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Dedicated to Value

Reviewed Results

for the 52 weeks to 24th June 2007

Presentation to Investors, Analysts and Media – August 2007

Agenda

- 2007 Environment
- 2007 Highlights
  - Strategic, Structural, Trading & Financial
- 2007 Operating & Financial Performance
- Strategy
- "Vision for Growth 2010"
- Risks & Prospects

ADDENDA – Additional data

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Environment

Environment

- Retail market buoyed by:
  - Growth in real disposable income despite rising interest rates (increase in formal employment / structural change in South African consumer profile)
  - High consumer confidence
- Massmart performance enhanced by:
  - Low cash prices amidst increasing aversion to credit
  - Gradually rising inflation
  - Continued consumer investment in durables & home improvement
  - Slight improvement in the position of middle & low income consumers

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Environment

- Challenges
  - Skills shortage (professional, specialist, managerial & leadership)
  - Capacity constraints (utilities, manufacturing supply)
  - Inefficient public service (licensing, provincial anomalies)
  - Crime

2007 Highlights

Strategic, Structural, Trading & Financial

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Strategic highlights

- Excellent strategic execution across all divisions
- Massdiscounters
  - extraordinary store development (openings, closures, conversions)
  - clothing discontinued
  - Dion Wired trialled
- Masswarehouse
  - new store format defined to improve customer service
- Massbuild
  - re-branding, systems conversions, management changes, head office rationalisation, largely complete
- Masscash
  - Jumbo & Shield integrated under Masscash team
  - new hybrid format trialled

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Structural highlights

- Organisation & management structures simplified to eliminate complexity & cost
- Board strengthened (Five of 14 member Board PDI - 3 women)
- Seamless CEO transition
- More efficient Executive Committee
- Higher calibre Divisional Executive teams
- Increased focus on & investment in Human Capital development (Massmart University / Graduate Development Programme)
- 14 500 empowered staff (Thuthukani)

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Trading highlights

- Continuous pursuit of quality innovative merchandise
- Aggressive marketing
- Unwavering dedication to high volume, low gross margin, low expense ethos (R137m sales per store R33k sales per m^2)
- Increased inventories to enhance customer service in the face of erratic supplies
- Store network increased to 238 (994 277 m^2) with the opening of 20 new stores with estimated annual sales of > R1.5b

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Financial highlights

Sales	Comparable Sales	Trading Profit	Headline Earnings	Headline Earnings Before BEE Transaction
R34 808m		R1 754m	R1 092m	R1 147m
16%	12.5%	32%	31%	37%

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Financial highlights (cont.)

Headline EPS	Cash flow from Operations (Trading)	Pre Tax Return on Sales	Return on Equity	Dividend
540 c	R1 892m (R1 920m)	4.7%	52%	320cps
28.9%	5% (24%)	8%	6%	52%

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Financial highlights (cont.)

- Record sales of R34.8billion, of which 1.3% were credit & 6% foreign
- With estimated average inflation of 4.9%, real comparable store sales grew 7.6%
- Trading profit grew more than twice as fast as sales to R1.9b
- Pre and post interest trading profit margins at 5.0% and 5.4% respectively >5% for the first time
- Pre and post interest operating profit margins increased to 4.8% and 4.7% respectively
- Profit after tax at R1.07b >R1b for the first time

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Progress towards targeted Trading PBT ROS

(%)	FY'07	Medium term Target	International benchmark
M'discounters	**7.3%**	8.0%	Walmart ex food 7.4%
M'warehouse	**6.1%**	5.0%	Metro AG C&C 5.0%
M'build	**7.7%**	9.0%	Home Depot/B&Q 10.0%
M'cash	**2.6%**	3.0%	Makro S. America 3.0%
Group	**5.4%**	*5.7%	**5.7%*

Figures are Trading PBT ROS%
* Proforma using 2007 sales

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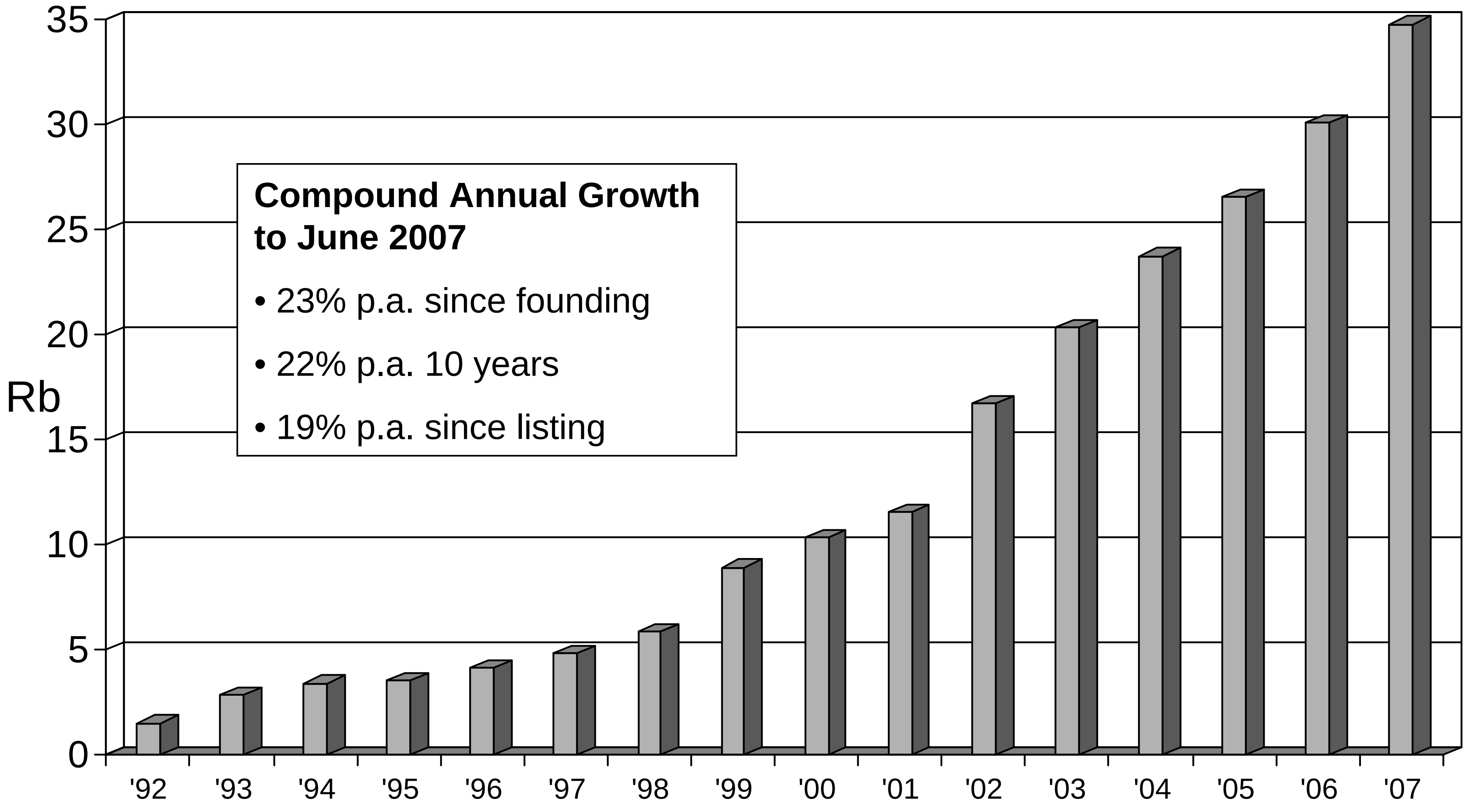
Sales growth



