





## Dedicated to Value



Massmart Reviewed Results  
for the 53 weeks to 29 June 2008  
Presentation to Investors, Analysts and Media  
August 2008

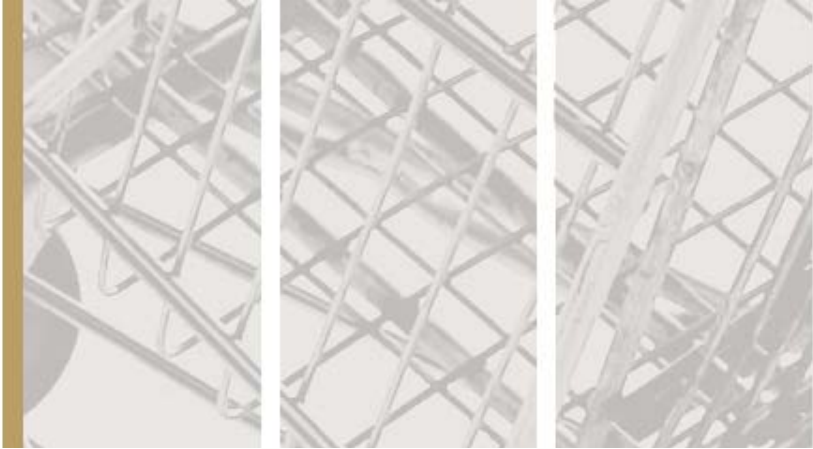


# Agenda

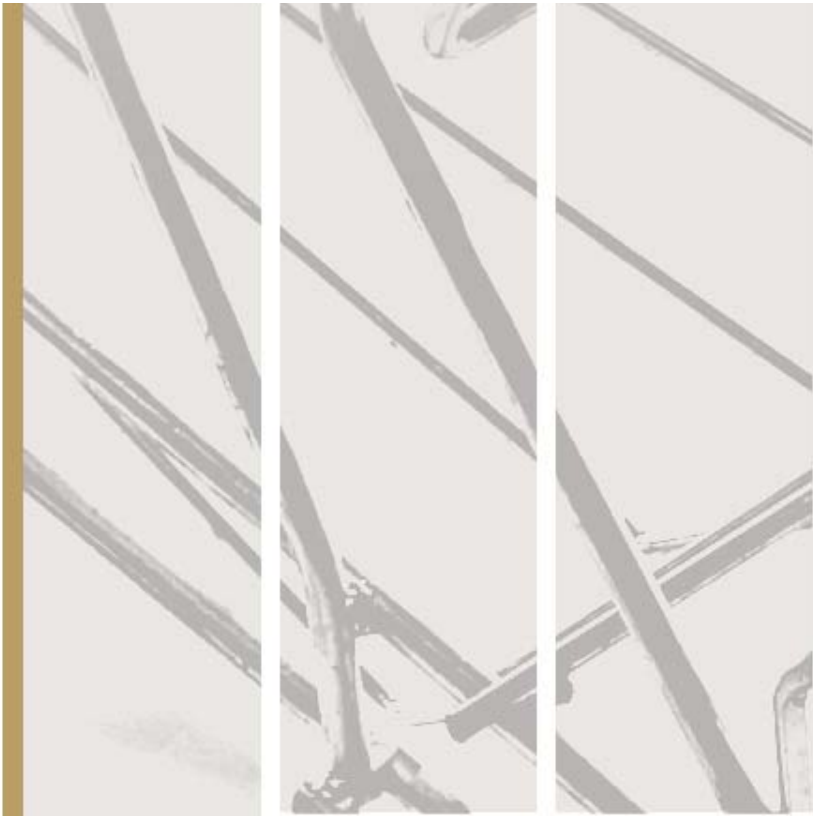
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- Operating & Financial Performance
- The Environment
- The Divisions
- Update on Vision for Growth 2011
- Long-term Growth
- Risks & Prospects

