



Shareholder Information

Thami Maphalala, Warehouse Assistant at the Pinetown distribution centre, one of our 24 308 employees.

We strive to provide useful and frequent disclosure to our shareholders, regardless of how hard this may be in periods of difficulty or underperformance.

Notice of annual general meeting

for the year ended 30 June 2008

Notice is hereby given that the annual general meeting of the Company will be held at 08:30 at Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Sandton, on Wednesday, 26 November 2008, for purposes of:

1. Transacting the following business:
 - 1.1 to receive and adopt the annual financial statements of the Company and the Group for the year ended 30 June 2008
 - 1.2 to elect directors in the place of those retiring in accordance with the Company's Articles of Association
 - 1.3 to transact such other business as may be transacted at an annual general meeting.
2. Considering and, if deemed fit, passing, with or without modification, the following ordinary and special resolutions:

Ordinary resolutions

1. "Resolved that the annual financial statements of the Company and the Group for the year ended 30 June 2008, circulated together with this notice, be and are hereby adopted."
2. "Resolved that Mr IN Matthews, who retires by rotation and has offered himself for re-election, be and is hereby re-elected to the Board of Directors of the Company."
3. "Resolved that Ms DNM Mokhobo, who retires by rotation and has offered herself for re-election, be and is hereby re-elected to the Board of Directors of the Company."
4. "Resolved that Mr GM Pattison, who retires by rotation and has offered himself for re-election, be and is hereby re-elected to the Board of Directors of the Company."
5. "Resolved that Mr MJ Rubin, who retires by rotation and has offered himself for re-election, be and is hereby re-elected to the Board of Directors of the Company."
6. "Resolved that Mr CS Seabrooke, who retires by rotation and has offered himself for re-election, be and is hereby re-elected to the Board of Directors of the Company."
7. "Resolved that the non-executive directors' annual remuneration for the 2009 financial year be set as follows:

Chairman of the Board	R675 000
Deputy Chairman	R490 000
Directors	R200 000
Committee chairmen	R200 000
Committee members	R94 000

with members of the Audit Committee receiving an additional R25 000 each due to the increased meetings and responsibilities brought about by the Corporate Laws Amendment Act."

8. "Resolved that Messrs Deloitte & Touche (with Mr André Dennis as the Audit Partner) be and are hereby re-elected as the Company's auditors for the ensuing financial year, as approved by the Massmart Audit Committee."
9. "Resolved that all the ordinary shares in the authorised but unissued share capital of the Company be and are hereby placed under the control of the directors in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"), who shall be authorised to allot and issue such shares to such person or persons on such terms and conditions as they may deem fit but not exceeding 5% of the number of shares already in issue. Such allotment will be in accordance with the Act and the Listings Requirements of the JSE Limited ("JSE")."
10. "Resolved that, subject to the JSE Listings Requirements, the directors be and are hereby authorised to issue the ordinary shares in the authorised but unissued share capital of the Company for cash to such person or persons on such terms and conditions as they may deem fit, subject to the following:
 - 10.1 the shares shall be of a class already in issue.
 - 10.2 the shares shall be issued to public shareholders (as defined in the JSE Listings Requirements) and not to related parties (as defined in the JSE Listings Requirements).
 - 10.3 the issues in the aggregate in any one financial year shall not exceed 5% (five percent) of the number of shares already in issue.
 - 10.4 the maximum discount at which the shares may be issued shall be 10% (ten percent) of the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors.
 - 10.5 the authority hereby granted will be valid until the Company's next annual general meeting, provided that it will not extend to beyond 15 (fifteen) months.
 - 10.6 once the securities have been issued, the Company shall publish an announcement in accordance with paragraph 11.22 of the JSE Listings Requirements.

Pursuant to the requirements of JSE Limited, the Company will only be entitled to implement this general authority to allot and issue ordinary shares for cash if this resolution number 10 is passed by a majority of 75% or more of the votes cast by all Massmart shareholders present or represented by proxy at the annual general meeting, excluding any votes which may be cast by the Massmart Employee Share Trust.

