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Dedicated to Value

Reviewed Interim Results

for the 26 weeks to December 2003

Presentation to Investors, Analysts and Press – February 2004

Agenda

- Financial & Operating Highlights
- Strategy
- Environment
- Operating performance
- Financial Performance
- Prospects

ADDENDA – Additional financial data

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Financial & Operating Highlights

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Financial highlights

Sales	Comparable Sales	Trading Profit	Headline Earnings Before Acquisitions	Headline Earnings
R12 255m		R561m	R337m	R366m
16%	8.5%	30%	20%	27%

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Financial highlights

183.5 c	R1078m	4.6%	32.2%	61cps
26%	92%	24%		27%
Headline EPS	**Cash flow from Operations**	**Return on Sales**	**Return on Equity**	**Dividend**

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Operating Highlights

- Comparable sales growth of 8.5%, with average selling price inflation of 0% across all Massmart product categories (GM -8% Food 2% Liquor 10%)
- Pre-interest operating profit margin of 4.57% and post interest operating profit margin of 4.55%, both exceeding 4.5% for the first time
- Improved working capital management with cash flow from operations exceeding R1b
- Improvement in rolling twelve-month return on equity from 30.3% to 32.2%

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Operating Highlights (cont.)

Growth record:

- 30th consecutive half year of double digit sales growth in volatile economic environment
- 10th consecutive half-year of comparable period operating profit growth > 20%
- 28% 5yr compounded growth of sales to June ‘03
- 22% 10yr compounded growth of sales to June ‘03
- 62% 5yr compounded growth of EBIT to June ‘03
- 40% 10yr compounded growth of EBIT to June ‘03

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Operating Highlights (cont.)

Divisional consistency:

- Record sales from all divisions
- Record pre- & post-interest profits from all divisions
- Record pre-interest trading margins from all divisions
- Record post-interest trading margins from all divisions excluding Masstrade which held margin

Operating Highlights (cont.)

Growth:

- 8% real organic growth
- Builders Warehouse & Tile Warehouse included in first half for first time
- 4 new stores (2 B & T Warehouse, 2 CBW)
- 2 minor acquisitions adding 7 stores to CBW
- Estimated full year sales per store of R80m (Tile Warehouse included in adjacent Builders Warehouse)

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Strategy

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Strategic progress

Strategic Objectives	**Progress in 6 months to 12/03**
Continued real sales growth from existing outlets	9% real growth from comparable stores
Expansion into new categories and formats	Strengthened DIY, Building Materials, Ceramic Tiles
New outlets	CBW (2 new outlets) Builders & Tile W/H (2 new outlets)
Selected acquisitions that conform to Massmart's strategic and financial criteria	Trident Botswana (6 outlets) Drinks Galore (1 outlet)
Acquire within strategic criteria to enhance market position in Africa	Constantly evaluating acquisition opportunities

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Environment

Environment

	H2'02	H2'03
Rand/$	9.86	6.94
PPI Import %	15	-8
CPIX %	11.4	5.1
Retail Infl. %	9.8	3.2
CPI Food %	18	4.4

Impact

Cost of imported goods falling
- initial delayed purchasing
- higher volumes lower values
- some imported stock lost value
- clearances at lower margins

Declining food exports
Low food price sensitivity
Traders destocked (no inflation)

Action

Competitive stance
- More active tracking of competitors
- Maintain competitive pricing
- Shorten promotional lead times
- Maintain margin/markup flexibility
- Range differentiation vs. competition
- Substitute food exports

Asset management
- Clear aged/overpriced stock quickly
- Collaborate with suppliers for supply chain efficiency
- Buy less stock more frequently
- Maintain high stock turns
- Timing of imports critical

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Operating Performance

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Massdiscounters

GM discounter: 55 Game & 11 Dion stores

- Sales 7.3% (comp. 7.8%) up to R3.6b. PBT ROS of 6% (LY 5.4%)
- Exceptional control of expenses & working capital

