 billion. Salient details of the Convertible Bonds are provided in paragraph 4 below. The Convertible Bonds were not issued to any Related Parties.

On 9 May 2012 Shoprite Investments issued additional Convertible Bonds in a nominal amount of R200 million to Shoprite Checkers. Shoprite Checkers will utilise the additional Convertible Bonds as part of an incentive scheme for its employees. The details of the incentive scheme will be presented for approval to Shoprite Holdings Shareholders at the next Annual General Meeting of the Company.

The purpose of this Circular is to furnish information to Shoprite Holdings Shareholders to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions to be proposed at the Shareholders Meeting, arising from the issues of Convertible Bonds and the Share Placement. The resolutions are set out in the Notice of Shareholders Meeting and the rationale for each is explained in paragraph 3 below.

2. USE OF PROCEEDS AND RATIONALE FOR THE ISSUE OF CONVERTIBLE BONDS AND SHARE PLACEMENT

The Board believes that there are exciting growth opportunities for the Company both inside and outside South Africa and views the capital raising as an opportunity to "stay ahead of the curve" by accelerating its organic growth strategies and selectively pursuing acquisition opportunities as well as to strengthen and improve the structure and efficiency of its balance sheet.

More specifically, the Shoprite Group intends to use the proceeds to:

- fund organic growth initiatives, opening new stores in existing markets and investing further in optimising supply chain and distribution;

- accelerate the Group's African expansion through the purchase and development of property in both new and existing sub-Saharan African markets;
- enhance the Group's ability, independent of any volatility in market conditions or funding constraints, to pursue acquisitions in South Africa and abroad;
- increase balance sheet flexibility and proactively manage the capital structure, better aligning the funding of the Group's long-term investments with long-term capital, repaying short-term credit facilities and diversifying funding sources; and
- further improve working capital management, leveraging increased liquidity to obtain better terms from suppliers and strategically building inventory in an inflationary environment.

3. RATIONALE FOR THE PROPOSED RESOLUTIONS

3.1 Specific authority to issue Ordinary Shares upon conversion of the Convertible Bonds

The Convertible Bonds are currently cash-settled instruments. If Shoprite Holdings Shareholders do not approve the issuance of the Ordinary Shares upon conversion of the Convertible Bonds, then the Convertible Bonds will remain subject to cash settlement.

Cash settlement of the Convertible Bonds will require significant cash reserves, which could constrain the Shoprite Group's ability to pursue new business opportunities, invest in existing and new projects, fund ongoing business activities, retire or service outstanding debt and pay dividends, all of which could adversely affect its results of operations and financial condition.

Furthermore, while the Convertible Bonds remain cash-settled, they must be accounted for under IAS 39 and will be fully recorded as a liability. Any movements in the value of the equity option must be accounted for on a mark-to-market basis through the statement of comprehensive income for each reporting period. An increase in the value of the equity option would negatively impact on earnings per share, while a decrease in the value of the equity option would positively impact on earnings per share. This accounting treatment introduces volatility in earnings which does not represent the underlying operational performance of the Company.

Subject to the approval of the specific authority, the Convertible Bonds will be convertible into Ordinary Shares and must be accounted for under IAS 32 on an amortised cost basis with no requirement to account for the equity option on a mark-to-market basis. Accordingly, there will be no volatility in earnings relating to the Convertible Bond.

Subject to the approval of the specific authority, the Convertible Bonds will be convertible into Ordinary Shares at an initial conversion price of R168,94, representing a 32,5% premium to the reference share price of R127,50. At the initial conversion price, the number of Ordinary Shares to be issued upon the conversion of R4,7 billion in nominal amount of Convertible Bonds (being the R4,5 billion in nominal amount issued on 2 April 2012 and the R200 million in nominal amount issued on 9 May 2012) will be 27 820 528 Ordinary Shares, representing 4,88% of the number of existing Ordinary Shares in issue.

The Terms and Conditions provide that the conversion price could be adjusted on the realisation of certain events. If such an adjustment results in the reduction of the conversion price, the number of Ordinary Shares to be issued will be increased.

Shoprite Holdings Shareholders are accordingly requested to approve the specific authority for Shoprite Holdings directors to allot and issue a maximum of 30 000 000 Ordinary Shares, issuable upon conversion of the Convertible Bonds.

3.2 Specific authority to issue Deferred Shares upon conversion of the Convertible Bonds

In terms of the MOI, whenever the Company issues Ordinary Shares, Thibault Square Financial Services shall be entitled to subscribe for such number of additional Deferred Shares at 0,1 cent per Deferred Share as would result in Thibault Square Financial Services continuing to hold the ratio of Deferred Shares to Ordinary Shares which it held immediately prior to the issue of the new Ordinary Shares. The Company shall be obliged to allot and issue the Deferred Shares subscribed for by Thibault Square Financial Services against receipt of the subscription consideration.

The relevant extracts from the MOI providing full details of the rights, privileges and conditions attaching to the Deferred Shares are set out in Annexure 1.

Subject to the approval of the specific authority, the Convertible Bonds will be convertible into Ordinary Shares. Any allotment and issue of Ordinary Shares by Shoprite Holdings upon conversion of the Convertible Bonds will create an entitlement to Thibault Square Financial Services and an obligation on Shoprite Holdings as described above.

If Shoprite Holdings Shareholders do not approve the issue of the Deferred Shares, the Company will be in breach of its obligations to Thibault Square Financial Services.

Section 41(1) of the Companies Act requires that the issue of the Deferred Shares must be approved by way of a Special Resolution of Shoprite Holdings Shareholders.

Shoprite Holdings Shareholders are accordingly requested to approve the specific authority for Shoprite Holdings directors to issue a maximum of 15 280 522 Deferred Shares to Thibault Square Financial Services, issuable upon conversion of the Convertible Bonds.

3.3 Specific authority to issue Deferred Shares in relation to the Share Placement

In terms of the MOI, whenever the Company issues Ordinary Shares, Thibault Square Financial Services shall be entitled to subscribe for such number of additional Deferred Shares at 0,1 cent per Deferred Share as would result in Thibault Square Financial Services continuing to hold the ratio of Deferred Shares to Ordinary Shares which it held immediately prior to the issue of the new Ordinary Shares. The Company shall be obliged to allot and issue the Deferred Shares subscribed for by Thibault Square Financial Services against receipt of the subscription consideration.

The relevant extracts from the MOI providing full details of the rights, privileges and conditions attaching to the Deferred Shares are set out in Annexure 1.

On 29 March 2012, the Company issued 27 100 000 Ordinary Shares in terms of the Share Placement with the effect that Thibault Square Financial Services became entitled to subscribe for an additional 13 803 405 Deferred Shares as described above.

If Shoprite Holdings Shareholders do not approve the issue of the Deferred Shares, the Company will be in breach of its obligations to Thibault Square Financial Services.

Shoprite Holdings Shareholders are accordingly requested to approve the specific authority for Shoprite Holdings directors to issue 13 803 405 Deferred Shares to Thibault Square Financial Services.

3.4 Authority to provide financial assistance

Shoprite Holdings has provided a guarantee to holders of the Convertible Bonds in terms whereof it guarantees the full, prompt and complete payment of all present and future moneys and liabilities which are now, or which may hereafter become, due and owing by Shoprite Investments under the Convertible Bonds and the Trust Deed.

The guarantee is subject to, and conditional upon, the approval of Shoprite Holdings Shareholders in terms of section 44(3) of the Companies Act.

Shoprite Holdings Shareholders are accordingly requested to grant approval for the provision of financial assistance in terms of section 44(3) of the Companies Act.

4. SALIENT FEATURES OF THE CONVERTIBLE BONDS

The salient features of the Convertible Bonds are as follows:

Issuer:	Shoprite Investments
Guarantors:	Shoprite Holdings (subject to the approval of the Special Resolution 4 hereunder) and Shoprite Checkers on a joint and several basis
Total issue size:	R4,7 billion
Underlying shares:	27 820 528 Ordinary Shares
Principal amount:	R1,0 million per Convertible Bond
Coupon:	6,5% per annum, payable semi-annually in arrears on 3 April and 3 October of each year, with the first coupon payment expected to be made on 3 October 2012
Conversion premium:	32,5% over the reference share price

Reference share price:	R127,50
Initial conversion price:	R168,94
Conversion period:	At any time from 41 days after 2 April 2012 until the earlier of: <ul style="list-style-type: none"> (i) the 10th day preceding the maturity date; or (ii) if the Convertible Bonds have been called for redemption prior to the maturity date, the 10th day preceding the relevant redemption date
Settlement upon conversion:	Subject to the approval of the Special Resolution 1 hereunder, the Convertible Bonds will be settled in Ordinary Shares. If the Special Resolution 1 hereunder is not approved then the Convertible Bonds will be settled in cash
Early redemption: (at the option of the Issuer)	The Issuer may redeem the Convertible Bonds in whole but not in part at their principal amount together with accrued interest: <ul style="list-style-type: none"> (i) on or at any time after the third anniversary + 21 days after 2 April 2012, subject to the VWAP of Ordinary Shares exceeding 130% of the conversion price on no less than 20 out of any 30 consecutive dealing days; or (ii) at any time if less than 15% of the Convertible Bonds originally issued remain outstanding
Maturity date:	3 April 2017
Redemption price at maturity:	100% of the principal amount to be settled in cash
Soft redemption option: (at the election of Bondholders)	Subject to the approval of the Special Resolution 1 hereunder, the Issuer may, at its option, grant a soft redemption option to the Bondholders. If the soft redemption option is granted and a Bondholder elects to exercise such option, then the Issuer would be required to redeem the principal amount of that Bondholder's Convertible Bonds together with the accrued interest up to the maturity date and to settle such amount in Ordinary Shares and cash

5. RELATED PARTY TRANSACTIONS AND NON-PUBLIC SHAREHOLDER

The Convertible Bonds were not issued to any Related Parties.

Dr CH Wiese is regarded as a Related Party and a non-public shareholder in respect of Shoprite Holdings. He is a director of Shoprite Holdings and held, directly or indirectly, a 15,4% beneficial interest in the Ordinary Shares as at the Last Practicable Date.

Dr Wiese is a director and indirect beneficial shareholder of Thibault Square Financial Services, which is regarded as a Related Party in respect of Shoprite Holdings.

Dr Wiese is a director and indirect beneficial shareholder of Titan Share Dealers, which is regarded as a Related Party in respect of Shoprite Holdings.

Titan Share Dealers holds an option to purchase R1,7 billion in nominal amount of Convertible Bonds, and may acquire Convertible Bonds if and when the option is exercised. The option strike price is the principal amount plus any accrued interest outstanding for the period. The option is exercisable at any time until maturity of the Convertible Bonds in April 2017.