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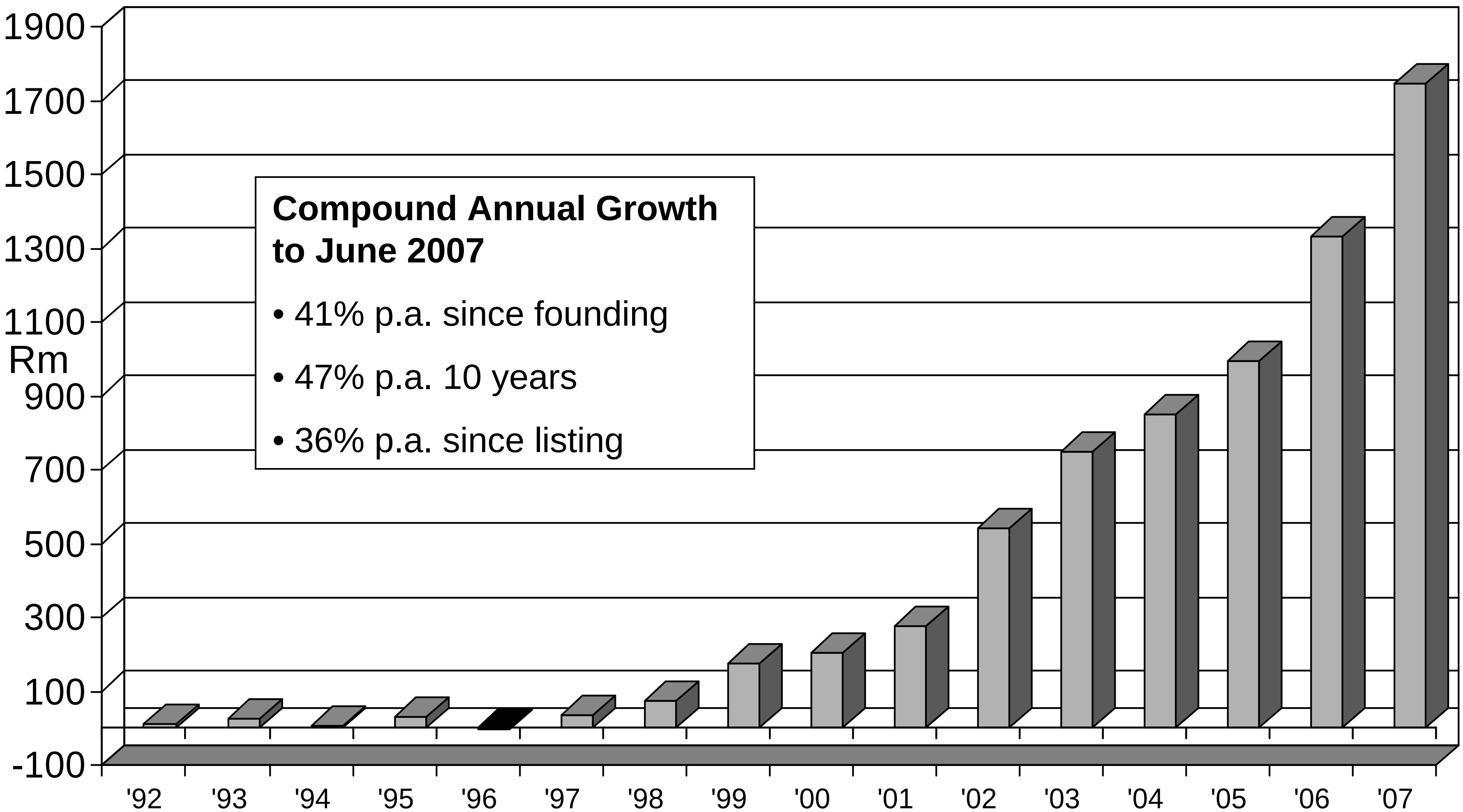
EBITA growth



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At 30th June 2007 Massmart had a …

- **Strategy** that was rigid enough to ensure market differentiation, management focus & shareholder understanding, but flexible enough to allow an entrepreneurial response to change & opportunities
- **Structure** that was formal enough to ensure oversight & control, but informal enough to allow rapid communication, candid rapport & critique
- **Leadership** cadre with the competence, confidence & intellect to interpret their individual & collective experiences & integrate the learning into their philosophies, principles & judgement

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At 30th June 2007 Massmart had a …

- **Portfolio** of four focused divisions, each a low price leader in its chosen sector, differentiated by market positioning, merchandise mix, business model & cash characteristics, but bound by a common dedication to high volume, low gross margin, low cost distribution & the pursuit of additional value through collaboration

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The Massmart Portfolio

MASSMART HOLDINGS
238 Stores

MASSDISCOUNTERS	MASSBUILD	MASSWAREHOUSE	MASSCASH
GM discounters >LSM 5 - 10	DIY HI Outlets > LSM 6 - 10	Warehouse Club > LSM 5 - 10	Food cash & carry > LSM 2 - 5
90 stores	64 stores	12 stores	72 stores

At June 2007, 4 Boards & 4 Divisional CEO’s controlled 7 brands & 9 formats

At 30th June 2007 Massmart had a …

- **Portfolio** of four focused divisions, each a low price leader in its chosen sector, differentiated by market positioning, merchandise mix, business model & cash characteristics, but bound by a common dedication to high volume, low gross margin, low cost distribution & the pursuit of additional value through collaboration
- **Record** of transparent excellence in every facet of endeavor
- **Platform** for sustained superior performance

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In conclusion…..

"My conviction that the new leadership of Massmart is relatively better able to read and respond to future environmental and industry change than its predecessors, or the leadership of its competitors."

