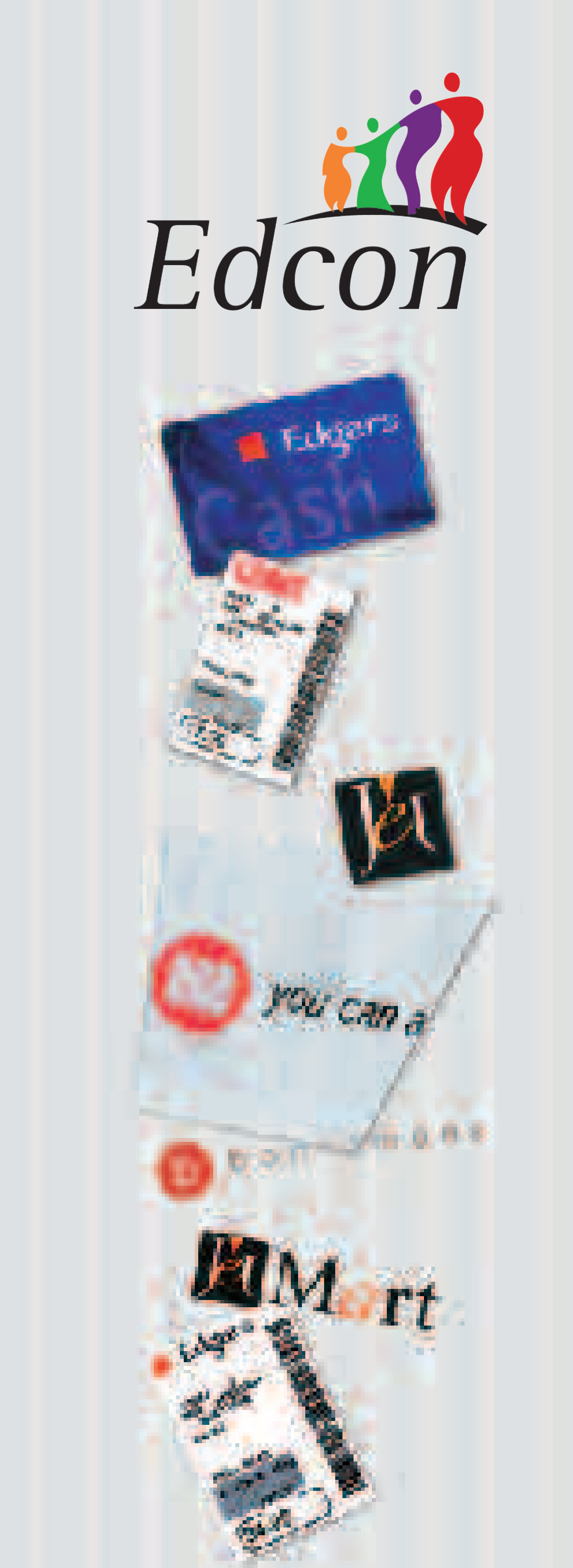
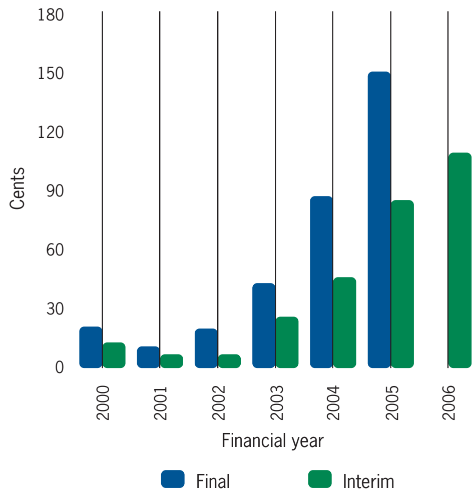


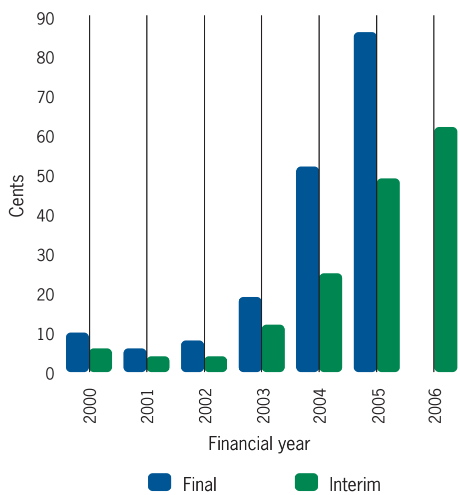
Unaudited Interim Results

for the six months to 1 October 2005

Diluted headline earnings per share (cents)*



Dividends per share (cents)*



*Comparatives restated for 10 for 1 subdivision of shares in 2006 financial year.