- Game South Africa:
  - Deflation –8%. Aggressive marketing, merchandising & working capital management >PBT growth double sales growth
- Game Africa:
  - Sales depressed by currency translation, but PBT up due to working operational focus
- Dion:
  - Sales under pressure in 1st quarter. Ranging & promotions improved into 2nd Quarter with positive impact on sales & margin
- Divisional growth
  - 2004 FY: Game Kampala
  - 2005 FY: Mitchells Plain & Maputo

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Masswarehouse

Warehouse Outlets: 12 Makro, 8 Builders & 7 Tile

- Sales 28.5% (comp. 11.9%) up to R3.7b PBT ROS of 4.6% (LY 3.3%)

- Makro:
  - Excellent GM sales growth, despite deflation & margin pressure due to clearance activity. Comparable food sales grew at 4% despite volume declines. Innovative promotions & cardholder recruitment
  - Strong improvement in working capital
- Builders Warehouse & Tile Warehouse
  - Sales of R364m and improved profitability
  - Massmart influence: management, procurement, marketing, systems, store design. Strubens Valley (BW&TW) and Rustenburg (TW) stores opened November.
- Divisional growth
  - 2004 FY: BW Rustenburg. 2005 FY: Makro Strubens Valley*. Midrand (TW DC), Nelspruit, Polokwane, Dbn & CT under review

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Masscash

C & C wholesaler – 54 CBW & 5 Jumbo outlets

  – Sales 11.2% (comp. 4.5%) up to R3.3b. PBT ROS of 3.6% excluding profits on sale of properties (LY 3.5%)

- CBW:
  – Focus on low cost owner/manager formula
  – New stores: Kimberley & Klerksdorp. Acquisitions: Trident Botswana (October) – 6 outlets, Drinks Galore (December) – 1 outlet
- Jumbo:
  – Lower sales due to Isipingo closure, strike, aggressive competition and decline in exports. Almost maintained comparable store sales
  – Head Office and branch restructured, Suru Bhawan Deputy Chairman & Fred Cresswell MD
  – Better margin and expense control
  – Full integration into Masscash by end 2004
- Divisional growth
  – 2004 FY: 2 CBW's & 1 Jumbo
  – 2005 FY: Minimum 4 new stores

Masstrade

Voluntary buying associations: Shield: 766 food retailers & wholesalers, Furnex: 853 furniture & appliance retailers

- Sales 22.3% (comp. member 14.2%) up to R1.7b
- PBT ROS of 2.7% (LY 2.7%)

- Shield:
  - Steady comparable sales & member growth. Working capital optimisation work in progress (BPE - Operations Director)
- Furnex:
  - Rapid growth of sales & profits resulting from expanded member base
- Growth
  - New members, new suppliers and new ranges

Group Initiatives

- Improved inter divisional collaboration
  - Food/GM/TIP/Costs/HC
- Human Capital Strategy
- BEE strategy
- Ethical Code of Conduct

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Financial Review

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Store Portfolio

	Makro	MDD	Jumbo	CBW	Builders	Total
July '03	*12	66	6	46	11	141
Acquisition	-	-	-	+7	-	+7
Openings	-	-	-	+2	+3	+5
Closures	-	-	-1	-	-	-1
Dec '03	*12	66	5	55	14	152
Rem. of Fin. Yr	-	*+1*	*+1*	*+2*	*+1*	*+5*

*Excludes two Makro Zimbabwe stores

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Inflation

	6 mths to Dec 2002	Year to June 2003	6 mths to Dec 2003
Food	16.1%	9.2% - 14.3%	1.5% - 4.0%
Liquor	12.6%	7.7%	10.0%
Gen Merch	13.0%	8.7%	-8.0%
Overall	*14.5%*	*10.1%*	*0%*