Mark J. Lamberti – Final Board report as CEO

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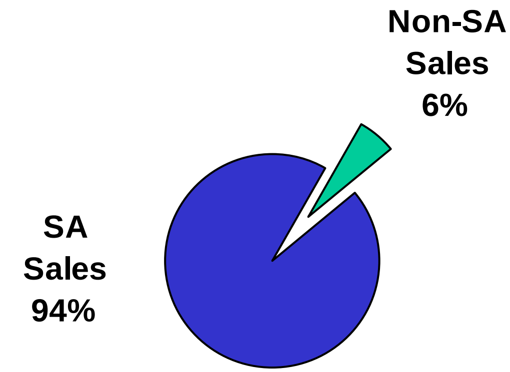
2007 Operating & Financial Performance

Sales



(Rm's)	2007	2006	% Chg	Comp. % Chg
Massdiscounters	9 425	8 096	*16.4*	*6.8*
Makro	8 640	7 661	*12.8*	*14.4*
Massbuild	4 948	3 893	*27.1*	*13.6*
Masscash	11 795	10 314	*14.4*	*15.3*
Total	34 808	29 964	*16.2*	*12.5*

Masscash comparable sales for CBW & Jumbo only.

Total Makro sales growth includes Zimbabwe in 2006, comparable excludes.

Furnex sales excluded from 2006 (R480m)

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Inflation

Group inflation for year to June 2007:

– General Merchandise	+0.5
– Home Improvement	+6.5
– Food & Liquor	+8.1
– Total	+4.9

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Store Portfolio

	Massdiscounters	Makro	Massbuild	Masscash	Total
July 2006	80	*12	65	69	226
Acquired	-	-	-	5	5
Closed	(3)	-	(3)	(2)	(8)
Openings	13	-	2	-	15
June ’07	90	*12	64	72	238

* Excludes two Makro Zimbabwe stores

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Trading Space

- Net new space 35 021m²
  - – Opened 46 586m²
  - – Acquired 10 178m²
  - – Closed 21 740m²
- Closing space 994 277m²
- 3.7% net space growth (unweighted)

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Sales Growth Analysis

	%
Existing stores (*comparable* growth)	12.5
New stores	3.7
Total sales growth	16.2

Eight-week sales update: 13.4% total, 11.2% comparable

June 2008 is a 53-week trading period

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Gross Profit

	2007	2006
	R6 372m	R5 314m
% of Sales	*18.3%*	*17.7%*

- Portfolio effect – higher Massbuild margin
- Food inflation – slightly higher CBW margin

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Operating Costs

	2007	2006
	R4 823m	R4 097m
% of Sales	*13.9%*	*13.7%*

- 17.7% increase, including:
    - Store pre-opening costs R48m (2006: R38m)
    - Total IFRS 2 charge R73m (2006: R17m)
    - Forex loss R41m (2006: R33m gain)
- Adjusting for these: 14.4% increase

Excludes Impairment of Assets

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Employment Costs

	2007	2006
	R2 450m	R2 079m
% of Sales	*7.0%*	*6.9%*

- 17.8% increase, including:
    - IFRS 2 charges R73m (2006: R17m)
- Adjusting for this: 15.3% increase
- 10% increase in staff (FTEs)

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Occupancy Costs

	2007	2006
	R846m	R741m
% of Sales	*2.4%*	*2.5%*

- 14% increase
- Lease-smoothing flattens this growth
- Store portfolio “churn” will stabilise this at 2.4%-2.5%

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Depreciation

	2007	2006
	R241m	R203m
% of Sales	*0.69%*	*0.68%*

- 18.7% increase
- Will increase ahead of sales growth from new stores and refurbishments

Forex Gains & Losses

Rm's	2007	2006
Massdiscounters	(18.1)	17.6
Other	(2.3)	(3.1)
AC 133	(21.0)	18.8
Total	(41.4)	33.3

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Divisional PBIT

(Rm's)	Year to June		
	2007	2006	%
Massdiscounters	634.2	546.4	*16.1*
Masswarehouse	466.7	288.3	*61.9*
Massbuild	363.0	290.4	*25.0*
Masscash	290.0	208.4	*39.2*
Total	1 753.9	1 333.5	*31.5*

PBIT = Profit before Interest & Tax and asset impairment
Figures exclude Furnex in both years

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Net Interest Paid

(Rm's)

	2007	2006
Massdiscounters	52.3	30.0
Masswarehouse	58.6	29.6
Massbuild	16.8	6.4
Masscash	13.8	13.2
Corporate	(185.9)	(111.4)
Total interest	(44.4)	(32.2)

Corporate includes R18m "SARS settlement"

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Divisional PBT

(Rm's)

	2007	2006	%
Massdiscounters	686.3	576.4	*19.1*
Masswarehouse	525.4	317.9	*65.3*
Massbuild	379.8	296.8	*28.0*
Masscash	303.9	221.6	*37.1*
Total	1 895.4	1 412.7	*33.2*

PBT = Profit before Tax & asset impairment and corporate interest payment
Figures exclude Furnex in 2006.

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Tax Charge

	2007	2006
Total	R555m	R445m
Total tax rate	*34.1%*	*34.3%*

- Effective rate 32.3% (2006: 32.8%)
- Not tax deductible: R73m IFRS 2 and R18m interest
- 2006 included R20m deferred tax impairment
- Higher dividend: STC 3.6% (2006: 3.2%)

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Stock & Creditors

	June 2007		June 2006	
	Rms	Days	Rms	Days
Net Stock (1)	4 027	51.7	3 221	46.8
Trade Creditors (1)	5 286	59.5	4 604	58.7
Provisions & Accruals	936	-	798	-

1. Days calculated using historic cost of sales.
(excludes Corp. and Makro Zimbabwe)

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Debtors

	June 2007		June 2006	
	Rms	Days	Rms	Days
Trade Debtors (1)	1 386	12.8	1 239	13.1
Consumer Debtors (2)	322	247	371	261

1. Days calculated using historic sales.
2. Massdiscounters HP & Revolving Credit.

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Depreciation & Capex

Rm's	2007	2006
Depreciation	241	203
Replacement Capex	142	170
Investment Capex	318	184
New businesses	160	-

