

# MASSMART

## Corporate Profile










Reviewed Results for the six months to December 2009

Massmart is a managed portfolio of four divisions, each focused on high-volume, low-margin, low-cost distribution of mainly branded consumer goods for cash, in 14 countries in sub-Saharan Africa comprising 290 stores. The Group is the third largest distributor of consumer goods in Africa, the leading retailer of general merchandise, liquor and home improvement equipment and supplies, and the leading wholesaler of basic foods.

| (Rm)             | 3 year CAGR % | Dec 2009 | Dec 2008 | Dec 2007 | Dec 2006 |
|------------------|---------------|----------|----------|----------|----------|
| Sales            | 10.1          | 24 154   | 22 758   | 20 123   | 18 106   |
| EBITDA           | 4.6           | 1 295    | 1 474    | 1 310    | 1 131    |
| HEPS (cents)     | 1.1           | 347      | 433      | 383      | 336      |
| Dividend (cents) | 8.6           | 252      | 252      | 223      | 197      |

- Sales R24 154m
- Trading Profit Before Tax R1 284m
- Headline Earnings R694m
- Number of Stores 290

### Massmart Holdings

| Massdiscounters   | Masswarehouse  | Massbuild   | Masscash   |
|---|--|---|--|
| (General merchandise discounter)<br>Sales R6 114m<br>Trading PBT R434m<br><br>92 stores<br>General merchandise / FMCG – RSA, Botswana, Ghana, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Tanzania, Uganda, Zambia<br><br>10 stores<br>Electrical appliances - RSA | (Warehouse club)<br>Sales R5 956m<br>Trading PBT R393m<br><br>13 stores – RSA (excluding 2 Zimbabwe stores not consolidated)<br>General merchandise / Food / Liquor | (Home improvement retailer and building materials supplier)<br>Sales R3 190m<br>Trading PBT R166m<br><br><br><br>88 stores<br>Home improvement supplies / Tools / Building materials<br>- RSA, Mozambique | (Food wholesaler and buying association)<br>Sales R8 894m<br>Trading PBT R291m<br><br><br>87 stores<br>Food / Groceries / Liquor / Ethnic Cosmetics – RSA, Botswana, Lesotho, Mozambique, Namibia<br><br>464 members / 520 outlets<br>Food / Groceries – RSA, Botswana, Lesotho, Namibia, Swaziland |

### Strategy

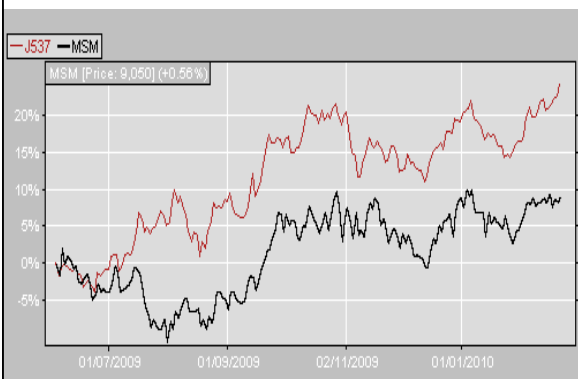
Since its founding in 1990, Massmart has pursued a strategy of aggressive organic and acquisitive growth, mitigating risk through:

- Adhering to product categories and business models in which the Group has proven expertise
- Strict new store development and acquisition criteria
- Effective integration practices
- Conservative accounting and governance practices

Competitive advantage is sustained through strategic, market and operational focus in each of the divisions enhanced by inter-chain collaboration in procurement, cost reduction, retail positioning and executive development. This approach results in higher returns and cash flows than could otherwise be achieved. Significant investment is made in the attraction and retention of talented leaders, managers and functional experts whose remuneration is directly linked to group or divisional performance.

### Investment Proposition

- Proven record of successful organic and acquisitive growth
- Additional value created through inter-divisional collaboration
- Proven record of comparable store growth
- High average sales per store (R150 million)
- High cash generation
- Diversification across geographic, consumer and product markets
- Merchandise leadership in five general merchandise categories and liquor, with a dominant defensive food profile



### Share Data

(Monday, 22 February 2010)

|             |    |        |
|-------------|----|--------|
| Share Price | R  | 91.30  |
| 26 wk high  | R  | 92.57  |
| 26 wk low   | R  | 72.75  |
| Market Cap  | Rb | 18.4   |
| Reuters     |    | MSMJ.J |
| Bloomberg   |    | MSM SJ |

### For more information: Massmart Holdings

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### Executive Directors

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CEO

**Guy Hayward**  
CFO