ADDENDUM – Additional financial data



## June 2008 Operating & Financial Performance



# Financial Headlines

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- Real sales growth > 4.8%
- Great expense control
- Resulted in higher net margins
- *Representative* HEPS up 18.7%
- Slightly higher inventory levels
- ROE up to 53%

Representative HEPS = HEPS adjusted for 53<sup>rd</sup> week and before BEE charges

**MASSMART**

# Recognition

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- 1<sup>st</sup> in *Financial Mail* Top 2008 Companies survey
- Top in JSE Retail sector in *Financial Mail / Empowerdex* 2008 Top Empowerment Companies survey
- The only Medium-Impact category company to achieve Top Performer status in 2007 JSE SRI
- The 2007 annual report ranked 4<sup>th</sup> in *Ernst & Young* 2008 Excellence in Corporate Reporting
- Best Sustainability Report (non-extractive industries) in ACCA 2008 Sustainability Reporting Awards

# Impact of 53<sup>rd</sup> Week

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<i>Growth:</i>	<b>53 weeks</b>	<b>52 weeks</b>
Sales	+14.3%	+12.3%
PBT	+24.1%	+18.8%
Headline earnings	+21.8%	+16.5%

- Retail calendar: 53<sup>rd</sup> week occurs every seven years
- No one-day accrual margin and expense annually (was past practice)
- 53<sup>rd</sup> week figures: Sales R826m, PBT R86m, Headline earnings R58m
- All figures are for 53-weeks unless specified
- FY09 growth (2H) will be understated
- FY08 final dividend is overstated

# Massdiscounters

	2008	% change
Sales	R10 406m	10.4%
PBT	R783m	14.1%
<i>PBT margin</i>	7.5%	

- Sales inflation of 2.7%
- Game SA: positive sales growth but profit slightly below prior year
- NCA impact: Income R30m lower and credit sales down 47%
- Consumer Credit division & book sold 1<sup>st</sup> day of FY09:
  - Cash proceeds R174m
  - No impact on FY09 PBT
- Africa performing well:
  - Local currency: total sales +95% and comparable + 33%
  - R63m forex gain (2007: R18m loss)
- Some costs & inefficiencies from Dion store closures & conversions

# Makro

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	2008	% change
Sales	R10 104m	16.9%
PBT	R731m	39.1%
<i>PBT margin</i>	7.2%	

- Sales inflation of 7.2%
- Great performance. Sales bolstered by Food inflation
- New store opened October 2007:
  - R61m capital expenditure
  - R12m pre-opening costs
  - Positive profit contribution
- Stock slightly higher (R100m) due to SAP conversion “blackout” and Food Supply constraints



# Massbuild

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	2008	% change
Sales	R5 663m	14.4%
PBT	R433m	14.0%
<i>PBT margin</i>	7.6%	

- Sales inflation of 7.5%
- Sales growth slowing in all three brands
- Still some inefficiencies from 2006/07 infrastructure investment, but expense ratios now settling
- Total stock lower than prior year. Automated replenishment now on approx 40% of current sales
- Higher interest income from improved working capital (and higher rates)