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Sales

(Rm's)	2003	2002	% Chg	Comp. % Chg
Massdiscounters	3 590	3 346	*7.3*	*7.8*
Masswarehouse	3 669	2 855	*28.5*	*11.9*
Masscash	3 280	2 951	*11.2*	*4.5*
Masstrade	1 716	1 402	*22.3*	*14.2*
Total	12 255	10 555	*16.1*	*8.5*

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Sales Growth Analysis

	%
Existing stores (*comparable* growth)	8.5
New stores	3.0
Acquisitions (Builders & Trident)	4.6
Total sales growth	16.1

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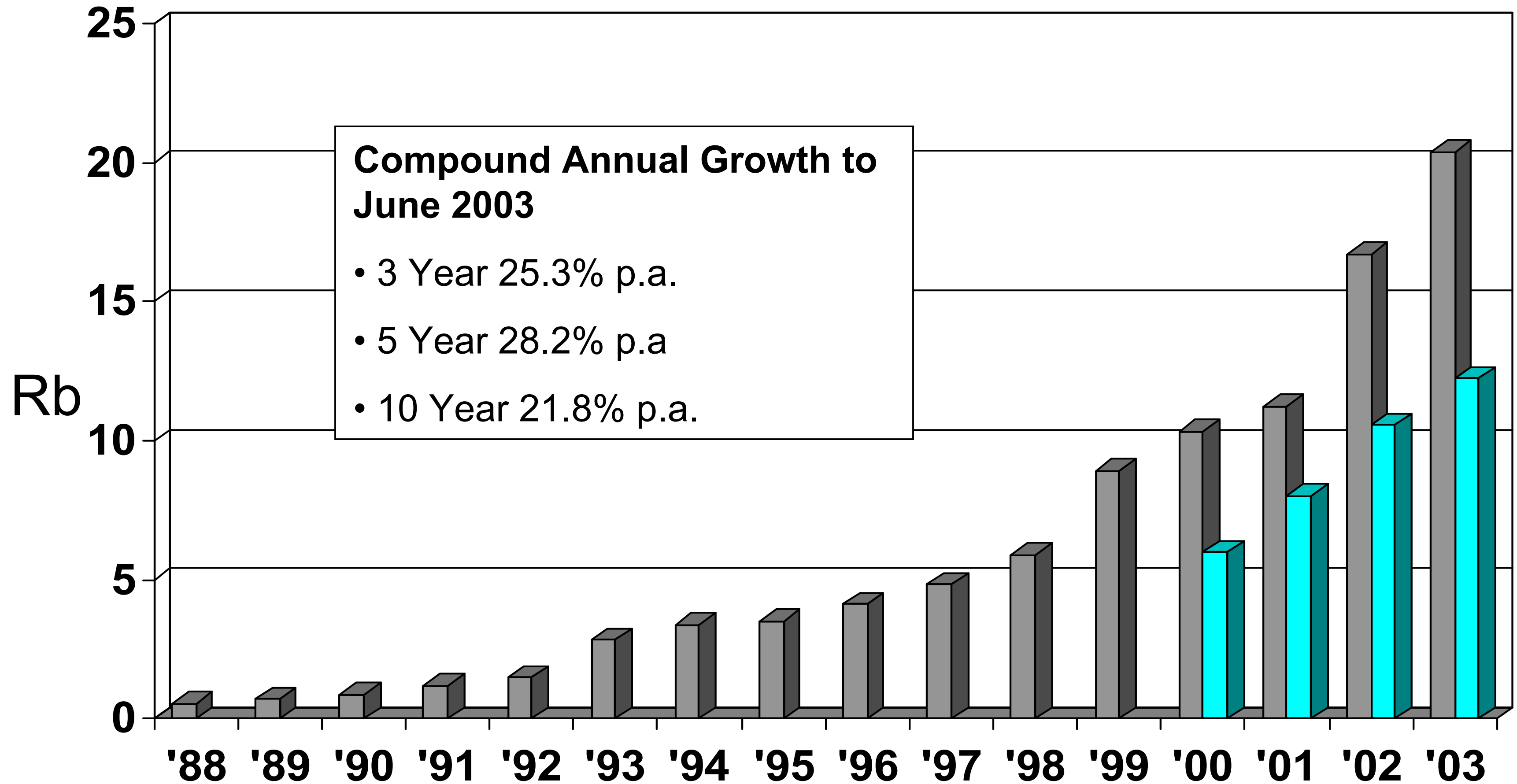
Long term sales growth