Retail sales growth of
22%
(comparable 26 week period up 27%)

Diluted headline earnings per share up 28%
(comparable 26 week period up 40%)

Dividend per share up
27%

Strong financial position with no gearing (cash EBITDA up 23%)

The retail environment Economic activity in South Africa accelerated during the six months under review, fuelled primarily by sustained high levels of consumer spending and confidence. Supported by low interest rates and real wage increases, this optimistic sentiment created ideal trading conditions for retailers. Customer spending was boosted further by increasing property prices, a rise in employment and the growing number of welfare grants. However, the escalating fuel price has started to dampen consumers' optimism to some extent.

Against this background, sales in the clothing, footwear and textile (CFT) sector remained buoyant. Statistics provided by the Retailers' Liaison Committee (RLC) reflect that national CFT sales increased by 17% in nominal terms in the past six months, while deflation in the sector is estimated to have been 3%.

Group results Edcon's success of the past few years continued into the current period. The Group, according to the RLC statistics, has lifted its share of the formal CFT market from 29,5% to 31,0%, demonstrating the sustainability of its strategy.

The Board is pleased to report interim diluted headline earnings per share of 109 cents, up 28%. This follows the excellent growth of 85% and 77% attained in the corresponding periods of the past two years. More impressively, the current period's profits were achieved with one less trading week than last year. Based on like-for-like trading weeks, diluted headline earnings per share rose by 40%. Both increases are after the anticipated 5% dilutionary impact, on current earnings, of the recently announced staff empowerment transaction.

Edcon's sales grew by 22%, while the comparable 26 week period sales were an even more impressive 27% above last year. One percentage point of this growth relates to Topic, acquired in June 2005. The Group's gross profit margin reduced from 40,0% to 38,1%, as a consequence of a higher relative contribution from discount businesses and additional markdowns necessitated by the unseasonally warm winter. Operating margin for the six months climbed to 11,3%, from 10,6% last year, reflecting improved operational efficiencies. Group stockturn improved from 5,7 to 5,9 times.

The Department Stores Division – incorporating Edgars and CNA – boosted trading profits by an excellent 32%, demonstrating the effectiveness of controlled cost management and better staff and space productivity. The Edgars chain increased its retail turnover by 15% (like-for-like weeks was 20%), with inflation at only 2%. The most significant sales gains were in the menswear, footwear and home living businesses (including Boardmans), with all major merchandise groups recording improvements. Edgars achieved a stockturn of 5,4 times against last year's 5,6 times. Gross profit margin at 41,1% was lower than last year's 42,5% due to higher than expected markdowns and better sales growth in lower margin categories.

Sales in the CNA chain rose by an encouraging 21% (like-for-like weeks was 26%), reaping the benefits of Edcon's merchandise system and focusing on appropriate core items and customer service. Turnover growth in excess of 20% for interactive, cellphones and audio were major drivers of the success. More efficient inventory management allowed the chain to improve its stockturn from 2,9 last year to 3,5 times. Gross profit margin remained at 31%, due to a higher contribution from the lower margin interactive and cellphone businesses. However, the Group anticipates that margins will improve over time.

In the Discount Division – incorporating Jet and Jet Mart – efficient supply chain processes and disciplined cost control facilitated a strong 30% rise in trading profit. The Jet chain continued to gain market share and retail sales increased by 25% (like-for-like weeks was 31%), following the 37% improvement during the same period last year. Volumes improved significantly as average selling prices decreased by 28%. Consequently, as expected, the gross profit margin fell and at 36,9%, was below last year's exceptional

39,4%. Superior performance across a broad range of merchandise categories contributed to the chain's success, with sales of ladieswear, infantswear and girlswear being over 25% above a year ago. Another notable achievement has been the 102% rise in sales in Legit stores. Chain stockturn strengthened further to reach 8,6 times from 8,1 times last year.