# Masscash

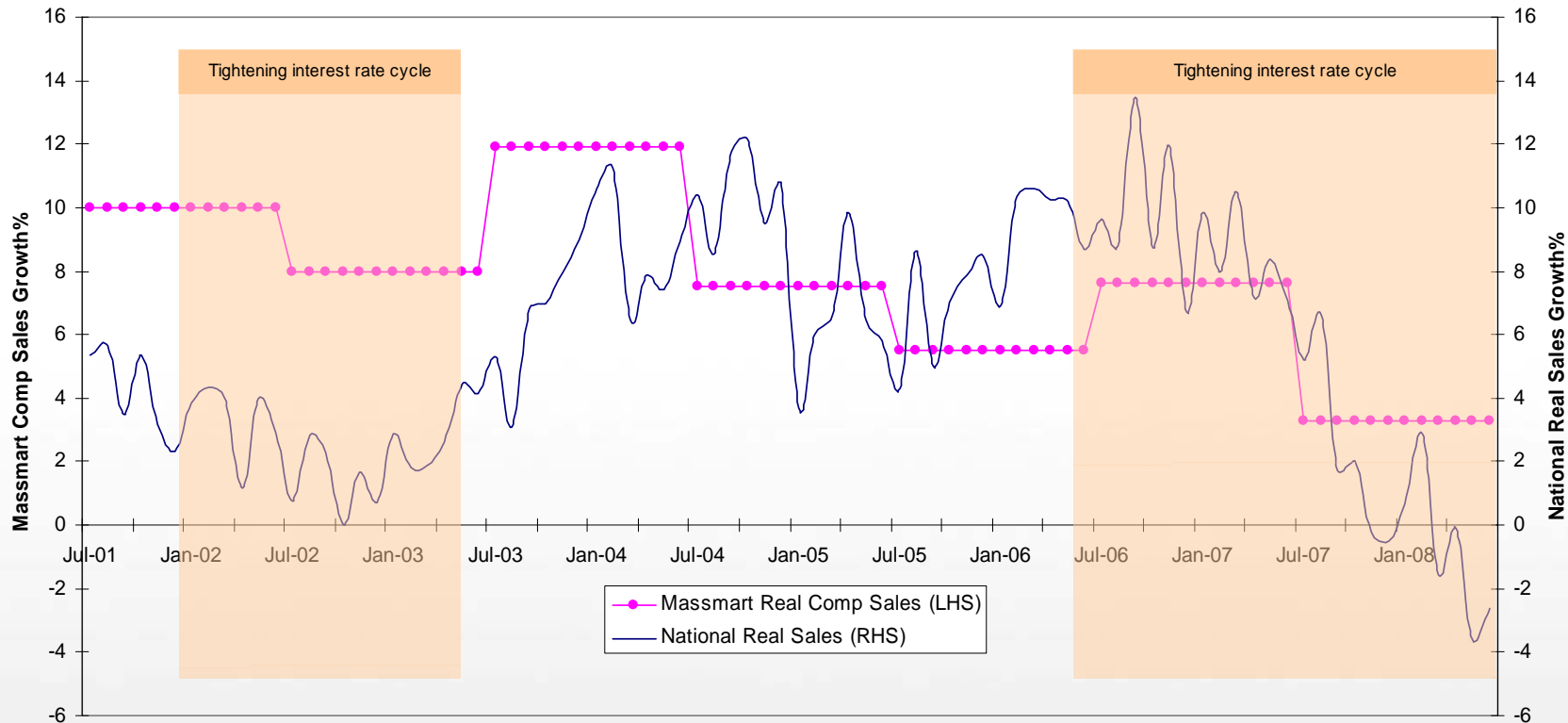
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	2008	% change
Sales	R13 610m	15.4%
PBT	R439m	44.6%
<i>PBT margin</i>	3.2%	

- Sales inflation of 13.3%
- High Food inflation – currently 16% – some inflation profits
- CBW / Jumbo / Shield amalgamation: some one-off benefits
- Stock higher (R130m) due to supply shortages
- Hybrid formats:
  - Acquired Cambridge, subject to Competition authorities
  - Total annualised hybrid sales > R800m

# Comparable Sales through the Cycles

Compares the annual Massmart real comparable sales growth (using internal sales inflation) against total annual National real retail sales growth (per Stats SA).



This suggests that the Group's distinct halves – one Defensive & one Cyclical – allow it to trade well through all economic cycles. Generally, Group sales do not peak at top of a Cyclical phase (no direct access to credit) and outperform in Defensive phase.

