

# MASSMART

## Corporate Profile

## Reviewed Results for the year to June 2007

Massmart is a managed portfolio of nine wholesale and retail chains, each focused on high-volume, low-margin, low-cost distribution of mainly branded consumer goods for cash, in 14 countries in sub-Saharan Africa through 4 divisions comprising 238 stores. The Group is the third largest distributor of consumer goods in Africa, the leading retailer of general merchandise, liquor and home improvement equipment and supplies, and the leading wholesaler of basic foods.

- Sales R34 808m
- Trading Profit Before Tax R1 895m
- Headline Earnings R1 092m
- Number of Stores 238

(Rm)	3 year CAGR %	2007 FY to June	**2006 FY to June	**2005 FY to June	*2004 FY to June
Sales	13.5	34 808	29 964	25 382	23 788
EBITDA	25.4	1 941	1 536	1 150	984
HEPS (cents)	22.6	540	419	328	293
Dividend (cents)	26.3	320	210	183	159

\* Not restated for IFRS

\*\* Includes continuing operations only

### Massmart Holdings

#### Massdiscounters

(General merchandise discounters)

Sales R9 425m  
Trading PBT R686m



82 stores  
General merchandise and non-perishable groceries – RSA, Botswana, Namibia, Mauritius, Mozambique, Uganda, Zambia, Nigeria, Malawi, Tanzania, Ghana



8 Stores  
General Merchandise - RSA

#### Masswarehouse

(Warehouse club discounter)

Sales R8 640m  
Trading PBT R525m



12 stores – RSA  
General merchandise / Food / Liquor

#### Massbuild

(Home improvement retailer)

Sales R4 948m  
Trading PBT R380m



64 Stores  
Home improvement supplies / Tools / Building materials - RSA

#### Masscash

(Food wholesale and buying association)

Sales R11 795m  
Trading PBT R304m



72 outlets  
Food / Groceries / Liquor / Ethnic Cosmetics – RSA, Lesotho, Namibia, Botswana



574 members / 658 outlets  
Food / Groceries – 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 flows 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 (R137million)
- 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 1.3% of total sales



### Share Data

(Monday, 20 August 2007)

Share Price	R	79.69
52 wk high	R	99.97
52 wk low	R	49.00
Market Cap	Rb	16.0
Reuters		MSMJ.J
Bloomberg		MSM SJ

### For more information: Massmart Holdings

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### Executive Directors

**Grant Pattison**  
CEO

**Guy Hayward**  
CFO