Sales in the Jet Mart chain gained momentum and rose by 68% (like-for-like weeks was 76%) while stockturn progressed from 4,7 times last year to 5,2 times. Customers have responded positively to the improved merchandise assortments. Gross profit margin was 24,5% and the Group is confident of further advances in the future.

Total cellular phone and airtime sales climbed 52% to R763 million.

The profit from the Group's Credit and Financial Services Division rose by 24% to R117 million. Cost of credit reached R54 million due to the anticipated rise in the moving annual net bad debt write-off to debtors from 7%, reported for the year to March 2005, to 7,8%. As expected, the rapid growth in the account base over the past 18 months has and will continue to be reflected in higher bad debt within our targeted ceiling of 8%. This is more than compensated for by the incremental margin earned from the new accounts. Collections from customers remained robust and a healthy 86% (last year 87%) of the accounts under administration are current and able to purchase. The wider penetration of insurance products amongst the customer base facilitated the growth in taxed profits from our insurance joint venture.

Cash flows and financial position The increase in profitability manifested itself in a significant 23% increase in cash "EBITDA". Through further pre-approved mailings and the addition of 115 000 new credit customers from the Topic acquisition, Edcon grew its number of active credit customers by approximately 320 000 over the past six months to 3,8 million accounts. Credit sales remained at 63% of total sales. Edcon has maintained its conservative policy relating to doubtful debts and has provided adequately for any potential deterioration in the book. Total accounts receivable managed by the credit business topped R6,9 billion, 34% more than at the same time last year.

During August 2005, Edcon sold a further portion of debtors to the securitisation company – OntheCards Investments Limited. The net proceeds received of R682 million were utilised to repay debt. Closing inventory rose by 29% and is consistent with the comparable period sales growth.

The store development programme, which started last year, extended into the current period. In the six months ended September 2005, Edcon has added a net 137 additional stores, mainly as a result of the Topic integration, new mall developments in urban areas and penetration of Jet's footprint into new regional locations. A store is revamped or opened only if it generates a return in excess of our 25% return on shareowners' equity hurdle rate and a positive payback within three years. Investments in the period included the cost of fixturing for new stores and refurbishments, further system enhancements as well as a net R33 million relating to the Topic acquisition.

Edcon still remains in an extremely strong financial position as evidenced by the positive cash and cash equivalents balance, net of interest bearing debt, of R275 million. In addition, R1 390 million in unutilised borrowing facilities adds further flexibility to fund future expansion opportunities.

Possible investment opportunity During August 2005 Edcon expressed interest in possible investment opportunities in Myer Stores in Australia. This interest continues.

Staff empowerment transaction As announced in June 2005, Edcon has implemented a staff empowerment transaction in terms of which 10,6% of the Group's equity was placed under the control of the beneficiaries of an empowerment trust. Bi-annual empowerment payments, directly linked to the earnings performance of Edcon, and to its dividend declarations, will be distributed to the beneficiaries from inception. The present value of the costs of the transaction are estimated to be approximately R455 million and the impact will be spread over the six years of the programme.

The financial results for the current period include a R32 million after-tax charge to the income statement, largely in respect of the first empowerment payment in January 2006. As anticipated, the impact of the transaction was to reduce earnings per share by 5%.

Accounting policies and comparatives The interim financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, International Financial Reporting Standards and the Listings Requirements of JSE Limited. The accounting policies are consistent with those of the previous year except that the Group has implemented SAICA Circular 7/2005, 'Leases' in respect of operating leases which include fixed rental increases. The Group has also reassessed its accounting treatment of the joint venture with Hollard for financial services products and is now accounting for the arrangement as a jointly controlled entity. Edcon's accounting policy is to recognise interests in jointly controlled entities using the equity accounting method.

The impact of these changes is detailed in the notes to the financial statements and the prior year results have been restated in compliance with IAS 8. The headline earnings per share and the diluted headline earnings per share for the comparative period last year, as a consequence, have reduced from 97 to 95 cents per share and from 87 to 85 cents per share respectively.

All "per share" comparatives have been recalculated to reflect the 10 for 1 subdivision of shares approved at the general meeting in July 2005.

Dividend In terms of the Group's policy of covering dividends twice by attributable earnings, the Board has declared an interim dividend of 62 cents, reflecting 27% growth on last year's interim dividend.

