

MEDIA RELEASE

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NEW YEAR WINDFALL FOR CONSUMERS AS WALMART AND MASSMART LAUNCH THEIR THIRD EXTENDED PRICE CUT PROMOTION

- First two promotions saved consumers over R 100 million;
- Staff shareholders received R735 million as result of Walmart investment;
- Store openings continue to contribute to job creation;
- Good progress in identifying opportunities to invest R100 million supplier development fund, with emerging black winemakers first to benefit.

Massmart and Walmart have started the new year with another extended price cut promotion, providing much needed relief for consumers after the festive season. This follows two highly successful promotions that have saved consumers over R100 million.

Recent research conducted by Massmart-Walmart to track consumer perceptions of Walmart's entry into South Africa indicates that 76% of respondents believe that Walmart will be good for consumer prices. This result has been accompanied by an improvement in consumer price perception during the last six months of 2011 compared to the same period in 2010.

"Whilst it is still relatively early in the process the results of our research indicate that the extended price cut promotions have been welcomed by South African consumers. This is exemplified by the fact that sales in the second month of the promotion tend to outstrip sales in the first month, suggesting that lower prices for longer periods really resonate with customers," said Massmart CEO Grant Pattison.

Jon Martinek, Massmart-Walmart's Merchandising Executive: Integration added: "Limiting customer exclusion by giving longer term low prices seems to be a fairer way of offering value to consumers, and is indicative of the innovation that Walmart can bring to the competitive environment in South Africa."

The latest 10-week promotion, which launches in the Sunday press on 8 January, recognises the additional expenses that are normally incurred at the start of the year, covering back-to-school, back-to-office and back -to-site.

The campaign includes price cuts on a wide variety of goods at Makro, Game, DionWired and Builders Warehouse. For example, at Makro boys' grey school trousers start at R49.00 while short sleeve shirts for boys and girls start at R55.00 for a pack of two. At Game a Supreme high back office chair costs R499.00 (down from R799.00), while a Lexmark 4-in-1 printer is available for R499.00 (from R899.99). DionWired is

offering promotions on items such as a Powershred P35C Shredder for R1200 (down from R2000).

According to Pattison, the latest promotion once again reflects the high priority that Massmart-Walmart has placed on the South African consumer, starting by improving price competitiveness for longer periods in order to generate savings for ordinary South Africans.

“The Walmart perspective is that the customer is number one and the intensity with which they drive this focus is quite remarkable and permeates their approach to everything,” said Pattison.

“An early Walmart success has been their ability to relentlessly challenge our buyers to become even more focused and energised to deliver and, more importantly, measure opportunities that they have identified to save customers money,” he said.

The latest price cut campaign will run from 8 January to 11 March 2012.

Ends

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