



Staff meeting at the new Makro in Silver Lakes in Pretoria before the day's trading begins. The store opened in October 2007, and set a new opening-day sales record.

Massmart highlights and achievements

Total sales

R39,8bn

an increase of 14 percent

Operating profit

R2,1bn

an increase of 25 percent

Return on equity

53,0%

up from 52,3 percent

Achievements

Massmart ranked **first in FM's 2008 Top Companies** survey

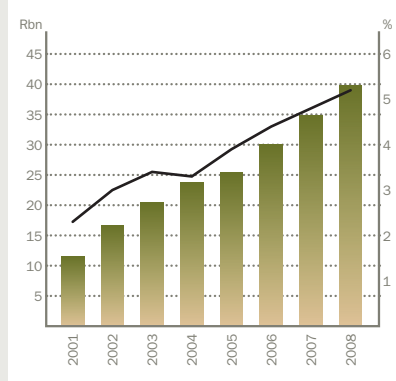
Massmart ranked **top of JSE Retail sector in the FM/Empowerdex 2008 Top Empowerment Companies Survey**

Massmart only company to achieve **Top Performer Status in 2007 JSE SRI-Index medium environmental impact category**

Massmart ranked **fourth in Ernst & Young 2008 Excellence in Corporate Reporting Awards**

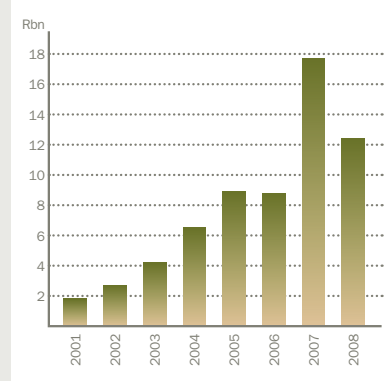
Winner of the Best Sustainability Report, Non-extractive Industries, in the Association of Chartered Certified Accountants 2008 sustainability reporting awards

Sales and operating margin



■ Sales — Operating margin

Market capitalisation



.....
New stock arrives at the
Pinetown distribution
centre at sunrise.



Vision and mission

Vision

Customers will regard Massmart's wholesale and retail formats as their first choice when buying those categories of merchandise offered by the formats.

Suppliers will regard Massmart as a valued partner in accessing and understanding their end-consumers.

Career retailers will regard Massmart as the preferred employer in the distribution industry.

Investors will regard Massmart as a portfolio rendering superior growth and total returns at relatively lower risk than alternative wholesale and retail investments.

The community will regard Massmart as a sensitive, caring, trustworthy South African corporation.

Mission

Massmart is a South African-based globally competitive regional management group, invested in a portfolio of differentiated, complementary, focused wholesale and retail formats, each reliant on high volumes and operational excellence as the foundation of price leadership, in the distribution of mainly branded consumer goods for cash.

The Group actively seeks the continual improvement of performance in the portfolio and its parts, through strategic and structural clarity, high market shares, excellent management, principle-driven ethical leadership, cost-effective technology and the sharing or agglomeration of capabilities, knowledge, resources, influence and information.

To this end, thought leadership, individual and collective performance, and collaboration throughout the Group are appropriately rewarded, with executive management incentivised predominantly on Group performance.

The Group continuously improves the performance of its portfolio of businesses through strategic and structural clarity, high market shares, excellent management and technology, and the sharing of knowledge and resources.

Financial highlights

Group summary*	53 weeks	52 weeks	Change %
	2008 Rm	2007 Rm	
Sales	39 783,6	34 807,6	14,3
EBITDA	2 387,6	1 940,5	23,0
Headline earnings – 53 weeks	1 319,4	1 083,3	21,8
Headline earnings – 52 weeks	1 261,8	1 083,3	16,5
Headline earnings before the BEE transaction**	1 409,0	1 146,5	22,9
Cash generated from operations	2 321,7	1 898,1	22,3
Ordinary share performance	Cents/share	Cents/share	Change %
Headline earnings – 53 weeks	663,0	540,4	22,7
Headline earnings – 52 weeks	634,1	540,4	17,3
Dividends	386,0	320,0	20,6
Net asset value	1 359,8	1 113,5	22,1
Financial statistics	%	%	
Trading margin	5,3	4,9	
Return on capital employed	73,3	66,1	
Return on shareholders' equity	53,0	52,3	
Debt: equity	9,8	18,0	

* See explanatory notes forming part of the Seven-year Review on pages 42 to 53.

** See note 10 in the annual financial statements on page 125 for further details.

Further reading

More detail can be found in the
Seven-year Review 39

SEVEN-YEAR REVIEW

Sustainability highlights

- Retained Unisa Centre for Corporate Citizenship to provide ongoing sustainability advice.
- Increased BBBEE score from 35,67% to 49,44% leading to ranking as most empowered listed retailer.
- Implemented free diabetes and cholesterol blood screening for permanent staff.
- Revised food safety policy to include independent testing of nationally branded foodstuffs.
- Hosted import supplier workshops in Xiaman, Taipei, Hong Kong and Shenzhen to improve supply chain efficiency.
- Published a Massmart buyers' guide to environmentally responsible procurement.
- Developed Eco-wise customer advocacy programme to promote environmentally responsible consumerism.
- Calculated and published Group's scope 2 and scope 3 carbon emissions.
- Launched pilot e-waste recycling scheme in partnership with Fujitsu Siemens.