11. "Resolved that the Directors be and are hereby authorised by way of a specific authority in terms of paragraph 5.51 of the Listings Requirements of the JSE Limited to implement the sale by the Company's wholly-owned subsidiary, Massmart Management & Finance Company (Proprietary) Limited, of 100 000 Massmart ordinary shares of 1 cent each, at a sale price of 1 cent per share, which amount will be payable by the purchasers, who are all non-executive directors of the Company, as set out below:

Mr ZL Combi	20 000 shares
Mr KD Dlamini	20 000 shares
Ms NN Gwagwa	20 000 shares
Ms P Langeni	20 000 shares
Ms DNM Mokhobo	20 000 shares"

Pursuant to the requirements of JSE Limited, the Company will only be entitled to implement the sale of the Massmart ordinary shares which are the subject of ordinary resolution number 11 if that resolution is passed by a majority of 75% or more of the votes cast by all Massmart shareholders present or represented by proxy at the annual general meeting, excluding any votes which may be cast by the Massmart Employee Share Trust and the purchasers of the Massmart shares named above, or their associates, as defined in the Listings Requirements of the JSE Limited.

Special resolutions

Provided members holding in the aggregate not less than 25% of the total votes of all members entitled to vote at the annual general meeting are present in person or by proxy, the approval of a 75% (seventy-five percent) majority of the votes cast by members present or represented by proxy at the annual general meeting and entitled to vote is required for these resolutions to become effective:

1. "Resolved that the Company and its subsidiaries be and are hereby authorised in terms of sections 85(2) and 85(3) of the Act, and the JSE Listings Requirements, from time to time to acquire the ordinary and/or preference shares in the issued share capital of the Company from such shareholder/s, at such price, in such manner and subject to such terms and conditions as the directors may deem fit, but subject to the Articles of Association of the Company, the Act and the JSE Listings Requirements, and provided that:
 - 1.1 the authority hereby granted will be valid until the Company's next annual general meeting, provided that it will not extend to beyond 15 (fifteen) months from the date of registration of this special resolution.
 - 1.2 acquisitions may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the shares determined over the 5 (five) business days prior to the date that the price for the acquisition is effected.
 - 1.3 acquisitions in the aggregate in any one financial year shall not exceed 15% (fifteen percent) of that class of the Company's issued share capital.
 - 1.4 the repurchase of securities will be effected through the order book operated by the JSE trading system and will be done without any prior understanding or arrangement between the Company and the counterparty.
 - 1.5 the Company will only appoint one agent to effect the repurchases on the Company's behalf.

1.6 the Company will only undertake a repurchase of securities if, after such repurchases, the Company complies with the JSE listing shareholder spread requirements.

1.7 neither the Company nor its subsidiaries may repurchase securities during a prohibited period unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and where full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

1.8 an announcement complying with 11.27 of the JSE Listings Requirements will be published by the Company when the Company and/or its subsidiaries over any twelve month period have cumulatively repurchased 3% (three percent) of the Company's issued ordinary and/or preference share capital and for each 3% (three percent) in aggregate thereafter."

Statement by the Board of Directors

In accordance with the JSE Listings Requirements, the directors state that:

- a) the intention of the directors is to utilise the authority at a future date, provided that the cash resources of the Company are in excess of its requirements. In this regard, the directors will take into account, inter alia, an appropriate capitalisation structure for the Company and the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of the shareholders.
- b) having considered the effect of the maximum number of ordinary and preference shares that may be acquired pursuant to the authority and the date upon which such acquisition/s will take place:
 - the Company and its subsidiaries will be able in the ordinary course of business to pay their debts for a period of twelve months after the date of this notice of annual general meeting.
 - the assets of the Company and its subsidiaries will be in excess of the liabilities of the Company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting, such assets and liabilities being fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the Company and the Group annual financial statements for the year ended 30 June 2008.
 - the issued share capital and reserves of the Company and its subsidiaries will be adequate for purposes of the business of the Company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting.
 - the working capital available to the Company and its subsidiaries will be adequate for purposes of the business of the Company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting.

The Company will ensure that its sponsor provides the necessary sponsor letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the Company shares on the open market.

Reason and effect

The reason for special resolution number 1 is to give a mandate to the directors to repurchase ordinary and preference shares in the Company.

The effect of special resolution number 1 will be that the Company and its subsidiaries will be authorised to acquire ordinary and preference shares in the Company.