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Divisional PBIT

(Rm's)	Period to December		
	2003	2002	%
Massdiscounters	229.5	213.4	*7.5*
Masswarehouse	157.0	87.3	*79.8*
Masscash	*122.5	91.2	*34.3*
Masstrade	51.5	38.0	*35.5*
Total	560.5	429.9	*30.4*

* Includes R16.5m profit on sale of land & buildings in CBW.
Masscash PBIT growth 16.2% excluding this profit

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Interest Paid

	Dec 03	Dec 02	Jun 03
Massdiscounters	(15.7)	(32.6)	(70.4)
Other Chains	19.7	18.0	34.6
Corporate	(7.0)	2.7	(14.6)
Total interest	(3.0)	(11.9)	(50.4)

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Divisional PBT

(Rm's)	Period to December		
	2003	2002	%
Massdiscounters	213.8	180.8	*18.3*
Masswarehouse	170.3	94.0	*81.2*
Masscash	*133.8	102.1	*31.0*
Masstrade	46.6	38.4	*21.4*
Total	564.5	415.3	*35.9*

* Includes R16.5m profit on sale of land & buildings in CBW.
Masscash PBT growth 14.9% excluding this profit

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Targeted PBT ROS

(%)	*June Target*	**Dec 2003**	June 2003	**Dec 2002**	June 2002	**Dec 2001**	June 2001	**Dec 2000**
Massdiscounters	*5.0*	**6.0**	3.64	**5.40**	3.36	**4.5**	2.02	**3.2**
Masswarehouse	*4.0*	**4.6**	3.03	**3.28**	2.91	**3.9**	2.52	**3.3**
Masscash	*4.0*	**3.6**	4.08	**3.47**	3.92	**3.1**	3.52	**3.0**
Masstrade	*3.0*	**2.7**	2.89	**2.74**	2.51	**2.6**	2.73	**2.7**
Group	**4.17*	**4.6**	3.49	**3.80**	3.29		2.48	

* Proforma using actual sales mix and target margins

Currency impact

(Rm's)	December	
	2003	2002
Translation losses	(10.0)	(19.1)
AC133: FECs	(7.6)	(6.6)
AC133: Other	(5.5)	1.2
Total	(23.1)	(24.5)

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Analysis of Tax Charge

(Rm's)	Dec '03	Dec '02
Current tax	155.2	122.5
Deferred tax	(1.7)	(12.7)
Foreign tax	18.3	16.5
Total	171.8	126.3

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Stock & Creditors

	Dec. 2003		Dec. 2002	
	Rm's	Days	Rm's	Days
Net Stock (1)	2 753	56	2 910	67
Trade Creditors (1)	4 463	67	4 028	70

1. Days calculated using historic sales and cost of sales.

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Debtors

	Dec. 2003		Dec. 2002	
	Rm's	Days	Rm's	Days
Trade Debtors (1)	940	47	766	45
Retail Debtors (2)	256	224	224	216
Other Debtors (3)	723	-	479	-

1. Includes Masstrade Makro, Jumbo, Builders Warehouse, CBW & Trident. Days calculated using historic sales and cost of sales.
2. Massdiscounters HP & Revolving Credit.
3. Other Debtors include Rebate debtors, prepayments, debit balances in creditors, etc

