

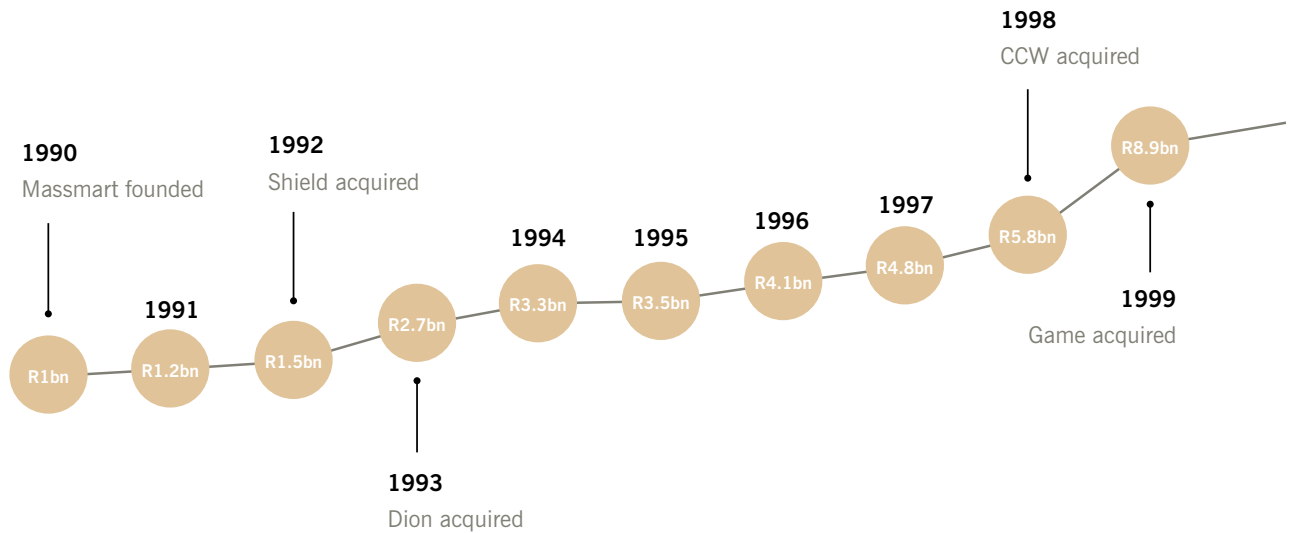


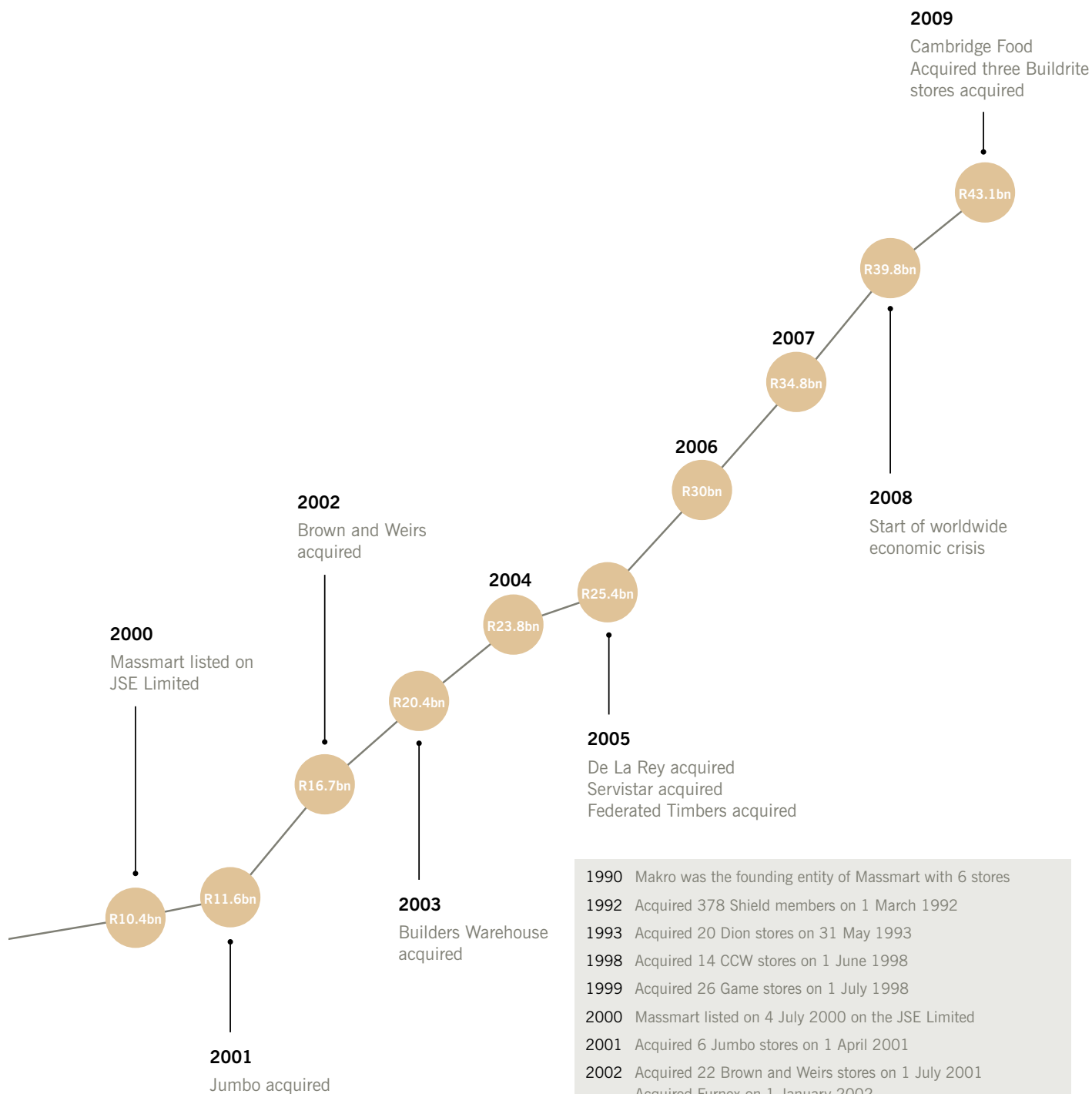
Dion Wired Bedford Centre



Ten-year Review

# Massmart annual sales and corporate activity through the years





- 1990 Makro was the founding entity of Massmart with 6 stores
- 1992 Acquired 378 Shield members on 1 March 1992
- 1993 Acquired 20 Dion stores on 31 May 1993
- 1998 Acquired 14 CCW stores on 1 June 1998
- 1999 Acquired 26 Game stores on 1 July 1998
- 2000 Massmart listed on 4 July 2000 on the JSE Limited
- 2001 Acquired 6 Jumbo stores on 1 April 2001
- 2002 Acquired 22 Brown and Weirs stores on 1 July 2001  
Acquired Furnex on 1 January 2002  
In June 2002 Wooltru unbundled its 41% shareholding in Massmart
- 2003 Acquired 5 Builders Warehouse stores on 28 February 2003
- 2004 SHV's 31% shareholding in Massmart sold to local and international investors in January 2004
- 2005 Acquired 3 De La Rey stores on 1 June 2005  
Acquired 14 Servistar stores on 1 June 2005  
Acquired 34 Federated Timbers stores on 1 June 2005
- 2006 BEE general staff transaction announced  
Disposal of Furnex on 28 February 2006
- 2009 Acquired 6 Cambridge Food stores in December 2008  
Acquired 3 Buildrite stores in June 2009

# Income statement in Rands

as at 28 June 2009

	Nine-year growth %	2009	2008*	2007	2006 <sup>1</sup>
<b>Income statement (Rm)</b>					
<b>Continuing operations:</b>					
Sales	17.2	43,128.7	38,958.3	34,807.6	29,963.6
Cost of sales		(35,351.0)	(31,781.7)	(28,435.7)	(24,650.0)
Gross profit	18.5	7,777.7	7,176.6	6,371.9	5,313.6
Other income		103.1	159.2	157.1	117.0
Depreciation and amortisation costs		(343.1)	(297.8)	(240.9)	(202.9)
Impairment of assets		(1.6)	(4.7)	(26.3)	(5.4)
Employment costs		(2,965.8)	(2,723.1)	(2,449.8)	(2,079.0)
Occupancy costs		(1,135.5)	(952.3)	(846.0)	(740.5)
Foreign exchange (loss)/profit		(78.4)	62.5	(41.4)	33.3
Other operating costs		(1,405.8)	(1,427.3)	(1,251.3)	(1,108.0)
Operating profit	28.7	1,950.6	1,993.1	1,673.3	1,328.1
Net finance costs		(48.6)	(59.7)	(44.4)	(32.2)
Exceptional items		–	–	–	–
Profit before tax	34.2	1,902.0	1,933.4	1,628.9	1,295.9
Taxation		(620.4)	(632.8)	(554.8)	(444.6)
Profit for the year from continuing operations	32.5	1,281.6	1,300.6	1,074.1	851.3
<b>Discontinued operation:</b>					
Profit/(loss) for the year		–	–	–	3.7
Loss on disposal		–	–	–	(1.8)
Profit for the year		1,281.6	1,300.6	1,074.1	853.2
<b>Attributable to:</b>					
Equity holders of the parent	32.0	1,210.9	1,256.6	1,049.9	828.5