Prospects In the past 24 months, retailers in South Africa have traded in a particularly buoyant market. Although the growth in consumer spending cannot be expected to continue at current levels, a number of factors contributing to the boom remain intact. Debt servicing costs for consumers are still low and the short-term outlook for interest and inflation rates is relatively stable. Government is committed to infrastructural expenditure and prospects for job creation are encouraging. Consumer income will be augmented by real wage growth and the rollout of social grants. These positive factors, however, will be dampened somewhat by the higher fuel price.

Consequently, the Board remains confident that sales will continue to grow at a satisfactory rate for the remainder of the current financial year, albeit at a slower pace than in the first six months. Nevertheless, in spite of lower gross margin percentages than last year, the Group will again benefit from operational leverage and should deliver another meaningful rise in attributable earnings, along the lines of the growth in sales, for the year as a whole.

For and on behalf of the Board

WS MacFarlane
Chairman

SM Ross
Chief Executive Officer

Notice is hereby given that the interim ordinary dividend (No. 118) of 62 cents per share in respect of the 26 weeks ended 1 October 2005, has been declared payable to the holders of ordinary shares appearing in the records of the company at the close of business on Friday, 6 January 2006. The dividend is declared payable in the currency of the Republic of South Africa and, in compliance with the requirements of STRATE, the following dates are applicable:

Last day to trade *cum* dividend	Thursday, 29 December 2005
Date trading commences *ex* dividend	Friday, 30 December 2005
Record date	Friday, 6 January 2006
Date of payment	Monday, 9 January 2006

Shareholders may not dematerialise or rematerialise their shares between Friday, 30 December 2005 and Friday, 6 January 2006, both dates inclusive.

On behalf of the Board

EA Bagley
Group Secretary

Johannesburg
16 November 2005

	2005 26 weeks to 1 October (unaudited) Rm	2004 27 weeks to 2 October (restated and unaudited) Rm	Change %	2005 53 weeks to 2 April (restated and audited) Rm
Revenue – retail sales	**7 350**	6 030	22	13 590
Cost of sales	**4 548**	3 617		8 180
Gross profit	**2 802**	2 413	16	5 410
Store costs	**1 268**	1 095		2 346
Other operating costs	**754**	729		1 439
Trading profit	**780**	589	32	1 625
Cost of credit	**54**	11		51
Equity accounted earnings of joint venture	**108**	64		163
Operating profit before financing costs	**834**	642		1 737
Net financing costs	**21**	8		4
Profit before taxation	**813**	634		1 733
Taxation	**218**	192		517
Earnings attributable to ordinary shareowners	**595**	442	35	1 216
Number of ordinary shares (000)				
in issue	**484 348**	466 080		469 185
weighted average	**480 883**	461 170		461 877
diluted weighted average	**514 022**	513 765		514 184
Earnings per ordinary share (cents)				
attributable earnings basis	**124**	96	29	263
headline earnings basis	**117**	95	23	262
cash equivalent basis	**143**	125	14	309
Diluted earnings per ordinary share (cents)				
attributable earnings basis	**116**	86	35	236
headline earnings basis	**109**	85	28	236
Dividends declared per ordinary share (cents)	**62**	49	27	135
Reconciliation of headline earnings				
Group attributable earnings	**595**	442		1 216
Less: Profit on disposal of fixtures, equipment and vehicles	**—**	—		(2)
Less: Discount on acquisition of Topic	**(33)**			
Less: Recognition of discount on acquisition of RAG receivables and assets		(4)		(4)
Taxation effect	**—**	1		2
Headline earnings	**562**	439		1 212

	2005 26 weeks to 1 October (unaudited) Rm	2004 27 weeks to 2 October (restated and unaudited) Rm	Change %	2005 53 weeks to 2 April (restated and audited) Rm
SEGMENTAL/CHAIN ANALYSIS				
Retail sales				
Department Stores Division				
Edgars (incl. Boardmans)	**3 890**	3 378	15	7 296
CNA	**501**	414	21	1 012
	4 391	3 792	16	8 308
Discount Division				
Jet	**2 596**	2 073	25	4 825
Jet Mart	**277**	165	68	457
	2 873	2 238	28	5 282
Topic	**86**			
	7 350	6 030	22	13 590
Average retail space (000 m²)				
Department Stores Division				
Edgars (incl. Boardmans)	**455**	413	10	430
CNA	**89**	89		90
	544	502	8	520
Discount Division				
Jet	**311**	292	7	297
Jet Mart	**71**	60	18	63
	382	352	9	360
Topic	**20**			
	946	854	11	880
Number of stores				
Department Stores Division				
Edgars (incl. Boardmans)	**205**	188		199
CNA	**190**	192		191
	395	380		390
Discount Division				
Jet	**344**	296		320
Jet Mart	**25**	20		24
	369	316		344
Topic	**107**			
	871	696		734