2. "Resolved that Massmart Management & Finance Company (Proprietary) Limited (a wholly-owned subsidiary of the Company) and the Company be and are hereby authorised in terms of section 38(2A) of the Act to give financial assistance by the disposal of 20 000 ordinary shares in the Company by Massmart Management & Finance Company (Proprietary) Limited to each of ZL Combi, KD Dlamini, NN Gwagwa, P Langeni and DNM Mokhobo at a purchase price of 1 cent per share on the terms set out in the agreements concluded between the Company, Massmart Management & Finance Company (Proprietary) Limited and each of ZL Combi, KD Dlamini, NN Gwagwa, P Langeni and DNM Mokhobo, which have been initialled by the Chairman for identification and tabled at this annual general meeting.

The Directors of the Company are satisfied that subsequent to the transfer of shares as described, the consolidated assets of the Company fairly valued will be more than its consolidated liabilities and subsequent to providing the financial assistance and for the duration of the transaction, the Company and Massmart Management & Finance Company (Proprietary) Limited will be able to pay their debts as they become due in the ordinary course of business.

Reason and effect

The reason and effect of special resolution number 2 is to sanction the terms upon which financial assistance is to be given to the black non-executive Directors in order to assist such Directors to become shareholders of the Company.

Massmart Management & Finance Company (Proprietary) Limited has passed a special resolution on the same terms referred to above which will be lodged for registration simultaneously with the lodging of this special resolution.

Voting and proxies

All holders of ordinary and preference shares in the share capital of the Company are entitled to attend and vote at the annual general meeting. Subject to any rights or restrictions for the time being attached to any ordinary and/or preference shares, on a show of hands, every holder of ordinary and/or preference shares who is present in person, or a proxy, or in the case of a company, the representative appointed in terms of section 188 of the Act, has one vote irrespective of the number of shares he/she holds or represents. On a poll, each holder of ordinary and/or preference shares or his/her proxy has so many votes for each ordinary and preference share (as the case may be) as is determined in accordance with section 195 of the Act, read with the Company's Articles of Association.

In terms of the Listings Requirements, Massmart ordinary shares held by and registered in the name of The Massmart Holdings Limited Employee Share Trust will not have their votes at the annual general meeting taken into account for Listings Requirements resolution approval purposes.

However, Massmart preference shares held by the Massmart Thuthukani Empowerment Trust and the Massmart Black Scarce Skills Trust will have their votes at the annual general meeting taken into account for Listings Requirements resolution approval purposes.

If you hold certificated shares (ie have not dematerialised your shares in the Company) or are registered as an 'own name' dematerialised shareholder, then:

- you may attend and vote at the annual general meeting; alternatively

- you may appoint a proxy to represent you at the meeting by completing the attached form of proxy and returning it to the registered office of the Company to be received by no later than 48 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays within SA).

If you own dematerialised shares (ie have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate")), and are not registered as an 'own name dematerialised shareholder' (ie have not specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the Company's subregister), then, subject to the mandate between yourself and your CSDP or broker:

- if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's subregister should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the Company to be received not less than 48 hours prior to the time appointed for the holding of the meeting.

In terms of the JSE Listings Requirements for special resolution number 1 and ordinary resolution number 11, general information is included in the annual report attached, including:

- Directors and management (pages 11 to 15);
- Major shareholders (page 164);
- Material changes (page 108);
- Directors' interests in securities (page 107);
- Share capital of the Company (page 136); and
- Litigation (page 108).

The Directors whose names appear on pages 11 to 13 of the annual report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice to the annual general meeting contains all information required by law and the JSE Listings Requirements.