6. FAIRNESS OPINION AND RECOMMENDATION

An independent professional expert was appointed to determine whether the terms and conditions of the issue of the Convertible Bonds are fair to Shoprite Holdings Shareholders.

The independent professional expert appointed by the Board, has considered the terms and conditions of the issue of the Convertible Bonds and is of the opinion that such terms and conditions are fair to Shoprite Holdings Shareholders on the basis set out in the fairness opinion included in Annexure 2.

The Board has considered the terms and conditions of the issue of the Convertible Bonds together with the opinion of the independent professional expert and is of the opinion that the issue of Shoprite Holdings Shares is fair insofar as Shoprite Holdings Shareholders are concerned.

The Board therefore recommends that Shoprite Holdings Shareholders vote in favour of the specific authority to issue Ordinary Shares upon conversion of the Convertible Bonds and the related Special Resolutions to be proposed at the Shareholders Meeting. In respect of their personal holdings in Shoprite Holdings, the relevant Board members intend to vote their Shoprite Holdings Shares in favour of the resolutions to be proposed at the Shareholders Meeting.

7. ESTIMATED EXPENSES

The total preliminary expenses relating to this Circular and the issue of Ordinary Shares arising from the conversion of the Convertible Bonds are estimated at R1,4 million (VAT exclusive), as detailed below:

Expense	Paid/Payable to	R'000
Listing fees	JSE	415
Printing, postage and related costs	Ince	400
Independent professional expert fees	PSG Capital	225
Independent sponsor	Nedbank Capital	200
Legal counsel fees	Werksmans	75
Independent reporting accountants fees	PricewaterhouseCoopers	75
Document inspection fees	JSE	11
Transfer secretaries fees	Computershare	10
Total		1 411

The above preliminary expenses have been estimated and are therefore subject to modification once final terms have been agreed with the respective service providers.

The total expenses relating to the issue of Convertible Bonds in a nominal amount of R4,7 billion are estimated at R146,5 million (VAT exclusive), as detailed below:

Expense	Paid/Payable to	R (million)
Bookrunner fees	Joint Bookrunners	89,4
Underwriting commission ¹	Rand Merchant Bank	56,0
Legal counsel fees	Werksmans	1,1
Total		146,5

Note:

1. In order to mitigate the risk on its underwriting position, Rand Merchant Bank entered into a sub-underwriting agreement with Titan Share Dealers. This sub-underwriting agreement was concluded with the knowledge and approval of the Board. Titan Share Dealers was paid a fee of R36,4 million by Rand Merchant Bank for its sub-underwriting commitment.

8. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited *pro forma* financial information of Shoprite Group is the responsibility of the Directors and has been prepared to illustrate the effects of the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds, assuming that the Share Placement and the issue of the Convertible Bonds took place on 1 July 2011 for purposes of the statement of comprehensive income and on 31 December 2011 for purposes of the statement of financial position.

The unaudited *pro forma* financial information has been prepared for illustrative purposes only and may not give a fair reflection of the financial position, changes in equity, results of operations or cash flows of Shoprite Group. It does not purport to be indicative of what the financial results would have been if the Share Placement and issue of the cash-settled Convertible Bonds had actually occurred at an earlier date.

The unaudited *pro forma* financial information of Shoprite Group should be read in conjunction with the notes thereto and the report of the independent reporting accountants which is set out in Annexure 3.

Unaudited *pro forma* financial effects for the six months ended 31 December 2011

The unaudited *pro forma* financial effects are the responsibility of the Directors.

The *pro forma* financial effects of the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds are presented below:

For the six months ended 31 December 2011 (per Ordinary Share)		Unaudited six months ended December 2011	<i>Pro forma</i> after Share Placement	<i>Pro forma</i> after issue of cash-settled Convertible Bonds	<i>Pro forma</i> after approval for conversion into Ordinary Shares	% change ⁸
Net asset value per share ¹	cents	1 574	2 133	2 133	2 199	3,1
Basic earnings per share ²	cents	280,3	279,2	217,3	254,1	17,0
Diluted earnings per share ³	cents	280,3	279,2	217,3	254,1	17,0
Headline earnings per share ⁴	cents	280,8	279,7	217,7	254,6	16,9
Weighted average number of Ordinary Shares in issue ⁵		506 132 513	533 232 513	533 232 513	533 232 513	0,0
Weighted average diluted number of Ordinary Shares in issue ⁶		506 132 513	533 232 513	533 232 513	533 232 513	0,0
Number of Ordinary Shares in issue ⁷		506 132 513	533 232 513	533 232 513	533 232 513	0,0

Notes and assumptions:

The unaudited financial information for the six months ended December 2011 has been extracted from the published interim results announcement of Shoprite Holdings.

Rounding of figures may result in computational discrepancies.

Refer to the detailed notes and assumptions set out in the *pro forma* statement of comprehensive income and *pro forma* statement of financial position.

- Net asset value per share is computed by dividing capital and reserves by the number of Ordinary Shares in issue (excluding treasury shares).
- Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of Ordinary Shares in issue (excluding treasury shares).
- Diluted earnings per share is computed by adjusting the weighted average number of Ordinary Shares in issue (excluding treasury shares) to assume conversion of all dilutive potential Ordinary Shares. The Convertible Bonds are assumed to have been converted into Ordinary Shares, and the profit attributable to owners of the parent is adjusted to eliminate the interest expense less the tax effect. The issue of cash-settled Convertible Bonds before approval by the shareholders had no dilutive effect and the approval for conversion into Ordinary Shares by shareholders results in an anti-dilutive effect for the six months ended December 2011. Diluted earnings per share is therefore equal to basic earnings per share.
- Headline earnings removes items of a capital nature from the calculation of earnings per share. Headline earnings per share is computed by dividing headline earnings by the weighted average number of Ordinary Shares in issue (excluding treasury shares).
- The weighted average number of Shoprite Holdings Ordinary Shares in issue (excluding treasury shares) as reflected in the published interim results announcement of Shoprite Holdings was 506 132 513 for the six months ended December 2011. This number increased to 533 232 513 as a result of the Share Placement.
- The weighted average diluted number of Shoprite Holdings Ordinary Shares in issue (excluding treasury shares) as reflected in the published interim results announcement of Shoprite Holdings was 506 132 513 for the six months ended December 2011. This number increased to 533 232 513 as a result of the Share Placement. The issue of cash-settled Convertible Bonds before approval by the shareholders had no dilutive effect and the approval by shareholders results in an anti-dilutive effect for the six months ended December 2011. The weighted average diluted number of Ordinary Shares in issue is therefore equal to the weighted average number of Ordinary Shares in issue.
- The number of Shoprite Holdings Ordinary Shares in issue (excluding treasury shares) as reflected in the published interim results announcement of Shoprite Holdings was 506 132 513 for the six months ended December 2011. This number increased to 533 232 513 as a result of the Share Placement.
- The percentage change is calculated as the percentage change in the *pro forma* financial effects from after the issue of cash settled Convertible Bonds to after the approval for conversion into Ordinary Shares.

Unaudited *pro forma* statement of comprehensive income

The unaudited *pro forma* condensed statement of comprehensive income for Shoprite Group is the responsibility of the Directors.

The unaudited *pro forma* condensed statement of comprehensive income for Shoprite Group for the six months ended 31 December 2011 and incorporating the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds is presented below:

R'000	Unaudited six months ended December 2011	Adjustments for the Share Placement ¹	<i>Pro forma</i> after Share Placement	Adjustments for issue of the cash-settled Convertible Bonds ²	<i>Pro forma</i> after issue of cash-settled Convertible Bonds	Adjustments for approval to issue Ordinary Shares upon conversion ³	<i>Pro forma</i> six months ended December 2011
Sale of merchandise	41 053 561		41 053 561		41 053 561		41 053 561
Cost of sales	(32 857 420)		(32 857 420)		(32 857 420)		(32 857 420)
Gross profit	8 196 141		8 196 141		8 196 141		8 196 141
Other operating income	884 384		884 384		884 384		884 384
Depreciation and amortisation	(511 806)		(511 806)		(511 806)		(511 806)
Operating leases	(952 091)		(952 091)		(952 091)		(952 091)
Employee benefits	(3 265 348)		(3 265 348)		(3 265 348)		(3 265 348)
Other expenses ⁴	(2 187 510)		(2 187 510)	(255 451)	(2 442 961)	255 451	(2 187 510)
Trading profit	2 163 770		2 163 770	(255 451)	1 908 319	255 451	2 163 770
Exchange rate gains	27 710		27 710		27 710		27 710
Items of a capital nature	(2 951)		(2 951)		(2 951)		(2 951)
Operating profit	2 188 529		2 188 529	(255 451)	1 933 078	255 451	2 188 529
Interest received ⁵	38 459	38 120	76 579	119 348	195 927		195 927
Finance costs ⁶	(65 619)	59 023	(6 596)	(205 081)	(211 677)	1 186	(210 491)
Profit before income tax	2 161 369	97 143	2 258 512	(341 184)	1 917 328	256 637	2 173 965
Income tax expense ⁷	(729 277)	(27 200)	(756 477)	80 879	(675 598)	(60 013)	(735 611)
Profit for the period	1 432 092	69 943	1 502 035	(260 305)	1 241 730	196 624	1 438 354
Other comprehensive income, net of income tax expense	301 956		301 956		301 956		301 956
Fair value movements on available-for- sale investments	8 747		8 747		8 747		8 747
Foreign currency translation differences	293 209		293 209		293 209		293 209
Total comprehensive income for the period	1 734 048	69 943	1 803 991	(260 305)	1 543 686	196 624	1 740 310

Notes and assumptions:

The unaudited *pro forma* statement of comprehensive income has been prepared on the assumption that the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds had been effected on 1 July 2011.

All the adjustments reflected in the *pro forma* financial information are expected to have a continuing effect on Shoprite Group.

The estimated expenses of the issue of Ordinary Shares arising from the conversion of the Convertible Bonds as set out in paragraph 7 of the Circular are not reflected in the *pro forma* financial information as it is considered to be insignificant and do not have a continuing effect on Shoprite Group.

Rounding of figures may result in computational discrepancies.

- Adjustments to reflect the financial impact of 27,1 million Ordinary Shares issued by Shoprite Holdings at R127,50 per Ordinary Share which took place separately and before the issue of Convertible Bonds.
- Adjustments to reflect the financial impact of cash-settled Convertible Bonds issued before the approval of the share-settlement option.
- Adjustments to reflect the financial impact of the approval of the share-settlement option of the Convertible Bonds.

