

MASSMART

Corporate Profile

Audited Results for the year to June 2005

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 ten countries in Southern Africa. The Group is led by a small corporate office, which directs and controls strategic and operating performance through three divisions, each comprising those chains with similar target markets and business models.

The Group is the third largest distributor of consumer goods in Africa and the leader in general merchandise, home improvement, wholesale food and liquor.

- Sales R26 561m
- PBT R916m
- Headline Earnings R679m
- Number of Stores 221

(Rm)	3 year CAGR %	2005 FY to June	2004 FY to June	2003 FY to June	2002 FY to June
Sales	16.7	26 561	23 788	20 370	16 709
EBITDA	21.8	1166	984	856	645
HEPS (cents)	23.1	341	293	242	183
Dividend (cents)	44.2	183	159	97	61

Massmart Holdings Limited

Massdiscounters

(Retail Discounters)

Sales R7 397m
PBT R487m



61 stores
General Merchandise – RSA, Botswana, Namibia, Mauritius, Mozambique, Uganda, Zambia



11 stores
General Merchandise - RSA

Masswarehouse

(Wholesale and Retail Warehouse Clubs)

Sales R8 576m
PBT R346m



70 outlets
DIY / Building Materials / Tiles - RSA



14 stores – RSA, Zimbabwe
General merchandise / Food / Liquor

Masscash

(Wholesale Cash & Carry and Buying Groups)

Sales R10 589m
PBT R197m



65 outlets
Food / Cosmetics Liquor – RSA, Lesotho, Namibia, Botswana



1404 members / 1715 outlets
Food / Furniture / Appliances – RSA, Botswana, Namibia, Swaziland

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

- Proven record of successful organic and acquisitive growth
- Additional value created through inter-divisional collaboration
- Proven record of comparable store growth
- High average sales per store (R156 million)
- High cash generation and high cash dividend growth
- Diversification across geographic, consumer and product markets
- Merchandise leadership in five general merchandise categories and liquor, with a dominant defensive food profile
- Retail credit only 2% of total sales



Share Data

(Monday, 22 August 2005)

Share Price R 49.5¢
52 wk high R 51.5¢
52 wk low R 32.2¢
Market Cap Rb 9.¢
Reuters MSMJ.
Bloomberg MSM S.

For more information:

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