Further reading

Massmart has moved the Sustainability Report into a separate brochure that can be found in the inside back cover IBC

SUSTAINABILITY REPORT

Business model

Massmart Group

Massmart has evolved a business model that empowers its Divisions to take trading decisions suited to their individual operating needs but within a strategic operating and financial framework set by the Group.

This has several advantages. The framework guarantees consistent compliance with the best governance standards and national legislative requirements. It commits each Division to implementing Massmart's core strategy of being a high-volume, low-margin distributor of quality branded consumer goods for cash, and ensures expansion plans add net value to the Group rather than cannibalising existing operations. At the same time, Divisions can extract maximum value from being part of a larger Group with greater access to goods and services or negotiating better terms and rebates with suppliers and service providers. The Divisions are differentiated as retail or wholesale formats that address different customer and market profiles.

The model is put into operation through four structural entities: Massmart Holdings, the shareholder of the operating Divisions that consolidates the Group's financial, treasury, tax and company secretarial functions and is headed by the Group CEO; Channel, where Divisions can share best practice and develop mutually beneficial collaborative efforts; Shared Services, which handles those activities identified by Channel that are more cost-effective to share across Divisions; and the four operating Divisions themselves.

Decentralised decision-making is given effect through a Group Executive Committee reporting to the Group CEO. The Committee's members comprise the CEOs of Massmart's four operating divisions and a Group Executive from each of Massmart Holdings, Channel and Shared Services. Massmart Holdings Executives are also represented on each of the four Divisional Boards as non-executive Directors.

Massmart Holdings

Massmart Holdings performs the Group management and advisory role and defines the strategic and broad operating principles that guide the Group's activities. Its functions include budget approval and capital allocation, store site location, executive appointments, development and retention, corporate affairs, human capital and internal audit. A business intelligence unit collates and analyses divisional data to inform Group strategy and decision-making.

Massmart Channel

Massmart Channel consists of formal trading and functional forums where ideas on collaboration across Divisions are shared. Trading forums cover Food and Liquor, General Merchandise, and Cellular. Functional forums include Technology, Information and Process (TIP), Operations and Human Resources. Forums are headed by divisional CEOs,

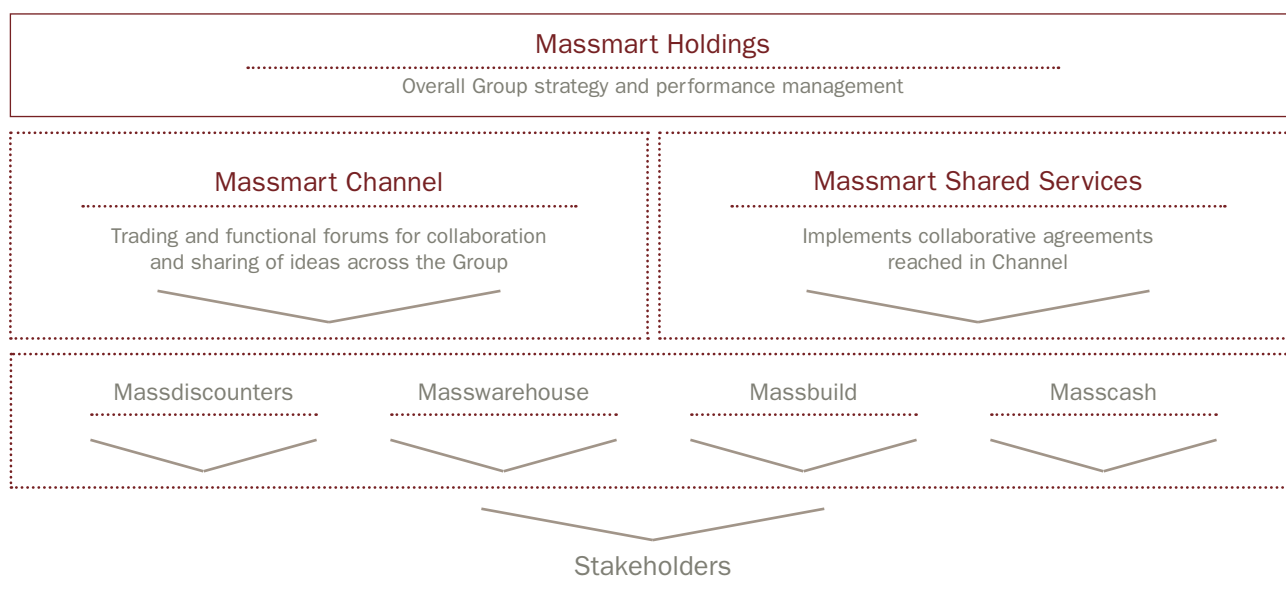
who are all members of the Group Executive Committee. Directors and Executives from the Divisions attend forums in their specific areas of competence. Once consensus is reached on a collaborative proposal, the Executive Committee approves whether it should be rolled out across the Group.