2008 Budget capex R595m

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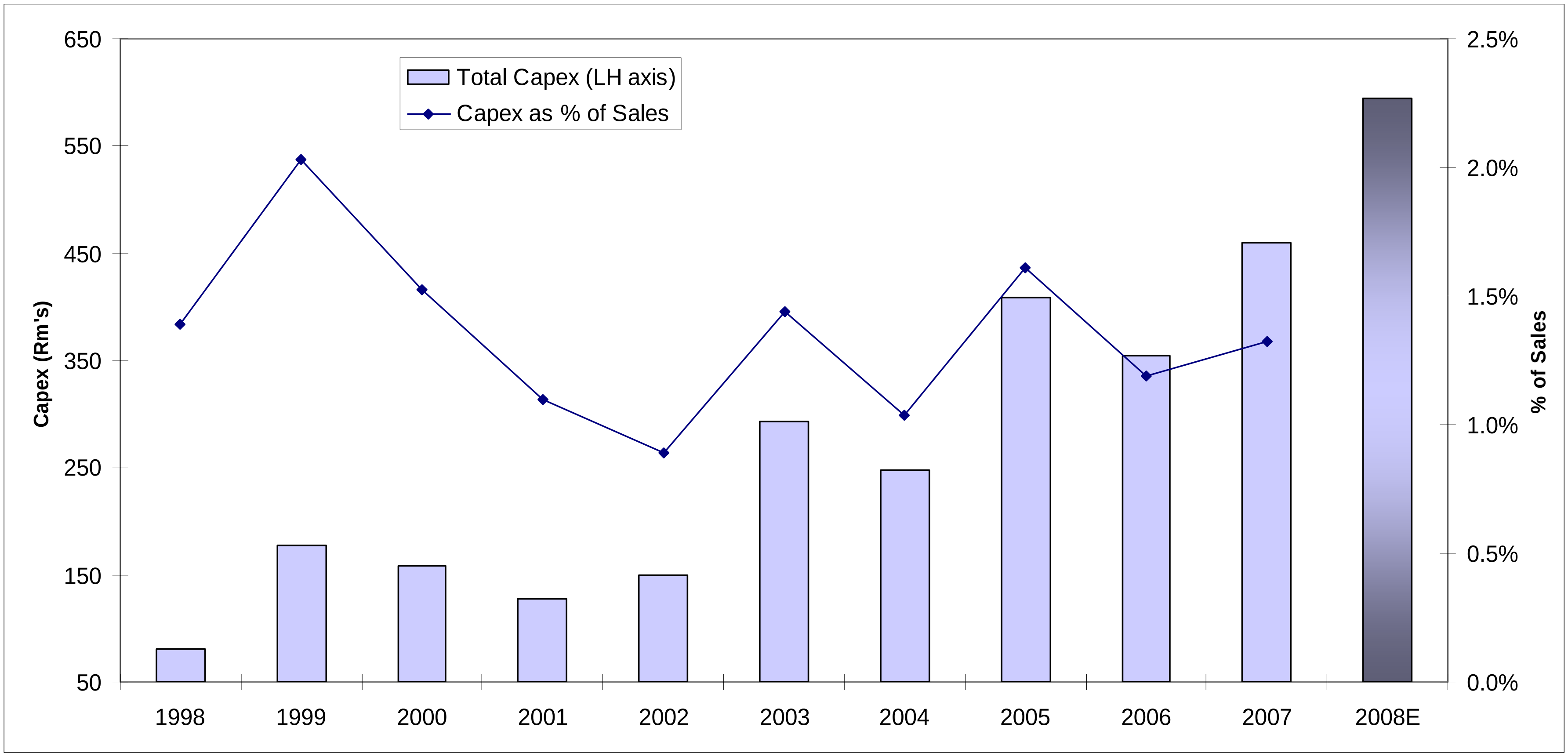
Capital Expenditure



Capex excludes goodwill on CBW minorities' buyouts and all acquisitions

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Group Gearing

- Group gearing maintained through higher capex, lower dividend cover and R313m share buyback (2006: R148m)
- Using R403m medium-term debt and shareholders' equity: gearing of 18% (2006: 26%)
- Using medium-term debt, estimated PV of lease obligations, and market capitalisation: gearing of 24% (2006: 45%)

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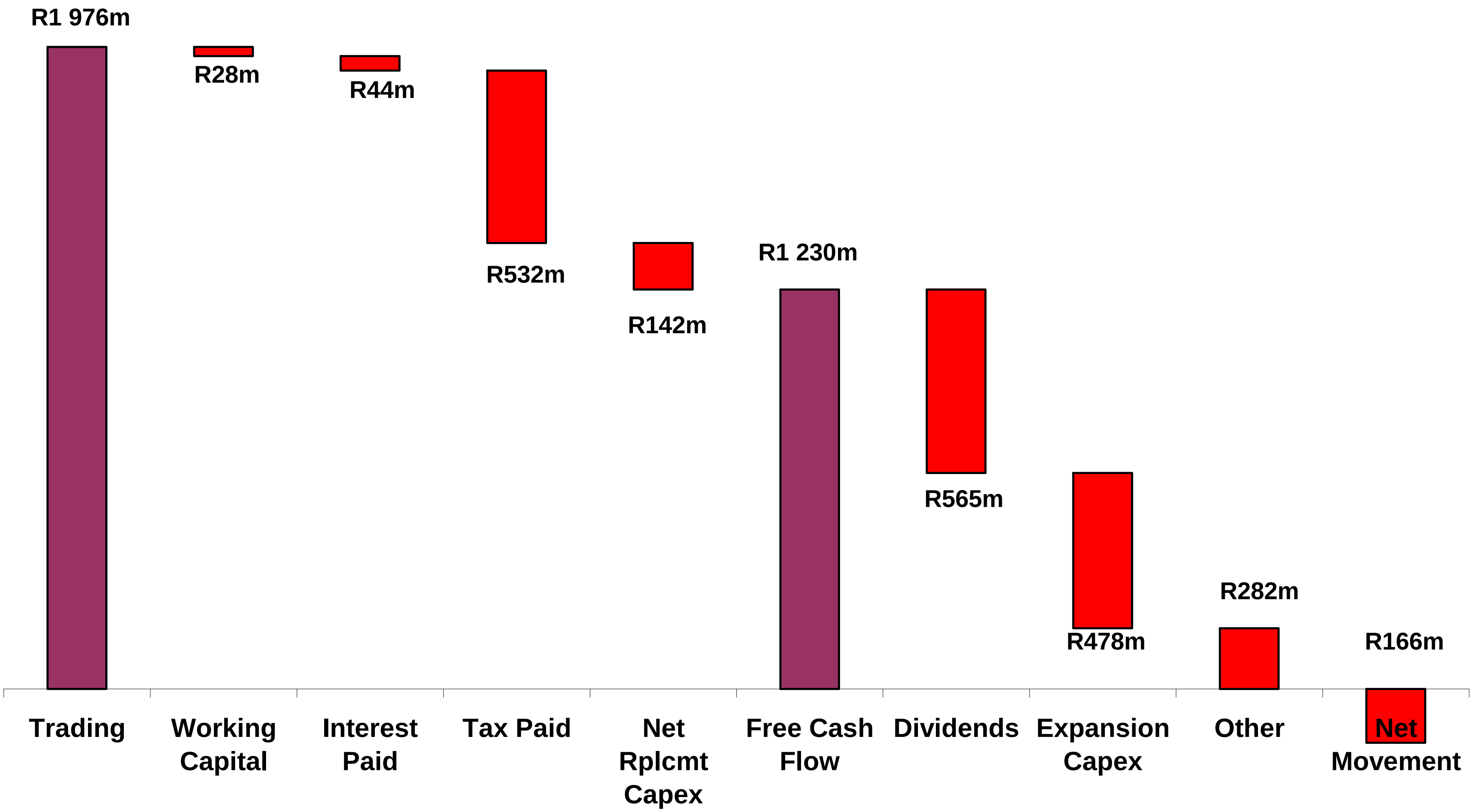
Cashflow Analysis