By order of the Board



Ilan Zwarenstein
Company Secretary

Johannesburg
1 October 2008

Notice of sale of shares currently held as treasury shares to the black non-executive Directors

Definitions

In this Notice, unless the context indicates otherwise:

- reference to the singular shall include the plural and vice versa, and words denoting one gender include the others;
- expressions denoting natural persons include juristic persons and associations of persons, and vice versa; and
- the words in the first column have the meanings stated opposite them in the second column, as follows:

'act of wrongdoing'	Any action or behaviour contrary to morality, law or regulation; misconduct; and/or a failure to act in the proper fulfilment of a non-executive director's duties; which shall be decided by the Massmart Remuneration and Nominations Committee;
'annual general meeting'	The annual general meeting of members, convened to be held at 08:30 on Wednesday, 26 November 2008, at 16 Peltier Drive, Sunninghill Ext 6, to consider and if deemed appropriate to approve, inter alia, the resolutions regarding the sale of shares for cash as contemplated in this Notice;
'BBBEE Act'	Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended;
'black persons' or 'black people'	Black people as defined in the BBBEE Act;
'black non-executive Directors'	Black directors on the Board of Massmart who are not involved in the day-to-day management of Massmart;
'Board'	The Board of Directors of Massmart;
'Companies Act'	The Companies Act, 1973 (Act 61 of 1973), as amended;
'JSE'	JSE Limited (registration number 2005/022939/06), a company licensed to operate an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
'Listings Requirements'	The Listings Requirements of the JSE, as amended from time to time by the JSE;
'Massmart' or 'the Company'	Massmart Holdings Limited (registration number 1940/014066/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, all the ordinary shares of which are listed on the JSE;

'Massmart shareholders'	Holders of the ordinary shares of 1 cent each and/or the 'A' convertible redeemable non-cumulative participating preference shares of 1 cent each and/or the 'B' convertible redeemable non-cumulative participating preference shares of 1 cent each in the issued share capital of Massmart;
'Notice'	This notice relating to the sale of shares to the black non-executive Directors;
'this document'	The document of which this Notice forms part, being the 2008 Annual Report to members of Massmart, dated 1 October 2008;
'the transaction'	the sale of an aggregate of 100 000 treasury shares to the black non-executive Directors; and
'treasury shares'	Massmart shares in the issued share capital of Massmart held as treasury shares by Massmart Management & Finance Company (Proprietary) Limited (Registration number 1992/004084/07), a wholly-owned subsidiary of Massmart.

1. Introduction and rationale

The Board considers it appropriate to assist its black non-executive Directors to become shareholders in the Company. When the BEE employee share trust schemes were implemented in 2006, the black non-executive Directors were not included as the Board was of the view that the design of those schemes was geared more generally to the Group's staff. It is now proposed that the five designated black persons will each be given the opportunity to purchase 20 000 ordinary shares at par (which shares will represent 0,05% in aggregate of Massmart's total issued share capital after the sale) and be restricted in the sale of these shares – half for three years and half for five years.

The Company regards the cost of this transaction as part of the engagement cost of these Directors over the five-year period in addition to their annual fees. The Board has considered the effect of this sale of treasury shares on the continued independence of the Directors and believes that the limited size of the transaction and its once-off nature are sufficient to ensure their continued ability to act independently on the Board.

In accordance with the provisions of section 38 of the Companies Act, Massmart shareholders are required to pass a special resolution as the sale of treasury shares constitutes the giving of financial assistance by a subsidiary of the Company. Massmart shareholders will be requested to vote separately on resolutions, authorising the sale of treasury shares to each of the directors concerned, as specified in paragraph 3 below.

In addition, in order to comply with the Listings Requirements, Massmart shareholders will be requested to consider and vote on a resolution authorising the sale of these treasury shares to the five designated black persons in the manner set out in these requirements. Accordingly, the resolutions necessary to implement this initiative have been proposed as part of the resolutions to be placed before shareholders at the annual general meeting, the notice convening which is included in this document.

Pursuant to the Listings Requirements Massmart will only be entitled to implement the sale of the treasury shares which are the subject of ordinary resolution number 11 if that resolution is passed by a majority of 75% or more of the votes cast by all Massmart shareholders present and voting at the annual general meeting, excluding any votes cast by the five designated black persons and the Massmart Holdings Limited Employee Share Trust.

