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Dedicated to Value Retailing

Unaudited Interim Results to December 2001

Presentation to Investors and Analysts – February 2002

Agenda

- Environment
- Highlights
- Integration of Jumbo, Browns and Weirs
- Furnex
- Segmental Reporting
- Financial performance
- Operating performance
- Prospects
- A unique investment

ADDENDA – Additional structural, financial & growth data

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Environment

The South African Retail Market

- Small by world standards
- Dispersed
- Growing slowly
- Increasingly complex
- Poor retail differentiation
- Consolidating
- Formats converging
- Short of skills
- Strident shareholders
- Aggressive competitors

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Highly Competitive !!

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The South African Retail Market

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Consumer Confidence
Better than 2000 !!

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Financial Highlights

Financial highlights

R8020m	R297m	R202m	R188m	102.5c	R687m
33%	57%	42%	32%	41%	63%
Sales	**Trading Profit**	**Headline Earnings**	**Headline Earnings Before Acquisitions**	**Headline EPS**	**Cash flow from Operations**

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Integration of Jumbo, Browns and Weirs

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- Context - Entreprenurial beginnings/Passive corporate ownership/Active corporate management
- Assumed management control 21 September 2001
- Approach & Progress

1. *Grow/maintain profitability* – Sound sales & profit performance in line with purchase expectations
2. *Understand business* – Starting to account for & analyse the mix by branch, category, supplier & promotion
3. *Evaluate management* – Entreprenurial management desirous of assistance. Board & Execucom established. New structure being implemented (HR, Merch, Com, Ops)
4. *Define growth strategy* – Strategy by June
5. *Exploit synergies* – Synergy gains invested in people, assets & margin

- Very positive about: Massmart's ability to add value, Jumbo's acceptance of direction, profit prospects & sustainable growth strategy

Browns & Weirs

- Context – History of poor profitability & disruptive, unsuccesful ownership & management changes.
- Assumed management control 21 September 2001
- Approach & Progress.

1. *Acquire only viable assets* – Due diligence evaluation. 22 best stores acquired.
2. *Direct, focus & motivate management* – Implemented buying & pricing authorities, trading autonomy & profit sharing incentives (1st time).
3. *Integrate into CCW* – Head office staff integrated, new systems selected, new head office premises selected, senior management increased and upweighted. CFO & Operations director appointments imminent.
4. *Achieve acceptable returns* – Sound sales & profit performance ahead of purchase expectations.

- Delighted with strategic, financial and operating benefits to CCW. Assets sold into CCW resulting in Massmart share rising to 92%.

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Furnex

Furnex

- Voluntary buying organisation for 415 independent retailers of appliances, home electronics & furniture throughout South Africa with procurement & limited marketing services
- For year to September 2001 sales R474m
- Identical business model to Shield mitigates acquisition risk:
  - agglomeration of purchasing power of and extension of credit to independent retailers
  - upstream elimination of risk for suppliers downstream improved buying prices & marketing support for retailers
- Proven management mitigates acquisition risk
- Builds on Massmart's market presence in appliances, home electronics & extends Massmart's product (furniture), geographic (peri-urban) & customer (LSM 5-8) reach.
- Purchase price R44.5m – earnings accretive
- Management, operating & systems synergies possible.

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Segmental Reporting

Segmentation rationale

- Latest acquisitions are closely aligned to Massmart's vision and strategy
- They strongly complement existing portfolio & represent the evolution of a coherent portfolio
- Now nine chains, in seven countries, offering seven major product categories, under six management teams
- Four distinctly different segments in respect of trading format, business model & customer segment

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Massmart Segmental Analysis

(Financials to December 2001)

MASSMART HOLDINGS LIMITED
Sales R8020b
Trading profit R297m
Earnings R202m

- **Retail LSM 5-8**
  MASSDISCOUNTERS (Discounters)
  Sales R2615m
  PBT R117m
  - Game (54 stores)
    GM - RSA, Botswana, Namibia, Zambia
  - Dion (11 stores)
    GM - RSA
- **Retail LSM 6-8/Wholesale LSM 3-8**
  MAKRO (Warehouse Clubs)
  Sales R2143m
  PBT R84m
  - Makro (14 outlets)
    GM/Food/Liqour - RSA, Zimbabwe
- **Wholesale LSM 2-5**
  MASSCASH (Cash & Carry)
  Sales R2255m
  PBT R69m
  - CCW (22 outlets)
    Food/Liquor - RSA, Lesotho, Namibia
  - Browns (11 outlets)
    Food/Liquor - RSA
  - Weirs (11 outlets)
    Food/Liquor - RSA
  - Jumbo (6 outlets)
    Cosmetics/Food - RSA
- **Wholesale LSM 2-8**
  MASSTRADE (Buying groups)
  Sales R1006m
  PBT R26m
  - Shield (517 outlets)
    Food - RSA, Botswana, Namibia, Swaziland
  - Furnex (415 members)
    Furniture/Appliances - RSA

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Financial Performance

Pre-Emptive Buying?

