



PROFIT WARNING ANNOUNCEMENT

This announcement is made pursuant to Regulation G.05 (1) (f) & (2) of the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 and for the information of investors and the general public.

The Board of Deacons (East Africa) PLC wishes to announce that the earnings for the current financial year are expected to be lower by at least 25% than the earnings reported for the same period in 2015. This announcement is based on the unaudited financial statements of the Company for the period ended 30th September, 2016 and a comparatively lower Christmas trading season in 2016.

The drop in profits was primarily occasioned by the delayed openings of the Adidas, Bossini and F&F stores at The Hub, Karen and the postponement of the launch of the Two Rivers Mall to February, 2017, where the Company was fully invested and ready to trade in four flagship stores by September, 2016.

The Board notes that the launch of the F&F (Tesco) brand on Friday, 16th December, 2016 at The Hub, Karen has been received very positively by our customers and promises to offer great growth and value to the business.

The Directors and Staff of Deacons wish all their customers, suppliers, shareholders and stakeholders a peaceful and prosperous 2017.

**By Order of the Board,
J.L.G.Maonga,
Company Secretary**

29th December, 2016.