

Deacons (East Africa) PLC
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Our Ref: MNA/08/10/2017

06 October 2017

The Chief Executive
Nairobi Securities Exchange PLC
The Exchange Building
55 Westlands Road, Westlands
NAIROBI

Dear Sir

DEACONS (EAST AFRICA) PLC
Proposed Sale of the Mr Price Franchised Business

Pursuant to Regulation 19 (2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, Deacons (East Africa) PLC ("**Deacons**") hereby notifies you that it has been approached by Mr Price Group Limited ("**Mr Price**"), one of its Franchisors, with a proposal to purchase the Mr Price Franchised Business in Kenya and that Deacons has entered into preliminary negotiations in respect of the sale of the Mr Price Franchised Business to Mr Price (the "**Proposed Transaction**").

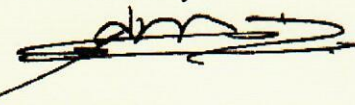
The Proposed Transaction will be subject to various conditions precedent, including requisite approvals from regulatory authorities and the shareholders of Deacons.

Further information relating to the Proposed Transaction will be circulated to Deacons' shareholders prior to a shareholders' meeting to consider the Proposed Transaction.

In the meantime, the shareholders of Deacons and other investors are advised to exercise caution when dealing in the shares of the Company.

Kindly acknowledge receipt of this letter.

Yours faithfully



J L G Maonga
Company Secretary

JLGM/skn

cc The Chief Executive
Capital Markets Authority
Embankment Plaza, Upper Hill
NAIROBI