- Econometrix / BER predicted a good Christmas
- High consumer confidence results in the purchase of aspirational items
- In RSA most aspirational items are imported
- Was the increase in the growth of some high Rand value items caused by R/$ deterioration?
- Difficult to distinguish from promotional activity
- Sales growth in December in line with growth trend July to November
- The categories that grew fastest were those we promoted most aggressively
- No slow-down in General Merchandise sales to date

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Sales Growth

(Rm's)	2001	2000	*% Chg*	*Comparable % Chg*
MDD	2 615	2 253	*16.1*	*16.4*
Makro	2 143	2 091	*2.5*	*9.0*
Masscash	2 255	717	*214.5*	*27.0*
Masstrade	1 006	949	*6.1*	*8.1*
Total	8 020	6 010	*33.4*	*13.6*

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Store Portfolio

	Makro	MDD	Jumbo	CCW	Total
June '01	*13	66	6	22	107
Openings	**1				1
Acquisitions				22	22
Closures		1			1
December '01	14	65	6	44	129

*Includes two Makro Zimbabwe stores

**Makro Woodmead re-opened October 2001

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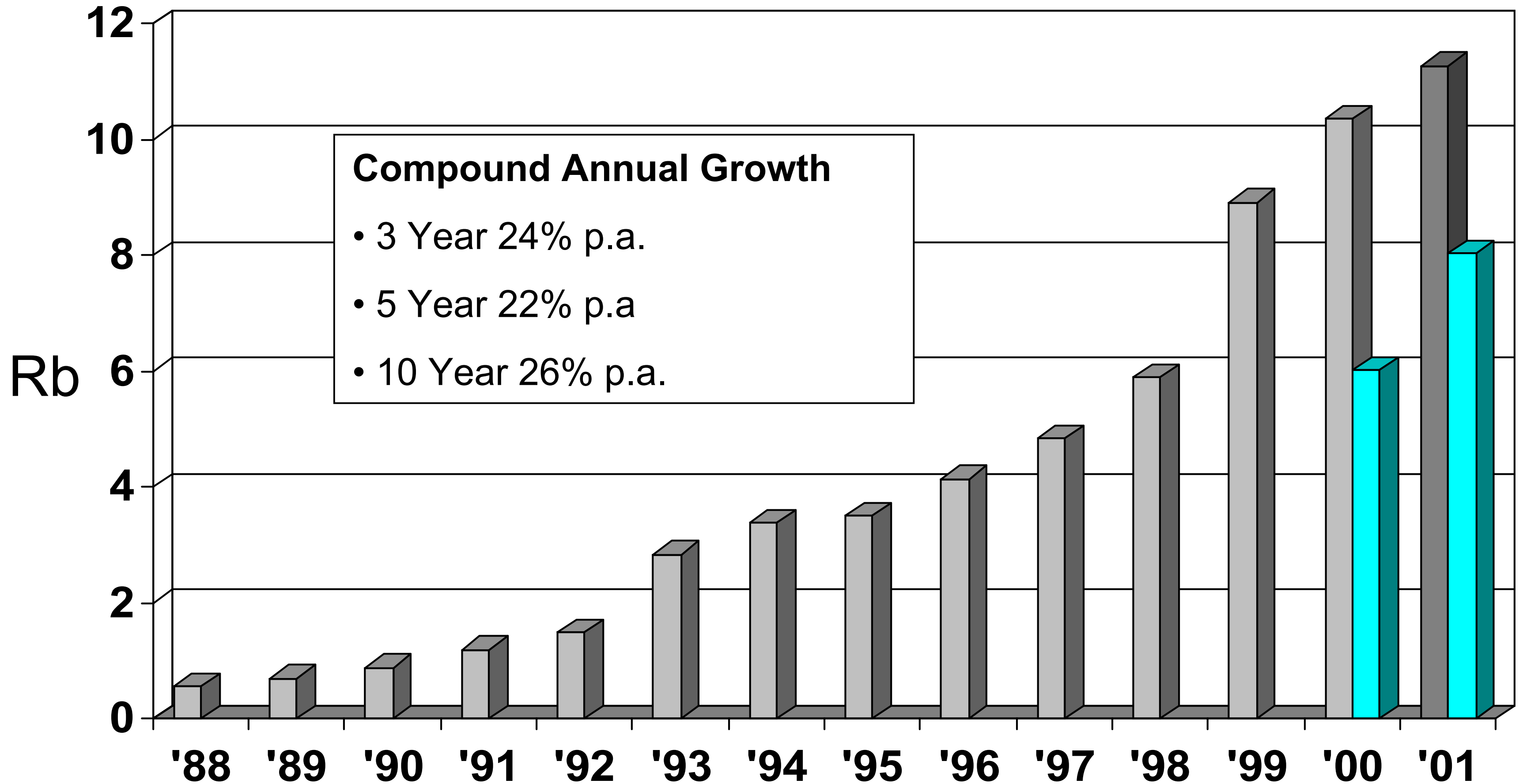
Long term sales growth



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Makro Woodmead

- Re-opened 25 October 2001
- Insurance proceeds to date R152m
- Main items:
  – Stock R46m
  – Computers, Fixtures & Fittings R29m
  – Building R46m
- No net financial loss suffered
- Adjusted margin 3.3%
- Trading strongly

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Chain PBIT

(Rm's)	6 mths to December		
	2001	2000	%
MDD	135.0	89.8	*50.3*
Makro	75.6	59.6	*26.8*
Masscash	62.2	19.3	*222.3*
Masstrade	24.5	21.1	*16.1*
Total	297.3	189.8	*56.6*

PBIT = Profit before Interest & Tax

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Chain PBT

(Rm's)	6 mths to December		
	2001	2000	%
MDD	117.4	71.3	*64.7*
Makro	84.5	71.2	*18.8*
Masscash	69.1	21.1	*227.5*
Masstrade*	26.5	25.3	*4.7*
Total	297.5	188.9	*56.6*