Massmart Shared Services










Massmart Shared Services implements collaborative agreements reached by Channel. The most important are Group supplier negotiations for all products sold across the Group. Shared Services also handles the Group's Payroll functions, the Shipping and associated treasury functions for direct imports, and managing private or exclusive brands shared across Massmart's trading divisions.

Massmart Divisions

Massmart's Divisions comprise Mass-discounters, Masswarehouse, Massbuild and Masscash. Each has a dedicated management team focusing on a particular retail or wholesale format, merchandise proposition and customer base, and is empowered to take trading decisions within a strategic framework and governance structure defined by the Group.



Group profile

Divisions	Chains	Stores and outlets	Countries	Product categories
Massmart Group				
Massdiscounters General merchandise discounter		84 stores	SA, Botswana, Namibia, Mauritius, Mozambique, Uganda, Zambia, Nigeria, Ghana, Malawi, Tanzania	General merchandise and FMCG
		6 stores	SA	Electrical appliances
Masswarehouse Warehouse club discounter		13 warehouse clubs	SA, Zimbabwe (2 stores not consolidated)	Food/liquor/general merchandise
Massbuild Home improvement retailer and building materials supplier		22 stores	SA	Home improvement supplies/tools/building materials
		18 stores	SA	Home improvement supplies/tools/building materials
		28 stores	SA	Building materials/tools
Masscash Food wholesaler and buying association		65 stores	SA, Lesotho, Namibia, Botswana	Food/liquor/groceries
		6 stores	SA, Lesotho, Namibia, Botswana	Food/groceries/ethnic cosmetics
		527 member outlets	SA, Botswana, Namibia, Swaziland	Food/groceries

Financial highlights*

Highlights

Sales

R39,8bn

EBITA

R2,2bn

Total sales were 98,8% in cash sales and 7% from African stores

Headline earnings grew 23% and exceeded R1,3bn

Sales

R10 407m

EBITA

R725m

Real total sales growth of 7,7%

Comparable sales (52 weeks) grew 7,6% with inflation of 2,7%

Dion Wired increased to six stores

Original Dion format now closed

Sales

R10 104m

EBITA

R640m

Real total sales growth of 9,7%

Comparable sales (52 weeks) grew 10,5% with inflation of 7,2%

Opened first new store in four years

Two stores achieved sales of R1bn each

Sales

R5 663m

EBITA

R390m

Real total sales growth of 6,9%

Comparable sales (52 weeks) grew 9,0% with inflation of 7,5%

Finalised Massbuild management team and structures

Sales

R13 610m

EBITA

R402m

Real total sales growth of 2,1%

Comparable sales (52 weeks) grew 14,3% with inflation of 13,3%

Integration of CBW, Jumbo and Shield finalised

Began acquiring sites for hybrid strategy rollout

New point-of-sale IT system rollout commences

* All figures shown are for 53 weeks unless stated otherwise.

Operations

Chains

Key sales drivers



Product inflation
Price perception
Interest rates
Consumer confidence and disposable income
New stores



Product inflation
Price perception
Interest rates
Consumer confidence and disposable income
New stores



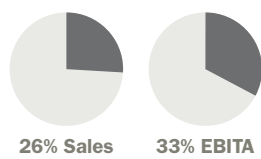
Interest rates
Residential property prices and housing growth
Consumer confidence and disposable income
Price perception
New stores
Selected acquisitions of existing sites



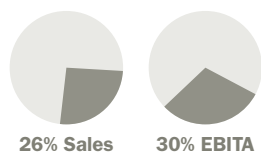
Food inflation, particularly commodities
Social grants
New stores
Selected acquisitions of existing sites

Group contribution	Sales per m ² (R'000)	Trading space (m ²)	Capital expenditure (Rm)
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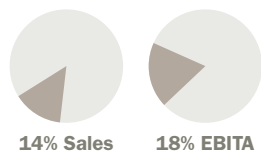
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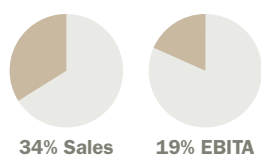
31	338 285	209
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86	117 859	154
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18	309 633	119
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46	247 007	91
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Looking forward

Chains

Growth vectors

Maintain trading aggression
Expand trading space
Develop greenfield opportunities
Realise supply chain efficiencies
Expand private brands
Pursue acquisitions
Sustainability



New Game outlets in South Africa and Africa
Develop Dion Wired
Realise supply chain efficiencies
Private brands
Financial services



New stores in South Africa
Leverage customer relationship management capabilities
Invest in supply chain capabilities
Private brands



