

Voluntary operational update

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 Company" or "the Group")

VOLUNTARY OPERATIONAL UPDATE

In the prospects statement contained in the results announcement for the year ended 31 March 2016,

published on 14 July 2016, DAWN notified the market that the Group had continued to incur losses

during the first quarter of the 2017 financial year.

Dawn also informed the market that a plan by the new management team to stem the losses and

return the Group to profitability had been approved by the executive committee and board of

directors of the Company ("Board") at the end of June 2016. Whilst considerable progress has been

made in implementing the plan, Group turnover for the first four months of FY 2017 remains on a

downward trend with marked declines evident in the previous two months, June and July. Sales for

the first 4 months of FY2017 are down 7% relative to last year's comparable period.

The main reasons contributing to the decline are:

1. a continuing slow-down of Government-spend (and payments), impacting the Infrastructure

segment of DAWN, mainly in the Trading businesses;

2. low levels of building activity and the consumer being under financial pressure, impacting the

Building segment of DAWN; and

3. difficult trading conditions, curtailed access to hard-currency and currency losses due to the

strengthening Rand in the Group's rest of Africa operations, impacting both the Infrastructure and

Building segments of DAWN.

The DAWN executive committee and the Board has subsequently approved supplementary actions to

be taken to align DAWN's business to the new sales reality. Once-off restructuring costs associated

with the implementation of these action plans will be accounted for in the results for H1 2017.

The financial information in this announcement have not been reviewed nor reported on by DAWN's

auditors.

31 August 2016

Johannesburg

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd

Date: 31/08/2016 02:56:00 Produced by the JSE SENS Department. The SENS service is an information dissemination service administered by the JSE Limited ('JSE').

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