PBT = Profit before Tax

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Balance Sheet

- Effective working capital management
- R349m goodwill. Written-off over 10 years
- R1,4bn shareholders equity
- Low gearing. R300m medium-term loan
- R299m deferred tax asset. Due mainly to Masstores assessed loss and trademarks

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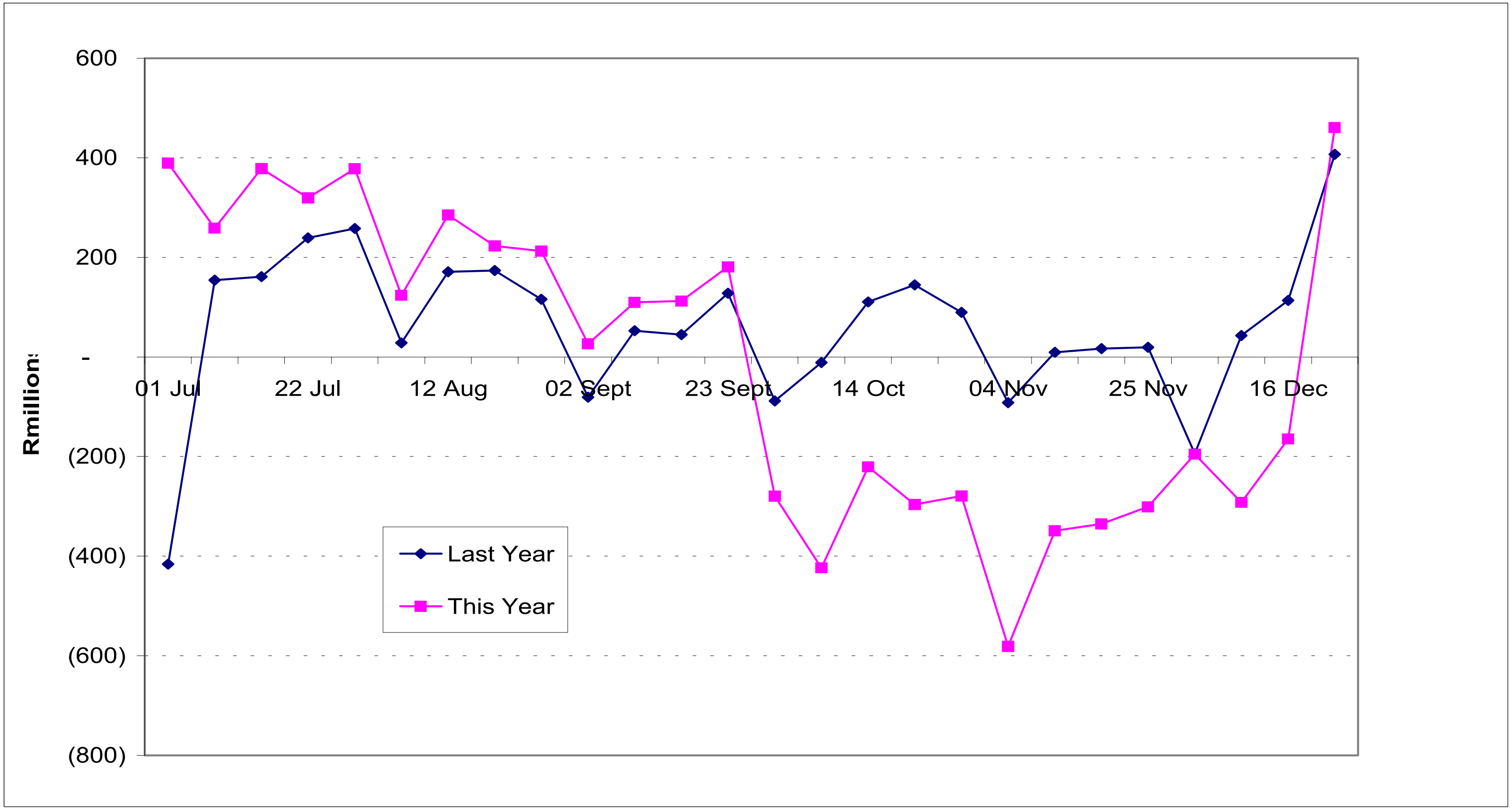
Net Cash Position



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Funding

- Month-end net cash position usually "artificially" high (e.g. R450m Dec '01)
- R300m average cash position to June '01
- R502m Jumbo / B&W cash consideration in September '01
- R180m average net debt position to Dec '01
- Net cash positive position by June '03

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Cash Flow

(Rm's)	Dec '01	Dec '00	%
From Operations	389	238	*63*
Working Capital	298	184	*62*
	687	422	*63*
Interest + Taxation	-62	-26	
Fixed Asset Replacement	-55	-32	
Free Cash Flow	570	364	*57*

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Cash Flow

(Rm's)	Dec '01	Dec '00
Free Cash Flow	570	364
Fixed Asset Investment	-13	-92
Dividend	-41	-16
Jumbo Consideration	-502	-
Proceeds from share issue	-	475
Net Loan Funding	248	-17
Net Cash Flow	262	714

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Working Capital

	December 2001		December 2000	
	Rms	Days	Rms	Days
Stock	2 151	65	1 487	62
Trade Creditors	2 805	85	1 822	75