Complete Builders Trade Depot re-branding
Extract benefits from IT and structural investments
Optimise joint buying and merchandising benefits
New Builders Warehouse stores in major centres
New Builders Express stores in suburbs
New Trade Depot stores through acquisition
Invest in supply chain capabilities
Private brands



Refine and grow hybrid format
Roll out point-of-sales IT system
Manage for cash and returns
Private brands

2011 net new stores target 2011 net new trading space target (m²) Medium-term targeted trading PBT return on sales

25 **147 698** **5,7%***
Target **5,7%***
International benchmark
5,1%
Current

13 **37 543** **8,0%**
Target **7,4%**
International benchmark
7,5%
Current **Wal-Mart ex-food**

1 **14 700** **7,0%**
Target **5,0%**
International benchmark
7,2%
Current **Metro AG C&C**

7 **71 681** **9,0%**
Target **10,0%**
International benchmark
7,6%
Current **Home Depot/ B&Q**

2

1

1 **23 774** **3,0%**
Target **3,0%**
International benchmark
3,2%
Current **Makro South America**

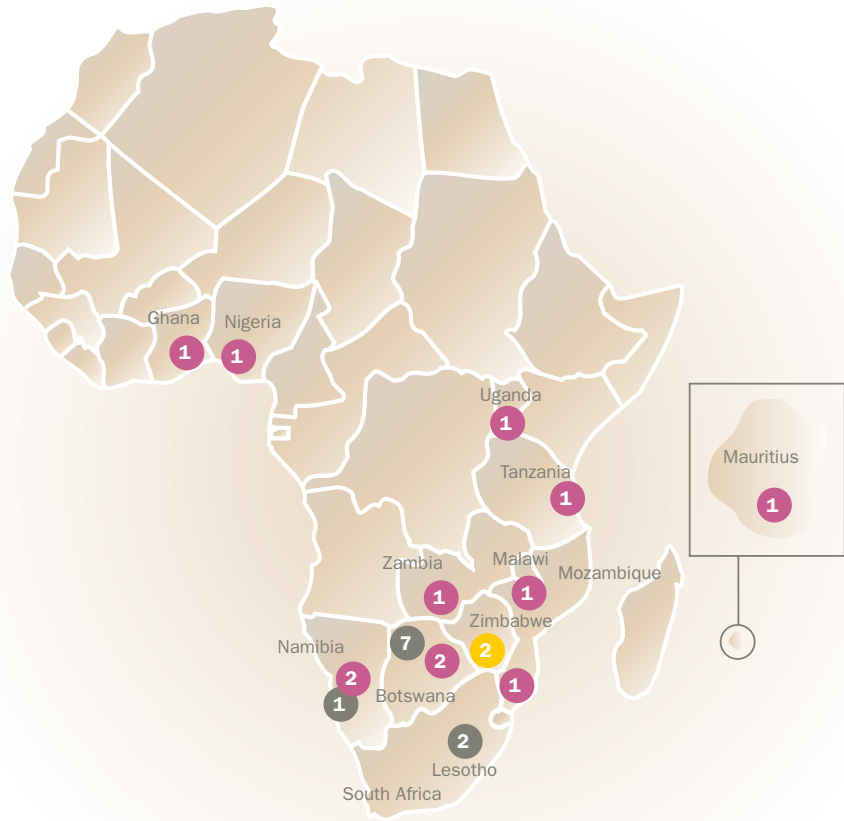


* Pro forma using June 2008 sales mix and target margins

Store region map

The distribution of Massmart stores in South Africa and throughout the rest of Africa.