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Capital Expenditure

(Rm's)	Dec. '03	Dec. '02	June '03
Land & buildings	13	56	105
Leasehold improvements	6	24	19
Plant & Equipment	52	82	107
Computers	57	30	42
Motor vehicles	8	3	10
Total	136	195	283

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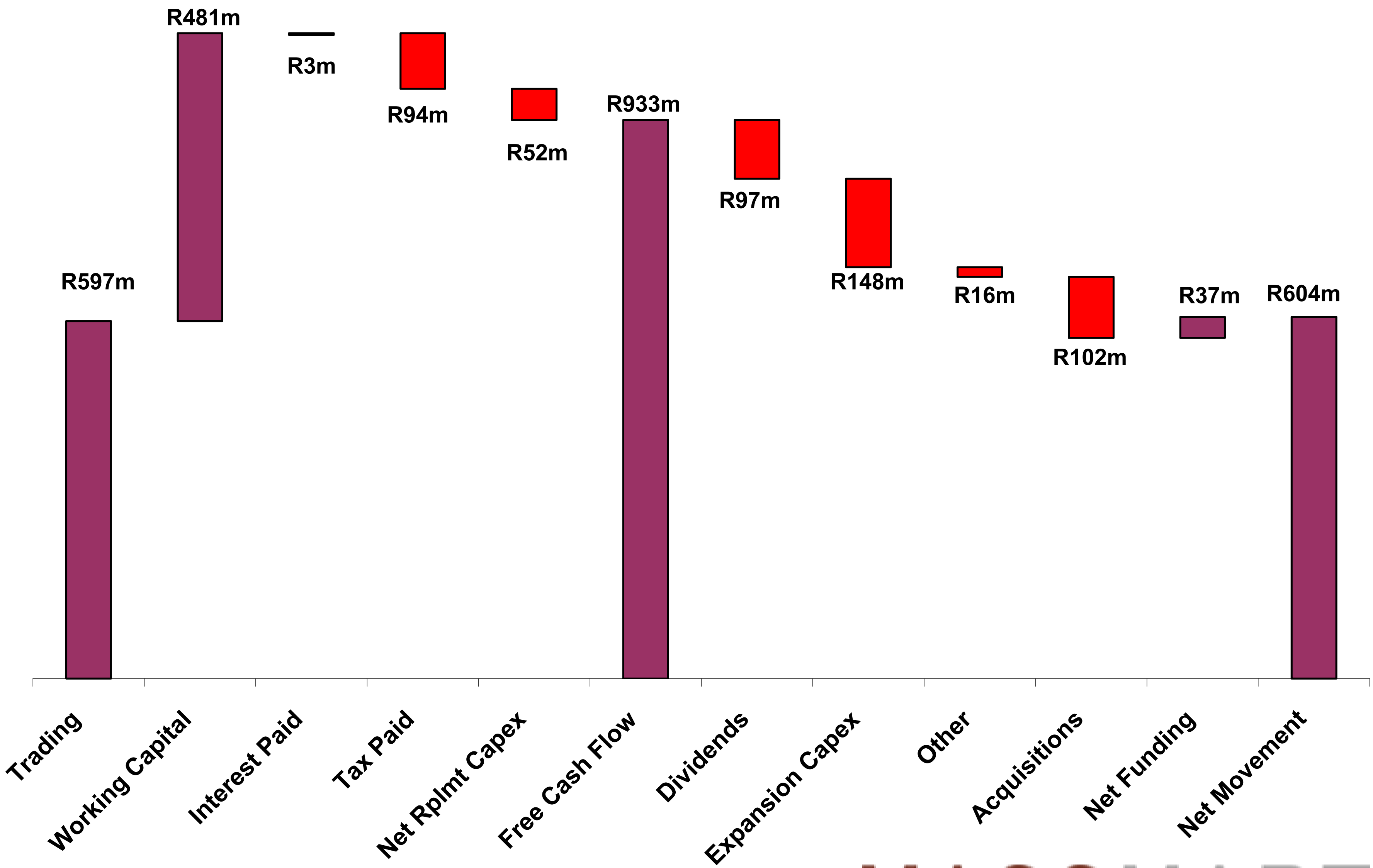
Cash flow Analysis