Preference shareholders		38.0	22.5	8.9	–
Minority interest		32.7	21.5	15.3	24.7
	32.5	1,281.6	1,300.6	1,074.1	853.2
Trading profit before interest and taxation	29.6	2,097.5	2,002.4	1,795.3	1,300.2
EBITDA	27.1	2,295.3	2,295.6	1,940.5	1,536.4
Headline earnings	31.0	1,207.1	1,261.9	1,083.3	836.6
<b>Share-based payment expense</b>					
Massmart Holdings Limited Employee Share Trust		66.6	42.0	19.0	17.4
Massmart Thuthukani Empowerment Trust		54.7	62.3	52.2	–
Massmart Black Scarce Skills Trust		12.2	4.8	2.1	–
Total		133.5	109.1	73.3	17.4
<b>Annual growth (%)</b>					
Total sales		10.7	11.9	16.2	18.1
Comparable sales		8.2	10.8	12.5	5.5
Estimated Group sales inflation/(deflation)		11.4	7.5	4.9	0.0
Trading profit		4.7	11.5	38.1	34.7
Profit before tax		(1.6)	18.7	25.7	33.3

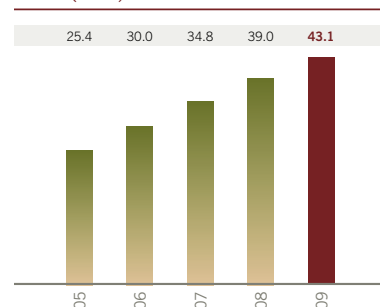
Definitions/explanations to the ratios and terms above can be found on page 63.

\* 2008 was a 53-week period. For comparative purposes, the adjusted pro forma 52-week period has been used where appropriate. Further details on the pro forma adjustment can be found on page 62.

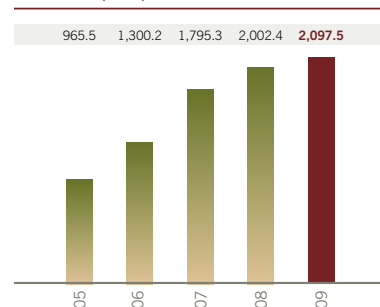
\*\* Not available.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>3</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	25,381.5	23,787.7	20,369.5	16,709.2	11,568.4	10,357.7
	(21,202.0)	(20,183.2)	(17,319.5)	(14,112.1)	(9,680.5)	(8,668.3)
	4,179.5	3,604.5	3,050.0	2,597.1	1,887.9	1,689.4
	135.6	107.9	81.8	68.9	70.9	
	(157.5)	(133.5)	(107.8)	(106.2)	(83.0)	(63.9)
	-	(74.6)	(49.5)	(39.7)	(9.1)	-
	(1,656.7)	(1,416.6)	(1,168.5)	(1,017.2)	(778.8)	(694.5)
	(644.0)	(563.7)	(408.8)	(366.0)	(277.5)	(291.0)
	26.8	(31.7)	(28.0)	3.4	(8.7)	(1.7)
	(891.4)	(716.1)	(671.0)	(641.2)	(533.8)	(436.8)
	992.3	776.2	698.2	499.1	267.9	201.5
	(20.2)	(7.2)	(50.4)	(14.1)	9.4	(56.6)
	-	5.0	6.7	5.2	(30.6)	(9.8)
	972.1	774.0	654.5	490.2	246.7	135.1
	(307.5)	(253.9)	(215.2)	(164.4)	(63.0)	(33.4)
	664.6	520.1	439.3	325.8	183.7	101.7
	(82.1)	-	-	-	-	-
	-	-	-	-	-	-
	582.5	520.1	439.3	325.8	183.7	101.7
	580.1	511.2	429.3	321.7	179.7	99.6
	-	-	-	-	-	-
	2.4	8.9	10.0	4.1	4.0	2.1
	582.5	520.1	439.3	325.8	183.7	101.7
	965.5	882.5	775.7	535.4	285.7	203.2
	1,149.8	984.3	855.5	645.0	360.0	265.4
	651.9	583.1	480.0	361.6	216.0	106.2
	17.0	7.8	1.2	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	17.0	7.8	1.2	-	-	-
	6.7	16.8	21.9	44.4	11.7	18.2
	5.3	10.7	18.0	19.0	8.1	**
	(2.2)	(1.2)	10.0	9.0	5.7	5.4
	9.4	13.8	44.9	87.4	40.6	50.2
	25.6	18.3	33.5	98.7	82.6	(26.2)