International
A total of 24 stores



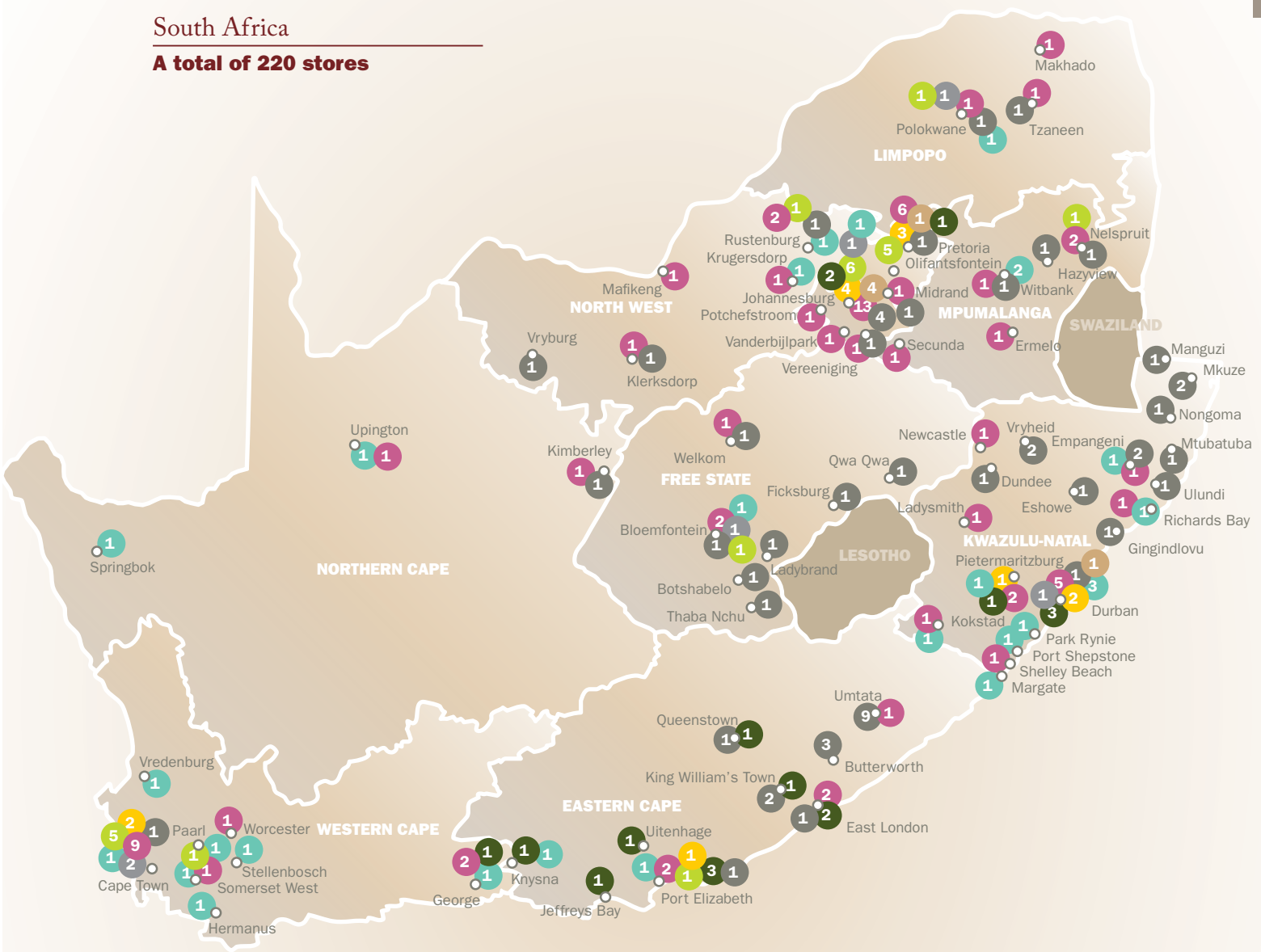
International stores

Chain	Country	Number of stores	City
● Game			
	Botswana	2	Francistown and Gaborone
	Ghana	1	Accra
	Malawi	1	Blantyre
	Mauritius	1	Quatre Bornes
	Mozambique	1	Maputo
	Namibia	2	Oshakati and Windhoek
	Nigeria	1	Lagos
	Tanzania	1	Dar es Salaam
	Uganda	1	Kampala
	Zambia	1	Lusaka
● Makro			
	Zimbabwe*	2	Bulawayo and Harare
● CBW			
	Lesotho	2	Maseru x2
	Namibia	1	Windhoek
	Botswana	7	Francistown, Gaborone, Mahalapye, Maun x2, Palapye and Selebi Phikwe

* Two Makro Zimbabwe stores were not included in the table of stores on page 9 as their results have not been consolidated. See note 6 in the annual financial statements on page 123 for further details.

South Africa

A total of 220 stores



Divisional/chain store distribution

Stores by Chain	Inside South Africa	Outside South Africa	Total
● Game	72	12	84
● Dion Wired	6	—	6
● Makro	13	—	13
● Builders Warehouse	22	—	22
● Builders Trade Depot	28	—	28
● Builders Express	18	—	18
● CBW	55	10	65
● Jumbo	6	—	6
Total	220	22	242

Key to information

- Colour denotes the stores by chain
- Number denotes the number of stores in that specific region
- Denotes cities and towns

“It is not often that one finds a company where financial success is matched by demonstrated ethical commitment. Massmart may be viewed as providing tangible evidence for the assertion that well-managed companies are motivated to act ethically.”

Executive Directors



Grant Pattison (37)
BSc (Eng) (Hons) (UCT)
 Chief Executive Officer,
 member of the Sustainability,
 and Strategy and
 Investment Committees.

Appointed 7 December 2004.

Grant graduated from the University of Cape Town as an electrical engineer. After four years with the Anglo American group and two years consulting with The Monitor Group, Grant joined Massmart as Executive Assistant to the Executive Chairman in 1998. He has since held various positions within the Group, including Managing Director of Massdiscounters and Masscash. He joined the Executive Committee in 2000 and the Board in 2004, becoming Deputy Chief Executive Officer in 2005, Chief Executive Officer Designate in 2006 and Chief Executive Officer on 1 July 2007.