	2005 26 weeks to 1 October (unaudited) Rm	2004 27 weeks to 2 October (restated and unaudited) Rm	Change %	2005 53 weeks to 2 April (restated and audited) Rm
Gross profit				
Department Stores Division				
Edgars (incl. Boardmans)	**1 597**	1 434	11	3 075
CNA	**156**	129	21	329
	1 753	1 563	12	3 404
Discount Division				
Jet	**958**	816	17	1 896
Jet Mart	**68**	34	100	110
	1 026	850	21	2 006
Topic	**23**			
	2 802	2 413	16	5 410
Trading profit				
Department Stores Division	**492**	373	32	984
Discount Division	**282**	217	30	646
Topic	**(23)**			
Manufacturing	**(3)**	(1)		(4)
Amortisation of intangibles	**(1)**	—		(1)
Discount on acquisition of Topic	**33**			
	780	589	32	1 625
Analysis of credit and financial services profit				
Equity accounted earnings of joint venture after taxation	**108**	64		163
Taxation of joint venture earnings	**63**	41		100
Equity accounted earnings of joint venture before taxataion	**171**	105		263
Cost of credit as per the income statement	**(54)**	(11)		(51)
Credit and financial services profit	**117**	94	24	212

Cash Flow Statements

	2005 26 weeks to 1 October (unaudited) Rm	2004 27 weeks to 2 October (restated and unaudited) Rm	2005 53 weeks to 2 April (restated and audited) Rm
Cash retained from operating activities			
Operating profit	**834**	642	1 737
Depreciation and amortisation	**112**	137	251
Other non-cash items	**1**	(11)	16
Cash "EBITDA"	**947**	768	2 004
Decrease in working capital	**74**	69	(189)
Inventories	**(40)**	(123)	(458)
Trade accounts receivable	**(734)**	(712)	(1 673)
Net proceeds of securitisation	**682**	934	939
Other debtors	**(31)**	41	122
Accounts payable	**197**	(71)	881
Cash generated from operating activities	**1 021**	837	1 815
Net financing costs paid	**(21)**	(8)	(4)
Taxation paid	**(389)**	(200)	(412)
Cash inflow from operations	**611**	629	1 399
Dividends paid	**(409)**	(239)	(470)
Net cash retained	**202**	390	929
Cash utilised in investment activities			
Investment in fixtures, equipment and vehicles	**(232)**	(199)	(380)
Acquisitions	**(33)**	(79)	(79)
Net cash utilised	**(265)**	(278)	(459)
Cash effects of financing activities			
Increase in shareowner funding	**49**	(21)	(7)
Decrease in interest bearing debt	**(55)**	(1)	(247)
Net cash outflow from financing activities	**(6)**	(22)	(254)
Decrease in cash and cash equivalents	**(69)**	90	216
Cash and cash equivalents at the beginning of the period	**411**	195	195
Currency adjustments	**(2)**	2	—
Cash and cash equivalents at the end of the period	**340**	287	411
Attributable cash inflow from operations (cents per ordinary share)	**127**	136	303

	2005 1 October (unaudited) Rm	2004 2 October (restated and unaudited) Rm	2005 2 April (restated and audited) Rm
ASSETS			
Non-current assets			
Properties, fixtures, equipment and vehicles	**1 041**	809	920
Goodwill and trademarks	**78**	79	79
Investments	**723**	614	592
Deferred tax	**116**	32	96
Total non-current assets	**1 958**	1 534	1 687
Current assets			
Inventories	**1 809**	1 399	1 734
Accounts receivable and prepayments	**2 963**	2 033	2 913
Cash and cash equivalents	**340**	287	411
Total current assets	**5 112**	3 719	5 058
Total assets	**7 070**	5 253	6 745
EQUITY AND LIABILITIES			
Capital and reserves			
Total shareowners' funds	**3 385**	2 539	3 152
Interest bearing debt	**65**	365	120
Total capital employed	**3 450**	2 904	3 272
Interest free liabilities			
Current payables	**3 620**	2 349	3 473
Total equity and liabilities	**7 070**	5 253	6 745
Gearing ratios			
Net interest bearing debt/total shareowners' funds	**(0,08)**	0,03	(0,09)
Total liabilities/total shareowners' funds	**1,09**	1,07	1,14
Future capital expenditure			
Contracted	**481**	248	163
Authorised but not contracted	**262**	106	468
Unutilised borrowing facilities	**1 390**	1 090	1 335
Net equity per ordinary share (cents)	**699**	545	672