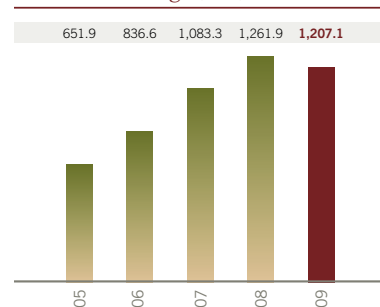
Sales (Rbn)



Trading profit before interest and taxation (Rm)



Headline earnings (Rm)



# Balance sheet and cash flow in Rands

as at 28 June 2009

	<i>Nine-year growth %</i>	2009	2008*	2007	2006 <sup>1</sup>
<b>Balance sheet (Rm)</b>					
<b>Assets</b>					
Non-current assets	21.4	4,397.5	3,840.5	3,448.2	3,034.1
Current assets	15.1	8,129.4	7,892.8	7,401.4	6,584.3
Inventory	15.7	4,893.2	4,758.6	4,027.3	3,221.0
Assets classified as held for sale		–	167.6	–	–
<b>Total assets</b>	<b>16.9</b>	<b>12,526.9</b>	<b>11,900.9</b>	<b>10,849.6</b>	<b>9,618.4</b>
<b>Equity and liabilities</b>					
Total equity	20.3	3,096.7	2,766.5	2,264.8	1,952.4
Non-current liabilities	27.6	858.3	1,015.9	1,122.2	1,133.8
Current liabilities	15.3	8,571.9	8,118.5	7,462.6	6,532.2
Trade and other payables	15.9	7,670.3	7,380.0	6,755.7	5,875.7
<b>Total equity and liabilities</b>	<b>16.9</b>	<b>12,526.9</b>	<b>11,900.9</b>	<b>10,849.6</b>	<b>9,618.4</b>
<b>Cash flow (Rm)</b>					
Operating cash before working capital movements	28.4	2,398.2	2,394.9	1,926.4	1,543.6
Working capital movements		63.8	(73.2)	(28.3)	260.4
<b>Cash generated from operations</b>	<b>49.8</b>	<b>2,462.0</b>	<b>2,321.7</b>	<b>1,898.1</b>	<b>1,804.0</b>
Net interest paid		(48.6)	(64.1)	(44.4)	(32.7)
Investment income		29.5	47.7	53.6	34.6
Dividends received		13.4	2.2	2.5	3.2
Taxation paid		(700.3)	(668.1)	(531.6)	(487.4)
Dividends paid		(867.4)	(709.9)	(565.1)	(402.8)
<b>Net cash flow from operating activities</b>		<b>888.6</b>	<b>929.5</b>	<b>813.1</b>	<b>918.9</b>
Investment to maintain operations		(354.5)	(268.3)	(152.9)	(178.5)
Investment to expand operations		(340.1)	(309.6)	(317.9)	(184.1)
Other		(2.8)	(320.3)	(220.0)	(96.9)
<b>Net cash flow from investing activities</b>	<b>18.1</b>	<b>(697.4)</b>	<b>(898.2)</b>	<b>(690.8)</b>	<b>(459.5)</b>
<b>Net cash flow from financing activities</b>		<b>(160.7)</b>	<b>(222.7)</b>	<b>(288.4)</b>	<b>506.0</b>
Net increase/(decrease) in cash and cash equivalents		30.5	(191.4)	(166.1)	965.4
Foreign exchange losses taken to FCTR		(27.3)	4.6	(1.5)	6.1
Cash and cash equivalents for the period		3.2	(186.8)	(167.6)	971.5
Cash and cash equivalents at the beginning of the period		1,021.9	1,208.7	1,376.3	404.8
Cash and cash equivalents at the end of the period		1,025.1	1,021.9	1,208.7	1,376.3