Guy Hayward (43)
BCom, CTA (UCT), CA(SA)
 Chief Financial Officer,
 member of the Risk,
 and Strategy and
 Investment Committees.

Appointed 15 May 2001.

Guy graduated from the University of Cape Town in 1986 and qualified as a chartered accountant after serving articles with Deloitte Haskins & Sells in 1989. He has held senior financial roles at Malbak, CNA Gallo and investment bank, Goldman Sachs, in London. He joined Massmart as Group Financial Executive in 2000 and was appointed Chief Financial Officer in 2001. Guy is also a Governor of Hilton College.

Non-executive Directors



Mark J Lamberti (58)
BCom, MBA (Wits), PPL (Harvard)
Chairman of the Board, member of the Remuneration and Nominations Committee and Chairman of the Strategy and Investment Committee.

Appointed 1 August 1988.

Following progress through a multi-functional retail career that began in 1975, Mark was appointed Managing Director of the ailing six-store Makro chain in 1988. After successful repositioning of the chain, he founded Massmart in 1990 to pursue an aggressive growth strategy in high volume, low gross margin, low expense retailing and wholesaling.

In 1996, he was appointed Executive Chairman of Massmart and from July 2003 CEO and Deputy Chairman of the Board. At the end of June 2007 he relinquished his executive role to become non-executive Chairman. His role as architect and leader of Massmart has been widely recognised with numerous awards including that of the Ernst & Young South African Entrepreneur of the Year in 2001.

Mark currently serves as Executive Chairman of Transaction Capital (Pty) Ltd, Chairman of Business Against Crime South Africa, and a director of Business Leadership South Africa.

His commitment to education has led to his involvement as a benefactor, director or adviser to a number of educational institutions, including the Wits Business School where he is an Honorary Professor and Chairman of the Advisory Board.



Chris Seabrooke (55)
BCom, BAcc, MBA, FCMA
Deputy Chairman of the Board and Lead Independent Director, member of the Remuneration and Nominations, Audit, and Strategy and Investment Committees.

Appointed 1 February 2000.

Chris has, over the years, been a director of over 20 JSE-listed companies. He is currently CEO of Sabvest Limited, Chairman of Metrofile Holdings Limited and Set Point Technology Holdings Limited, and a director of Datatec Limited. He is also a director of Net1 UEPS Technologies Inc, listed on Nasdaq in the USA. He is Chairman of Alternative Equity Partners Fund and a director of a number of unlisted companies including Primedia Holdings 1 (Pty) Ltd and Mineworkers Investment Company (Pty) Ltd. He is former Chairman of the South African State Theatre and former Deputy Chairman of both the inaugural National Arts Council and the founding board of Business & Arts South Africa.



Dods Brand (65)
Member of the Risk and Sustainability Committees.

Appointed 25 February 2003.

Dods was a career retailer from 1963 until his retirement in 1998 as Chief Executive of JSE-listed Moregro (Morkels Retail Group). He is Chairman and major shareholder of POSSE Consulting. He has served on the boards of a number of local and international listed entities and is currently an independent non-executive director of Avusa Limited and other private companies.



Zitulele ('KK') Combi (56)
Chairman of the Sustainability Committee.

Appointed 25 February 2003.

KK is currently the non-executive Chairman of Master Currency (Pty) Ltd, the executive Chairman of Thembeke Capital (Pty) Ltd, and a director of VAT Refund Administrators (Pty) Ltd, ABSA Advisory Board (Western Cape), Master Coin Limited, PSG Group, KLK Landbou Beperk, Iquad Group Limited, GRW Engineering (Pty) Ltd, Precrete-Nozala (Pty) Ltd, Vital Merchandising Services Holdings (Pty) Ltd and Combi and Co (Pty) Ltd. He is a member of the SA Institute of Directors, World Entrepreneur Academy, and World CEO Organisation. He has received numerous business and entrepreneurship awards in his career.



James ('Jim') Hodkinson (64)
Member of the Strategy and Investment Committee.

Appointed 25 August 2004.

During his long retail career, Jim was both Chairman and Chief Executive of B&Q plc, a subsidiary of Kingfisher plc. As Chief Executive of New Look plc, he transformed a family business to a public company with a multinational footprint. Currently, he is Chairman of Ultimate Products Limited and Furniture Village, both UK-based companies.



Phumzile Langeni (34)

BCom (Natal)

Member of the Sustainability and Audit Committees.

Appointed 25 August 2004.

Phumzile is Executive Chairperson of Afropulse Group (Pty) Ltd, a women-led investment and corporate finance house. She is currently the economic adviser to the Minister of Minerals and Energy. She was previously an executive director of dual-listed junior platinum miner, Anooraq Resources RSA (Pty) Ltd. Phumzile is a non-executive director of Imperial Holdings Ltd, Peermont Global (Pty) Ltd, the Mineworkers Investment Company (Pty) Ltd and the Port Regulator.