4. Other expenses:

4.1 Adjustments for issue of the cash-settled Convertible Bonds

Cash-settled Convertible Bonds are issued on 1 July 2011. Proceeds from the Convertible Bonds are split into liability portions for the embedded derivative carried at fair value and the residual to be carried at amortised cost in terms of IAS 39. The embedded derivative is marked-to-market at each reporting date and results in a fair value loss of R255 million in the statement of comprehensive income for the six months ended December 2011. The fair value of the embedded derivative is calculated by using a binomial option valuation model and amounts to R508 million at inception and R763 million after six months. Inputs to the valuation model are set out below:

Input	Inception	After six months
Implied volatility	22,00%	22,00%
Credit spread	2,30%	1,80%
5-year swap rate	6,95%	–
4,5-year swap rate	–	6,60%
Reference share price	R127,50	–
Share price as at Last Practicable Date	–	R134,25

4.2 Adjustments for approval to issue Ordinary Shares upon conversion

Share-settled Convertible Bonds are issued on 1 July 2011. Proceeds from the Convertible Bonds are split into debt and equity components in terms of IAS 32. The debt portion is carried at amortised cost and does not give rise to fair value adjustments in the statement of comprehensive income. The fair value loss calculated in note 4.1 above is reversed.

5. Interest received:

5.1 Adjustments for issue of Ordinary Shares

Net proceeds from the issue of 27,1 million Ordinary Shares are used to settle short-term bank overdrafts and the excess cash is invested on call at interest rates averaging 5,3% per annum during the six months ended December 2011 after transaction costs are settled. The interest income from the investment of excess funds was calculated as R38 million.

5.2 Adjustments for issue of the cash-settled Convertible Bonds

Net proceeds from the Convertible Bonds are invested on call at interest rates averaging 5,3% per annum during the six months ended December 2011 after transaction costs are settled. The interest income from the investment of excess funds was calculated as R119 million.

6. Finance costs:

6.1 Adjustments for issue of Ordinary Shares

Net proceeds from the issue of 27,1 million Ordinary Shares are used to settle short-term bank overdrafts. This will result in a reduction of finance costs amounting to R59 million, representing the actual interest paid at interest rates averaging 5,9% per annum during the six months ended December 2011.

6.2 Adjustments for issue of the cash-settled Convertible Bonds

Interest is accrued on the debt portion of the Convertible Bonds which is carried at amortised cost, after deducting the transaction costs incurred, using an internal rate of return of 10,1540%. The interest expense amounted to R205 million during the six months ended December 2011.

6.3 Adjustments for approval to issue Ordinary Shares upon conversion

Interest is accrued on the debt portion of the Convertible Bonds which is carried at amortised cost, after deducting its *pro rata* share of transaction costs incurred, using an internal rate of return of 10,0543%. The interest expense amounted to R204 million during the six months ended December 2011.

7. Income tax expense:

7.1 Adjustments for issue of Ordinary Shares

Current income tax is calculated at a rate of 28% on net interest received and amounts to an increase of R27,2 million in the current income tax expense. Net interest received is calculated as follows:

- R38 million interest income from investment of excess funds (refer to note 5.1); and
- +R59 million reduction of finance costs (refer to note 6.1).

7.2 Adjustments for issue of the cash-settled Convertible Bonds

Current income tax is calculated at a rate of 28% on net interest paid and amounts to a R9,4 million reduction in the current income tax expense. Net interest paid is calculated as follows:

- R119 million interest income from investment of excess funds (refer to note 5.2); and
- -R152,75 million interest payment at 6,5% coupon rate.

Deferred income tax is calculated at a rate of 28% on the fair value loss of R255 million recognised in the statement of comprehensive income for the six months ended December 2011 (refer to note 4.1) and resulted in a R71,5 million reduction in the deferred income tax expense.

7.3 Adjustments for approval to issue Ordinary Shares upon conversion

Current income tax is calculated at a rate of 28% on net interest paid and amounts to a R9,4 million reduction in the current income tax expense. Net interest paid is calculated as follows:

- R119 million interest income from investment of excess funds (refer to note 5.2); and
- -R152,75 million interest payment at 6,5% coupon rate.

Deferred income tax is calculated at a rate of 28% on the unwinding of the Convertible Bond liability portion at amortised cost and resulted in a R11,5 million reduction in the deferred income tax expense for the six months ended December 2011.

Unaudited *pro forma* consolidated statement of financial position

The unaudited *pro forma* condensed statement of financial position for Shoprite Group is the responsibility of the Directors.

The unaudited *pro forma* condensed statement of financial position for Shoprite Group as at 31 December 2011 and incorporating the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds is presented below:

R'000	Unaudited December 2011	Adjustments for the Share Placement ¹	<i>Pro forma</i> after Share Placement	Adjustments for issue of the cash-settled Convertible Bonds ²	<i>Pro forma</i> after issue of cash-settled Convertible Bonds	Adjustments for approval to issue Ordinary Shares upon conversion ³	<i>Pro forma</i> December 2011
ASSETS							
Non-current assets	10 676 014		10 676 014		10 676 014		10 676 014
Property, plant and equipment	9 436 394		9 436 394		9 436 394		9 436 394
Available-for-sale investments	69 827		69 827		69 827		69 827
Loans and receivables	4 483		4 483		4 483		4 483
Deferred income tax assets	295 878		295 878		295 878		295 878
Intangible assets	860 186		860 186		860 186		860 186
Fixed escalation operating lease accrual	9 246		9 246		9 246		9 246
Current assets	14 032 962	1 142 449	15 175 411	4 547 641	19 723 052		19 723 052
Inventories	9 353 042		9 353 042		9 353 042		9 353 042
Other current assets	2 671 425		2 671 425		2 671 425		2 671 425
Loans and receivables	137 495		137 495		137 495		137 495
Cash and cash equivalents ⁴	1 871 000	1 142 449	3 013 449	4 547 641	7 561 090		7 561 090
Assets held for sale	58 659		58 659		58 659		58 659
Total assets	24 767 635	1 142 449	25 910 084	4 547 641	30 457 725		30 457 725
EQUITY AND LIABILITIES							
Total equity	8 024 056	3 409 728	11 433 784		11 433 784	349 451	11 783 235
Capital and reserves attributable to owners of the parent ⁵	7 964 434	3 409 728	11 374 162		11 374 162	349 451	11 723 613
Non-controlling interest	59 622		59 622		59 622		59 622
Non-current liabilities	1 041 425		1 041 425	4 547 641	5 589 066	(349 451)	5 239 615
Borrowings ⁶	30 831		30 831	4 039 410	4 070 241	16 475	4 086 716
Deferred income tax liabilities ⁷	12 379		12 379		12 379	142 305	154 684
Provisions	370 129		370 129		370 129		370 129
Fixed escalation operating lease accrual	470 118		470 118		470 118		470 118
Other non-current liabilities ⁸	157 968		157 968	508 231	666 199	(508 231)	157 968
Current liabilities	15 702 154	(2 267 279)	13 434 875		13 434 875		13 434 875
Other current liabilities	13 346 251		13 346 251		13 346 251		13 346 251
Provisions	88 624		88 624		88 624		88 624
Bank overdraft ⁴	2 267 279	(2 267 279)	–		–		–
Total liabilities	16 743 579	(2 267 279)	14 476 300	4 547 641	19 023 941	(349 451)	18 674 490
Total equity and liabilities	24 767 635	1 142 449	25 910 084	4 547 641	30 457 725	–	30 457 725

Notes and assumptions:

The unaudited *pro forma* statement of financial position has been prepared on the assumption that the Share Placement, the issue of the cash-settled Convertible Bonds and the subsequent approval for the issue of Ordinary Shares upon conversion of the Convertible Bonds had been effected on 31 December 2011.

All the adjustments reflected in the *pro forma* financial information are expected to have a continuing effect on Shoprite Group.

Rounding of figures may result in computational discrepancies.

1. Adjustments to reflect the financial impact of 27,1 million Ordinary Shares issued by Shoprite Holdings at R127,50 per Ordinary Share which took place separately and before the issue of Convertible Bonds.
2. Adjustments to reflect the financial impact of cash-settled Convertible Bonds issued before the approval of the share-settlement option.
3. Adjustments to reflect the financial impact of the approval of the share-settlement option of the Convertible Bonds.
4. Cash and cash equivalents and bank overdrafts:
 - 4.1 Adjustments for issue of Ordinary Shares
Net proceeds from the issue of 27,1 million Ordinary Shares are used to settle short-term bank overdrafts and the excess cash is invested on call after transaction costs are settled.
 - 4.2 Adjustments for issue of the cash-settled Convertible Bonds
Net proceeds from the Convertible Bonds are invested on call after transaction costs are settled.
5. Capital and reserves:
 - 5.1 Adjustments for issue of Ordinary Shares
Net proceeds from the issue of 27,1 million Ordinary Shares amounted to R3,4 billion after deducting transaction costs.
 - 5.2 Adjustments for approval to issue Ordinary Shares upon conversion of Convertible Bonds
Proceeds from the Convertible Bonds are split into debt and equity components in terms of IAS 32. The debt and equity components are reduced with their *pro rata* share of transaction costs incurred for issuing the Convertible Bonds. The equity portion is calculated as the difference between the gross proceeds and the debt portion at inception. A deferred tax liability amounting to R142 million is recognised at 28% on the equity portion of the Convertible Bonds at inception.
6. Borrowings:
 - 6.1 Adjustments for issue of the cash-settled Convertible Bonds
Proceeds from the Convertible Bonds are split into liability portions for the embedded derivative carried at fair value and the residual to be carried at amortised cost in terms of IAS 39. The liability portion to be carried at amortised cost amounts to R4,04 billion and is calculated as the difference between the proceeds and the embedded derivative, after deduction of the transaction costs for issuing the Convertible Bonds. Inputs to the binomial option valuation model at initial recognition are set out below:

Input	Inception
Implied volatility	22,00%
Credit spread	2,30%
5-year swap rate	6,95%
Reference share price	R127,50
 - 6.2 Adjustments for approval to issue Ordinary Shares upon conversion
Proceeds from the Convertible Bonds are split into debt and equity components in terms of IAS 32. The debt portion is calculated as the present value of future cash flows using a vanilla bond rate of 9,25% and amounted to R4,06 billion after deducting the *pro rata* share of transaction costs incurred for issuing the Convertible Bonds at inception. Semi-annual cash outflows of R153 million, being interest payments at a coupon rate of 6,5% payable in arrears, and repayment of the principal amount of R4,7 billion at the end of five years are assumed.
7. A deferred tax liability amounting to R142 million is recognised at 28% on the equity portion of the Convertible Bonds at inception (refer to note 5.2).
8. Other non-current liabilities:
 - 8.1 Adjustments for issue of the cash-settled Convertible Bonds
Proceeds from the Convertible Bonds are split into liability portions for the embedded derivative carried at fair value and the residual to be carried at amortised cost in terms of IAS 39. The fair value of the embedded derivative is calculated by using a binomial option valuation model and amounts to R508 million at inception. Inputs to the valuation model are as listed in note 6.1 above.
 - 8.2 Adjustments for approval to issue Ordinary Shares upon conversion
Proceeds from the Convertible Bonds are split into debt and equity components in terms of IAS 32. The debt portion is carried at amortised cost and does not give rise to an embedded derivative. The embedded derivative calculated in 8.1 above is reversed.