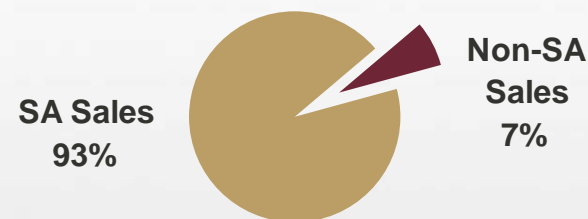
Sources: Massmart annual reports, Stats SA

**MASSMART**

# Sales

(Rm's)	2008	2007	53-wk %Chg	52-wk %Chg	Comp. %Chg
Massdiscounters	10 406	9 425	10.4	7.8	7.6
Makro	10 104	8 640	16.9	15.2	10.5
Massbuild	5 663	4 948	14.4	12.5	9.0
Masscash	13 610	11 795	15.4	13.2	14.3
<b>Total</b>	<b>39 783</b>	<b>34 808</b>	<b>14.3</b>	<b>12.3</b>	<b>10.8</b>

- Real sales growth in all divisions
- Massdiscounters SA sales growth slightly up from December 07
- Masscash & Makro assisted by Food inflation
- Massbuild sales growth slowing



# Inflation

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- Group inflation to June 2008:
  - General Merchandise 1.1%
  - Home Improvement 7.5%
  - Food & Liquor 12.5%
  - Total 7.5%
- General Merchandise inflation lower than expected – from changing consumer behaviour and lower price-points
- Food & Liquor inflation may decline in 2009 from the base-effect

# Store Portfolio

	Massdiscounters	Makro	Massbuild	Masscash	Total
July 07	90	*12	64	72	238
Closed	(7)	-	-	(1)	(8)
Openings	7	1	4	-	12
<b>June 08</b>	<b>90</b>	<b>*13</b>	<b>68</b>	<b>71</b>	<b>242</b>

- Massdiscounters: three new Dion Wired stores, two stores converted / relocated, four new Game stores (20% of store-base churned)
- Makro: new Silverlakes store
- Massbuild: one new Builders Warehouse & three Builders Express, one Trade Depot relocated

\* Excludes two Makro Zimbabwe stores

# Trading Space

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- Net new space 18 507m<sup>2</sup>
  - Opened 73 042m<sup>2</sup>
  - Closed 54 535m<sup>2</sup>
- June 2008 space 1 012 784m<sup>2</sup>
- 7.3% *new* space, but 1.9% net space growth (unweighted)
- Due to Dion closures & conversions and three stores moving into FY09, Group net space declined in 2<sup>nd</sup> half of FY08

# Sales Growth Analysis

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	%
Existing stores (comparable growth)	10.8
53 <sup>rd</sup> week	2.0
New stores	1.5
<b>Total sales growth</b>	<b><u>14.3</u></b>

- 7-week sales growth update (17 Aug 08):
  - 12.1% total and 10.9% comparable
  - Steady sales growth in Masscash, Makro & Massdiscounters. Massbuild sales growth continues to slow



# Gross Profit

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	2008	2007
	R7 302m	R6 372m
<i>% of Sales</i>	18.35%	18.31%

- Slightly higher CBW margins due to Food inflation
- Lower gross margins in Massdiscounters – investing in price-perception (now annualised)
- No portfolio effect – Massbuild sales at same % participation as prior year

# Operating Costs

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	2008	2007
	R5 378m	R4 856m
<i>% of Sales</i>	13.5%	13.9%

- Increased below sales growth, even after adjusting for 53<sup>rd</sup> week
- 10.8% increase, including:
  - Total IFRS 2 charges R109m (2007: R73m)
  - Forex gain R63m (2007: R41m loss)
  - Pre-opening costs of R51m (2007: R48m)
- Adjusting for these: 12.5% increase (13.3% of sales)

# Employment Costs (51% of total costs)

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	2008	2007
	R2 736m	R2 450m
<i>% of Sales</i>	6.88%	7.04%

- 11.7% increase
- After adjusting for all IFRS 2 charges, 10.5% increase
- 0.5% decrease in staff (FTEs) from a focus on staff scheduling
- Wage negotiations settled

# Occupancy Costs (18% of total costs)

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	2008	2007
	R963m	R846m
<i>% of Sales</i>	2.42%	2.43%

- 13.8% increase
- Lease-smoothing charge R51m (2007: R38m)
- Occupancy cost will increase with the number of new stores in 2009/10, compounded by lease-smoothing

# Depreciation and amortisation (6% of total costs)

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	2008	2007
	R298m	R241m
<i>% of Sales</i>	0.75%	0.69%