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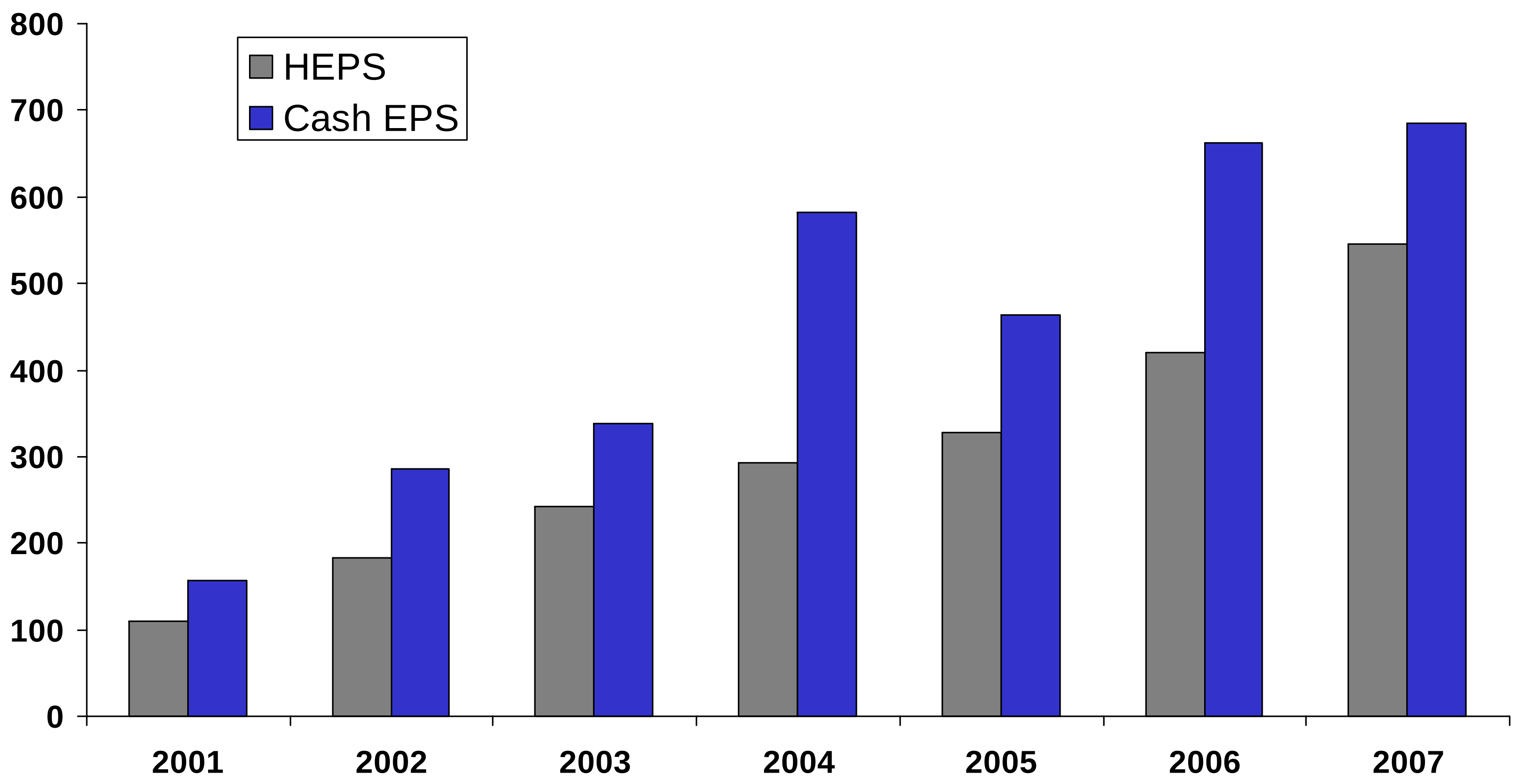
Cash Earnings



HEPS – Headline Earnings per Share (cents)

Cash EPS – Cash from Operating Activities, before dividends paid

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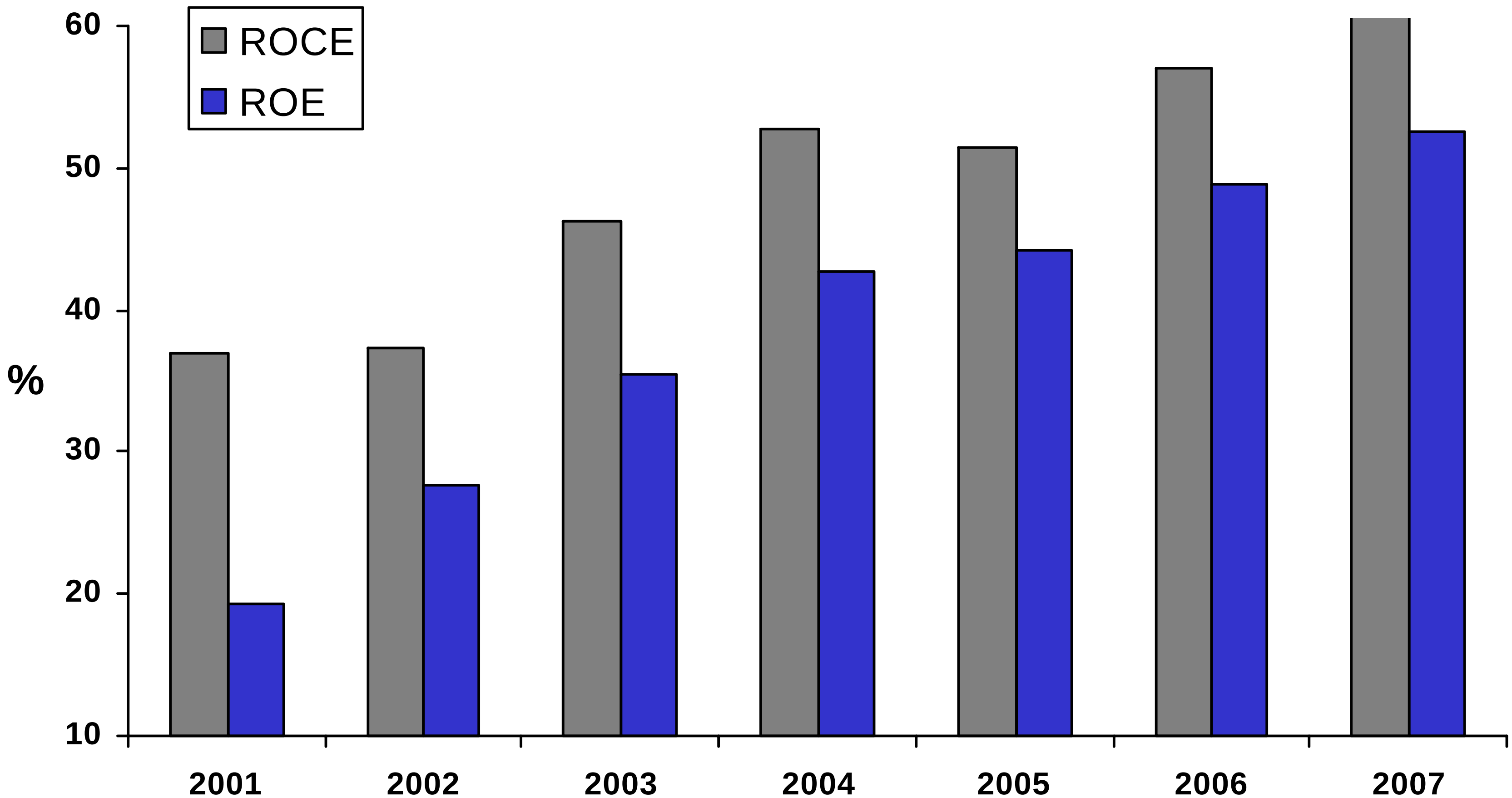
Returns (IFRS and Lease-smoothing from 2004)