9. SALIENT INFORMATION ON SHOPRITE HOLDINGS

9.1 Description of the business

Shoprite Holdings is an investment holding company whose combined subsidiaries constitute the largest fast-moving consumer goods retail operation on the African continent.

The Shoprite Group's primary business is food retailing to consumers of all income levels. Management's goal is to provide all communities in Africa with food and household items in a first-world shopping environment, at the lowest prices.

The Shoprite Group operates 1 303 corporate and 427 franchise outlets in 16 countries across Africa and the Indian Ocean Islands, all integrated electronically into a central data base and replenishment system. Shoprite Group employs over 95 000 people, with 11 000 of these employed in stores outside South Africa.

Shoprite Group encompasses the following brands:

Shoprite	Shoprite is the original business of the Group and remains the flagship brand, serving the mass middle market. It's the brand with the most stores in South Africa, as well as the brand used to spearhead growth into Africa. The brand's core focus is to provide the masses with the lowest possible prices on a range of groceries and some durable items. Specific emphasis is placed on basic commodities, which is critical to the core target market.
Usave	Usave is a no-frills discounter focusing on lower income consumers. This smaller format, limited range store is an ideal vehicle for the Group's expansion into Africa and allows far greater penetration into underserved areas within South Africa.
Checkers	Checkers has repositioned itself to focus on time-pressed, higher income consumers, and differentiated on its specialty ranges of meats, cheeses and wines. Its full range of groceries and household non-food items are all promised at the consistently good value for which the Group is famous. The stores across South Africa, Botswana and Namibia are located in shopping malls and other premises conveniently accessible to more affluent residential areas.
Checkers Hyper	Checkers Hyper offers the same specialty food selections and great value as Checkers, but within large format stores that encourage bulk rather than convenience shopping. The general merchandise ranges are far wider in Checkers Hyper stores, focusing on categories like small appliances, pet accessories, garden and pool care, outdoor gear, home improvement, homeware, baby products, toys and stationery. Checkers Hyper stores operate in South Africa only and are found in areas with high population densities.
OK Furniture	The OK Furniture chain, with its wide geographic spread of stores, strives to offer a wide range of furniture, electrical appliances and home entertainment products at discounted prices, for cash or on credit.
OK Power Express	A chain of small format stores, located mainly in high-density areas, selling a carefully selected range of white goods and home entertainment products as well as bedding and carpeting, for cash or competitive credit options.
House & Home	House & Home offers its customers a large selection of affordable, exclusive and well-known ranges of furniture, appliances, home entertainment products and floor coverings.
MediRite Pharmacy	MediRite pharmacies inside Shoprite and Checkers stores meet the growing need for easily accessible and affordable healthcare for all its shoppers. Many of the pharmacies are located in supermarkets serving economically disadvantaged areas where there are few medical practitioners.

LiquorShop

LiquorShop offers an upmarket, convenient shopping experience to Shoprite and Checkers shoppers. LiquorShop marketing primarily targets Shoprite and Checkers customers, but the location of the outlets – with a separate entrance to that of the supermarket – invites passing trade too. It offers a full assortment of wine, beer and spirits.

Transpharm Pharmaceutical Wholesalers

Transpharm Pharmaceutical Wholesalers distributes a wide range of pharmaceutical products and surgical equipment to MediRite pharmacies, as well as other pharmacies, hospitals, clinics, dispensing doctors and veterinary surgeons across South Africa. Having opened a second depot in Cape Town in 2011, the Shoprite Group is expanding this dynamic Company to improve its existing national distribution network.

OK Franchise Division

The OK Franchise Division enabled the Group to gain a foothold in a diverse range of mostly smaller, convenience-oriented markets situated in rural towns, suburbs and neighbourhoods. The stores offer a wide range of fresh and non-perishable food items, as well as general merchandise. The OK Franchise Division encompasses seven supermarket and convenience outlet brands, a wholesaler, and three add-on liquor outlets. The OK brand is only awarded to outlets that meet specific requirements.

The Shoprite Group's prospects have not changed since the interim results announcement released in February 2012. Trends in turnover growth have continued into the second half of the financial year while internal inflation has remained stable to date. Consumers continue to be affected by cost-of-living increases.

Management's objective for the immediate future is to contain costs while maximising the Group's expanded infrastructure. In addition, the new-store programme is on track to grow the total number of own stores to 1 475 by June 2013.

9.2 Share capital

The authorised and issued share capital of Shoprite Holdings on the Last Practicable Date is set out below:

Title of class of share	Nominal value per share	Number of shares	Amount (R'000)
Authorised share capital			
Ordinary Shares	113,4 cents	650 000 000	737 100
Deferred Shares	0,1 cent	360 000 000	360
Issued share capital			
Ordinary Shares	113,4 cents	570 579 460	647 037
Deferred Shares	0,1 cent	276 821 666	277

As at the Last Practicable Date, 37 346 947 Ordinary Shares were held as treasury shares.

9.3 Directors

9.3.1 Information on Directors

Information on the Directors of Shoprite Holdings and Shoprite Checkers is provided in Annexure 6.

9.3.2 Directors' remuneration

The following tables reflect the remuneration of Directors for the financial year ended June 2011:

R'000	Remuneration	Performance bonus	Share appreciation rights exercised	Other benefits	Total
Executive directors					
JW Basson	32 063	–	–	4 412	36 474
CG Goosen	3 104	2 410	17 537	965	24 016
B Harisunker	1 957	921	6 461	782	10 122
AE Karp	2 908	540	–	823	4 271
EL Nel	1 942	1 450	7 384	505	11 281
BR Weyers	1 534	1 180	5 538	553	8 805
Total	43 508	6 501	36 920	8 040	94 969

R'000	Fees	Total
Non-executive directors		
CH Wiese	208	208
EC Kieswetter	101	101
JA Louw	101	101
JF Malherbe	176	176
JG Rademeyer	259	259
Total	845	845

The appointments of JJ Fouché and JA Rock were subsequent to the financial year ended June 2011.

There will be no variation to the remuneration receivable by any of the Directors as a consequence of the issue of the Convertible Bonds.

9.3.3 *Directors' interests in securities*

At the Last Practicable Date, the Directors had the following direct and indirect beneficial interests in Ordinary Shares:

	Direct	Indirect	Total	% interest
Executive directors				
JW Basson	–	9 753 327	9 753 327	1,7
CG Goosen	–	1 206 202	1 206 202	0,2
B Harisunker	400 189	–	400 189	0,1
AE Karp	–	147 269	147 269	–
EL Nel	–	148 727	148 727	–
BR Weyers	404 594	–	404 594	0,1
Sub-total	804 783	11 255 525	12 060 308	2,1
Non-executive directors				
CH Wiese ¹	–	88 128 772	88 128 772	15,4
JJ Fouché	472 171	–	472 171	0,1
EC Kieswetter ²	1 000	–	1 000	–
JA Louw ³	–	50 000	50 000	–
JF Malherbe	–	72 453	72 453	–
JG Rademeyer	–	10 000	10 000	–
Sub-total	473 171	88 261 225	88 734 396	15,5
Total	1 277 954	99 516 750	100 794 704	17,7

Notes:

1. Dr CH Wiese's indirect beneficial interest was increased by 1 292 300 Ordinary Shares since the financial year ended June 2011.
2. Mr EC Kieswetter's direct beneficial interest was increased by 1 000 Ordinary Shares since the financial year ended June 2011.
3. Mr JA Louw's indirect beneficial interest was decreased by 100 000 Ordinary Shares since the financial year ended June 2011.

9.3.4 *Directors' interests in transactions*

Other than the interests disclosed in paragraph 5, the Directors had no material beneficial interests, directly or indirectly, in transactions effected by Shoprite Holdings during the current, immediately preceding financial year or any transaction during any financial year which remains in any respect, outstanding or unperformed.

9.3.5 *Directors' responsibility*

The Directors, whose names appear on page 7 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

9.4 **Litigation statement**

There are no legal or arbitration proceedings in which any member of the Shoprite Group is or has been engaged, including any such proceedings which are pending or threatened of which Shoprite Holdings is aware, which may have, or have had, during the 12 months preceding the date of this Circular, a material effect on the financial position of the Shoprite Group.

10. CONSENTS

The sponsor, the Transfer Secretaries and the legal adviser to Shoprite Holdings have all provided their written consent to their names being published in this Circular and have not withdrawn their consent prior to the publication of this Circular.

The independent reporting accountants and the independent professional expert have provided their written consent to their names and reports being included in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excluded) at the registered office of Nedbank Capital and Shoprite Holdings from Wednesday, 30 May 2012 until Thursday, 28 June 2012:

- the Memorandum of Incorporation of Shoprite Holdings and its subsidiaries;
- the audited annual financial statements of Shoprite Holdings for each of the three financial years ended on 30 June 2011, 30 June 2010 and 30 June 2009;
- a copy of the unaudited financial statements for the six months ended 31 December 2011;
- copies of service agreements or summaries of any service agreements entered into with the Directors;
- a copy of the Termsheet and the Terms and Conditions of the Convertible Bonds;
- a signed copy of this Circular;
- the independent reporting accountants' report;
- the independent experts' report;
- the consent letters from the sponsor, the Transfer Secretaries, the legal adviser, the independent reporting accountants and the independent professional expert.