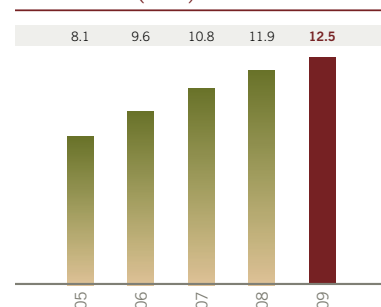
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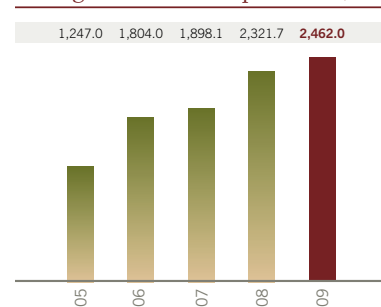
\*\* The opening cash flow in 2005 does not agree to the closing cash flow in 2004 due to the results being restated for IFRS from 2005. The difference relates to Makro Zimbabwe being consolidated as a result of IFRS.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>3</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	2,769.6	1,789.5	1,483.3	1,230.1	1,233.6	770.2
	5,363.6	5,319.8	4,559.8	3,714.8	2,909.8	2,297.4
	2,677.0	2,356.5	2,236.7	1,981.9	1,555.7	1,318.5
	–	–	–	–	–	–
	8,133.2	7,109.3	6,043.1	4,944.9	4,143.4	3,067.6
	1,559.0	1,461.5	1,319.1	1,426.7	1,215.7	588.8
	744.5	774.7	838.8	281.9	71.3	95.8
	5,829.7	4,873.1	3,885.2	3,236.3	2,856.4	2,383.0
	5,001.7	4,437.8	3,684.2	3,042.7	2,247.1	2,034.1
	8,133.2	7,109.3	6,043.1	4,944.9	4,143.4	3,067.6
	1,136.5	1,015.2	848.9	629.8	335.6	252.5
	110.5	255.3	(63.6)	38.9	8.8	(187.8)
	1,247.0	1,270.5	785.3	668.7	344.4	64.7
	(22.0)	(5.5)	(50.4)	(14.1)	9.4	(56.6)
	35.2	19.0	11.0	1.1	2.7	2.2
	–	–	–	–	–	–
	(337.5)	(124.2)	(77.5)	(90.9)	(46.4)	(29.1)
	(416.4)	(218.7)	(166.6)	(90.7)	(48.0)	–
	506.3	941.1	501.8	474.1	262.1	(18.8)
	(256.1)	(136.3)	(83.6)	(76.3)	(94.6)	(20.9)
	(157.6)	(263.3)	(216.6)	(73.1)	(32.3)	(136.6)
	(696.8)	(35.7)	(208.8)	(47.2)	(518.9)	1.9
	(1,110.5)	(435.3)	(509.0)	(196.6)	(645.8)	(155.6)
	(22.6)	(39.8)	30.8	(233.9)	965.9	(100.6)
	(626.8)	466.0	23.6	43.6	582.2	(275.0)
	5.4	(4.2)	(10.5)	7.9	–	–
	(621.4)	461.8	13.1	51.5	582.2	(275.0)
	**1,026.2	563.4	550.3	498.8	(83.4)	191.6
	404.8	1,025.2	563.4	550.3	498.8	(83.4)

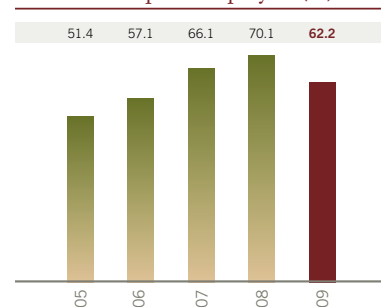
Total assets (Rbn)



Cash generated from operations (Rm)



Return on capital employed (%)



# Stores and productivity measures in Rands

as at 28 June 2009

	<i>Nine-year growth %</i>	2009	2008*	2007	2006 <sup>1</sup>
<b>Ratios/indicators</b>					
<b>Operating statistics</b>					
Depreciation and amortisation costs as a % of sales		(0.8)	(0.8)	(0.7)	(0.7)
Impairment costs as a % of sales		(0.0)	(0.0)	(0.1)	(0.0)
Employment costs as a % of sales		(6.9)	(7.0)	(7.0)	(6.9)
Occupancy costs as a % of sales		(2.6)	(2.4)	(2.4)	(2.5)
Total expenses as a % of sales		(13.8)	(13.7)	(14.0)	(13.7)
<b>Number of stores by chain</b>					
Game		87	84	82	70
Dion		–	–	6	10
Dion Wired		6	6	2	–
Massdiscounters		93	90	90	80
Makro		13	13	12	14
Masswarehouse		13	13	12	14
Builders Warehouse		22	22	21	20
Builders Trade Depot		32	28	28	31
Builders Express		17	18	15	14
Massbuild		71	68	64	65
Wholesale cash and carry		67	68	69	69
Retail cash and carry		12	3	3	–
Masscash		79	71	72	69
<b>Total number of stores</b>	<b>11.6</b>	<b>256</b>	<b>242</b>	<b>238</b>	<b>228</b>
FTE (full-time equivalents)	8.7	24,518	24,308	24,436	22,412
Trading space (m <sup>2</sup> )	11.7	1,087,459	1,047,539	994,277	973,116
Sales per store (R000)		159,350	152,167	136,895	122,509
Sales per FTE (R000)		1,759	1,603	1,422	1,337
Sales per trading m <sup>2</sup> (R000)		38	35	33	29

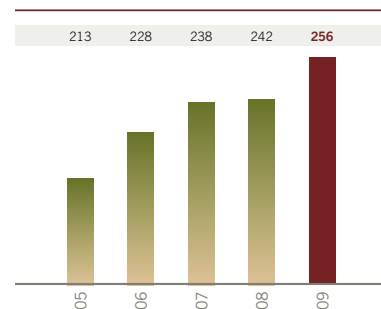
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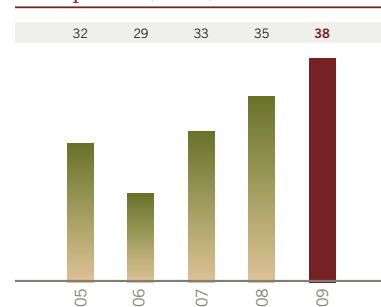
\*\* Includes the two Makro Zimbabwe stores from 2005, the date from which the results have been consolidated due to IFRS, and excludes them from 2007, the date from which the results have been deconsolidated.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>3</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	(0.6)	(0.6)	(0.5)	(0.6)	(0.7)	(0.6)
	–	(0.3)	(0.2)	(0.2)	(0.1)	–
	(6.5)	(6.0)	(5.7)	(6.1)	(6.7)	(6.7)
	(2.5)	(2.4)	(2.0)	(2.2)	(2.4)	(2.8)
	(13.1)	(12.3)	(11.9)	(13.0)	(14.6)	(14.4)
	61	56	55	54	55	53
	11	11	11	11	11	11
	–	–	–	–	–	–
	72	67	66	65	66	64
	**14	12	13	12	12	12
	14	12	13	12	12	12
	15	8	6	–	–	–
	33	–	–	–	–	–
	14	–	–	–	–	–
	62	8	6	–	–	–
	65	63	52	49	28	19
	–	–	–	–	–	–
	65	63	52	49	28	19
	213	150	137	126	106	95
	20,277	17,565	16,763	14,882	13,600	11,595
	877,878	648,923	586,030	533,334	445,219	403,326
	143,122	136,662	129,007	114,881	95,640	90,884
	1,421	1,354	1,216	1,123	851	893
	32	32	30	27	23	21

