

MASSMART



MEDIA RELEASE

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CUSTOMERS TO REALISE IMMEDIATE BENEFITS FROM WALMART INVESTMENT IN MASSMART

*Early start to the principle of “saving people money so they can live better”,
a goal to create 15,000 new jobs and
an additional R60 billion in food and FMCG procurement*

Following the recent closing of the transaction in which Walmart secured a 51% interest in Massmart, the companies have moved swiftly on their promised benefits to South African consumers, demonstrating their commitment to significant job creation, and announcing plans for growing an enhanced food offering, the majority of which will be locally sourced.

Massmart and Walmart have also worked to begin delivering lower prices to customers. This initiative comprises price cuts on product offerings, selected examples of which include a 32 inch Samsung LCD television selling at R3499.00 (from R4799.00), and a 5-in-1 Samsung home theatre system for R999.00 (from R1399.00) at all Game stores. Similarly, at all Builders outlets, the cost of Osram energy saver light globes has been reduced by R23.00 to R11.99, and 15 litres Dulux Weatherguard paint has been cut by R76.00 to R449.00. Similar price cuts are also being launched at DionWired and Makro stores, where a loaf of Premier white bread will be selling at R6.29 and Blossom margarine will sell at R15.99 for a 1kg tub.

Massmart CEO Grant Pattison said, “A distinguishing feature of this promotion is that the price cuts have been fixed for a ten week period, which to my knowledge is unique in the South African retail environment. While there are other exciting promotional campaigns planned, this offering so soon after the finalisation of the Walmart merger is a clear demonstration of Massmart and Walmart’s intent to save people money to live better.”

Grant Pattison added, “We’re excited to also announce our plans to create 15,000 jobs in the next five years. During that same period, we also intend to expand sourcing, most of which will be from local manufacturers, to approximately R60 billion of additional food and FMCG purchases.”

Plans are also underway for the creation of a R100 million supplier fund that will help local South African suppliers to establish long-term relationships with Massmart and Walmart. It is anticipated that the fund will be established over the coming months.

Massmart and Walmart look forward to working closely with the South African government, businesses, including small and medium enterprises, and trade unions to finalise the establishment of the fund.

By leveraging Walmart's experience in various parts of the world and by collaborating in areas such as product selection, purchasing, operational processes, systems, e-Commerce, and introducing sustainable operating practices, the merged entity remains adamant it can help South African businesses through not only this fund, but also within the greater Massmart supply chain.

"Massmart intends to leverage Walmart's global expertise in working directly with local farmers to encourage the cultivation of safe, high-quality fresh produce," said Pattison. "This will assist existing, as well as emerging farmers, to deliver consistent fresh produce to our stores, while enhancing the net incomes of the local farmers through better operating and logistical practices. This will go some way toward strengthening the country's industries and will also result in the selected businesses being more internationally competitive," he said.

Chief Executive Officer of Walmart International, Doug McMillon concluded, "As we do around the world, we will provide previously underserved customers and communities with better prices and increased access to the products they want and need. Both Massmart and Walmart remain committed to partnering with the South African government as well as all key stakeholders, and we stand by our stated commitment to encourage other international companies to invest in Africa's vibrant economy."

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NOTE TO EDITORS: *Please see the attached PDF file containing the advertising campaign appearing in major South African newspaper publications over the coming weeks. It includes a letter from the people of Massmart and Walmart that announces the merged entities' commitment to open hundreds of new stores over the next five years, which will result in the creation of 15,000 new jobs within Massmart's various store brands, as well as details of the pricing initiatives being undertaken.*

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