Days calculated using historic figures

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JSE Liquidity

Current Massmart Shareholding	%
SHV	31
Management & Share Trust	6
Wooltru	41
Public	22
	100

Post unbundling public float of 63%

(Figures at Jan 2002)

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Operating Performance

- G. M. discounter - 54 Game & 11 Dion stores
- Traded aggressively - sales 16.1% up
  - Comparable store growth 16.4%
  - Foreign stores performed well
  - Limited R/$ pre-emptive buying
  - All product categories ahead of RLC
  - Credit sales (HP&RC) participation 7%, conservatively managed. Debtors R277m
  - Improved margin, expense & asset (stock levels & obsolescence) control.
- Management restructuring complete
- New stores ’03 – Mauritius, Mozambique

makro

- Warehouse Club - 12 stores RSA, 2 Zimbabwe
- Solid trading – comparable sales 9% up
  - Growth of 2% depressed by 4 month Woodmead closure
  - Market share recovery since opening
  - Planned over stocking
- Woodmead opened 25th October 2001
- SAP Retail software implemented
- Good cost & margin management
- Zimbabwe cash royalty received
- West Rand to open October 2002

CCW WHOLESALERS

- Cash & Carry wholesaler – 22 stores.
- Traded aggressively - sales 42% up
  - Comparable store growth 27%
  - New liquor licences
  - Rustenburg, Vryberg, Bloemfontein
  - Big 11
  - Cellular
- Assets & costs well controlled
- Executive management strengthened
- Trading margin slightly down

- Voluntary buying association - 244 Wholesale & 273 retail outlets
- Difficult trading – Sales 6.1% up
  - Comparable member growth 8%
- Members
  - No member resignations in six months
  - Greater alignment
  - New member drive
- Great Plains software implementation
  - Reduce costs
  - Better information
- No bad debt

Channel initiatives

- Shared services
  - Internal audit / Store development / Rebate administration / Employee benefits
- Merchandise procurement
  - More strategic issues being addressed
  - Cellular co-ordinated
- Non-merchandise procurement
- Information technology
- Human resources
  - Executive succession / development / profiling / performance management
  - AIDS
  - Employment Equity

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Prospects

Prospects – 2002

- Cautious about impact of R/$ deterioration (2002 Budget may mitigate)
- Improved sales growth (37% YTD)
  - Acquisitions
  - Heightened merchandise & marketing innovation
- Margin improvement
  - Rationalisation of acquisitions
  - Group collaboration (procurement, cost savings)
- Higher profitability
- Jumbo, B&W, Furnex earnings accretive
- On line to achieve real growth of EPS at forefront of sector unless economy deteriorates

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Targeted PBT ROS

	Target	Dec 2001	June 2001	Dec 2000	June 2000
Massdiscounters	5.0	4.5	2.02	3.2	2.52
Makro	3.0	3.9	2.52	3.3	2.26
Masscash	3.5	3.1	2.67	3.0	3.10
Masstrade	3.0	2.6	2.73	2.7	2.78
Group (Dec. sales)	3.8				

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A Unique Investment

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Unique investment

- Massmart offers diversification:
  - Customers – LSM 2-8
  - Geography – Seven (soon nine) African countries
  - Merchandise – Leadership in 7 categories, defensive food profile
  - Four routes to market

- Massmart offers top line growth:
  - Proven record of organic (137000 sqm) & acquisitive (9 acquisitions) growth
  - Proven record of sales growth from existing space
  - New stores in South Africa planned for Makro, CCW & Jumbo
  - New stores in Africa for Game & Jumbo
  - Acquisition opportunities constantly under review
  - International opportunities to be investigated with SHV

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Unique investment (cont.)

- Massmart offers bottom line growth:
  - Improving operating practices and cost reduction
  - Collaborative “Forum” activity

- At relatively low risk:
  - Four business models
  - High cash flows and stock turns of food and the margins of general merchandise
  - High cash generation
  - High cash dividend growth
  - Retail credit only 2% of total sales
  - Conservative accounting

- Management quality & depth
  - Highly entrepreneurial

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Dedicated to Shareholder Value

www.massmart.co.za

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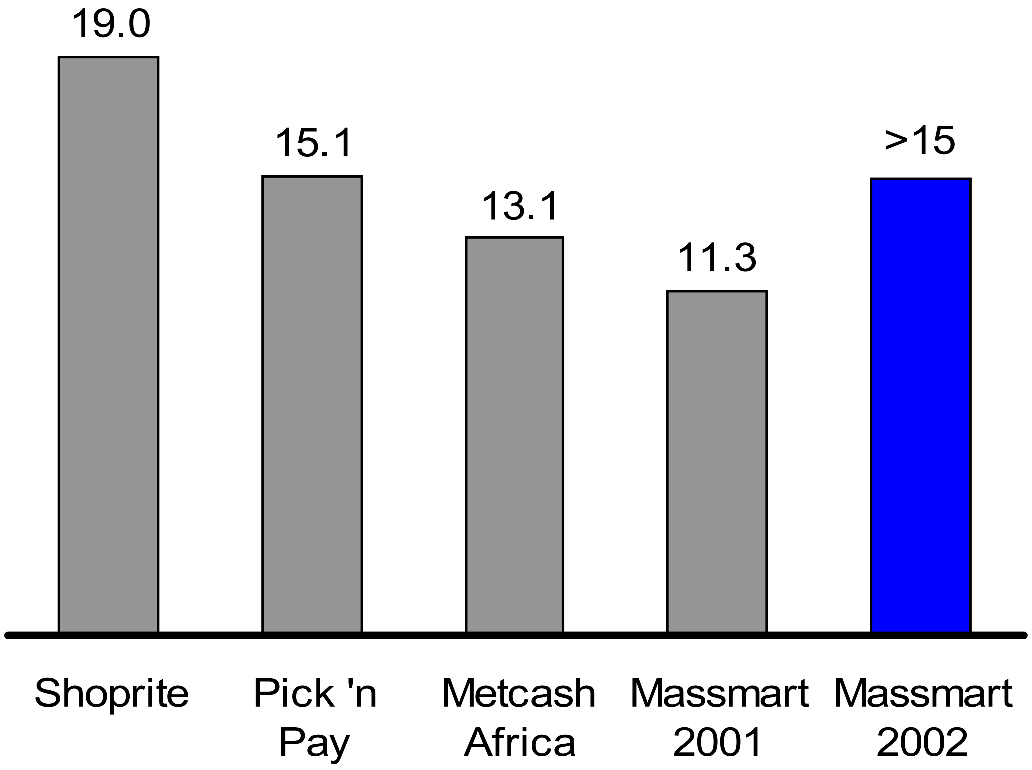
Additional Structural Data

