



MASSMART

# GROUP UPDATE

## Massmart in Africa August 2011 Review

*While all of Massmart's stores serve customers in South Africa, some of the wholesale and retail group's chains also run operations in other African countries. As of August 2011 Massmart operates in 12 African countries outside of South Africa.*

In addition to the 288 stores in South Africa, Massmart has stores in Botswana, Ghana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda and Zambia. Expanding this network of stores across the continent is a priority for Massmart, not least because of the consumer markets that are burgeoning in many previously underserved African markets.

### Retail opportunities in Africa

Africa is home to around one billion people. There are 67 large cities in Africa and each of these have a population of over one million people. This means there are approximately 100 million people living in urban environments across Africa, but many of these markets are currently under-served.

According to McKinsey and Company, a global management consulting firm, the number of households with discretionary income is projected to rise by 50% over the next 10 years, reaching 128 million households. By 2030, the continent's top



18 cities could have a combined spending power of \$1.3 trillion (+/- R9.31 trillion). This makes Africa an attractive investment opportunity with potential to yield high returns.

### Massmart's African presence

When selecting which African markets to expand into, Massmart takes the following factors into careful consideration:

- the presence of a stable government,
- the application of the rule of law,
- the availability of retail sites,
- the presence of basic logistics infrastructure and
- the size and concentration of urban consumer markets.

Not all of Massmart's chains have stores outside of SA, but Massdiscounters division's Game and Masscash division's CBW have led the pack in African operations thus far. The latest plans include a first for Massbuild division, the opening of a Builders Warehouse store in Gaborone, Botswana. This store is scheduled to open in September 2011.

Looking forward, growth in its African retail presence will be one of Massmart's main points of focus. Together with Walmart, Massmart looks forward to creating more opportunities to help people live better throughout Africa.



## An overview of Massmart's current African operations by country

### Botswana

- Capital: Gaborone
- Population: 2 million
- GDP: \$26bn (+/- R179.4bn)
- Massmart stores: 9 stores;  
2 Game stores and 7 CBW stores

### Lesotho

- Capital: Maseru
- Population: 2 million
- GDP: \$3.3bn (+/- R22.8bn)
- Massmart stores:  
2 Game stores

### Ghana

- Capital: Accra
- Population: 24 million
- GDP: \$33bn (+/- R227.7bn)
- Massmart stores:  
1 Game store

### Malawi

- Capital: Lilongwe
- Population: 13 million
- GDP: \$13bn (+/- R89.7bn)
- Massmart stores:  
2 Game stores

### Mauritius

- Capital: Port Louis
- Population: 1 million
- GDP: \$7bn (+/- R48.3bn)
- Massmart stores:  
1 Game store

### Mozambique

- Capital: Maputo
- Population: 21 million
- GDP: \$22bn (+/- R132bn)
- Massmart stores:  
1 Game store

### Namibia

- Capital: Windhoek
- Population: 2 million
- GDP: \$14bn (+/- R96.6bn)
- Massmart stores: 3 stores;  
2 Game stores and 1 CBW store

### Nigeria

- Capital: Lagos
- Population: 154 million
- GDP: \$369bn (+/- R2 546.1bn)
- Massmart stores: 1 Game store  
(with another opening soon)

### South Africa

- Capital: Pretoria
- Population: 49 million
- GDP: \$357bn (+/- R2 463.3bn)
- Massmart stores: 188 stores

### Tanzania

- Capital: Dar Es Salaam
- Population: 41 million
- GDP: \$54bn (+/- R393.3bn)
- Massmart stores: 1 Game store

### Uganda

- Capital: Kampala
- Population: 29 million
- GDP: \$41bn (+/- R282.9bn)
- Massmart stores: 1 Game store

### Zambia

- Capital: Lusaka
- Population: 13 million
- GDP: \$20bn (+/- R138bn)
- Massmart stores: 1 Game store