- 23.7% increase – driven by high capital expenditure programme in 2006-2008
- Expected to continue ahead of sales growth due to new stores and refurbishments

## Forex Gains & Losses (unrealised & realised)

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<i>Rm's</i>	<b>2008</b>	<b>2007</b>
Massdiscounters	63.0	(18.1)
Other	23.0	(15.6)
IAS 39	(23.5)	(7.4)
<b>Total</b>	<b>62.5</b>	<b>(41.4)</b>

- Massdiscounters: mostly unrealised gains on translation of Game Africa's transactions
- Other: unrealised gain on translation of offshore balances
- IAS 39: realised and unrealised losses on FECs
- Included with Other Operating Costs in I/S

# Divisional PBIT

<i>Rm's</i>	June		
	2008	2007	%
Massdiscounters	724.6	634.2	14.3
Masswarehouse	640.2	466.7	37.2
Massbuild	390.1	363.0	7.5
Masscash	402.0	290.0	38.6
<b>Total</b>	<b>2 156.9</b>	<b>1 753.9</b>	<b>23.0</b>
<b>52-weeks PBIT growth</b>			<b>17.7</b>

PBIT = Profit before Interest & Tax

# Net Interest Paid

<i>Rm's</i>	June		
	2008	2007	%
Massdiscounters	58.6	52.1	12.5
Masswarehouse	90.6	58.7	54.3
Massbuild	42.9	16.8	155.4
Masscash	37.4	13.9	169.1
Corporate	(293.6)	(185.9)	57.9
<b>Total interest</b>	<b>(64.1)</b>	<b>(44.4)</b>	<b>44.4</b>

- Divisions – steady working capital & higher interest rates
- Corporate – impact of lower dividend cover, capital expenditure, share buyback & higher interest rates



# Divisional PBT

<i>Rm's</i>	June		
	2008	2007	%
Massdiscounters	783.2	686.3	14.1
Masswarehouse	730.8	525.4	39.1
Massbuild	433.0	379.8	14.0
Masscash	439.4	303.9	44.6
<b>Total</b>	<b>2 386.4</b>	<b>1 895.4</b>	<b>25.9</b>
<b>52-weeks PBT growth</b>			<b>20.7</b>

PBT = Divisional Profit before Tax & IFRS 2 BEE charge and corporate interest payment

# Tax Charge

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	2008	2007
Total	R663m	R555m
Tax rate	32.8%	34.1%

- Effective rate 31.7% (2007: 33.0%)
- Applied 28% (2007: 29%) corporate rate
- IFRS 2 charges not tax deductible
- Includes STC on dividends 3.4% (2007: 3.6%)
- Awaiting clarity on proposed withholding tax on dividends

# Stock & Creditors

	June 2008		June 2007	
	Rms	Days	Rms	Days
Net Stock (1)	4 759	53	4 027	52
Trade Creditors (1)	5 928	58	5 286	60
Provisions & Accruals	910	-	936	-

- Stock approx R230m (2.5 days) higher due to Food supply constraints
- Creditors lower due to payment cycles commencing in 53<sup>rd</sup> week

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

# Debtors

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	June 2008		June 2007	
	Rms	Days	Rms	Days
Trade Debtors (1)	1 296	10	1 386	13
Consumer Debtors (1 & 2)	168	112	238	183

- Consumer Debtors book sold 30 June 2008. Received net cash proceeds of R174m

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

# Net Capital Expenditure

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<i>Rm's</i>	June 2008	June 2007
Replacement Capex	263	142
Investment Capex	310	318
<b>Total Capex</b>	<b>573</b>	<b>460</b>
New businesses / earn-outs	61	160
<i>Depreciation &amp; amortisation</i>	298	241