Major regional mass marketer

(2000/01 turnover, Rb)



- Massmart ranked fourth in total sales
- Ranked first in General Merchandise, second in liquor, fifth in food
- Organic growth and Jumbo,B&W & Furnex acquisitions will close the gap in Y2002

Source: Company reports

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Four major divisions

(Group Sales – December 2001)

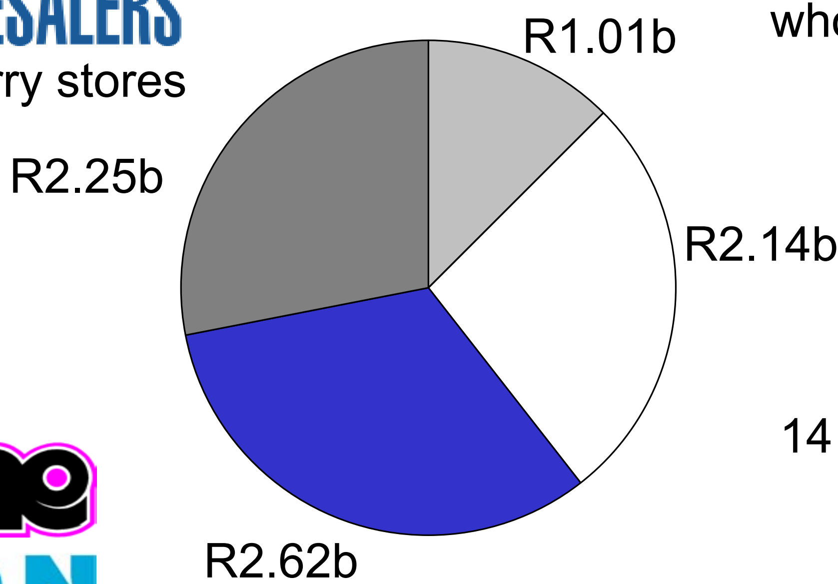
JUMBO

CCW WHOLESALERS

50 cash & carry stores

Shield

supplies 517 independent wholesalers & retailers



makro

14 warehouse club outlets

game

DION

HOME•WORK•PLAY

65 retail discount stores

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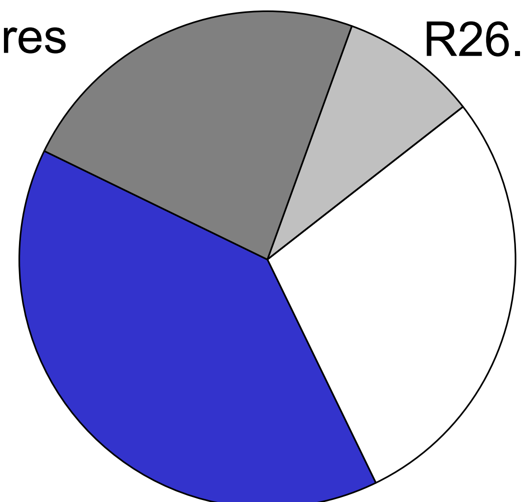
Four major profit contributors

(Segmental Profit Before Tax – December 2001)