By order of the Board

PG du Preez

Company secretary

30 May 2012

EXTRACTS FROM THE MOI OF SHOPRITE HOLDINGS

"43. CLASS RIGHTS, PRIVILEGES AND CONDITIONS ATTACHING TO THE NON-CONVERTIBLE, NON-PARTICIPATING NO PAR VALUE DEFERRED SHARES

The Company shall be entitled to allot and issue as fully paid-up shares, a separate class of no par value shares, to be known as deferred shares. The following class rights shall attach to the deferred shares:

- 43.1 as regards a return of capital, the deferred shares will rank, equal to the issue price of 0,1 cent per deferred share, after the ordinary shares in the Company on a winding up but shall not otherwise be entitled to participate in any assets or surplus assets of the company whether on a winding up or in any other circumstances;
- 43.2 the deferred shares shall not be convertible into shares of any other class;
- 43.3 the deferred shares shall not be entitled to participate in any profits of the Company and no dividends (whether in the form of cash, bonus shares, assets or otherwise) shall be declared or paid in respect of the deferred shares;
- 43.4 the deferred shares shall not participate in any rights issue of the Company;
- 43.5 the Company shall recognise only Thibault Square Financial Services (Pty) Limited registration number 1992/004170/07 ("the permitted holder") as the beneficial and registered holder of the deferred shares;
- 43.6 the deferred shares shall not be transferable, whether by delivery, registration or otherwise and shall accordingly not be capable of being listed on any stock exchange;
- 43.7 the permitted holder shall only be entitled to hold deferred shares for as long as it holds not less than 10% of the ordinary share capital of the company in issue on the date of first issue of deferred shares to the permitted holder ("the minimum holding"); Accordingly:
 - 43.7.1 if the permitted holder at any time disposes (whether by sale, exchange, donation or otherwise) of any ordinary shares in the capital of the Company, the Company shall proportionately acquire such number of the deferred shares then held by the permitted holder, at 0,1 cent per deferred share, as would maintain the ratio between the ordinary shares and preference shares held by the permitted holder which existed immediately prior to such disposal;
 - 43.7.2 whenever the Company issues ordinary shares (whether pursuant to a rights issue, as a capitalisation award, or otherwise) ("the fresh issue"), the permitted holder shall be entitled to subscribe for such number of additional deferred shares at 0,1 cent per share as would result in the permitted holder continuing to hold the ratio of deferred shares to ordinary shares which it held immediately prior to the fresh issue. The Company shall be obliged to allot and issue the deferred shares subscribed for by the permitted holder against receipt of the subscription consideration;
 - 43.7.3 if the permitted holder at any time ceases to hold the minimum holding, the Company shall acquire all of the deferred shares then held by the permitted holder on notice to the permitted holder at 0,1 cent for each deferred share, provided that "acquire" for purposes of Articles 43.7.1 and 43.7.3 shall bear the meaning ascribed thereto in section 85 of the Companies Act, 1973 (as amended); and
- 43.8 the permitted holder shall be entitled to be present and to vote either in person, or by proxy, at any meeting of the Company, by virtue of the deferred shares, and shall be entitled on a poll to one vote in respect of every deferred share held by it."

INDEPENDENT PROFESSIONAL EXPERT'S REPORT

The Directors
Shoprite Holdings Limited ("**Shoprite Holdings**")
Corner William Dabs and Old Paarl Roads
Brackenfell
7560
South Africa

21 May 2012

Dear Sirs,

INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE ISSUE OF CONVERTIBLE BONDS BY SHOPRITE HOLDINGS LIMITED

1. INTRODUCTION

In an announcement released by Shoprite Holdings on SENS dated 22 March 2012, Shoprite Holdings announced the successful placement of 6,5% convertible bonds ("**Convertible Bonds**") by Shoprite Investments Limited, a wholly owned subsidiary of Shoprite Holdings, due April 2017 in a nominal amount of R4,5 billion. In addition, on 9 May 2012 Shoprite Investments issued additional Convertible Bonds in a nominal amount of R200 million to Shoprite Checkers (Proprietary) Limited (collectively "**the Convertible Bond Issue**"). The Convertible Bond Issue will be convertible into Shoprite Holdings ordinary shares, subject to the approval of Shoprite Holdings' shareholders.

Full particulars of the Convertible Bond Issue are contained in the circular to Shoprite Holdings shareholders ("**the Circular**") to be dated on or about 30 May 2012, of which this opinion forms part.

2. SCOPE

PSG Capital (Proprietary) Limited ("**PSG Capital**") has been appointed by the Shoprite Holdings board of directors ("**the Shoprite Holdings Board**") as the independent professional expert to advise on whether the terms and conditions of the Convertible Bond Issue are fair insofar as the shareholders of Shoprite Holdings are concerned.

3. RESPONSIBILITY

Compliance with the JSE Limited ("**JSE**") Listings Requirements is the responsibility of the Shoprite Holdings Board. Our responsibility is to report on the terms and conditions of the Convertible Bond Issue as they relate to Shoprite Holdings shareholders.

We confirm that our fairness opinion has been provided to the Shoprite Holdings Board for the sole purpose of assisting the Shoprite Holdings Board in forming and expressing an opinion for the benefit of the Shoprite Holdings shareholders.

4. DEFINITION OF THE TERM "FAIR"

A transaction will generally be considered fair to a Company's shareholders if the benefits received by shareholders, as a result of the transaction, are equal to or greater than the value surrendered by shareholders.

The assessment of fairness is primarily based on quantitative considerations. The Convertible Bond Issue may be considered fair if the consideration received by the Shoprite group of companies ("**Shoprite Group**") is considered to be equal to or greater than the underlying value of the bonds being issued.

5. SOURCES OF INFORMATION

In arriving at our opinion, amongst other things, we have relied upon and considered the following sources of information:

The principal sources of information used in performing our valuation and formulating our opinion include:

- the final term sheet dated 2 April 2012 pertaining to the Convertible Bond Issue, and the annexures thereto ("**the Term Sheet**");
- the current interest rate swop curve;
- financial data from McGregor BFA and Inet-Bridge, including historical results and dividend analysis;
- historical JSE share trading data for Shoprite Holdings;
- historic financial results and dividend analysis of Shoprite Holdings;
- annual report of Shoprite Holdings for the financial year ended 30 June 2011;
- the published unaudited interim financial results of Shoprite Holdings for the six months ended 31 December 2011;
- the draft circular to Shoprite Holdings shareholders relating to the Convertible Bond Issue;
- discussions with Shoprite Group management regarding the financial information and rationale for the Convertible Bond Issue;
- representations made by Shoprite Group management and their advisors during the course of forming this opinion;
- comparative publicly available financial information on suitable peer-listed companies;
- publicly available information relating to Shoprite Holdings that we deemed to be relevant, including company announcements, analysts' reports and media articles; and
- publicly available information relating to the industry in which Shoprite Group operates that we deemed relevant, including company announcements, analysts' reports and media articles.

6. ASSUMPTIONS

We have arrived at our opinion based on the following assumptions:

- that the terms, conditions and structure of the Convertible Bond Issue are legally enforceable;
- that reliance can be placed on the historical financial information of Shoprite Holdings used in the analysis;
- Shoprite Holdings share price as quoted on the JSE accurately reflects the market value of an ordinary share of Shoprite Holdings;
- that the input parameters applied in the valuation of the Convertible Bond Issue, which are mainly based on observed market data are reasonable;
- the current economic, regulatory and market conditions will not change materially;
- the Shoprite Group is not involved in any material legal proceedings;
- the Shoprite Group has no outstanding disputes with any regulatory body, including the South African Revenue Service; and
- the structure of the Convertible Bond Issue will not give rise to any undisclosed tax liabilities.

7. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- placing reliance on representations made by Shoprite Group management and their advisors during the course of forming this opinion;
- considering the historical trends of such information and assumptions;
- comparing and corroborating such information and assumptions with external sources of information, if such information is available; and
- determining the extent to which representations from management and their advisors were confirmed by documentary evidence as well as our understanding of the Shoprite Group and the economic environment in which it operates.

8. PROCEDURES

In arriving at our opinion, we relied upon financial and other information, obtained from management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our opinion we have, *inter alia*, undertaken the following procedures in evaluating the fairness of the Convertible Bond Issue:

- we reviewed the Term Sheet;
- performed a detailed valuation of the Convertible Bond Issue by applying appropriate valuation techniques. Due to the Convertible Bond Issue offering the holder the option to convert the bonds into Shoprite Holdings ordinary shares, an embedded option effectively forms part of the instrument. In order to calculate the fair value of the Convertible Bond Issue, we used a binomial lattice tree model that takes into account the debt component and embedded option inherent to the Convertible Bond Issue;
- conducted a high level review of Shoprite Holdings, including reviewing available analyst reports and performing a market comparable valuation to gain comfort that the current share price, which was used in calculating the value of the convertible bonds, is a reasonable basis for the convertible bond valuations;
- reviewed the reasonableness of the information made available by and from discussions held with Shoprite Group management such as, *inter alia*:
 - the rationale for the Convertible Bond Issue;
 - the events leading up to the Convertible Bond Issue;
 - such other matters as we considered necessary; and
 - the current market conditions relating to the Shoprite Group;
- where relevant, corroborated representations made by management to source documents;
- compared the Convertible Bond Issue to market comparable bond issues;
- obtained letters of representation from management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects;
- considered other relevant facts and information relevant to concluding this opinion; and
- considered key external and internal value drivers. Key external value drivers identified were interest rate curves and bond credit spreads. Key internal value drivers consist of dividend yield, Shoprite Holdings share price data and volatility. A sensitivity analysis was conducted where practical, utilising existing and forecast key value drivers.

9. OPINION

We have considered the terms and conditions of the Convertible Bond Issue as set out above and based on the aforementioned, subject to the limiting conditions as set out below. Our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Shoprite Group's management up to 21 May 2012. Accordingly, subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Based on our analysis, subject to the foregoing and after taking into account all financial and non-financial considerations, we are of the opinion that the terms and conditions in respect of the Convertible Bond Issue are fair to the ordinary shareholders of Shoprite Holdings.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of a general body of Shoprite Holdings Shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, a shareholder should consult with an independent advisor if the shareholder is in any doubt as to the merits or otherwise of the Convertible Bond Issue.

10. LIMITING CONDITIONS

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the financial information and the financial models, our engagement does not constitute nor does it include an audit conducted in accordance with International Standards on Auditing of Shoprite Holdings' business records and financial data. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any financial data and other information used in arriving at our opinion in respect of the Convertible Bond Issue.

The opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection

with the Convertible Bond Issue have been or will be properly fulfilled. Subsequent developments may affect our opinion, however we are under no obligation to update, revise or re-affirm such.

The valuation of companies, businesses and financial instruments is not a precise science, and conclusions arrived at in many cases will necessarily be subjective and dependent on the exercise of individual judgement. Further, whilst we consider our opinion to be defensible based on the information available to us others may have a different view and arrive at a different conclusion.

11. INDEPENDENCE

We have been retained by the Shoprite Holdings Board as an independent professional expert to advise the Shoprite Holdings Board in connection with the Convertible Bond Issue. We confirm that we have no material interest, direct or indirect, beneficial or non-beneficial in Shoprite Holdings and that our fees are not contingent upon the success or failure of the Convertible Bond Issue.

12. CONSENT

We hereby consent to the inclusion of this opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in the Circular to be issued to the shareholders of Shoprite Holdings and in any required regulatory announcement.