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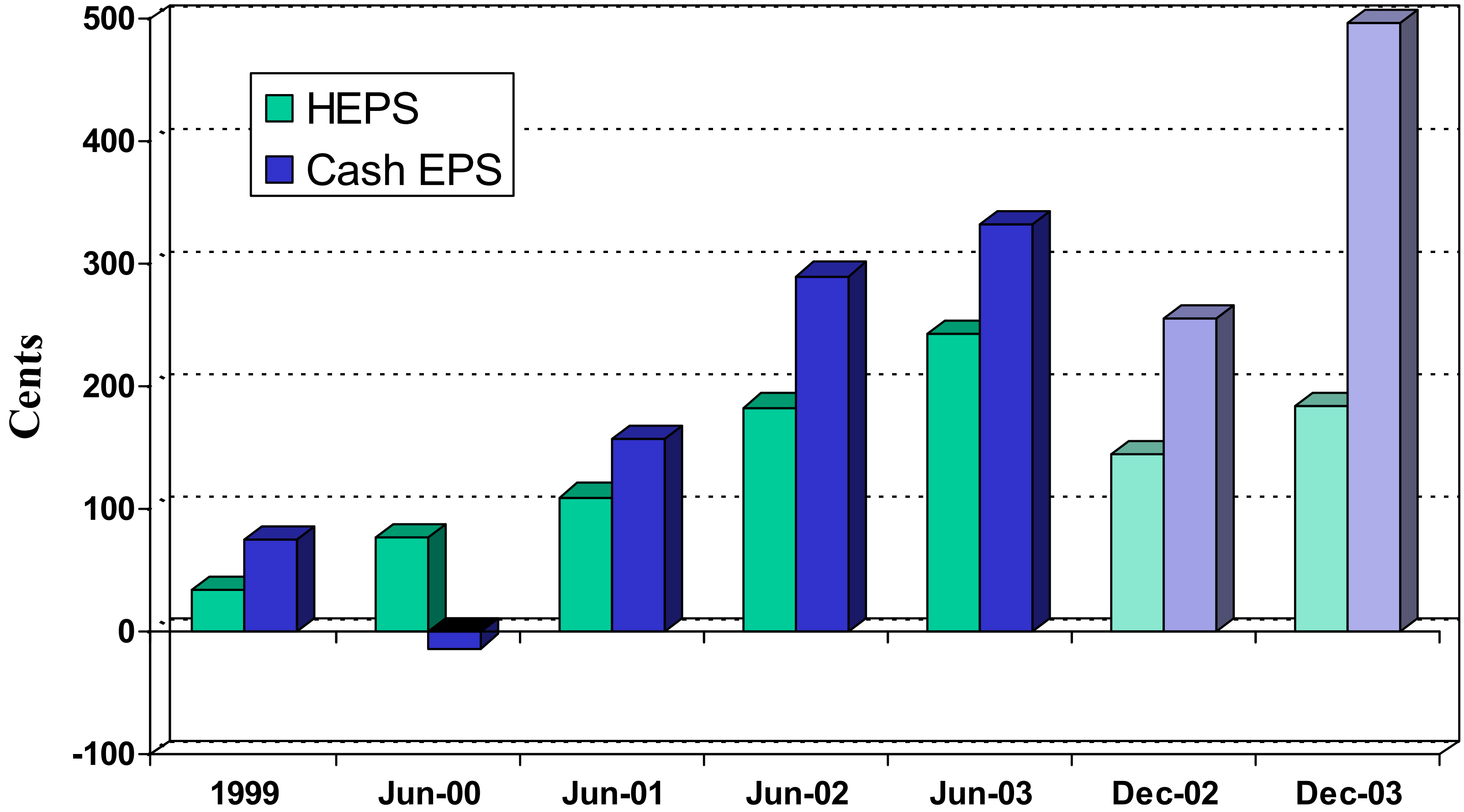
Cash Earnings