CCW WHOLESALERS

50 cash & carry stores

supplies 517 independent wholesalers & retailers



14 warehouse club outlets

DION

HOME • WORK • PLAY

65 retail discount stores

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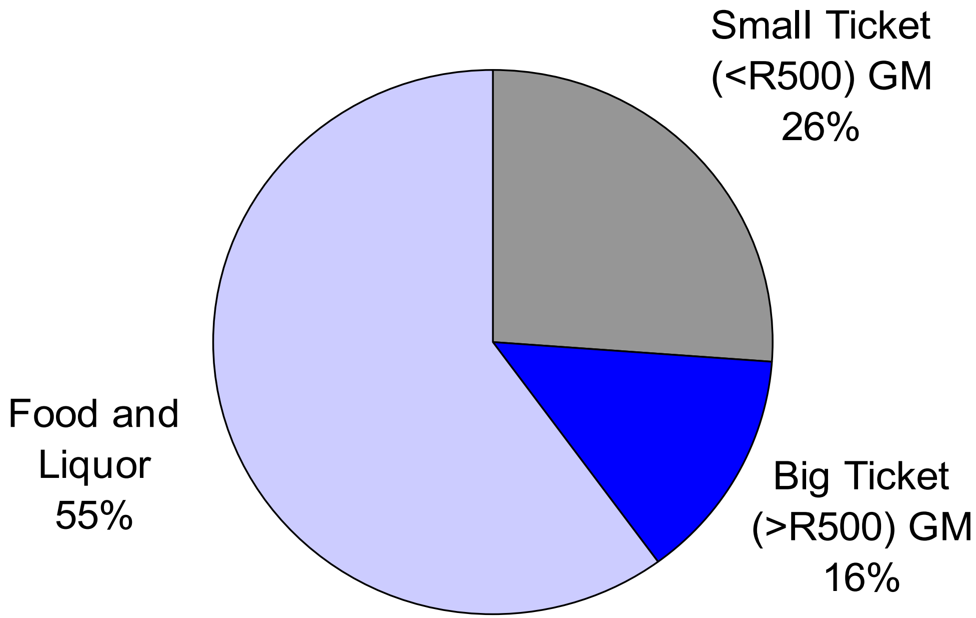
Seven major product categories

(2000/01 sales > R600m)

- Food
- Appliances
- Office
- Liquor
- Sports/Outdoor
- DIY
- Hi Tech



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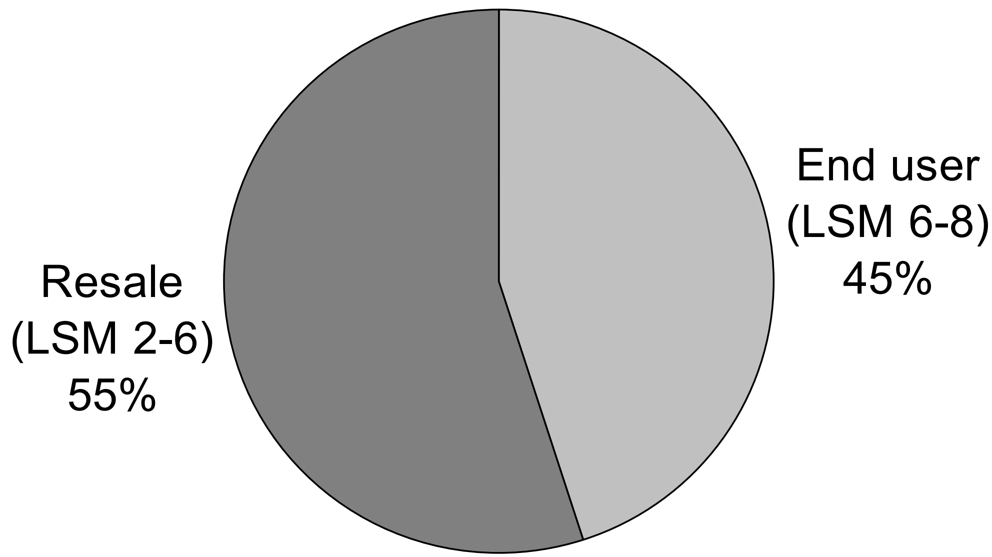
Broad segmental & regional reach

- South Africa
- Lesotho
- Swaziland
- Botswana
- Namibia
- Zimbabwe
- Zambia
- *Mauritius* *(approved)*
- *Mozambique* *(approved)*
- *Kenya*
- *Tanzania*

Pending stores in italics



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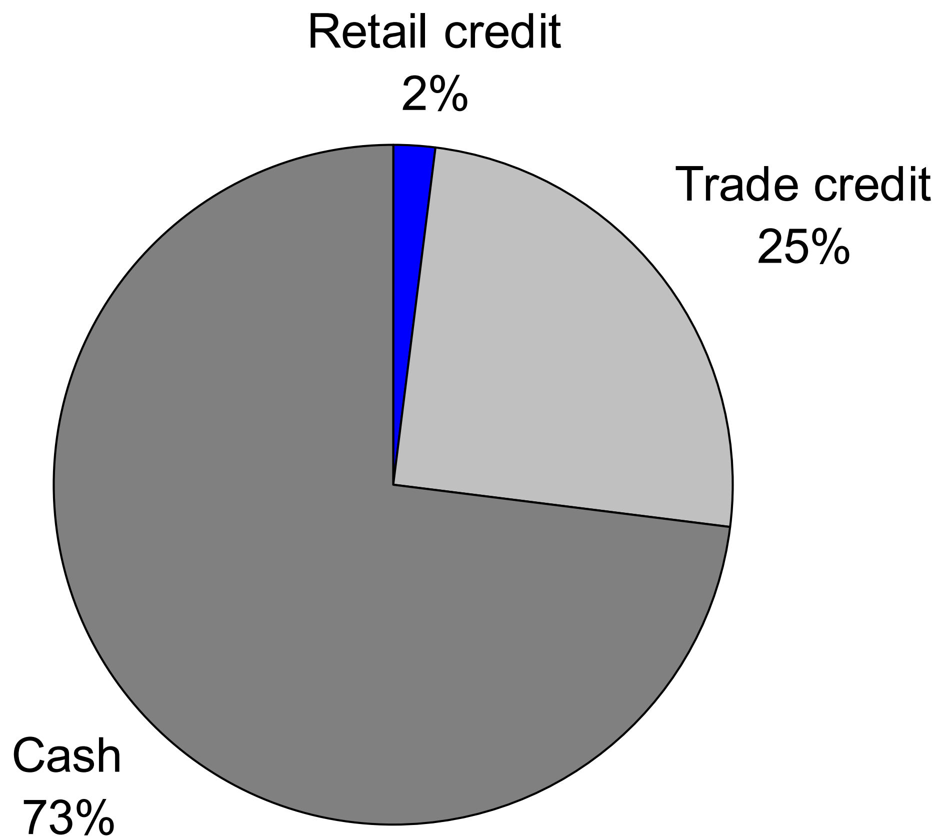
Positive cash characteristics