2. Salient features of the transaction

The salient features of the transaction include the following:

- The Massmart shares to be sold to the Massmart directors named in paragraph 3 below rank *pari passu* with the existing ordinary shares in the issued share capital of Massmart and will be sold at their par value, being 1 cent per share.
- At the current share price (R76,50), this represents shares worth a total of R7,65m, or R1,53m per director.
- The shares will have full voting and dividend rights.
- The shares will be released to the directors in equal tranches at the end of year three and year five from date of sale.
- The date of sale will be three days after the Wednesday, 26 November 2008 annual general meeting.
- The sale of shares is subject to approval of the shareholders at the annual general meeting.
- If a director is dismissed for an act of wrongdoing, or is not re-elected by shareholders at the annual general meeting of the company following an act of wrongdoing, any unreleased shares will be forfeited.
- If a director dies or is incapacitated during his/her term in office, then the remaining unreleased shares will be released to him/her or to his/her estate.
- If a director resigns from the Board before the third anniversary of the sale date, that director's shares will be forfeited to the Company.
- If a director resigns from the Board after the third anniversary of the sale date, then all unreleased shares shall be released to that director, but those shares may not be disposed of for a period of at least six months from date of resignation.

The shares to be sold are treasury shares and are currently listed on the JSE.

3. Related-party considerations

The following black non-executive directors of Massmart will each be entitled to purchase 20 000 Massmart ordinary shares with a par value of 1 cent each:

Zitulele Luke Combi

Kuseni Douglas Dlamini

Nolulamo Nobambiswano Gwagwa

Phumzile Langeni

Dawn Noncebe Merle Mokhobo

A short resumé of each director can be found on pages 11 to 13.

In terms of the Listings Requirements, if treasury shares are used, such use must comply with the Listings Requirements as if such use was a fresh issue of shares. Therefore, the sale of shares for cash to directors of Massmart must comply with the Listings Requirements for a specific issue of shares for cash. In terms of these requirements:

- Massmart has appointed Deloitte & Touche to provide an independent fairness opinion on the terms of the sale.
- The sale of shares is subject to the achievement of a 75% majority of the votes cast at the AGM on the respective resolutions by all shareholders present or represented by proxy at the annual general meeting, excluding the directors participating in the sale of shares for cash, and their associates and the Massmart Holdings Limited Employee Share Trust.

The black non-executive Directors are classified as related parties in terms of the Listings Requirements, although the aggregate value of the transaction falls below the Listings Requirements' threshold of a small related party transaction. Messrs ZL Combi and KD Dlamini and Mmes NN Gwagwa, P Langeni and DNM Mokhobo will therefore refrain from voting on the resolutions in terms of which the sale of shares will be implemented, and have instructed their associates, if relevant, to do the same.

The remuneration of the black non-executive Directors will not change as a result of this transaction.

4. Interests of the Directors

The interests of the Massmart directors, including the black non-executive directors, in the ordinary shares of Massmart are set out on page 107.

The interests of the black non-executive Directors in this sale of treasury shares for cash are disclosed in paragraph 3 above. None of the directors of Massmart have been materially interested in any transaction which occurred during the current or immediately preceding financial year, or during an earlier financial year and which remains in any respect outstanding or unperformed.

5. Financial effects of the sale of shares

The sale of treasury shares will have a negligible effect on the net asset value per share, the net tangible asset value per share, the earnings per share and the headline earnings per share of Massmart. For this reason pro forma effects of the transaction are not shown.

The par value of the shares sold, being an aggregate amount of R1 000, will be paid by the black non-executive Directors. All other costs will be borne by Massmart. The estimated costs involved in effecting the transaction include:

Capacity	Provider	Amount
Sponsor	Deutsche Securities SA (Proprietary) Limited	100 000
Independent expert	Deloitte & Touche	80 000
Legal adviser	Edward Nathan Sonnenbergs	25 000
SA Revenue Service	Issue duty	100
Transfer secretaries	Computershare Investor Services (Proprietary) Limited	250
Total		R205 350

6. Opinion of the board

The Board of Directors of Massmart, excluding the five black non-executive directors concerned, has considered and approved the proposed sale of treasury shares. In doing so, the non-conflicted Board members have taken into account all the factors surrounding the sale of treasury shares and the terms at which the sale is to take place, and they are of the opinion that the sale is fair insofar as the shareholders of Massmart are concerned. In arriving at this opinion, the non-conflicted members of the Board have taken into account the fairness opinion received from Deloitte & Touche. Deloitte & Touche has provided Massmart with the opinion on pages 186 to 187.

Deloitte & Touche have given, and have not withdrawn, their consent to the issue of this Notice including references to their fairness opinion. This consent is included in the letter from Deloitte & Touche referred to in paragraph 10 below.