ROCE - EBITA / Average Capital Employed

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

Thuthukani BEE Staff Issue

- Effective 1 October 2006
- 10% share issue pre-dilution
- Total IFRS 2 charge R372.8m
- IFRS 2 charge to be expensed over six years
- Estimated June 2008: R76.2m
- Non-cash and no tax relief
- BEE scheme dividend will not affect Headline earnings but affects HEPS (2007: 4.4 cents)
- BEE Dividend:
  - June 2007 – 25% of ordinary
  - June 2008 – 50%
  - Thereafter 75% & 100%

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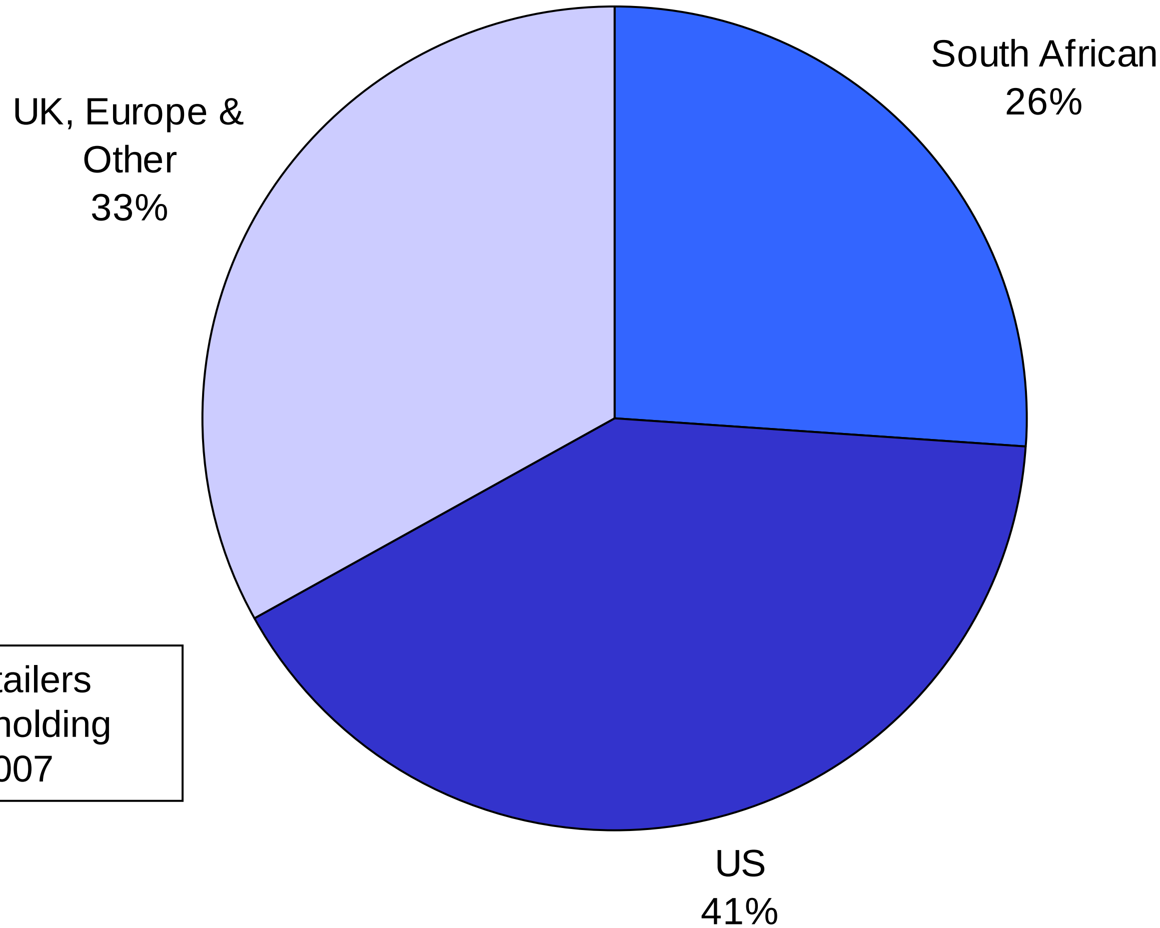
Shareholding – June 2007



JSE General Retailers average foreign holding 29.5% at June 2007

Source: JPMorgan Cazenove

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Strategy

Strategy

- Annual Strategic Review completed
- No Change to Strategy required
  - sub-Saharan African
  - low expenses and cash generative sales to underpin price leadership
  - we operate large stores
  - we are category-focused in General Merchandise, Food and Liquor
  - each operating Division is both differentiated and complementary
  - with their own management team
  - supported by Service Divisions
  - highly incentivised on growth

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Strategy

- Annual Strategic Review completed
- No Change to Strategy required
- But now that the simplification process has been completed

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The Massmart Portfolio

- MASSMART HOLDINGS
  238 Stores
  - MASSDISCOUNTERS
    GM discounters >LSM 5 - 10
    90 stores
  - MASSBUILD
    DIY HI Outlets > LSM 6 - 10
    64 stores
  - MASSWAREHOUSE
    Warehouse Club > LSM 5 - 10
    12 stores
  - MASSCASH
    Food cash & carry > LSM 2 - 5
    72 stores

Strategy

- Annual Strategic Review completed
- Only refinements and updates required to the Strategy
- But now that the simplification process has been completed
- Vision 2010 calls for a greater external focus

“Vision for Growth 2010”

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"Vision for Growth 2010" is about…..

- Leadership excellence (focused competence)
  - Executive Committee Depth

• Guy Hayward	-	CFO	CA 42
• Joe Owens	-	Massbuild	58
• Robin Wright	-	Masscash	CA 51
• Kevin Vyvyan-Day	-	Masswarehouse	CA 42
• Jan Potgieter	-	Massdiscounters	CA 38
• Jay Currie	-	Commercial Executive	Bsc 33
• Pearl Maphoshe	-	Human Capital Executive	BA 39
• Brian Leroni	-	Corporate Affairs Executive	BA/Bph 43
• Aubrey Cimring	-	Deputy CEO Massbuild	CA 36

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
  - Executive Committee Depth
  - Strong Divisional executive team
    - 36 Divisional executives average age (40yrs), degrees (58), average retail experience (16yrs)
    - Succession
    - Massmart University

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"Vision for Growth 2010" is about.....

