

DIS-CHEM PHARMACIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2005/009766/06)
JSE share code: DCP
ISIN: ZAE000227831
(“Dis-Chem”)

ANNOUNCEMENT IN RELATION TO AN ACCELERATED BOOKBUILD

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Members of Dis-Chem’s senior management team, Ivan Saltzman, Stan Goetsch and Niall Hegarty (together the “**Selling Shareholders**”), have elected to sell a portion of their current shareholding through their respective shareholding vehicles, Ivlyn Proprietary Limited (“**Ivlyn**”), Stansh Proprietary Limited (“**Stansh**”) and Niajul Proprietary Limited (“**Niajul**”). Subject to acceptable pricing being achieved, Ivlyn, Stansh and Niajul will sell up to 3,000,000, 20,000,000 and 8,000,000 Dis-Chem ordinary shares, respectively (“**Bookbuild Shares**”) via an accelerated bookbuild offering (the “**Bookbuild**”). Assuming such sale, Ivan Saltzman, Stan Goetsch and Niall Hegarty will own approximately 52.8%, 6.0% and 3.2% respectively of Dis-Chem’s issued share capital. The Selling Shareholders have agreed to a lock up of 90 days on their remaining holdings, subject to customary exceptions.

The Bookbuild is being offered to qualifying investors only (as set out in greater detail in the disclaimer below) and will not be offered to the public in any jurisdiction.

Pricing and allocations will be announced as soon as is reasonably practicable following the closing of the Bookbuild.

The Bookbuild of up to 31,000,000 Bookbuild Shares is now open and the Selling Shareholders reserve the right to close it at any time.

Participation in the Bookbuild is reserved for invited investors only and subject to the terms and conditions provided to the invited investors.

Pursuant to a placement agreement entered into with the Selling Shareholders; Investec Bank Limited, Goldman Sachs International and The Standard Bank of South Africa Limited, are acting as joint bookrunners (the “**Joint Bookrunners**”) in relation to the Bookbuild.

Midrand
Monday, 11 December 2017

Joint Bookrunner
Investec Bank Limited

Joint Bookrunner
Goldman Sachs International

Joint Bookrunner and sole transaction sponsor
The Standard Bank of South Africa Limited

International legal counsel to Dis-Chem
Freshfields Bruckhaus Deringer LLP

South African legal counsel to Dis-Chem
Bowman Gilfillan Inc

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This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities to any person in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Bookbuild may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any offering document relating to the Bookbuild in such jurisdiction. The securities referred to herein (the "Shares") may not be offered or sold in the United States unless registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Bookbuild is being offered and sold in the United States only to a limited number of "qualified institutional buyers" ("QIBs") in reliance on Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act, and are being sold outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. The Bookbuild may not be offered to the public in the United States. The offer and sale of the Shares has not been, and will not be, registered under the Securities Act or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares referred to herein may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. There will be no public offer of Shares in the United States, Canada, Australia and Japan.

This announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for Shares in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act, 2008 ("the South African Companies Act") and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of

the South African Companies Act. This announcement does not, nor is it intended to constitute a “registered prospectus” as contemplated in the South African Companies Act.

In South Africa the Bookbuild will not be an offer to the public as defined in the South African Companies Act and only (i) persons falling within the exemptions set out in section 96(1)(a) or (ii) persons who subscribe, as principal, for shares at a total contemplated acquisition cost equal to or greater than R1 000, 000, as envisaged in section 96(1)(b), of the South African Companies Act, and in each case to whom any offer to participate in the Bookbuild is specifically addressed (all such persons in (i) and (ii) being referred to as “relevant persons”), will be entitled to apply for Shares in the Bookbuild. Any investment activity to which this announcement relates will only be available to, and will only be engaged with, relevant persons. Any person who is not a relevant person should not act on this announcement or any of its contents. This announcement does not, nor does it intend to, constitute any offering document relating to the Bookbuild.

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