7. Directors' responsibility statement

The Directors, whose names and details are given on pages 11 to 13 of this document, collectively and individually accept full responsibility for the accuracy of the information given, and certify that, to the best of their knowledge and belief, there have been no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this annexure, read together with the rest of this document, contains all the information required by the Listings Requirements.

8. Issue of securities over the last three years

Massmart has made the following allotments over the last three years:

- 9 September 2005 – 100 000 ordinary shares were issued to the Employee Share Trust.
- 23 May 2006 – 1 300 000 ordinary shares were issued to the Employee Share Trust.
- 1 October 2006 – 20 000 000 preference shares were issued to the Thuthukani and Black Scarce Skills Trusts.

9. Share price history

Quarterly

Date	High (cents)	Low (cents)	Volume
30/09/06	5 797	4 300	56 093 985
31/12/06	7 072	5 605	67 637 237
31/03/07	8 800	6 702	45 538 999
30/06/07	9 997	8 271	63 082 226
30/09/07	9 724	7 675	55 492 580
31/12/07	8 900	6 815	92 013 595
31/03/08	7 480	6 299	64 481 442
30/06/08	7 650	5 910	38 188 511
30/09/08	8 699	5 650	50 095 872

Monthly

Date	High (cents)	Low (cents)	Volume
31/08/07	9 200	7 675	21 894 730
30/09/07	9 255	8 100	12 836 704
31/10/07	8 900	7 764	32 687 165
30/11/07	8 300	6 815	35 748 742
31/12/07	7 600	6 903	23 577 688
31/01/08	7 400	6 299	34 100 386
29/02/08	7 480	6 650	16 393 850
31/03/08	7 467	6 323	13 987 206
30/04/08	7 475	6 604	10 808 799
31/05/08	7 650	6 827	14 376 648
30/06/08	7 100	5 910	13 003 064
31/07/08	7 573	5 650	19 016 265
31/08/08	8 330	6 980	19 594 059

Daily

Date	High (cents)	Low (cents)	Volume
01/09/08	8 321	8 026	663 677
02/09/08	8 350	8 048	1 006 291
03/09/08	8 445	8 154	348 172
04/09/08	8 467	8 200	1 199 462
05/09/08	8 699	8 180	2 072 789
08/09/08	8 600	8 400	645 950
09/09/08	8 600	8 455	1 931 390
10/09/08	8 600	8 351	1 474 684
11/09/08	8 569	8 050	994 186
12/09/08	8 185	7 914	1 148 947
15/09/08	8 149	7 600	1 246 850
16/09/08	7 700	7 517	3 317 009
17/09/08	7 899	7 531	953 871
18/09/08	7 723	7 511	1 449 126
19/09/08	8 000	7 550	1 387 260
22/09/08	8 148	7 505	386 874
23/09/08	7 990	7 512	743 975
25/09/08	7 875	7 351	568 048
26/09/08	7 700	7 500	165 460
29/09/08	7 659	7 100	521 793

10. Documents available for inspection

Copies of the following documents will be available for inspection at any time during normal business hours from 1 October 2008, until the close of the annual general meeting at 16 Peltier Drive, Sunninghill Ext 6, South Africa:

- 10.1 the Memorandum and Articles of Association of the Company
- 10.2 the audited annual financial statements of the Company for the last three years ended 30 June 2008
- 10.3 the signed agreements between the Company, Massmart Management & Finance Company (Pty) Ltd and the black non-executive Directors
- 10.4 the signed fairness opinion referred to in paragraph 6 above
- 10.5 the trust deeds applicable to the Thuthukani Trust and the Black Scarce Skills Trust
- 10.6 this Notice, signed on behalf of the Directors.

Fairness opinion by an Independent Professional Expert

1 October 2008

The Directors
Massmart Holdings Limited
Massmart House
16 Peltier Drive
Sunninghill Extension 6
Sandton
2196

Attention: Mr Ilan Zwarenstein

Dear Sirs

Fairness opinion on the proposed sale of Massmart ordinary shares to certain black non-executive Directors of Massmart Holdings Limited (“Massmart” or “the company”)

Introduction

Massmart Management and Finance (Proprietary) Limited (“MMF”), a wholly owned subsidiary of Massmart, has entered into an agreement with five of Massmart’s black non-executive Directors to sell 100 000 Massmart ordinary shares, currently held by MMF as treasury shares, to them at their par value of 1 cent per share (“the transaction”).