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
  - Comparable sales above GDP plus CPIX, GMRoM
  - Merchandise intensity
  - Aggressive trading
  - Margin management through mix
  - Space optimisation (macro and micro)

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
  - Store portfolio optimisation (penetrating markets & sweating assets)
  - 50 Stores (60 Open, 10 Close), 197,500m^2, R5.4bn
    - 15 Game, 6 Dion Wired
    - 3 Makro
    - 4 CBW
    - 8 Builder Warehouse, 8 Express, 6 Trade Depots

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
  - Dion Wired. First two stores successful. Gateway November 07, Kolonade March 08. Looking for a potential 10 additional sites (under research)
  - Masscash hybrid. First three stores operating successfully. Next three stores in planning. Looking for a potential 20 additional sites (under research)
  - Scan for other opportunities to leverage Divisional capabilities

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"Vision for Growth 2010" is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions (enhancing portfolio)
  - Apply our strict acquisition criteria
  - 5th Division opportunities?

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions (enhancing portfolio)
- Supply Chain
  - Investment in systems and processes to improve service levels and productivity
  - New Massdiscounters Durban warehouse opened, Game RDC March 08
  - Expand BW Warehouse
  - DFR, space planning

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions (enhancing portfolio)
- Supply Chain
- Private Label
  - Divisional and shared approach
  - Global brand management standards
  - Exclusivity and enhanced margin

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions (enhancing portfolio)
- Supply Chain
- Private Label
- Financial Services
  - Explore 3rd party relationships to leverage our customer base
  - Encourage competition in credit switching market and bring down costs

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“Vision for Growth 2010” is about…..

- Leadership excellence (focused competence)
- Growth of the core business (value drivers)
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions (enhancing portfolio)
- Supply Chain
- Private Label
- Financial Services
- Sustainability
  - BEE (alignment with national imperative)
  - Environment

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Prospects & Risks

Medium Term targeted Trading PBT ROS

(%)	FY'07	Medium term Target	International benchmark
M'discounters	**7.3%**	8.0%	Walmart ex food 7.4%
M'warehouse	**6.1%**	6.0%	Metro AG C&C 5.0%
Massbuild	**7.7%**	9.0%	Home Depot/B&Q 10.0%
Masscash	**2.6%**	3.0%	Makro S. America 3.0%
Group (trading)	**5.4%**	*6.0%	**5.7%*

Figures are Trading PBT ROS
* Proforma using 2007 sales

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Massmart's 2008 Prospects

- Interest rates are being raised in response to inflation pressures in the market
- Interest rate increases are impacting retail sales growth

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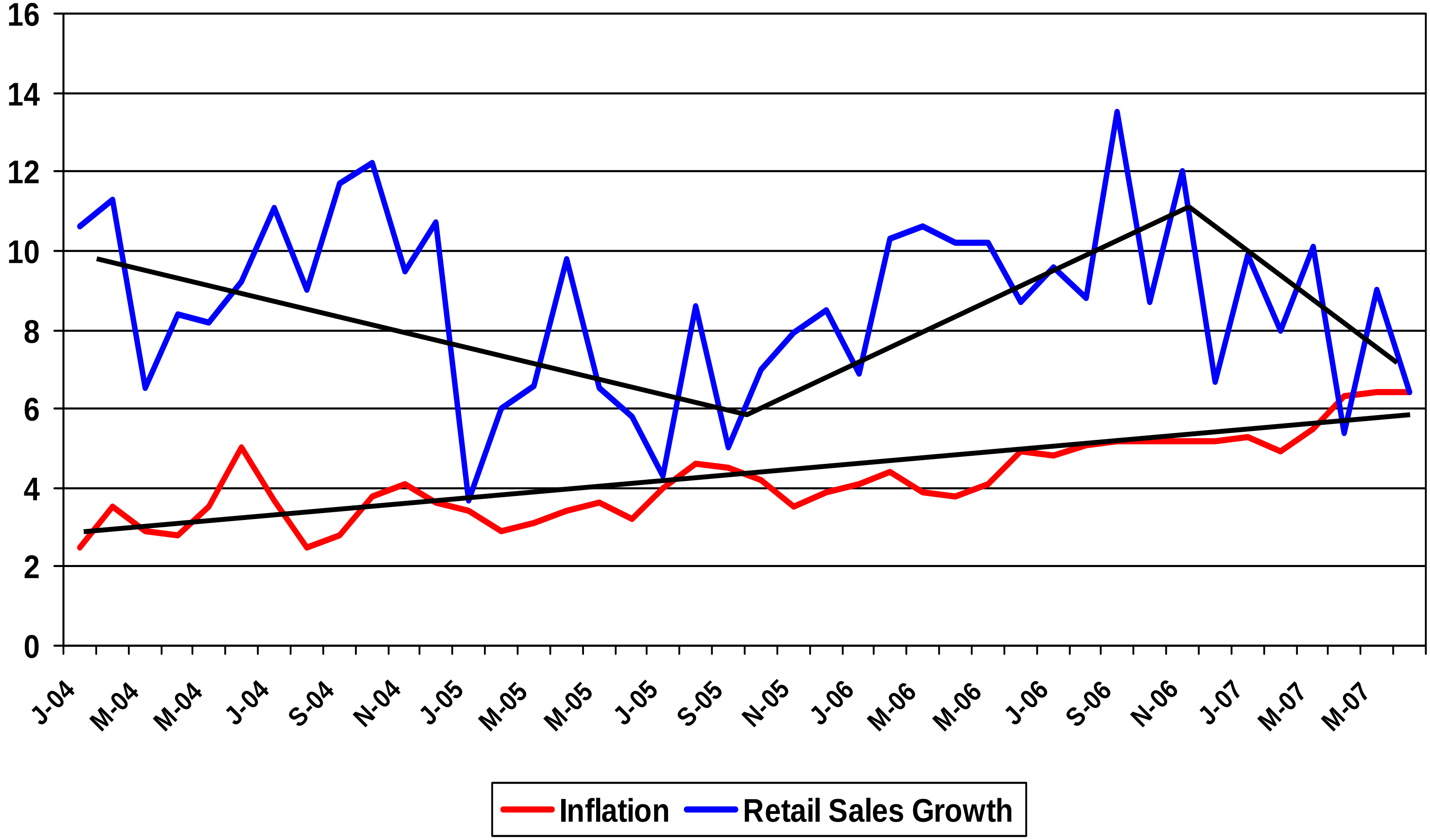
Retail sales growth trend

(STATS SA – 41 months)



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Massmart's 2008 Prospects

- Interest rates are being raised in response to inflation pressures in the market
- Interest rate increases are impacting retail sales growth
- Although not necessarily guaranteed into the future, historically, higher inflation (corresponding to periods of higher interest rates), benefits our sales