HEPS – Headline Earnings per Share (cents)

Cash EPS – Cash from Operating Activities, before dividends paid

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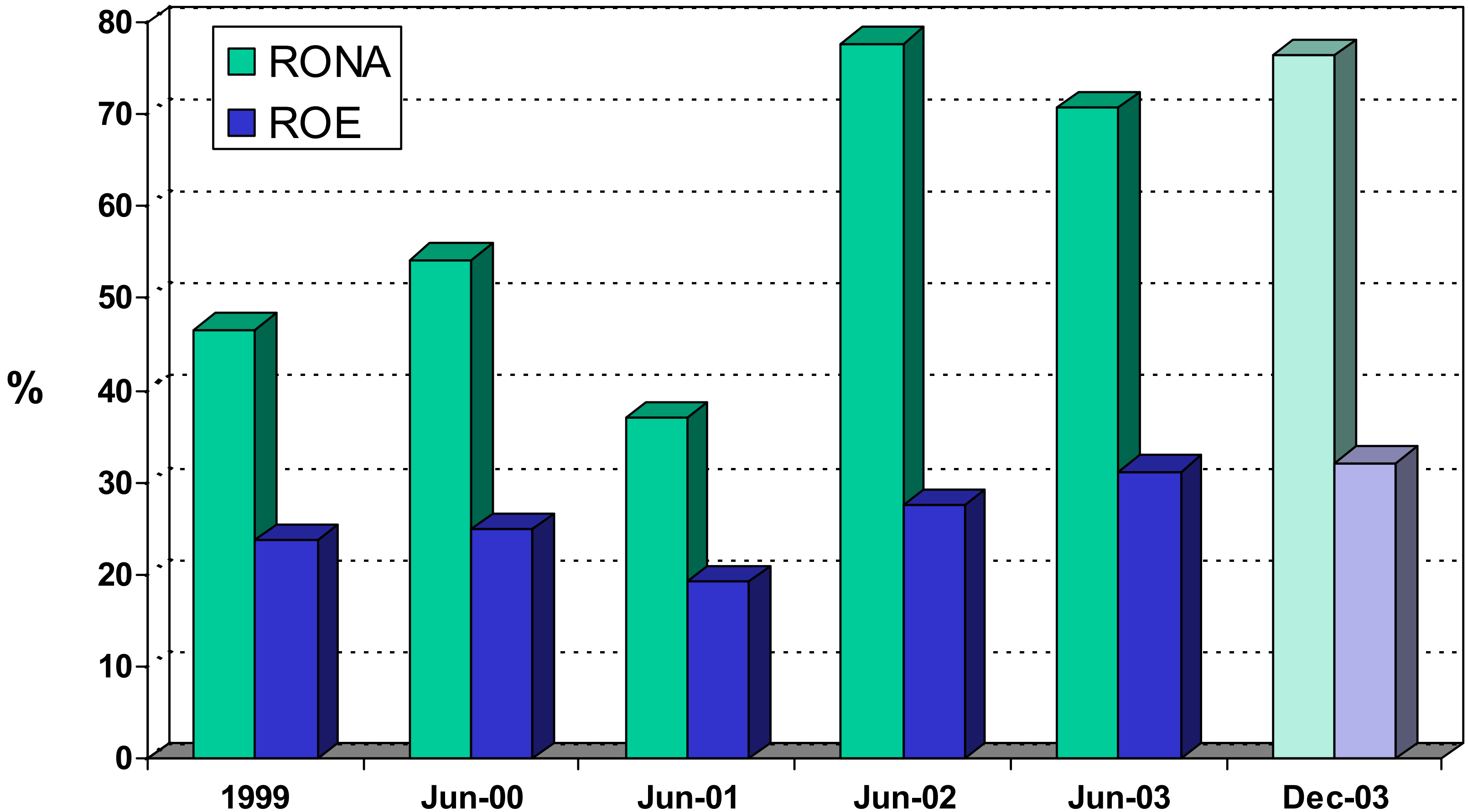
Returns