Yours faithfully

PSG Capital
Riaan van Heerden

PSG Capital
John-Paul Dicks

INDEPENDENT REPORTING ACCOUNTANTS' REPORT

The Board of Directors
Shoprite Holdings Limited
PO Box 215
Brackenfell
7560

21 May 2012

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION OF SHOPRITE HOLDINGS LIMITED AND ITS SUBSIDIARIES ("SHOPRITE GROUP")

Introduction

Shoprite Group is issuing a Circular to its shareholders ("the Circular") regarding the issue and conversion of convertible bonds ("the Proposed Transaction").

At your request and for the purposes of the Circular to be dated on or about 28 May 2012, we present our limited assurance report on the unaudited *pro forma* statement of financial position as at 31 December 2011, the unaudited *pro forma* statement of comprehensive income for the six months ended 31 December 2011 and financial effects ("the unaudited *pro forma* financial information") of Shoprite Group presented in the notes to the Circular.

The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported historical financial information presented, had the Proposed Transaction been undertaken at the commencement of the period or date of the unaudited *pro forma* statement of financial position being reported on.

Directors' responsibility

The directors of Shoprite Group are responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Shoprite Group; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised): International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our limited assurance conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information of Shoprite Group with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Shoprite Group, considering the

evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of Shoprite Group in respect of the Proposed Transaction that is the subject of the Circular.

In arriving at our limited assurance conclusion, we have relied upon financial information prepared by the directors of Shoprite Group and other information from various public, financial and industry sources.

While our work performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information conducted in accordance with the International Standards on Auditing or the International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Shoprite Group; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc

Director: A Wentzel

Accredited Auditor

SHARE PRICE HISTORY

The high, low and closing prices of Ordinary Shares on the JSE and the volumes and values traded were as follows:

Date	High (Rand)	Low (Rand)	Closing price (Rand)	Volume (shares)	Value traded (Rm)
Quarterly					
Q1 2009	56,99	43,37	50,59	99 472 696	5 088,2
Q2 2009	58,11	49,02	55,00	120 484 616	6 354,6
Q3 2009	63,29	54,50	62,00	132 086 646	7 672,5
Q4 2009	67,00	59,59	65,22	122 277 506	7 702,4
Q1 2010	80,87	64,06	72,70	168 104 849	12 211,1
Q2 2010	86,35	73,00	82,85	113 947 615	9 039,4
Q3 2010	99,86	80,28	98,95	143 629 183	13 086,3
Q4 2010	104,90	96,45	99,65	110 228 979	11 060,0
Q1 2011	103,87	87,36	103,77	144 320 070	13 538,9
Monthly					
April 2011	106,79	96,35	103,50	31 562 271	3 236,3
May 2011	104,00	97,01	99,60	27 413 086	2 727,8
June 2011	101,80	94,18	101,80	42 304 476	4 128,9
July 2011	105,78	99,21	104,01	46 375 334	4 762,8
August 2011	110,30	97,00	110,16	38 375 305	3 952,0
September 2011	119,38	105,17	113,50	39 061 804	4 406,5
October 2011	121,25	111,13	116,31	40 381 536	4 706,2
November 2011	136,48	116,12	136,48	32 659 191	4 038,9
December 2011	139,00	130,20	136,20	53 348 409	7 184,8
January 2012	139,50	124,77	130,02	33 005 149	4 403,2
February 2012	137,91	129,00	136,00	26 517 614	3 534,9
March 2012	139,94	127,10	137,30	60 770 885	8 070,1
Daily					
2 April 2012	143,00	135,80	141,63	3 196 943	449,8
3 April 2012	143,10	139,83	140,15	2 084 825	293,2
4 April 2012	139,99	134,26	134,26	4 703 469	643,8
5 April 2012	137,47	133,56	136,98	1 722 194	234,4
10 April 2012	137,43	134,72	135,20	1 027 932	139,7
11 April 2012	135,87	132,71	135,00	1 764 764	237,5
12 April 2012	135,55	133,38	135,55	2 037 653	274,5
13 April 2012	135,91	134,00	135,00	1 323 935	178,6
16 April 2012	135,90	133,20	135,71	714 100	96,5
17 April 2012	138,99	135,26	138,94	1 419 058	195,2
18 April 2012	140,78	138,48	140,45	1 565 237	218,8
19 April 2012	141,39	138,68	140,15	1 804 930	253,3
20 April 2012	141,51	138,30	141,51	1 025 167	144,2

Date	High (Rand)	Low (Rand)	Closing price (Rand)	Volume (shares)	Value traded (Rm)
23 April 2012	141,78	138,66	139,05	1 272 722	178,3
24 April 2012	139,95	138,41	139,65	789 598	109,7
25 April 2012	140,29	137,70	138,02	1 152 240	159,7
26 April 2012	139,41	134,61	135,64	2 558 599	348,3
30 April 2012	136,71	132,11	134,40	4 246 748	566,6
2 May 2012	135,70	131,68	134,00	2 809 975	375,7
3 May 2012	134,78	133,51	133,93	2 022 468	271,2
4 May 2012	135,32	133,36	133,99	1 623 646	217,7
7 May 2012	133,80	132,42	133,20	539 024	71,8
8 May 2012	133,55	131,99	131,99	1 449 694	192,0
9 May 2012	132,50	130,14	131,00	1 545 131	202,8
10 May 2012	134,14	130,20	134,14	1 381 364	183,3
11 May 2012	134,85	132,02	134,85	902 720	120,9
14 May 2012	134,40	131,77	131,77	569 503	75,5
15 May 2012	133,74	130,59	132,00	1 239 794	164,3
16 May 2012	134,80	130,16	134,76	1 722 862	228,1
17 May 2012	135,27	133,10	134,25	1 099 482	147,5
18 May 2012	134,50	130,69	132,46	1 016 046	134,0

Source: I-Net Bridge

CORPORATE GOVERNANCE REPORT

Corporate governance practices

The Board and senior management subscribes to high ethical standards and principles of corporate governance, and recognises that sound governance can benefit long-term equity performance and enhance shareholder value.

The Company's corporate governance system is the cornerstone of its primary objective of creating value for material stakeholders in a sustainable way.

A governance model has been adopted and implemented by the Group through the introduction of specialist disciplines such as risk management, legal and compliance.

South Africa's commitment to world class principles and guidelines on corporate governance was cemented with the introduction of King III on 1 March 2010. King III was formulated to, amongst others, promote the legislative framework set out in the Companies Act and has therefore become the cornerstone of corporate governance principles. The Listings Requirements requires listed companies to comply with the recommendations of King III.

The Board governs according to the principles of discipline, responsibility, fairness, social responsibility, transparency and accountability of directors to all material stakeholders. These principles are reflected in the group's business principles, internal controls and policies. The Directors believe that Shoprite Holdings complies with all the significant requirements of King III. In instances where it does not comply, this is stated and explained.

Explanation of non-compliance with principles of King III

JSE-listed companies are required to report and disclose the application of the King III principles. The principles that have not been applied are therefore explained below:

- Principle 2.16 recommends that the Chairman of the Board should be independent. The Board has considered this issue and is of the view that Dr CH Wiese's skills, knowledge and experience allows him to make a significant contribution to the functioning and effectiveness of the Board. A lead independent director, Mr JG Rademeyer, has been appointed.
- Principle 2.22 requires that the evaluation of the Board, its committees, and individual directors be performed every year. The Group does not comply with this principle, but will implement the necessary measures to ensure compliance. It is envisaged that such evaluations will be performed in respect of the June 2012 financial year and reported on in the 2012 Integrated Annual Report.

Board appointments

The appointment of Directors is a matter for the Board as a whole. The Board is assisted by the Nominations Committee who makes recommendations on the appointment of new executive and non-executive Directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors. The Nominations Committee currently comprises Dr CH Wiese and Mr JA Louw.

The appointment of new Directors is subject to the approval by shareholders. Directors do not have a fixed term of appointment. In terms of the Company's Memorandum of Incorporation, Directors retire by rotation at least once every three (3) years, but can make themselves available for re-election by shareholders. A Director may not hold office for more than three (3) consecutive years before standing for re-election.

Board structure

Shoprite Holdings has a unitary board of thirteen (13) directors, which fulfils oversight and controlling functions. The responsibilities of the Board are set out in the Board charter, evidencing a clear division between responsibilities.

The Board consists of seven (7) non-executive directors, including the Chairman of the Board, and six (6) executive directors. Five (5) of the non-executive directors are independent as defined in the King III Code. In view of the Chairman not being independent, the Board has appointed a lead independent director, Mr JG Rademeyer. The roles of the Chairman and the Managing Director are separate, ensuring a clear division of responsibilities.

A number of board committees assist the board in fulfilling its stated objective. The role and responsibilities of each of these committees are recorded in formal terms of reference.

Audit and Risk Committee

The Audit and Risk Committee is an independent statutory committee appointed by the Board, who delegates duties and responsibilities to the Audit and Risk Committee. The Audit Committee's terms of reference is formalised in a charter approved by the Board. The Audit and Risk Committee fulfils the statutory duties as required by the Companies Act, and recommended in King III, as well as various additional responsibilities assigned to it by the Board of directors.

The Audit and Risk Committee has satisfied itself that the financial director, Mr CG Goosen, has the appropriate expertise and experience to act in this capacity.

The Audit and Risk Committee currently comprises Mr JG Rademeyer, Mr JF Malherbe and Mr JA Louw. The Audit and Risk Committee meets at least four (4) times a year as required by the charter.

Remuneration Committee

The Remuneration Committee is a sub-committee of the Board. The Remuneration Committee functions in terms of a charter formally approved by the Board.

The Remuneration Committee currently comprises Dr CH Wiese and Mr JA Louw. The Chief Executive Officer and the Deputy Managing Director attend the meetings of the Remuneration Committee by invitation to advise on remuneration and other related matters. The Remuneration Committee meets as often as is deemed appropriate, but at least twice (2) a year.

Social and Ethics Committee

The Social and Ethics Committee is an independent statutory committee appointed by the Board. This committee's terms of reference is formalised in a charter approved by the Board. The Social and Ethics Committee fulfills its duties as required by the Companies Act.

The Social and Ethics Committee currently comprises of Messrs JA Louw, B Weyers, C Burger, JAL Basson and M Bosman.