(% of sales)



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Additional Financial Data

PBT Reconciliation

	Rm's
Chain Trading Profit before Tax	297.5
Interest Paid at Corporate	(8.9)
Exceptional Items	15.7
Goodwill Amortisation	(17.3)
Profit before Tax	287.0

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Tax Rate Reconciliation

	%	Rm's
Corporate Rate	30.0	83.8
STC (Sept '01)	1.2	3.3
Exempt Income	(1.7)	(4.6)
Foreign Tax	0.2	0.4
Other	1.6	4.6
Effective Rate	31.3	87.5
Less: STC	1.2	3.3
Less: Exceptionals	2.6	4.8
Effective Headline Rate	27.5	79.4

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Headline Earnings

	Rm's
Attributable Earnings	189.4
Exceptional Items:	
Profit (a/tax) on Makro Woodmead assets destroyed & replaced	(21.0)
Loss on disposal of Sip 'n Save	10.2
Goodwill Amortisation	17.3
Loss on Fixed Assets	0.3
Headline Earnings	201.9

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Targets

Group Annual ROS	3,5%
Int-bearing Debt : Equity	< 25%
Return on Capital Employed	> 35%
Return on Equity	> 25%

(ROCE = EBITA / Average capital employed, excluding goodwill and deferred tax assets)

(ROE = Headline Earnings / Average shareholders equity)

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Shares in Issue

	000's
At 1 July 2001	197,077
New issue	129
At 31 December 2001	197,206
Weighted-average for period	197,079
Fully-diluted weighted average	198,193

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Dividend Policy

- Cash
- Interim dividend on x4 cover
- Total annual dividend on x3 cover
- Unless circumstances dictate otherwise
- Massmart earns annual dividends of ±R30m, so will pay STC on the difference between dividend received and paid

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Additional Growth Data
Three Horizons

Horizon 1 – Extend & Defend Core Business

Horizon 1 – Divisional Growth Priorities

game
DION
HOME • WORK • PLAY

• sales growth – merchandise flexibility, marketing, salesmanship, new Dion strategy, Africa development 3 new stores approved

• costs – head office, logistics, asset turn

makro

• sales growth - merchandise innovation & CRM, new West Rand store October 2oo2

• costs - SAP benefit realisation

Shield

• sales growth – drive for greater share of quality members, extend product offering to general merchandise

• costs - implement Great Plains > eShield

CCW WHOLESALERS
JUMBO

• sales growth - 2 new stores, improved buying, banner groups, improved trading practices B&W

• costs - stronger management, improved systems, B&W cost rationalisation

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Horizon 1 – Group Growth Priorities

- Sales
  - Refinement of store portfolio
  - Collaboration synergies – Food, Liquor, GM, Cellular
- Costs
  - Drive collaboration synergies – IT, HR, shared services

Horizon 2 – Build real Emerging Businesses

Horizon 2 - Africa development

- Opportunity
  - Vast unserved market
  - High trading densities
  - Very high profitability
  - Unchallenged by global retailers
- Challenges
  - Currency risk (all stronger than SA Rs in past year)
  - Logistics
  - Political instability
  - Property development
- High returns necessary

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Horizon 2 - Africa development

- Initially tentative - Currently 7 stores (2 Namibia, 2 Zimbabwe, 2 Botswana, 1 Zambia)
  - Logistics managed through South Africa
  - Pricing competitive
  - Staff well trained and paid
  - Community investment
- Development by dedicated management
- Targeting 10 stores in next three years (+/- R800m sales)

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Horizon 2 – Integrate acquisition

- Furnex – effect from 1 January 2002
  - Extends Massmart's product, customer & geographic reach
  - Strong management
  - Good systems
- Integrate into Masstrade
- Synergies > procurement, ranging, HR, systems

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Horizon 3 – Create Viable Options for Future Growth

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Horizon 3 – Strategic Market Analysis

- Steve Leggatt appointed Executive Director Strategy & Corporate Finance
- Identify organic or acquisitive opportunities to penetrate & serve new product, customer or geographic markets
- Define strategy & structure
- SHV opportunities being explored
- Acquisition opportunities constantly under review

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Massmart's delivery of blatant value

- Maintain strategic clarity
- Constantly monitor evolving consumer needs
- React effectively to change
- Create blatant value
- Attract and retain superior talent
- Collaborate with all stakeholders