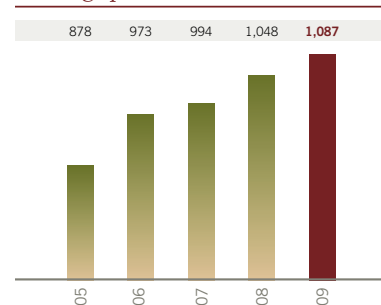
Number of stores



Sales per m<sup>2</sup> (R000)



Trading space (000m<sup>2</sup>)



# Returns, profitability and share information in Rands

as at 28 June 2009

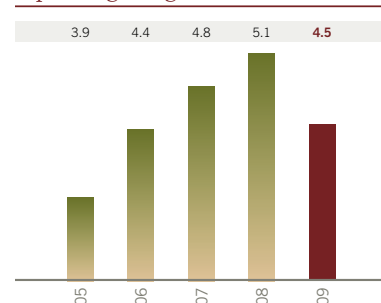
	<i>Nine-year growth %</i>	2009	2008*	2007	2006 <sup>1</sup>
<b>Productivity ratios</b>					
Net asset turn		13	13	13	12
Gross margin (%)		18.0	18.4	18.3	17.7
Operating margin (%)		4.5	5.1	4.8	4.4
Trading profit before interest and taxation margin (%)		4.9	5.1	5.2	4.3
EBITDA margin (%)		5.3	5.9	5.6	5.1
Effective tax rate (%)		32.6	32.7	34.1	34.3
<b>Profitability and gearing ratios</b>					
Return on average shareholders' equity (%)		41.7	50.7	52.3	48.9
Return on capital employed (%)		62.2	70.1	66.1	57.1
Debt: Equity (%)		4.9	9.8	18.0	27.3
Cash earnings cover		1.5	1.3	1.3	1.6
<b>Solvency and liquidity ratios</b>					
Net cash to total equity (%)		33.1	36.9	53.4	70.5
Current ratio		0.9	1.0	1.0	1.0
Quick ratio		0.4	0.4	0.5	0.5
Inventory days	<i>days</i>	51	55	52	48
Inventory turn		7.2	6.7	7.1	7.7
Payable days	<i>days</i>	56	60	60	60
Asset turn		3.4	3.3	3.2	3.1
Total liabilities to total equity		3.0	3.3	3.8	3.9
<b>Per share performance (cents)</b>					
Headline earnings	25.8	605.0	634.1	540.4	419.3
Diluted headline earnings	25.6	591.6	619.0	530.9	408.3
Attributable earnings	26.8	606.9	631.5	523.7	415.3
Dividends/distribution	51.1	386.0	386.0	320.0	210.0
Cash generated from operations before working capital movements	23.3	1,201.9	1,203.5	961.0	773.7
Operating cash flow	<i>N/A</i>	880.1	823.8	687.5	662.5
Net asset value	17.1	1,517.5	1,359.8	1,113.5	946.0
Dividend cover		1.6	1.7	1.7	2.0
<b>Stock exchange information</b>					
Shares in issue (millions)		201.3	201.2	201.1	201.0
Weighted average no of shares (millions)		199.5	199.0	200.5	199.5
Diluted weighted average no of shares (millions)		204.1	203.9	204.0	204.9
Shares traded (millions)		232.7	254.1	235.9	233.3
Percentage of shares traded (%)		115.6	126.3	117.3	116.0
Earnings yield (%)		7.6	10.3	6.0	9.5
Dividends yield (%)		4.8	6.3	3.6	4.8
Market capitalisation (Rm)		16,104.2	12,371.5	17,694.4	8,819.7
Share price South African (cents):					
High		9,029	9,724	9,997	6,408
Low		5,650	5,910	4,185	4,185
Closing		8,000	6,149	8,800	4,387

Definitions/explanations to the ratios and terms above can be found on page 63.

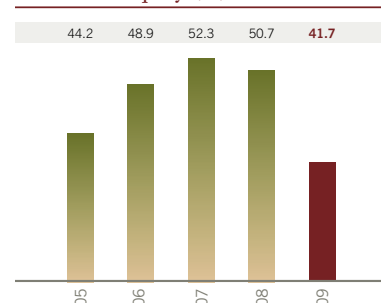
\* 2008 was a 53-week period. For comparative purposes, the adjusted pro forma 52-week period has been used where appropriate. Further details on the pro forma adjustment can be found on page 62.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>3</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	12	14	13	10	9	18
	16.5	15.2	15.0	15.5	16.3	16.3
	3.9	3.3	3.4	3.0	2.3	1.9
	3.8	3.7	3.8	3.2	2.5	2.0
	4.5	4.1	4.2	3.9	3.1	2.6
	31.6	32.8	32.9	33.6	25.5	24.7
	44.2	42.8	35.4	27.6	19.1	24.9
	51.4	52.7	46.3	37.3	30.6	38.5
	9.2	14.1	19.1	16.7	42.4	0.5
	1.4	2.0	1.4	1.6	1.4	(0.2)
	26.0	70.1	42.7	38.6	41.0	(14.2)
	0.9	1.1	1.2	1.1	1.0	1.0
	0.5	0.6	0.6	0.5	0.5	0.4
	46	43	47	51	59	56
	7.9	8.6	7.7	7.1	6.2	6.6
	60	60	56	61	85	86
	3.1	3.3	3.4	3.4	2.8	3.4
	4.2	3.9	3.6	2.5	2.4	4.2
	327.6	293.1	242.4	183.2	109.9	76.5
	316.4	282.7	235.6	181.9	109.8	76.3
	291.5	256.9	216.8	163.0	91.4	71.8
	183.0	159.0	97.0	61.0	36.0	9.4
	571.1	510.3	428.6	319.1	170.8	182.0
	463.6	583.0	337.5	286.2	157.8	(13.5)
	762.0	717.8	653.0	714.8	611.2	367.1
	2.0	2.0	2.5	3.0	3.0	3.0
	199.6	199.2	198.6	197.8	197.1	-
	199.0	199.0	198.1	197.3	196.5	-
	206.1	206.2	203.8	198.8	196.7	-
	188.1	256.6	86.1	40.2	27.1	-
	94.2	128.8	43.4	20.3	13.8	-
	6.5	7.9	10.3	12.1	9.8	-
	4.1	4.9	4.6	4.5	3.9	-
	8,937.9	6,489.6	4,170.3	2,670.6	1,832.8	-
	5,370	3,359	2,222	1,550	1,455	-
	3,145	2,080	1,275	930	760	-
	4,477	3,258	2,100	1,350	930	-