INFORMATION ON DIRECTORS

Shoprite Holdings

Information on of each of the directors of Shoprite Holdings is set out below:

Full Name	Age	Position	Appointed	Business address
Executive directors				
James Wellwood Basson	66	Chief Executive Officer	1979	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Carel Genis Goosen	59	Deputy Managing Director Financial Director	1993	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Bhikram Harisunker	60	Divisional Manager	2002	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Aubrey Errol Karp	53	General Manager: Furniture Division	2005	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Etienne Lourens Nel	63	Manager: Retail Investments	2005	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Brian Raymond Weyers	60	Manager: Marketing & Product Development	1997	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Non-Executive directors				
Christoffel Hendrik Wiese	70	Non-executive Chairman	1991	36 Stellenberg Road, Parow Industria, Cape Town
Jacobus Johannes Fouché	64	Non-executive director	2012	Retired
Edward Christian Kieswetter	53	Independent non-executive director	2010	Alexander Forbes Place, 61 Katherine Street, Sandown
Jacobus Adrian Louw	68	Independent non-executive director	1991	26 Smuts Street, Somerset West
Jozua Francois Malherbe	83	Independent non-executive director	1999	Retired
Johan Gerhard Rademeyer	63	Lead independent non-executive director	2002	PO Box 412, Ladysmith
Joseph Anthony Rock	42	Independent non-executive director	2012	Exxaro Corporate Centre Roger Dyason Road, Pretoria West, 0183

The relevant qualifications and experience of each of the directors of Shoprite Holdings are set out below:

Director	Qualifications	Experience
James Wellwood Basson	BCom CTA CA(SA) DCom (hc)	<ul style="list-style-type: none"> – Joined Pep Stores Ltd as financial manager in 1971. – Appointed as Chief Executive Officer of Shoprite Holdings in 1979. – Managing director of Shoprite Checkers (Pty) Ltd.
Carel Genis Goosen	BCom Hons CA(SA)	<ul style="list-style-type: none"> – Joined the Pepkor Group as financial manager in 1983. – Appointed as financial director of Shoprite Holdings in 1993. – Director of Shoprite Checkers (Pty) Ltd and various group subsidiaries.

Director	Qualifications	Experience
Bhikram Harisunker		<ul style="list-style-type: none"> – Joined Checkers in 1969. – Appointed to the board of Shoprite Holdings in 2002. – Director of Shoprite Checkers (Pty) Ltd and various group subsidiaries. – Responsible for the group's retail operations in KwaZulu-Natal, Indian Ocean Islands and Tanzania.
Aubrey Errol Karp		<ul style="list-style-type: none"> – Joined OK Bazaars in 1990. – Appointed to the board of Shoprite Holdings in 2005. – Director of Shoprite Checkers (Pty) Ltd and various group subsidiaries.
Etienne Lourens Nel	BCom CTA CA(SA)	<ul style="list-style-type: none"> – Joined the Shoprite Group in 1997. – Appointed to the board of Shoprite Holdings in 2005. – Director of Shoprite Checkers (Pty) Ltd and various group subsidiaries.
Brian Raymond Weyers		<ul style="list-style-type: none"> – Joined the Shoprite Group in 1980. – Appointed as director of Shoprite Holdings in 1997. – Director of Shoprite Checkers (Pty) Ltd.
Christoffel Hendrik Wiese	BA LLB DCom (hc)	<ul style="list-style-type: none"> – Appointed as Chairman of Shoprite Holdings in 1991. – Chairs the Remuneration and Nomination committees. – Executive Chairman of Pepkor since 1981. – Chairman of Tradehold Ltd, Invicta Holdings Ltd and Tulca (Pty) Ltd (trading as Mango). – Serves as a director of the PSG, Primedia and Luna Groups of Companies.
Jacobus Johannes Fouché	BCom LLB	<ul style="list-style-type: none"> – Served as director of Shoprite Holdings from 1991 – 2008 and also as member of the Audit and Risk, Remuneration and Nomination committees. – Appointed as director of Shoprite Holdings in 2012. – Joined Pep Stores in 1973 and was appointed a director of Pepkor in 1987.
Edward Christian Kieswetter	B Ed (Science Education) MCom(<i>cum laude</i>) (SA and International Tax) Executive MBA (Strategy and Business Transformation) (UK) MA (Science Education – Cognitive Development)	<ul style="list-style-type: none"> – Appointed as director of Shoprite Holdings in 2010. – Group Chief Executive of Alexander Forbes Equity Holdings (Pty) Ltd and holds various directorships within Alexander Forbes group subsidiaries. – Previous Deputy Commissioner at SARS and member of the National Treasury Tax Revenue Committee.
Jacobus Adrian Louw	BSc Hons B(B&A) Hons	<ul style="list-style-type: none"> – Appointed as director of Shoprite Holdings in 1991. – Serves on the Audit and Risk, Remuneration and Nomination committees. – Holds directorships in various private companies.

Director	Qualifications	Experience
Jozua Francois Malherbe	BCom LLB	<ul style="list-style-type: none"> – Appointed as director of Shoprite Holdings in 1999. – Serves on the Audit and Risk Committee. – Previous President of the Law Society of South Africa, the Attorneys Fidelity Fund and the Attorneys Insurance Indemnity Fund.
Johan Gerhard Rademeyer	BCom CTA CA(SA)	<ul style="list-style-type: none"> – Appointed as director of Shoprite Holdings in 2002. – Chairman of the Audit and Risk Committee. – Serves as a non-executive director of Pepkor.
Joseph Anthony Rock	BA (Hons), MA, ACA	<ul style="list-style-type: none"> – Appointed as director of Shoprite Holdings in May 2012.

Shoprite Checkers

Information on of each of the directors and managers of Shoprite Checkers is set out below:

Full Name	Age	Position	Appointed	Business address
Jan Mauritz Alberts	51	Divisional Manager Checkers Western Cape	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Jacob Adrian Louw Basson	36	General Manager Hungry Lion	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
James Wellwood Basson	67	Chief Executive	1997	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Marius Bosman	55	General Manager Group Finance	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Stephen Brian Braude	56	Head of Non-Foods Buying	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Carel Johannes Christiaan de Wet Burger	55	General Manager Human Resources	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Abraham Jacobus de Swardt	48	Head of Foods Buying	2004	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Dirk Lusk Pierre Diemont	45	General Manager Meat Markets	2004	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Pieter Gerrit du Preez	46	General Manager Legal and Statutory	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Pieter Christiaan Engelbrecht	43	Chief Operating Officer	2003	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Johann Fourie	57	Divisional Manager Shoprite Western Cape	2001	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Gerhard Fritz	52	General Manager Africa	2003	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Andrew Brett Gardener	50	Divisional Manager Gauteng Shoprite	2006	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Carel Genis Goosen	59	Deputy Managing Director	1997	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Adele Gouws	55	Non-Executive Director	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
David Hallale	63	General Manager Freshmark Procurement	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Bhikram Harisunker	61	Head Buyer Imports	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560

Full Name	Age	Position	Appointed	Business address
Gerhard Hayes	37	General Manager Money Markets	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Allan Minto Howard	52	General Manager Medirite	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Anita Janse van Rensburg	58	Executive Assistant	2006	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Aubrey Errol Karp	54	General Manager OK Furniture	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Gabriël Gerhardus Kriel	59	General Manager OK Franchise	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Paul Josua Malan	43	Divisional Manager Namibia	2004	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Gert Marthinus Petrus Mentz	40	General Manager IT Strategy	2003	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Franz Karl Gesant Muller	48	General Manager IT	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Etienne Lourens Nel	63	General Manager Retail Investments	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Selwyn Schiff	71	General Manager Technical Services	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Neil Laurence Schreuder	32	General Manager Marketing	2009	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Photios Tzellios	53	General Manager Supply Chain	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Philip Bauke van der Merwe	52	General Manager Properties	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Johan Gerhard van Deventer	53	General Manager Freshmark	2001	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Hendrik Jacobus van Rooyen	59	Divisional Manager Checkers Gauteng	2001	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Stoffelina Maryke Visser	43	General Manager Public Relations	2006	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Adriana Cecilia Vosloo	64	Senior Buyer	2004	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Brian Raymond Weyers	61	General Manager Fresh Foods	1999	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560
Jacobus Johannes Zwennis	60	Divisional Manager Shopleft Northern Division	2001	Corner William Dabs and Old Paarl Roads, Brackenfell, 7560



Shoprite Holdings Limited

(Incorporated in the Republic of South Africa)
Registration number 1936/007721/06
ISIN: ZAE000012084 JSE share code: SHP
NSX share code: SRH LuSE share code: SHOPRITE
("Shoprite Holdings" or "the Company")

NOTICE OF GENERAL MEETING OF SHOPRITE HOLDINGS SHAREHOLDERS

1. NOTICE OF GENERAL MEETING

Notice is hereby given that a Shareholders Meeting of shareholders of the Company will be held at the Company's registered office, corner William Dabs and Old Paarl Roads, Brackenfell, South Africa on Thursday, 28 June 2012 at 09:15 (South African time).

2. WHO MAY ATTEND AND VOTE?

If you hold dematerialised shares which are registered in your name or if you are the registered holder of Certificated Shares:

- you may attend the Shareholders Meeting in person; and
- alternatively, you may appoint a proxy to represent you at the Shareholders Meeting and to attend, participate in, and speak and vote at the Shareholders Meeting in your place by completing the attached form of proxy in accordance with the instructions it contains and returning it to the Company secretary or Transfer secretaries at their addresses set out below to be received not later than 09:15 (SA time) on Tuesday, 26 June 2012. A proxy need not be a shareholder of the Company.

If you hold dematerialised shares which are not registered in your name and:

- wish to attend the Shareholders Meeting, you must obtain the necessary letter of representation from your CSDP or broker; or
- do not wish to attend the Shareholders Meeting, but would like your vote to be recorded at the Shareholders Meeting, you should contact your CSDP or broker and furnish them with your voting instructions. You must not complete the attached form of proxy.

The record date for purposes of determining which Shoprite Holdings Shareholders are entitled to receive this notice as determined in terms of section 59(3)(a) of the Companies Act is Friday, 25 May 2012.

The date on which Shoprite Holdings Shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for purposes of being entitled to attend and vote at this Shareholders Meeting is determined in terms of section 59(3)(b) of the Companies Act is Friday, 22 June 2012 ("Voting Record Date").

All meeting participants will be required to provide identification reasonably satisfactory to the chairperson of the meeting.

As required by section 61(10) of the Companies Act, the Company will make provision for Shoprite Holdings Shareholders or their proxies to participate in the Shareholders Meeting by way of electronic communication. Participants must dial the appropriate access numbers depending on their locations five minutes prior to the starting time of the Shareholders Meeting:

Johannesburg : (011) 535 3600
Cape Town : (021) 819 0900
Durban : (031) 812 7600
International : +27 11 535 3600

Votes at the Shareholders Meeting will be conducted by way of a poll and not on a show of hands.

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional adviser immediately.

3. PURPOSE OF THE GENERAL MEETING

The purpose of this Shareholders Meeting is to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below.