Nigel Matthews (63)

MA (Oxon), MBA (UCT)

Chairman of the Audit and Risk Committees, member of the Remuneration and Nominations Committee.

Appointed 1 November 2001.

During his career in the South African hotel and tourism industry, Nigel has served as Managing Director of Holiday Inn and executive Director of Rennies. He founded his own business, Sentry Group, which was sold to an international group in 2001. He is a non-executive director of City Lodge Hotels Limited, Sun International Limited and Metrofile Holdings Limited, and non-executive Chairman of The Fuel Logistics Group (Pty) Ltd, a privately owned logistics company.



Peter Maw (47)

BCom (Hons), CA(SA), HDip Tax Law

Member of the Audit, Risk, and Strategy and Investment Committees.

Appointed 25 February 2003.

Peter is a specialist in private equity and corporate finance and heads the private equity interests of the Oppenheimer family in South Africa. He was a founder of Primedia Limited and executive director from 1992 to 2003, responsible for all corporate finance activities. Peter remains a non-executive director and member of the Audit Committee of Primedia.



Dawn Mokhobo (59)

BA (Social Science)

Member of the Sustainability Committee.

Appointed 1 June 2002.

Dawn is a director of several companies, including Engen Limited, Nozala Holdings (Pty) Ltd and Sabvest Limited. She is also a director of the Financial Services Board Foundation Trust. She chairs African International Advisors, the Ombudsman's Council for Long-term Insurance, and is Deputy Executive Chairperson of Partnership Investments (Pty) Ltd.



Michael Rubin (58)

BSc, MBA (UCT), MBA (Columbia)

Member of the Sustainability Committee.

Appointed 30 August 1990.

Michael worked as a specialised retail consultant in New York and Toronto for nine years and joined Massmart as Development Director in 1989. He left the Group in 1997 to pursue his interests in private equity management and property development.



Kuseni Dlamini (40)

BA (Hons)(KZN), MPhil (Oxon)

Chairman of the Remuneration and Nominations Committee.

Appointed 1 November 2006.

Kuseni Dlamini is the head of Anglo American South Africa and a member of the Executive Committee of Anglo American plc. He was Executive Chairman of Richards Bay Coal Terminal (RBCT) between 2005 and 2008. Kuseni previously worked for De Beers in South Africa and at its London office, and for AngloGold Ashanti's corporate office in Johannesburg.

After graduating cum laude with a BA (Honours) degree from Natal University in Durban, he went to Oxford as a Rhodes scholar, where he read for his MPhil degree. In March 2008, Kuseni was named a Young Global Leader by the World Economic Forum (WEF). During the same month, *Miningx* selected him as one of the top 100 most influential people in South African mining. In June 2008, South Africa's *Mail & Guardian* newspaper selected Kuseni as one of South Africa's top 200 young people you must take to lunch.



Dr Nolulamo ('Lulu') Gwagwa (49)

MSc (KZN), MSc (LSE), PhD (UCL)

Member of the Risk Committee.

Appointed 1 November 2006.

Lulu is Chief Operating Officer of Lereko Investments (Pty) Ltd. She was Deputy Director General in the National Department of Public Works, responsible for establishing the national public works programme, and completed a five-year term as the CEO of the Independent Development Trust. She has served on various government commissions, and is a non-executive director of FirstRand Limited, the Development Bank of Southern Africa and Sun International Limited.

Executive Committee



Grant Pattison (37)
BSc (Eng) (Hons) (UCT)
 Chief Executive Officer,
 member of the Sustainability,
 and Strategy and
 Investment Committees.



Guy Hayward (43)
BCom, CTA (UCT), CA(SA)
 Chief Financial Officer,
 member of the Risk,
 and Strategy and
 Investment Committees.



Jan Potgieter (39)
*BCompt (Hons), CTA (Free State),
 CA(SA)*

Divisional Chief Executive of
 Massdiscounters and Chairman of
 the Cellular Forum.

Jan's early career was spent in financial roles
 in various industries until becoming a
 business manager at Clover SA for three
 years. He then spent seven years at SA
 Breweries in senior financial roles, before
 joining the Massmart Group as Financial
 Director of Massdiscounters in 2005. In April
 2007, he was appointed Managing Director
 of Massdiscounters and a member of the
 Massmart Executive Committee.



Kevin Vyvyan-Day (43)
BCom, BAcc (Wits), CA(SA)
 Divisional Chief Executive
 of Masswarehouse, member of the
 Risk Committee and Chairman of
 the General Merchandise Forum.

After qualifying as a chartered accountant in
 1989, Kevin consulted at both the Strategy
 Group (Deloitte) and Gemini Consulting. He
 joined UPD as Group Operations and Systems
 Director in 1995 and became Group Chief
 Executive Officer in 1996. Kevin joined
 Massmart as Divisional Chief Executive
 responsible for Makro and a member of the
 Massmart Executive Committee in 2005.



Aubrey Cimring (37)
BCom (Hons)(Wits), CA(SA)
 Managing Director of Builders
 Warehouse, Deputy Divisional Chief
 Executive of Massbuild.