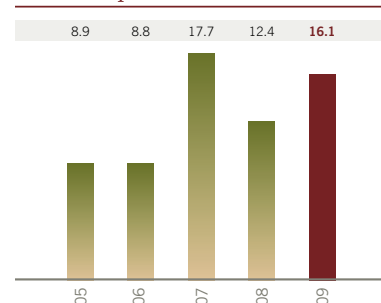
Operating margin (%)



Return on equity (%)



Market capitalisation (Rbn)



# Income statement, balance sheet and cash flow in US Dollars

as at 28 June 2009

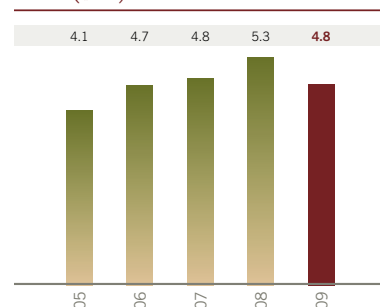
	Nine-year growth %	2009	2008*	2007	2006 <sup>1</sup>
<b>Income statement (\$m)</b>					
<b>Continuing operations:</b>					
Sales	12.7	4,765.6	5,329.5	4,821.0	4,667.2
Cost of sales		(3,906.2)	(4,347.7)	(3,938.5)	(3,839.6)
Gross profit	13.9	859.4	981.8	882.5	827.6
Other income and expenses		(643.9)	(709.1)	(650.8)	(620.8)
Operating profit	23.7	215.5	272.7	231.7	206.8
Finance costs		(5.4)	(8.2)	(6.1)	(5.0)
Exceptional items		–	–	–	–
Profit before tax	29.0	210.1	264.5	225.6	201.8
Taxation		(68.6)	(86.6)	(76.8)	(69.3)
Profit for the year from continuing operations	27.4	141.5	177.9	148.8	132.5
<b>Discontinued operation:</b>					
Profit/(loss) for the year		–	–	–	0.6
Loss on disposal		–	–	–	(0.3)
Profit for the year		141.5	177.9	148.8	132.8
<b>Attributable to:</b>					
Equity holders of the parent	26.9	133.7	171.9	145.5	129.0
Preference shareholders		4.2	3.1	1.2	–
Minority interest		3.6	2.9	2.1	3.8
	27.4	141.5	177.9	148.8	132.8
Headline earnings	25.9	133.4	172.6	150.0	130.3
<b>Balance sheet (\$m)</b>					
Equity attributable to equity holders of the parent	18.5	384.7	343.7	311.0	254.3
Net cash/(borrowings)		129.1	128.4	167.9	184.0
Total assets	15.2	1,577.7	1,495.1	1,506.9	1,285.9
Inventories	14.0	616.3	597.8	559.3	430.6
Trade and other payables	14.2	966.0	927.1	938.3	785.5
<b>Cash flow (\$m)</b>					
Cash generated from operations	44.0	272.0	317.6	262.9	281.0
Net cash flow from operating activities		98.2	127.2	112.6	143.1
Net cash flow from investing activities	13.6	(77.1)	(122.9)	(95.7)	(71.6)
<b>Exchange rates (Rand/US\$)</b>					
At year-end		7.94	7.96	7.20	7.48
Average for the year		9.05	7.31	7.22	6.42

Definitions/explanations to the ratios and terms above can be found on page 63.

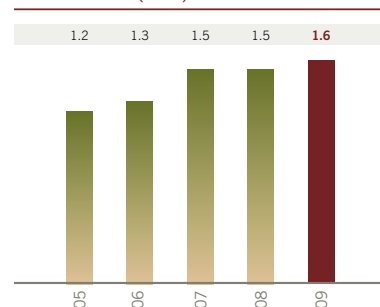
\* 2008 was a 53-week period. For comparative purposes, the adjusted pro forma 52-week period has been used where appropriate. Further details on the pro forma adjustment can be found on page 62.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>2</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	4,087.2	3,477.7	2,248.3	1,643.0	1,518.2	1,631.1
	(3,414.2)	(2,950.8)	(1,911.6)	(1,387.6)	(1,270.4)	(1,365.1)
	673.0	526.9	336.7	255.4	247.8	266.0
	(513.2)	(413.5)	(259.6)	(206.3)	(212.6)	(234.3)
	159.8	113.4	77.1	49.1	35.2	31.7
	(3.3)	(1.1)	(5.6)	(1.4)	1.2	(8.9)
	–	0.7	0.7	0.5	(4.0)	(1.5)
	156.5	113.0	72.2	48.2	32.4	21.3
	(49.5)	(37.1)	(23.8)	(16.2)	(8.3)	(5.3)
	107.0	75.9	48.4	32.0	24.1	16.0
	(13.2)	–	–	–	–	–
	–	–	–	–	–	–
	93.8	75.9	48.4	32.0	24.1	16.0
	93.4	74.6	47.3	31.6	23.6	15.7
	–	–	–	–	–	–
	0.4	1.3	1.1	0.4	0.5	0.3
	93.8	75.9	48.4	32.0	24.1	16.0
	105.0	85.2	53.0	35.6	28.3	16.7
	226.0	225.5	163.5	139.1	149.5	83.2
	60.1	161.7	71.1	54.1	61.9	(12.0)
	1,208.5	1,121.3	762.1	486.2	514.1	442.7
	397.8	371.7	282.1	194.9	193.0	190.3
	743.2	700.0	464.6	299.2	278.8	293.5
	200.8	185.7	86.7	65.8	45.2	10.2
	81.5	137.6	55.4	46.6	34.4	(3.0)
	(178.8)	(63.6)	(56.2)	(19.3)	(84.8)	(24.5)
	6.73	6.34	7.93	10.17	8.06	6.93
	6.21	6.84	9.06	10.17	7.62	6.35

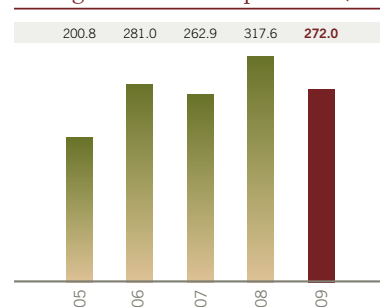
Sales (\$bn)



Total assets (\$bn)