# Net Capital Expenditure per Division

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*Rm's*

**June 2008**

**June 2007**

Massdiscounters

209

210

Makro

154

50

Massbuild

119

101

Masscash

91

60

Corporate

-

39

**Totals**

**573**

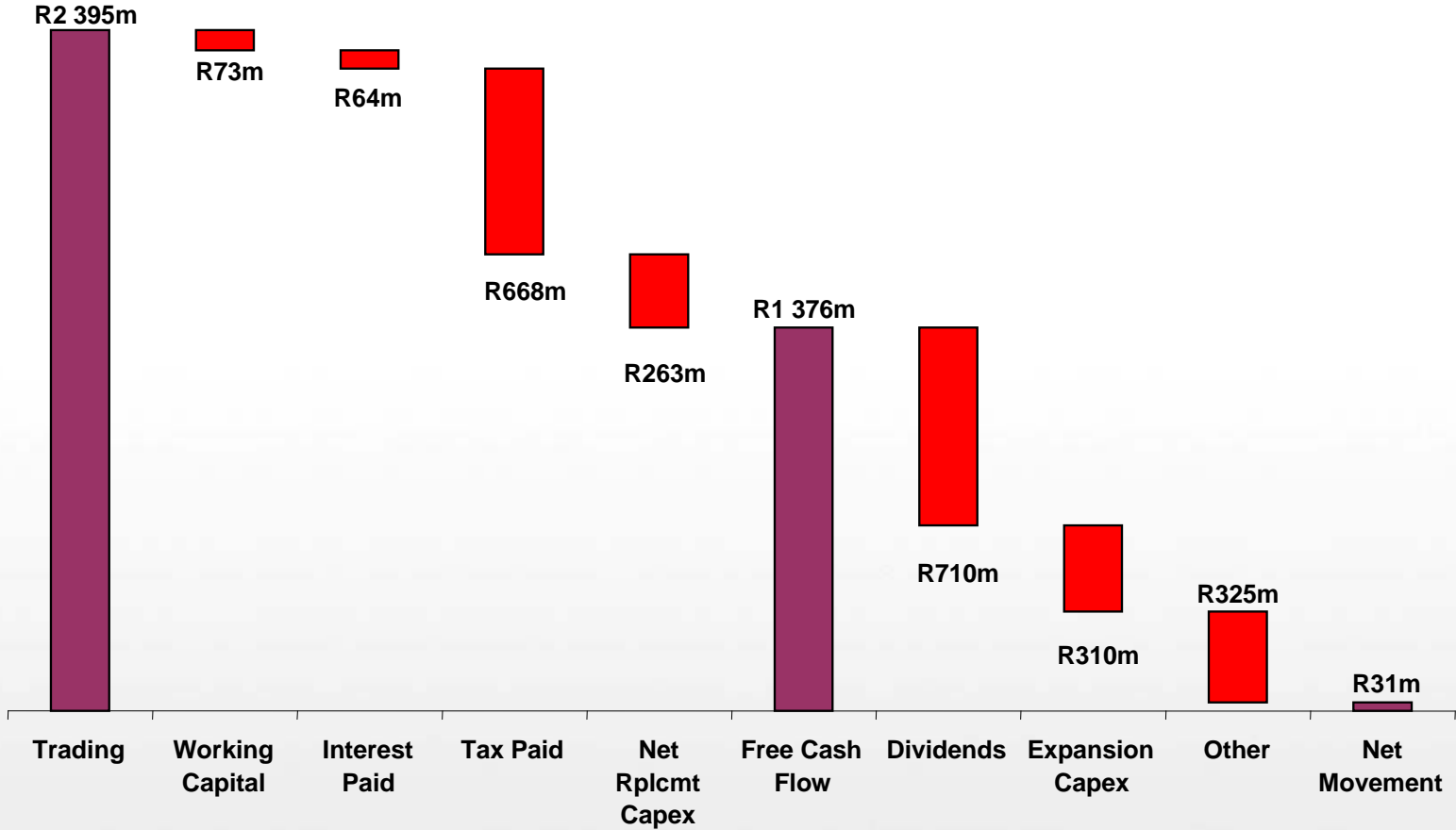
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# Group Gearing