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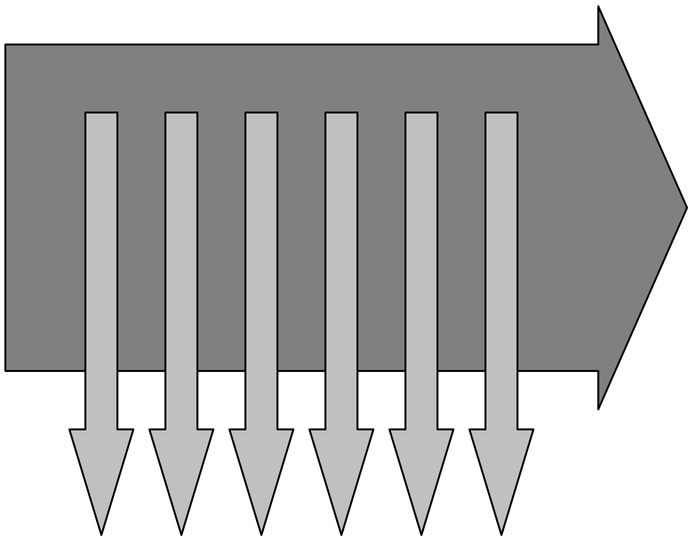
Massmart's business model



Group collaboration

- Procurement (Forums)
- Cost reduction (Shared information & services)
- Coordinated retailing (Location, Positioning, Pricing & Promotion)
- Executive development

Chain growth

- Differentiated competitive offerings
- Dominant in complementary product categories
- Multiple target markets & regional reach
- Favorable cash characteristics
- Sound organic growth
- Strict acquisition criteria

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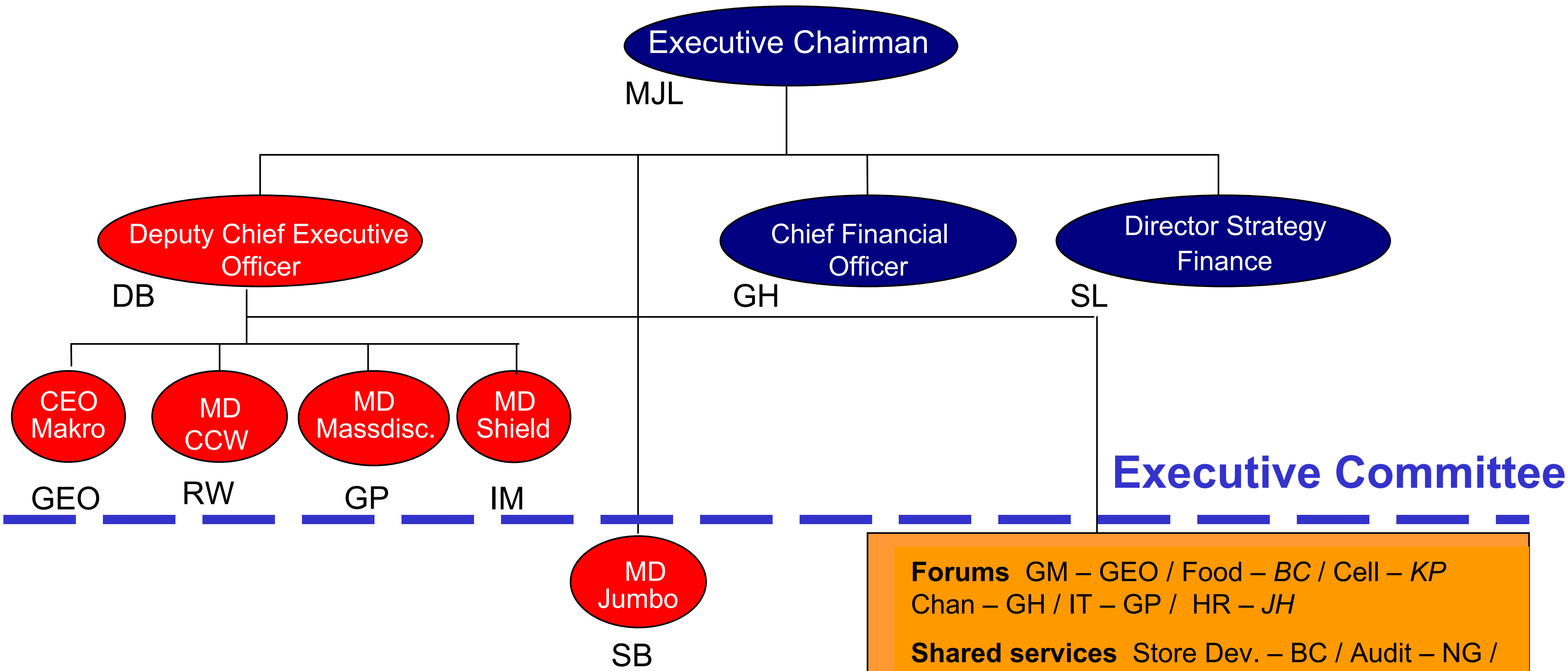
Structure to Support Growth Strategy



Forums GM – GEO / Food – *BC* / Cell – *KP*
Chan – GH / IT – GP / HR – *JH*

Shared services Store Dev. – BC / Audit – NG / Rebates - CR

Chains Manage:
- Focused Retail Brands

Channel Manages:
- Group Procurement (F/GM/Cell)
- Group Cost Reduction
- Group Market Penetration
- Executive Development

Holdings Manages:
- Portfolio
- Capital Allocation
- Performance

Management imperatives

Leadership

- Top 40: young (43), educated (66 degrees), retail experience (17 yrs.)

Entrepreneurship

- Empowered to trade
- Encouraged to innovate
- Incentivised to perform
- 265 management shareholders

Ranked 4 of 33 in UCT Business School Entrepreneurship Index

Affirmative action

- 44% management black, 45% female

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