Cash generated from operations (\$m)



# Profitability and share performance in US Dollars

as at 28 June 2009

	<i>Nine-year growth %</i>	2009	2008*	2007	2006 <sup>1</sup>
<b>Ratios/indicators</b>					
<b>Profitability and gearing ratios</b>					
Return on average shareholders' equity (%)		36.6	52.7	53.1	54.3
Return on capital employed (%)		54.6	72.7	67.2	63.2
Debt: Equity (%)		4.9	9.8	18.0	27.3
<b>Liquidity ratios</b>					
Current ratio		0.9	1.0	1.0	1.0
Inventory days		58	50	52	41
<b>Per share performance (cents)</b>					
Headline earnings	21.0	66.8	86.7	74.8	65.3
Diluted headline earnings	20.7	65.4	84.7	73.5	63.6
Attributable earnings	21.9	67.1	86.4	72.5	64.7
Dividends/distribution	45.3	42.7	52.8	44.3	32.7
Cash generated from operations before working capital movements	18.6	132.8	164.6	133.1	120.5
Operating cash flow	N/A	97.2	112.7	95.2	103.2
Net asset value	15.3	191.1	170.8	154.7	126.5
Dividend cover		1.6	1.7	1.7	2.0
<b>Stock exchange information</b>					
Market capitalisation (\$m)		2,028.2	1,554.2	2,457.6	1,179.1
<b>Exchange rates (Rand/US\$)</b>					
At year-end		7.94	7.96	7.20	7.48
Average for the year		9.05	7.31	7.22	6.42

Definitions/explanations to the ratios and terms above can be found on page 63.

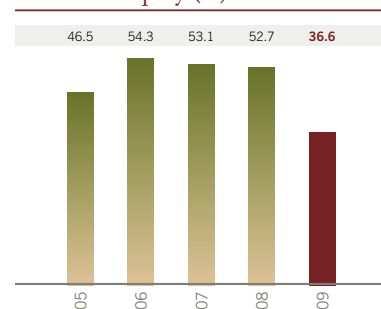
\* 2008 was a 53-week period. For comparative purposes, the adjusted pro forma 52-week period has been used where appropriate. Further details on the pro forma adjustment can be found on page 62.

**Technical clarification:**

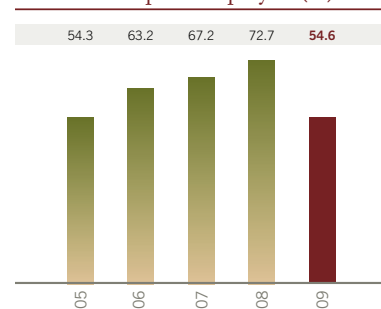
1. These amounts exclude amounts relating to the discontinued operation (Furnex).
2. These amounts have not been restated for IFRS.
3. These amounts have not been restated for IFRS or for SAICA's reinterpretation of IAS 17, *Leases*.

	2005 <sup>1</sup>	2004 <sup>2</sup>	2003 <sup>3</sup>	2002 <sup>3</sup>	2001 <sup>3</sup>	2000 <sup>3</sup>
	46.5	43.8	35.0	24.6	19.4	25.7
	54.3	54.1	45.7	33.6	30.7	39.6
	9.2	14.1	19.1	16.7	42.4	0.5
	0.9	1.1	1.2	1.1	1.0	1.0
	43	46	54	51	55	51
	52.8	42.9	26.8	18.0	14.4	12.0
	51.0	41.3	26.0	17.9	14.4	12.0
	46.9	37.6	23.9	16.0	12.0	11.3
	29.5	23.2	10.7	6.0	4.7	1.5
	92.0	74.6	47.3	31.4	22.4	28.7
	74.7	85.2	37.3	28.1	20.7	(2.1)
	113.2	113.2	82.3	70.3	75.8	53.0
	2.0	2.0	2.5	3.0	3.0	3.0
	1,328.1	1,023.6	525.9	262.6	227.4	-
	6.73	6.34	7.93	10.17	8.06	6.93
	6.21	6.84	9.06	10.17	7.62	6.35

Return on equity (%)



Return on capital employed (%)



# Reconciliation of the 2008 53<sup>rd</sup> week adjustment

Rm	52 weeks June 2009 (Audited)	53 weeks June 2008 (Audited)	53rd week <i>pro forma</i> adjustment	52 weeks June 2008 ( <i>Pro forma</i> )	52 week total % change
Revenue	43,231.8	39,944.8	(827.3)	39,117.5	10.5
Sales	43,128.7	39,783.6	(825.3)	38,958.3	10.7
Cost of sales	(35,351.0)	(32,481.4)	699.7	(31,781.7)	(11.2)
Gross profit	7,777.7	7,302.2	(125.6)	7,176.6	8.4
Other income	103.1	161.2	(2.0)	159.2	(35.2)
Depreciation and amortisation	(343.1)	(297.8)	–	(297.8)	(15.2)
Impairment of assets	(1.6)	(4.7)	–	(4.7)	66.0
Employment costs	(2,965.8)	(2,736.2)	13.1	(2,723.1)	(8.9)
Occupancy costs	(1,135.5)	(962.7)	10.4	(952.3)	(19.2)
Foreign exchange (loss)/gain	(78.4)	62.5	–	62.5	–
Other operating costs	(1,405.8)	(1,439.4)	12.1	(1,427.3)	1.5
Operating profit	1,950.6	2,085.1	(92.0)	1,993.1	(2.1)
Finance costs	(112.8)	(110.6)	1.2	(109.4)	(3.1)
Finance income	64.2	46.5	3.2	49.7	29.2
Net finance costs	(48.6)	(64.1)	4.4	(59.7)	18.6
Profit before taxation	1,902.0	2,021.0	(87.6)	1,933.4	(1.6)
Taxation	(620.4)	(662.9)	30.1	(632.8)	2.0
Profit for the year	1,281.6	1,358.1	(57.5)	1,300.6	(1.5)
Attributable to:					
Equity holders of the parent	1,210.9	1,314.1	(57.5)	1,256.6	(3.6)
Preference shareholders	38.0	22.5	–	22.5	
Minority interest	32.7	21.5	–	21.5	
	1,281.6	1,358.1	(57.5)	1,300.6	
Basic EPS (cents)	606.9	660.3	(28.8)	631.5	(3.9)
Diluted basic EPS (cents)	593.4	644.6	(28.2)	616.4	(3.7)
<b>Reconciliation of net profit for the year to headline earnings</b>					
Net profit attributable to equity holders of the parent	1,210.9	1,314.1	(57.5)	1,256.6	
Impairment of assets	1.6	4.7	–	4.7	
Loss on disposal of fixed assets	1.7	3.8	–	3.8	
Profit on sale of assets classified as held for sale	(7.0)	–	–	–	
Total tax effects of adjustments	(0.1)	(3.2)	–	(3.2)	
Headline earnings	1,207.1	1,319.4	(57.5)	1,261.9	(4.3)
Headline earnings before foreign exchange	1,263.5	1,274.4	(57.5)	1,216.9	3.8
Headline EPS (cents)	605.0	663.0	(28.9)	634.1	(4.6)
Headline earnings before foreign exchange (cents)	633.3	640.4	(28.9)	611.5	3.6
Diluted headline EPS (cents)	591.6	647.2	(28.2)	619.0	(4.4)