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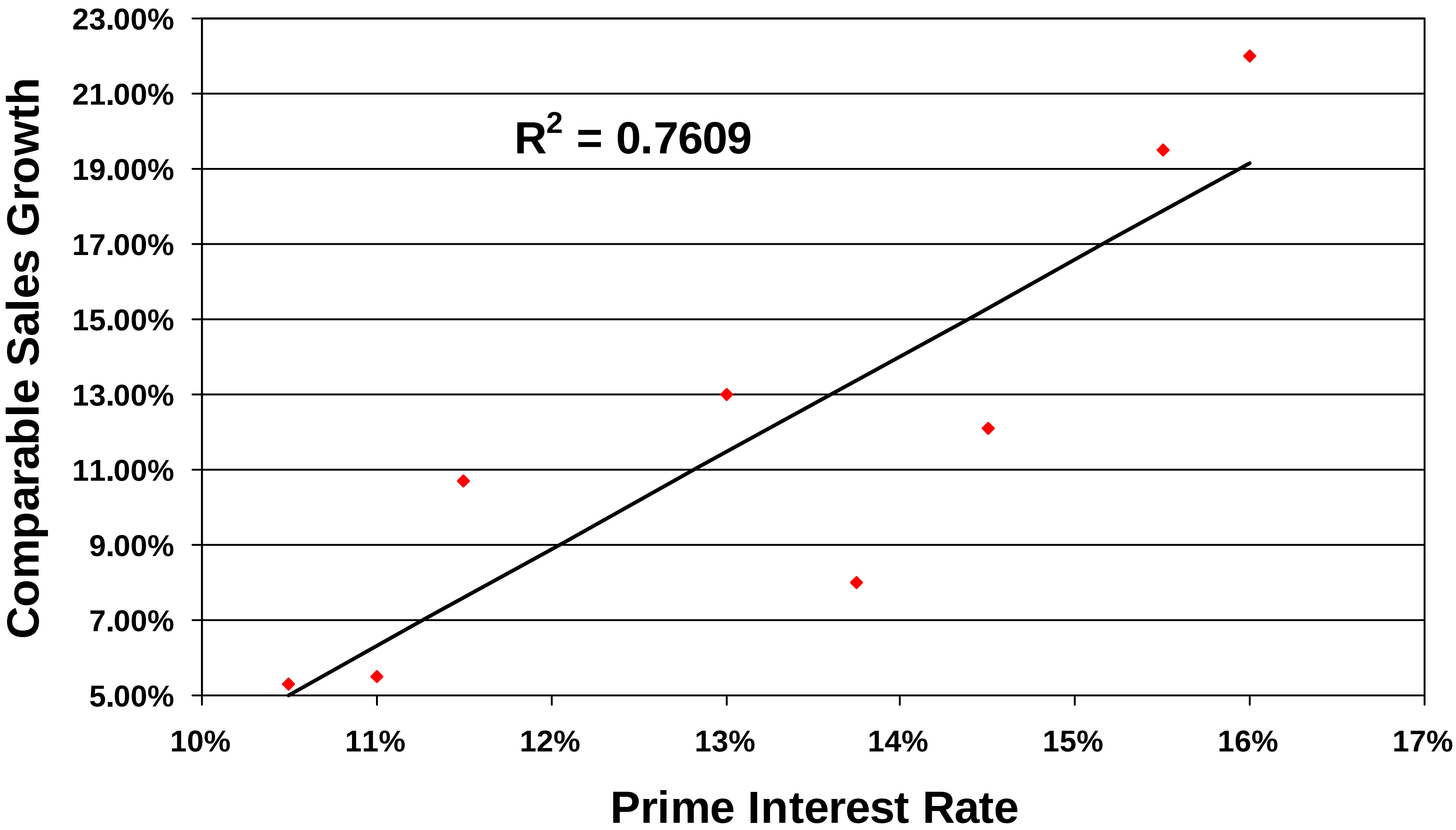
Prime Versus Comp Sales Growth



Massmart's 2008 Prospects

- Interest rates are being raised in response to inflation pressures in the market
- Interest rate increases are impacting retail sales growth
- Although not necessarily guaranteed into the future, historically higher inflation, benefits our sales
- We should therefore, on a relative basis, perform better in times of higher inflation and interest rates
- Fundamentals still in place to support medium to long term growth regardless of short term cycle
  - Infrastructure investment
  - New houses in response to housing shortage
  - Employment
  - Social subsidies
  - GDP growth >4%

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Massmart's 2008 Prospects

- Interest rates are being raised in response to inflation pressures in the market
- Interest rate increases are impacting retail sales growth
- Although not necessarily guaranteed into the future, historically higher inflation, benefits our sales
- We should therefore, on a relative basis, perform better in these times.
- Fundamentals still in place to support medium to long term growth regardless of short term cycle
- Our mass-market business model still well positioned strategically
- Satisfactory organic growth opportunities (Capex R595m)
- Focused on growing profits ahead of sales

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Risks

- External
  - Economic growth / consumer confidence
  - R/$ volatility
  - Executive skills shortage
  - Labour costs/strikes
  - The effect of crime on costs and staff morale
  - HIV/AIDS effect on our customers
- Internal
  - Maintaining control of a large, complex, trading business
  - Attracting, developing & retaining leadership, management competence & experienced skills

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Dedicated to Shareholder Value

www.massmart.co.za

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Additional Financial Data

Headline Tax Rate Reconciliation

	%
Standard tax rate	*29.0*
Disallowed expenses	3.1
Exempt income	(2.3)
Foreign income	1.3
Prior year	(0.4)
STC	3.6
Other	(0.2)
	34.1

Analysis of Tax Charge

	R'm
SA tax	479.3
STC	58.1
Deferred tax	7.5
Foreign tax	20.5
Foreign deferred tax	(10.6)
Income Statement Charge	554.8

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Capital Expenditure

(Rm's)	June 07	June 06
Land & buildings	3	4
Leasehold improvements	48	49
PPE	275	199
Computers	113	60
Motor vehicles	32	25
Sub-total	471	337
Goodwill	164	24
Total	635	361

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Headline Earnings Reconciliation

	Rm's
Attributable earnings	1 058.8
Impairment of assets	24.1
Loss on fixed asset disposals	0.7
Loss on disposal of Furnex	6.2
CGT on sale of treasury shares	2.4
Headline earnings	1 092.2

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Number of Shares

	(000's)
At June 2006	201 041
Shares issued	32
At June 2007	201 073
Weighted-average for period	200 461
Fully-diluted weighted average	204 037

Targets

Group Annual ROS	> 6%
Int-bearing Debt : Equity	< 30%
Return on Capital Employed	> 45%
Return on Equity	> 30%

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

(ROE = Headline Earnings / Average shareholders equity, excluding goodwill and deferred tax assets)

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