RONA - EBITA / Average Net Assets

ROE - Headline Earnings / Average Shareholders Equity (ignoring previous goodwill & trademark write-offs)

game trademark

- SARS written ruling issued May 2002:
  - Trademark deduction of R475m per s11(gA)
  - Over 10 years (from June 1999)
- Ruling recently withdrawn
- No income statement impact: *deferred* tax charge now becomes *current* tax charge
- No historical cash flow impact: assessed loss in Masstores
- Tax impact: annual cash tax increases by R14.25m (R475m / 10 yrs @ 30%)
- Have taken legal counsel and believe we have strong grounds to oppose
- Massmart & SARS remain in discussion

Consolidating the Share Trust

- Consolidation now required by JSE GAAP Monitoring Panel
- Limited balance sheet impact:
  - *Loan to Share Trust* now *Loans to Employees*
  - Unallocated issued shares in Trust reduce share premium
- No income statement impact
- No EPS impact

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Governance

- Massmart Board (As at February 2004)
  - SHV sale resulted in 2 non exec and one non exec alternate directors resigning
  - 12 directors – 2 executive, 2 non-executive & 8 independent non-executive
- Sub-Committees:
  - Audit (non-executive Chairman)
  - Remuneration and Succession Committee mandate altered. Remunerations and Nominations Committee (non-executive Chairman)
  - King Committee responsibilities assumed by Audit Committee
  - Risk (non-executive Chairman)

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Prospects

Environmental outlook

As predicted:

- Reduction in economic volatility:
  - More stable Rand
  - Sustained moderate inflation (approx 5% for 2004)
  - Stable or slowly increasing interest rates (2nd half)
- Continued positive effect of lower interest rates on middle to upper income consumer spending
- Lower income consumers under pressure
- Confidence affected by electioneering

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Massmart's Prospects

- Significant environmental & operational challenges in H2 2003
- Environment & operations better in H2 2004
- Every indication of a good 2nd half:
  - Improving trading conditions
  - Accelerating sales growth and firming margins
  - January profits ahead of budget
- State of the Group far better than LY:
  - Management, stock, margins, expenses, cash
- H2 EPS growth likely to compare with that of H1

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"Constantly making things better for the customers who shop in our stores is not something we can simply do in some general way. It isn't something we can command from the executive offices because we want it to happen. We have to do it store by store, department by department, customer by customer, associate by associate"

Sam Walton – Founder Wal-Mart

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Additional Financial Data

Headline Earnings Reconciliation

	Rm's
Attributable earnings	345.5
Goodwill	35.9
Profit on fixed asset disposals	*(15.8)
Headline earnings	365.6

* Includes R16.5 million profit on sale of fixed assets in Masscash

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Headline Tax Rate Reconciliation

	%
Standard rate	*30.0*
Exempt income	(1.3)
Disallowables	0.3
STC	1.9
Foreign tax	0.3
Other allowances	0.4
Effective headline tax rate	*31.6*

Number of Shares

	(000's)
At 1 July 2003	198 587
Shares issued	604
At 28 December 2003	199 191
Weighted-average for period	199 191
Fully-diluted weighted average	207 068

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Dividend Policy

- Total annual dividend of x2,5 cover
- Interim dividend of x3,0 cover
- Final dividend to bring total annual dividend to x2,5 cover
- Unless circumstances dictate otherwise

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Targets

Group Annual ROS	> 4,0%
Int-bearing Debt : Equity	< 30%
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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