The following resolutions will be considered at the Shareholders Meeting, and, if deemed fit, passed with or without modification:

SPECIAL RESOLUTION NUMBER 1 – SPECIFIC AUTHORITY TO ISSUE SHARES

"It is resolved as a Special Resolution:

- that the Company, in accordance with the terms and conditions ("the Terms and Conditions") on which Shoprite Investments issued the Convertible Bonds, issues the Ordinary Shares in the issued share capital of the Company to those holders of Convertible Bonds who have exercised their rights to convert their Convertible Bonds into Ordinary Shares and that the Board be authorised to take all the steps and actions that may be required to issue those Ordinary Shares to those holders in accordance with the Terms and Conditions. The number of Ordinary Shares to be issued to a holder of a Convertible Bond who has exercised his right to convert his/her Convertible Bonds to Ordinary Shares will be determined by the Terms and Conditions;
- in particular that in terms of section 41(1) of the Companies Act the issue to Titan Share Dealers (Proprietary) Limited and to every other Related Party of the number of Ordinary Shares that each one of them will become entitled to by virtue of the exercise of their rights to convert the Convertible Bonds held by them or that may be held by them to Ordinary Shares, are approved; and
- unless adjusted in terms of the Terms and Conditions, the Convertible Bonds will be convertible into Ordinary Shares at a conversion price (or subscription price) of R168.94 (one hundred and sixty eight Rand and ninety four cents) per Ordinary Share,

provided that the number of Ordinary Shares that may be issued in terms of this Special Resolution is limited to a maximum of 30 000 000 Ordinary Shares."

Reason and effect

This Special Resolution will grant the Company's directors the authority to issue Ordinary Shares in the issued share capital of the Company to those holders of Convertible Bonds, including Titan Share Dealers (Proprietary) Limited and the other Related Parties that have exercised their rights to convert their Convertible Bonds into Ordinary Shares. Also see the remainder of the Circular.

Percentage of voting rights required

In terms of the Companies Act, in order for Special Resolution number 1 to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the Special Resolution.

SPECIAL RESOLUTION NUMBER 2 – SPECIFIC AUTHORITY TO ISSUE DEFERRED SHARES TO THIBAUT SQUARE FINANCIAL SERVICES WHEN ORDINARY SHARES ARE ISSUED IN TERMS OF SPECIAL RESOLUTION NUMBER 1

"It is resolved as a Special Resolution that the Company may in terms of section 41(1) of the Companies Act in accordance with the provisions of its Memorandum of Incorporation issue a maximum of 15 280 522 additional non-convertible, non-participating no par value deferred shares ("Deferred Shares") to Thibault Square Financial Services (Proprietary) Limited (Registration number: 1992/004170/07) at a subscription consideration of 0,1 cent per Deferred Share as and when the Company issues Ordinary Shares in accordance with the provisions of Special Resolution number 1 above, that such issues are approved and that the Board of the Company is authorised to take all the steps and actions that may be required to issue those Deferred Shares."

Reason and effect

This Special Resolution will grant the Company's directors the authority to issue the additional Deferred Shares to Thibault Square Financial Services as and when the Company issues Ordinary Shares in accordance with the approval obtained in Special Resolution number 1 and will enable the Company to comply with its obligations to Thibault Square Financial Services (Proprietary) Limited.

Percentage of voting rights required

In terms of the Companies Act, in order for Special Resolution number 2 to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the Special Resolution.

SPECIAL RESOLUTION NUMBER 3 – SPECIFIC AUTHORITY TO ISSUE DEFERRED SHARES TO THIBAUT SQUARE FINANCIAL SERVICES

"It is resolved as a Special Resolution in terms of section 41(1) of the Companies Act, that the Company in accordance with the provisions of its Memorandum of Incorporation issues 13 803 405 non-convertible, non-participating no par value deferred shares ("Deferred Shares") to Thibault Square Financial Services (Proprietary) Limited (Registration number: 1992/004170/07) at a subscription consideration of 0,1 cent per Deferred Share, that such an issue is approved and that the Board of the Company is authorised to take all the steps and actions that may be required to issue those Deferred Shares."

Reason and effect

This Special Resolution will grant the Company's directors the authority to issue the additional Deferred Shares and will enable the Company to comply with its obligations to Thibault Square Financial Services.

Percentage of voting rights required

In terms of the Companies Act, in order for Special Resolution number 3 to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the Special Resolution.

SPECIAL RESOLUTION NUMBER 4 – APPROVAL OF FINANCIAL ASSISTANCE

"It is resolved as a Special Resolution in terms of section 44(3) of the Companies Act that the Company binds itself as guarantor for the fulfilment of the obligations of Shoprite Investments (Proprietary) Limited, registration number 1985/000928/06 in terms of the Convertible Bonds on the terms that the Board may deem fit and that the Board is authorised to take all the steps and actions that may be required to bind itself to such a guarantee."

Reason and effect

This Special Resolution will grant the Company's directors the authority to approve financial assistance to Shoprite Investments as contemplated by section 44 of the Companies Act.

Percentage of voting rights required

In terms of the Companies Act, in order for Special Resolution number 4 to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on the Special Resolution.

4. PROXIES

A shareholder of the Company entitled to attend, speak and vote at the Shareholders Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. The proxy need not be a shareholder of the Company.

A form of proxy, which sets out the relevant instructions for its completion, is attached for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration who cannot attend the Shareholders Meeting, but who wish to be represented thereat. The instrument appointing a proxy and the authority, if any, under which it is signed must be received by the Company or its South African transfer secretaries at the addresses given below by no later than 09:15 (South African time) on Tuesday, 26 June 2012.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than those shareholders who have dematerialised their shares in "own name" registrations, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time and in accordance with the custody agreement between the beneficial owner and the CSDP, broker or nominee as the case may be, to allow the CSDP, broker or nominee to carry out the instructions and lodge the required authority by 09:15 (South African time) on Tuesday, 26 June 2012.

Should beneficial owners wish to attend the Shareholders Meeting in person, they may do so by requesting their CSDP, broker or nominee to issue them with a letter of representation.

Shareholders who hold certificated shares in their own name and shareholders who have dematerialised their shares in "own name registrations" must lodge, fax or email completed proxy forms at the registered office of the Company or with the Company's South African transfer secretaries at the address below, to reach them by no later than 09:15 on Tuesday, 26 June 2012.

FOR SHOPRITE HOLDINGS LIMITED

PG du Preez

Company secretary

30 May 2012

Company secretary

Corner William Dabs and Old Paarl Roads
PO Box 215, Brackenfell, 7560 South Africa
Facsimile: +27 (0) 21 980 4468
Email address: cosec@shoprite.co.za

South African transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Facsimile: +27 (0) 11 688 5248



Shoprite Holdings Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1936/007721/06)
 JSE share code: SHP NSX share code: SRH
 LUSE share code: SHOPRITE ISIN: ZAE000012084
 ("Shoprite Holdings" or "the Company")

FORM OF PROXY

For use only by:

- Certificated Ordinary Shareholders; and
- Dematerialised Ordinary Shareholders with "own name" registrations.

At the meeting of shareholders of Shoprite Holdings to be held at Corner William Dabs and Old Paarl Roads, Brackenfell at 09:15 on Thursday, 28 June 2012 and any adjournment thereof ("the Shareholders Meeting").

Dematerialised shareholders holding shares other than with "own name" registration, must inform their CSDP or broker of their intention to attend the Shareholders Meeting and request their CSDP or broker to issue them with the necessary letter of representation to attend the Shareholders Meeting in person.

If you do not wish to attend the Shareholders Meeting, provide your CSDP or broker with your voting instruction in terms of your custody agreement.

I/We (name/s in BLOCK LETTERS)

of (address)

being a shareholder/shareholders of Shoprite Holdings and holding
 Ordinary Shares in the Company, hereby appoint

of or, failing him/her,

of or, failing him/her,

the chairman of the Meeting, as my/our proxy to attend speak and vote on my/our behalf at the Shareholders Meeting of the shareholders of the Company to be held at 09:15 on Thursday, 28 June 2012 at Brackenfell, and at any adjournment thereof:

	Number of shares*		
	In favour of	Against	Abstain
Special Resolution number 1 – Specific Authority to Issue Ordinary Shares			
Special Resolution number 2 – Specific Authority to Issue Deferred Shares to Thibault Square Financial Services when Ordinary Shares are Issued in terms of Special Resolution 1			
Special Resolution number 3 – Specific Authority to Issue Deferred Shares to Thibault Square Financial Services			
Special Resolution number 4 – Approval of Financial Assistance			

*Please indicate with an "X" in the appropriate spaces above how you wish your votes to be cast.

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at (place)

on (date)

2012

Shareholder's signature

Please read the notes on the reverse hereof.

Notes to form of proxy

1. This form of proxy must only be used by Certificated Ordinary Shareholders or dematerialised ordinary shareholders who hold dematerialised ordinary shares with "own name" registration.
2. Dematerialised Ordinary Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
3. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and vote in place of that shareholder at the Shareholders Meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the Shareholders Meeting". The person whose name stands first on the form of proxy and who is present at the Shareholders Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided or to mark the relevant box(es). If a box is marked without inserting a number of votes it is deemed that the proxy may exercise all the votes of the shareholder. Failure to comply with the above will be deemed to authorise the chairman of the Shareholders Meeting to vote in favour of the ordinary and Special Resolutions at the Shareholders Meeting, or any other proxy to vote or to abstain from voting at the Shareholders Meeting as he/she deems fit, in respect of the shareholder's total holding.
6. Summary of rights established by section 58 of the Companies Act:
 - 6.1 At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
 - 6.2 A proxy appointment:
 - must be in writing, dated and signed by the shareholder; and
 - remains valid for:
 - one (1) year after the date on which it was signed; or
 - any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4) (c), or expires earlier as contemplated in subsection (8) (d).
 - 6.3 Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
 - 6.4 Irrespective of the form of instrument used to appoint a proxy:
 - the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy, and to the company.
 - 6.5 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - the date stated in the revocation instrument, if any; or
 - the date on which the revocation instrument was delivered as required in subsection (4) (c) (ii).
 - 6.6 If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - the shareholder; or
 - the proxy or proxies, if the shareholder has:
 - directed the company to do so, in writing; and
 - paid any reasonable fee charged by the company for doing so.
 - 6.7 A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
 - 6.8 If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - bear a reasonably prominent summary of the rights established by this section;
 - contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - the company must not require that the proxy appointment be made irrevocable; and
 - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer office or waived by the chairman of the Shareholders Meeting.
8. The chairman of the Shareholders Meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
9. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Shareholders Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
11. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
12. Where there are joint holders of any shares:
 - any one holder may sign this form of proxy;
 - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. The proxy may not delegate any of the rights or powers granted to it.

