

MASSMART

Corporate Profile

Reviewed Results for the year to June 2011










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 13 countries in sub-Saharan Africa comprising 313 stores. The Group is the second 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.

	3 year CAGR %	2011 FY to June	2010 FY to June	2009 FY to June	2008 52 weeks
Sales (Rm)	10.0	52,950	47,451	43,129	38,958
EBITDA (Rm)	2.0	2,535*	2,253	2,295	2,296
HEPS (cents)	-2.4	616	567	605	634
Dividend (cents)	0.0	386	386	386	386

* Before transaction costs

Massmart Holdings

- Sales R52,950m
- Trading Profit Before Tax R2,332m
- Headline Earnings R881,9m
- Number of Stores 313

Massdiscounters	Masswarehouse	Massbuild	Masscash
(General merchandise discounter)	(Warehouse club)	(Home improvement retailer and building materials supplier)	(Food wholesaler and buying association)
Sales R13,332m Trading PBT R782m	Sales R12,723m Trading PBT R803m	Sales R7,271m Trading PBT R355m	Sales R19,624m Trading PBT R392m
		  	 
100 stores	14 stores	81 stores	105 stores (78 wholesale / 27 retail)
General merchandise / FMCG – RSA, Botswana, Ghana, Malawi Mauritius, Mozambique, Namibia, Nigeria, Tanzania, Uganda, Zambia	General merchandise / Food / Liquor – RSA	Home improvement supplies / Tools / Building Materials – RSA, Mozambique	Food / Groceries / Liquor / Ethnic Cosmetics – RSA, Botswana Lesotho, Mozambique, Namibia, Swaziland
			
13 stores Electrical appliances - RSA			605 members / 661 outlets 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 (R156 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 August 2011)

Share Price	R	152.80
52 wk high	R	154.60
52 wk low	R	113.58
Market Cap	Rb	32.9
Reuters		MSMJ.J
Bloomberg		MSM SJ

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