Statements of Changes in Ordinary Shareowners' Equity

	2005 1 October (unaudited) Rm	2004 2 October (restated and unaudited) Rm	2005 2 April (restated and audited) Rm
Ordinary shareowners' equity at the beginning of the period	**3 152**	2 650	2 650
Restatement – operating lease adjustment, Circular 7/2005		(298)	(298)
Ordinary share capital issued	**37**		16
Net movement in treasury shares	**12**	(21)	(23)
Revaluation of land and buildings			50
Earnings attributable to ordinary shareowners	**595**	442	1 216
Ordinary dividends paid	**(409)**	(239)	(470)
Other	**(2)**	5	11
Balance at the end of the period	**3 385**	2 539	3 152

NOTES TO THE INTERIM FINANCIAL RESULTS

1. SAICA Circular 7/2005, 'Leases'

The Circular provides additional guidance to IAS 17 (AC 105), 'Leases' and, addresses fixed rental increases in relation to operating leases. Lease expenses are now recognised on the straight-line method irrespective of cash flows. Previously, lease expenses were recognised on the basis of cash flows in the lease agreement. The effect is a decrease in current half-year attributable profit of R8 million (2004: R7 million). Furthermore, the opening retained earnings at March 2004 has been reduced by R298 million, after providing for a deferred tax asset of R127 million, to reflect the cumulative impact at that date.

2. Joint Ventures

The relationship with our partners in the Hollard joint venture has been clarified to represent a jointly controlled entity which should be accounted for using the equity method.

This has no impact on the attributable profit of the Group. However, the Group's share of the joint venture profit is now disclosed on the face of the income statement net of applicable taxes and the investment of R23 million (2004: R38 million) in the joint venture is included as an investment on the balance sheet. The taxation of the Group in the current half-year reduced by R63 million (2004: R41 million) as a result of the reclassification of the joint venture.

Key Indicators in US Dollar Terms

	2005 26 weeks to 1 October (unaudited)	2004 27 weeks to 2 October (restated and unaudited)	Change %	2005 53 weeks to 2 April (restated and unaudited)
Revenue – retail sales (US$m)	1 134	928	22	2 167
Headline earnings attributable to ordinary shareowners (US$m)	87	68	28	193
Net equity per ordinary share (US cents)	110	84	31	106
Diluted headline earnings per share (US cents)	17	13	31	38
Dividends per ordinary share (US cents)				
Interim (proposed/paid)	10	8	25	8
Final (paid)				12
Closing rate	6,35	6,45		6,31
Average rate	6,48	6,50		6,27

Note: Dividends paid are at actual rates on the date of payment. The interim dividend proposed is at the closing rate.

Corporate Information

NON-EXECUTIVE DIRECTORS

WS MacFarlane (Chairman), AJ Aaron, ZB Ebrahim, JDMG Koolen#, KD Moroka, PL Wilmot, SDM Zungu
#Netherlands

EXECUTIVE DIRECTORS

SM Ross** (Chief Executive), SR Binnie*, AvA Boshoff, MR Bower, Dr U Ferndale, JL Spotts**
**USA *UK

GROUP SECRETARY

EA Bagley

TRANSFER SECRETARIES

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Telephone: +27 11 305-5555. Fax: +27 11 305-5610.

Irwin, Jacobs, Green (Proprietary) Limited. 11th Floor, Sanlam Centre, Independence Avenue, Windhoek, Namibia.
PO Box 186, Windhoek, Namibia. Telephone: +26 461 238-899. Fax: +26 461 238-936.

ISIN number

ZAE 000068649

Share codes

JSE: ECO NSX: ECN

These results can be viewed on the internet at: http://www.edcon.co.za

Edcon

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BASTION GRAPHICS