Aubrey was Financial Director at Choice
 Holdings Limited before joining Discovery
 Holdings Limited in the senior financial role.
 He joined Massmart as Group Financial
 Executive and Company Secretary in 2003,
 and was appointed to the Massmart
 Executive Committee in 2005. He was
 appointed Deputy Chief Financial Officer in
 2005. In 2006, Aubrey joined the Massbuild
 division as Deputy Divisional Chief Executive
 and was appointed Managing Director of
 Builders Warehouse in 2007. He has
 resigned from the Group to emigrate and will
 leave on 14 November 2008.



Robin Wright (52)
BCom (Natal), CA(SA)
 Divisional Chief Executive
 of Masscash and Chairman of the
 Food and Liquor Forum.

After graduating from Natal University with a
 BCom degree and qualifying with his CA(SA)
 in 1978, Robin spent six years in retailing and
 wholesaling at WG Brown before founding CCW
 in 1985. In 1998, he sold a controlling interest
 in CCW to Massmart and was appointed to the
 Massmart Executive Committee. He led the
 acquisition and integration of Browns and
 Weirs, and has spearheaded the growth of
 the Division to become South Africa's leading
 food wholesaler.



Gareth ('Joe') Owens (59)
Divisional Chief Executive
of New Formats.

Joe joined Makro in 1971. He worked for the Checkers Group from 1978 to 1988 after which he returned to Makro as Merchandise Director. He was appointed Managing Director of Makro in 1993, Divisional Chief Executive of Makro in 1999, Divisional Chief Executive of Massbuild in 2005 and Divisional Chief Executive of New Formats in February 2008. Joe has 37 years of mass merchant, general merchandise and FMCG experience.



Jay Currie (34)
BSc (Natal)
Group Commercial Executive
and Chairman of the TIP and
Operations Forum.

Following a period managing Mala Mala Game Reserve and founding a small IT solutions provider, Jay joined Business Connexion as a network engineer before taking a position with Massdiscounters as IT Technical Manager in November 1999. He was appointed to the Massdiscounters board in 2002 as IT Director. In addition to his IT responsibilities, he assumed responsibility for the supply chain of Massdiscounters in 2003 and was appointed to the Massmart Executive Committee as Group Commercial Executive in 2006.



Pearl Maphoshe (40)
*BA (Hons), HDipEd (Durban-Westville),
MA (London)*
Group Human Capital Executive,
Chairperson of the HR Forum
and member of the
Sustainability Committee.

Pearl has worked for Telkom and Old Mutual. Prior to joining Massdiscounters, Pearl worked for Umgeni Water as General Manager: Corporate Services. Prior to assuming responsibility for Human Capital on the Massmart Executive Committee from August 2007, Pearl was Director of Human Resources at Massdiscounters. She brings broad experience in managing and developing human capital to the Group.



Brian Leroni (44)
BA (Wits), MPhil (Stellenbosch)
Group Corporate Affairs
Executive and member of the
Sustainability Committee.

Brian's work experience includes executive positions at Masstores (Pty) Ltd, an associate partner at Andersen Consulting (now Accenture) and Marketing Director at CNA. He joined Massmart as Group Projects Executive in September 2004 and was appointed Group Corporate Affairs Executive in September 2005. Brian joined the Massmart Executive Committee in July 2007.

Massmart's investment proposition

Massmart is a South African retail and wholesale distributor, with 220 stores in South Africa and 22 stores elsewhere in sub-Saharan Africa.

Massmart's investment proposition can be summarised as:

Strategic and structural clarity

- Through four focused divisions, each a leader in its target market and business model
- Where additional value is created through inter-divisional collaboration
- And behaviour is aligned through short- and long-term incentives
- While adhering strictly to organic and acquisitive growth criteria

Management depth, quality and diversity

- The 49 Group and Divisional Executives hold 87 degrees, have an average of 15 years of retail experience, an average age of 43 years, and 14% of whom are African, Coloured or Indian

Diversification

- Merchandise – Massmart is the third largest distributor of consumer goods in Africa, and is the leading retailer of general merchandise, liquor, home improvement and building supplies, and the leading food wholesaler
- Formats – trading through a variety of formats
- Customers – serving all mass-market consumers
- Geography – operating in 14 sub-Saharan African countries

Low risk

- Earnings underpinned by high cash generation
- Limited balance sheet financial leverage
- Conservative through-the-cycle store opening plans

Good governance

- Board composition – two executive and 12 non-executive directors, 11 of whom are independent
- Long record of good disclosure
- Compliant with King II Report and the JSE SRI criteria
- Member of the Ethics Institute of Southern Africa

Growth

- Continuously improving the productivity of capital, space and labour
- Strengthening supply chain activities
- Upweighting Group private label efforts
- Inter-divisional collaboration
- Complementing store growth through targeted acquisitions and greenfields opportunities
- Consistent merchandise innovation