In terms of section 5.51 of the Listings Requirements (“Listings Requirements”) of the JSE Limited (“JSE”), as the Massmart shares are to be sold at their par value, which is at a discount to the weighted average traded price of Massmart shares on the securities exchange operated by the JSE measured over the 30 business days prior to the date that the sale of the Massmart shares is agreed, a fairness opinion is required from an independent professional expert acceptable to the JSE on the terms and conditions of the transaction. Furthermore, in terms of the Listings Requirements, as the transaction is with related parties, a fairness opinion is required.

As a consequence of the above, the directors of Massmart have appointed the Corporate Finance division of Deloitte & Touche to provide the required opinion, indicating whether the transaction is fair to all the shareholders of Massmart.

Scope and limitations of review

The scope of our work was limited to the matters set out herein.

Our procedures and enquiries did not include verification work nor did the scope of our work constitute an audit in terms of statements of International Standards on Auditing. Accordingly, we do not express any opinion on the financial data reviewed by ourselves.

Our fairness opinion does not purport to cater for individual shareholder positions but rather the general body of Massmart shareholders. Each Massmart shareholder’s decision may be influenced by their particular circumstances. We suggest that a shareholder should consult an independent advisor if they are in any doubt as to the merits of the transaction considering their personal circumstances.

Information utilised and procedures carried out

In arriving at our opinion, we have considered information from the following sources:

- a strategic analysis of the company, including, *inter-alia*, a summary of the strengths, weaknesses, opportunities and threats applicable thereto as well as details regarding market share and market growth rates
- sale of shares agreement between MMF and the black non-executive Directors entered into pursuant to the transaction
- the forecast financial information of Massmart for its financial year ending 30 June 2009, prepared by management
- the historic financial information of Massmart for its financial years ended 30 June 2007 and 2008
- recent analysts’ reports on Massmart and the industry in which it operates

- review of publicly available information on emoluments payable to black non-executive directors by other entities listed on the securities exchange operated by the JSE
- a price earnings multiple valuation of Massmart ordinary shares which we have prepared to estimate the pecuniary benefit to be received by the black non-executive Directors pursuant to the transaction

We consider a comparative earnings multiple valuation approach to be appropriate in this instance as the shares of Massmart and its peers are widely traded.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussion with management of Massmart.

Our approach to considering the transaction

For the purposes of our opinion, fairness was based primarily on a quantitative assessment. In considering the transaction, we performed a benchmarking exercise on the estimated pecuniary benefit to be received by the black non-executive Directors pursuant to the transaction, compared to the benefit received by other black non-executive directors involved in similar recent transactions. In addition, we compared the emoluments paid by Massmart to its black non-executive Directors to emoluments paid by other entities listed on the securities exchange operated by the JSE to their black non-executive directors.

In estimating the pecuniary benefit to be received by the black non-executive Directors pursuant to the transaction, we performed a valuation of Massmart ordinary shares. The key external value driver of our valuation is forecast levels of consumer spending and the key internal value driver of our valuation is new store openings planned by Massmart.

The transaction would be considered fair to Massmart shareholders if the aggregate of the pecuniary benefit to be received by the black non-executive Directors of Massmart as a consequence of the transaction and their current emoluments received from Massmart is less than or equal to the emoluments paid by other entities listed on the securities exchange operated by the JSE to their black non-executive directors.

Opinion

We determined that the transaction brings the emoluments that Massmart pays to its black non-executive Directors in line with emoluments paid to other black non-executive directors by other entities listed on the securities exchange operated by the JSE, taking into account the difference between the sale price of the shares to be sold and our market valuation of the Massmart shares.

Based upon and subject to the foregoing, we are of the opinion that the terms and conditions of the transaction are fair to the shareholders of Massmart.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to projections made by the management of Massmart and made available to us during the course of our review.

Our procedures and inquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our fairness opinion.