- The *pro forma* financial effects, for which the directors of Massmart are responsible, are provided for illustrative purposes only. These show the effect of the additional week of trading in the prior year on the financial information of Massmart. This allows a like-on-like comparison of the 52-week periods.
- Because of its nature, the *pro forma* financial effects may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.
- The *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards. The accounting policies are consistent with those applied in the previous financial year.
- The *pro forma* financial effects have been compiled from the financial information for the 53 weeks ended June 2008.
- The *pro forma* information has been audited by the independent auditors, Deloitte & Touche. The audit was performed in accordance with International Standards on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The auditor's report is available for inspection at the registered office of the Company.

# Definitions and formulas

## Employment costs

Includes the IFRS 2 Share-based Payment expense.

## Other operating costs

Includes the foreign exchange gains and losses.

## Net finance costs

Interest received less interest paid

## EBITDA

Earnings before interest, taxation, depreciation, amortisation and asset impairments.

## Trading profit before interest and taxation

Earnings before interest, taxation, asset impairments, the BEE IFRS 2 charge and foreign exchange movements.

## Comparable sales

Sales figures quoted for stores that have traded, and will trade, for all 12 months of the current and prior year.

## FTE (full-time equivalents)

Includes all permanent employees and the permanent equivalent of temporary employees and contracted workers.

## Trading space (m<sup>2</sup>)

Trading space excludes parking, yard and warehouse space.

## Sales per store (R000)

$$\frac{\text{Sales}}{\text{Number of stores}}$$

For June 2005, sales per store excludes Federated Timbers, De La Rey and Servistar for the one month of trading. Sales for Shield, Furnex and Cell Shack are excluded as they do not have stores.

## Sales per FTE (R000)

$$\frac{\text{Sales}}{\text{FTEs}}$$

For June 2005, sales per FTE excludes Federated Timbers, De La Rey and Servistar for the one month of trading.

## Sales per trading m<sup>2</sup> (R000)

$$\frac{\text{Sales}}{\text{Trading m}^2}$$

For June 2005, sales per trading m<sup>2</sup> excludes Federated Timbers, De La Rey and Servistar for the one month of trading. Sales for Shield, Furnex and Cell Shack are excluded as they do not have a trading area.

## Net asset turn

$$\frac{\text{Sales}}{\text{Net assets}}$$

The Group defines net assets as capital reserves and interest-bearing LT liabilities.

## Gross margin (%)

$$\frac{\text{Gross profit}}{\text{Sales}}$$

## Operating margin (%)

$$\frac{\text{Operating profit}}{\text{Sales}}$$

## Trading profit before interest and taxation margin (%)

$$\frac{\text{Trading profit before interest and taxation}}{\text{Sales}}$$

## EBITDA margin (%)

$$\frac{\text{EBITDA}}{\text{Sales}}$$

## Effective tax rate (%)

$$\frac{\text{Taxation}}{\text{Profit before tax}}$$

Note 10 on page 152 of the financial section holds further information.

## Return on average shareholders' equity (%)

$$\frac{\text{Headline earnings}}{\text{Average of opening and closing equity attributable to equity holders of the parent}}$$

## Return on capital employed (%)

$$\frac{\text{Operating profit before asset impairments}}{\text{Average of opening and closing capital employed balances.}}$$

The Group defines capital employed as capital and reserves and interest-bearing LT liabilities.

## Debt: Equity (%)

$$\frac{\text{Debt}}{\text{Capital and reserves}}$$

## Cash earnings cover

$$\frac{\text{Operating cash flow per share}}{\text{Headline earnings per share}}$$

## Net cash to total equity (%)

$$\frac{\text{Cash and cash equivalents, net of borrowings}}{\text{Total equity at the end of the year}}$$

## Current ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

## Quick ratio

$$\frac{\text{Current assets excluding inventory}}{\text{Current liabilities}}$$

## Inventory days

$$\frac{\text{Inventory}}{\text{Total cost of sales}}$$

## Inventory turn

$$\frac{\text{Total cost of sales}}{\text{Inventory}}$$

## Payable days

$$\frac{\text{Trade payables}}{\text{Total cost of sales}}$$

## Asset turn

$$\frac{\text{Sales}}{\text{Total assets}}$$

## Total liabilities to total equity

$$\frac{\text{Current and non-current liabilities}}{\text{Total equity}}$$

## Headline earnings

$$\frac{\text{Headline earnings}}{\text{Weighted average number of shares in issue}}$$

## Diluted headline earnings

$$\frac{\text{Headline earnings}}{\text{Diluted weighted average number of shares in issue}}$$

## Attributable earnings

$$\frac{\text{Earnings attributable to the equity holders of the parent}}{\text{Weighted average number of shares in issue}}$$

## Dividends/distribution

Distribution to shareholders

## Cash generated from operations before working capital movements

$$\frac{\text{Cash generated from operations before working movements}}{\text{Weighted average number of shares in issue}}$$

Cash generated from operations is before working movements.

## Operating cash flow

$$\frac{\text{Net cash flow from operations}}{\text{Weighted average number of shares in issue}}$$

Net cash flow from operations is after working capital movements, and excludes exceptional items and dividends paid.

## Net asset value

$$\frac{\text{Capital and reserves}}{\text{Total number of shares in issue}}$$

## Dividend cover

$$\frac{\text{Headline earnings per share}}{\text{Interim and final dividend per share}}$$