

# MASSMART

## Corporate Profile

## Audited Results to June 2004

Massmart is a managed portfolio of wholesale and retail chains, each focused on high volume, low margin, low cost distribution of predominantly branded food, liquor and general merchandise for cash, in nine countries in Southern Africa. The Group is led by a small corporate office, which directs and controls strategic and operating performance through four divisions, each comprising those chains with similar target markets and business models.

The Group is the third largest distributor of consumer goods in sub-Saharan Africa, the leader in general merchandise and liquor and the fourth largest in food.

- Sales R23 788
- PBT R921m
- Headline Earnings R634m
- Number of Stores 159

(Rm)	3 year CAGR %	2004 FY to June	2003 FY to June	2002 FY to June	2001 FY to June	2000 FY to June
Sales	27.2	23 788	20 370	16 709	11 568	10 358
EBITDA	43.4	1062.1	856	645	360	265
HEPS (cents)	42.6	318.8	242	183	110	77
Dividend (cents)	64.1	159	97	61	36	-

### Massmart Holdings Limited

#### Massdiscounters

(Retail Discounters)

Sales R6 784m  
PBT R340m



56 stores

General Merchandise – RSA, Botswana, Namibia, Mauritius, Uganda, Zambia



11 stores  
General Merchandise - RSA

#### Masswarehouse

(Wholesale and Retail Warehouse Clubs)

Sales R7067m  
PBT R285m



14 stores

General Merchandise / Food / Liquor - RSA, Zimbabwe



15 outlets  
DIY / Building Materials / Tiles

#### Masscash

(Wholesale Cash & Carry)

Sales R6649m  
PBT R267m



57 outlets

Food / Liquor – RSA, Lesotho, Namibia, Botswana



6 outlets  
Cosmetics / Food - RSA

#### Masstrade

(Wholesale Buying Groups)

Sales R3288m  
PBT R57m



532 members / 740 outlets  
Food – RSA, Botswana, Namibia, Swaziland



714 members / 856 outlets  
Furniture / Appliances  
RSA, Botswana, Namibia

### Strategy

Since its founding in 1990, Massmart has pursued a strategy of aggressive organic and acquisitive growth, mitigating risk through:

- Adhering to product categories and business models in which the Group has proven expertise
- Strict new store development and acquisition criteria
- Effective integration practices
- Conservative accounting and governance practices

Competitive advantage is sustained through strategic, market and operational focus in each of the chains enhanced by inter-chain collaboration in procurement, cost reduction, retail positioning and executive development. This approach results in higher returns and cash flow than could otherwise be achieved. Significant investment is made in the attraction and retention of talented leaders, managers and functional experts whose remuneration is directly linked to group, divisional or chain performance.

### Investment Proposition

- Influential market positions in food, home appliances, office equipment and supplies, liquor, sports and outdoor equipment, DIY and home electronics
- Proven record of aggressive organic expansion and acquisitive growth
- Sustained record of earnings growth ahead of revenue growth

- Diversification across geographic, consumer and product markets
- High food component providing defensive profile
- Consumer credit only 2% of total sales
- High cash earnings



### Share Data

(Tuesday, 24 August 2004)

Share Price	R	34.80
52 wk high	R	35.10
52 wk low	R	24.49
Market Cap	Rb	6.9
Reuters		MSMJ.J
Bloomberg		MSM SJ

### For more information:

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### Executive Directors

**Mark J. Lamberti**  
CEO & Deputy Chairman

**Guy Hayward**  
CFO