Independence

We confirm that we have no financial interest in Massmart, MMF and the outcome of the transaction. Furthermore, we confirm that our professional fees are not contingent upon the successful conclusion of the transaction and are payable in cash.

Deloitte & Touche, of which Deloitte & Touche Corporate Finance forms a part, is appointed as the independent auditor of Massmart and MMF.

Consent

We hereby consent to this letter lying open for inspection at the registered office of Massmart and references thereto in the 2008 Annual Report of Massmart in the form and context in which they appear.

Yours faithfully



David McDuff
Partner

Deloitte.

Administration and financial calendar

Company Secretary

I Zwarenstein, CA(SA)

Contact details

Registered office

Massmart House
16 Peltier Drive
Sunninghill Ext 6
Sandton
2191

Postal address

Private Bag X4
Sunninghill
2157

Telephone number

+ 27 (0) 11 517 0000

Facsimile number

+ 27 (0) 11 517 0020

www.massmart.co.za

Indicators

Company registration number

1940/014066/06
(incorporated in South Africa)

JSE share code

MSM

ISIN code

ZAE000029534

Corporate partners

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2000

Principal bankers

Nedbank Group Limited
ABSA Bank Limited
The Standard Bank of South Africa Limited
First National Bank
(A division of FirstRand Bank Limited)

Auditors

Deloitte & Touche

Corporate law advisors

Edward Nathan Sonnenbergs

Lead sponsor

Deutsche Securities

Financial calendar

Financial year-end

June

Annual report

October

Annual general meeting

November

Interim report

February

Dividends

Declared

Interim	February
Final	August

Payable

Interim	March
Final	September

Form of proxy

For use by certificated and 'own name' dematerialised shareholders only

Massmart Holdings Limited

Registration number 1940/014066/06

JSE share code: MSM

ISDN code: ZAE000029534

I/We (Please print names in full)

of (address)

being a member/members of the abovementioned Company and holding ordinary shares and/or

preference shares in the Company hereby appoint

or failing him/her, or failing him/her, the Chairman of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held at 08:30 on Wednesday, 26 November 2008 at Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Sandton, and at every adjournment of that meeting.

Signed at this day of 2008.

Signature.....

Please indicate with an "X" in the appropriate space below how you wish your vote to be cast. If you return this form duly signed, without any specific directions, the proxy shall be entitled to vote as he/she thinks fit.

	In favour of resolution		Against resolution		Abstain from voting	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Ordinary resolutions						
1. Adoption of the annual financial statements						
2. Re-election of Mr IN Matthews to the Board of Directors						
3. Re-election of Ms DNM Mokhobo to the Board of Directors						
4. Re-election of Mr GM Pattison to the Board of Directors						
5. Re-election of Mr MJ Rubin to the Board of Directors						
6. Re-election of Mr CS Seabrooke to the Board of Directors						
7. Approval of the non-executive directors' annual remuneration						
8. Re-election of Messrs Deloitte & Touche as the Company's auditors						
9. Placement of the unissued ordinary share capital under the control of the directors						
10. Authorisation for the directors to issue ordinary shares for cash, limited to 5% of the shares in issue						
11. Authorisation for the sale of 100 000 shares to the black non-executive Directors						
Special resolutions						
1. Authorisation for the Company to buy back its own shares						
2. Authorisation for the giving of financial assistance for the purchase of shares by the black non-executive Directors						

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Proxies must be lodged at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting.

Notes to the proxy

1. A form of proxy is only to be completed by those shareholders who are:
 - 1.1 holding shares in certificated form; or
 - 1.2 recorded on the subregister in dematerialised electronic form in 'own name'.
2. If you have already dematerialised your ordinary and/or preference shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.
3. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
4. A member's instructions to the proxy must be indicated by the insertion of the relevant numbers of votes exercisable by the member in the space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
5. Forms of proxy must be lodged with or posted to the Company's registered office, Massmart House, 16 Peltier Drive, Sunninghill, Ext 6, Sandton, 2191 (Private Bag X4, Sunninghill, 2157), to be received no later than 08:30 on Monday, 24 November 2008.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the Chairman of the annual general meeting.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
9. Notwithstanding the foregoing, the Chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.
10. If any shares are jointly held, the first name appearing in the register shall, in the event of any dispute, be taken as a member.