



D A W N

**DISTRIBUTION AND WAREHOUSING
NETWORK LIMITED**

(Incorporated in the Republic of South Africa)
(Registration number 1984/008265/06)

Share code: DAW

ISIN code: ZAE000018834
("Dawn" or "the Group")

**UPDATE ANNOUNCEMENT:
CONDONATION OF BANK COVENANT BREACH**

Dawn hereby advises shareholders that, as necessitated by the JSE Listings Requirements and further to the related announcement of 2 August 2017, the Group has received formal condonation from ABSA Bank Limited ("Absa") regarding a breach at the September 2017 measurement date of one of the financial covenants contained in the Group's banking facilities.

The condonation obtained from Absa is conditional upon a cession of R100 million of the Grohe Dawn Watertech (GDW) disposal proceeds ("GDW Proceeds") in favour of Absa and forms part of the R200 million debt repayment envisaged from the GDW Proceeds to make the Group debt free.

The circular relating to the GDW transaction announced on 14 September 2017 is expected to be distributed to shareholders in due course and subject to the required approvals, funds are expected to flow late in December 2017.

In addition, R30 million has been received on the disposal of the Group's 51% shareholding in Swan Plastics, as announced on 5 and 20 October 2017 respectively. This cash will re-invested in Dawn for future growth and working capital purposes.

27 October 2017
Johannesburg

Sponsor

Deloitte.