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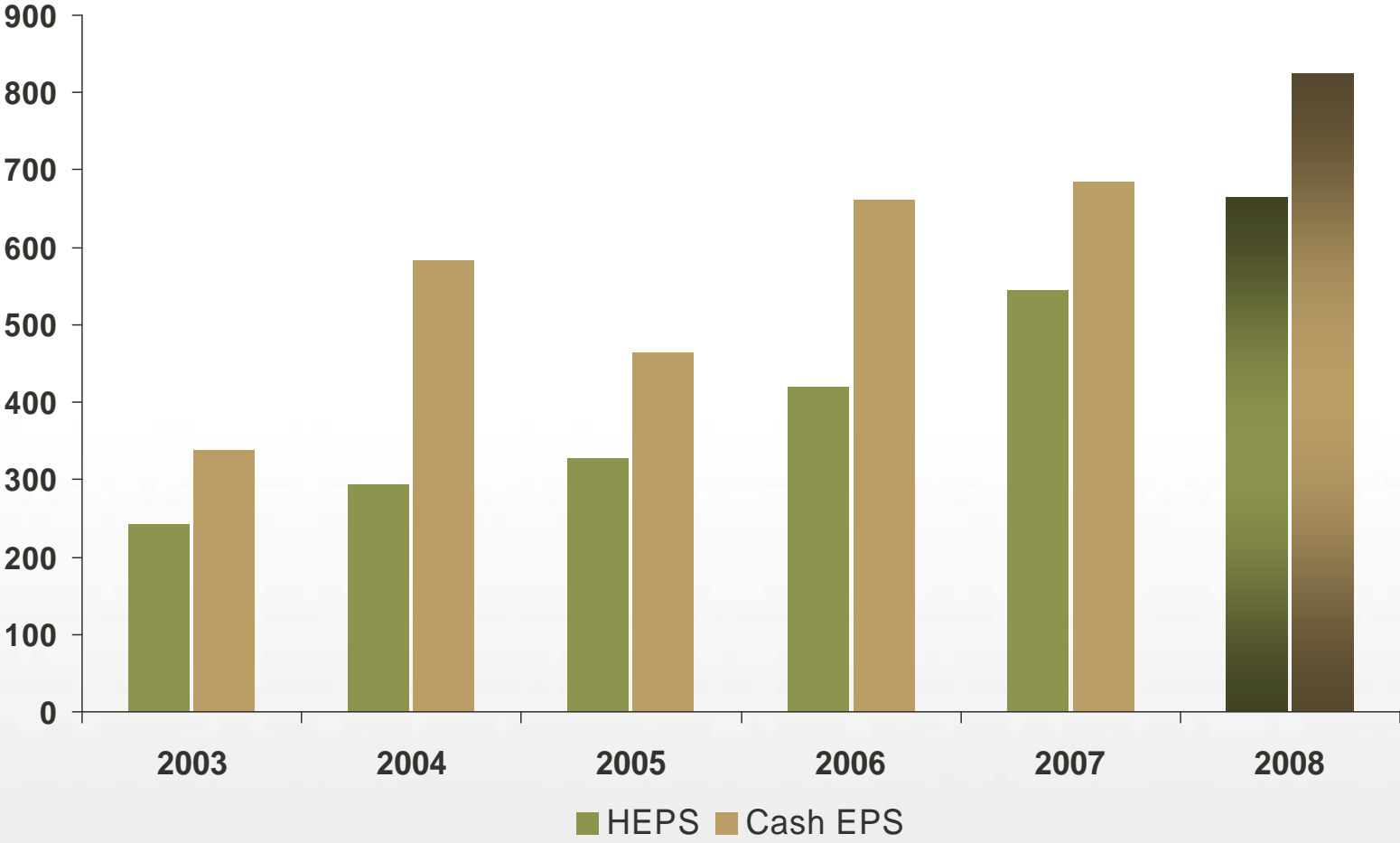
- Group gearing was 21% (2007: 10%)
- Still considering property acquisitions – new sites and existing leased properties
- Capital expenditure for FY09 estimated at R627m
- Absent any major acquisitions, anticipate the Group being net cash-positive for most of FY09

# Cashflow Analysis



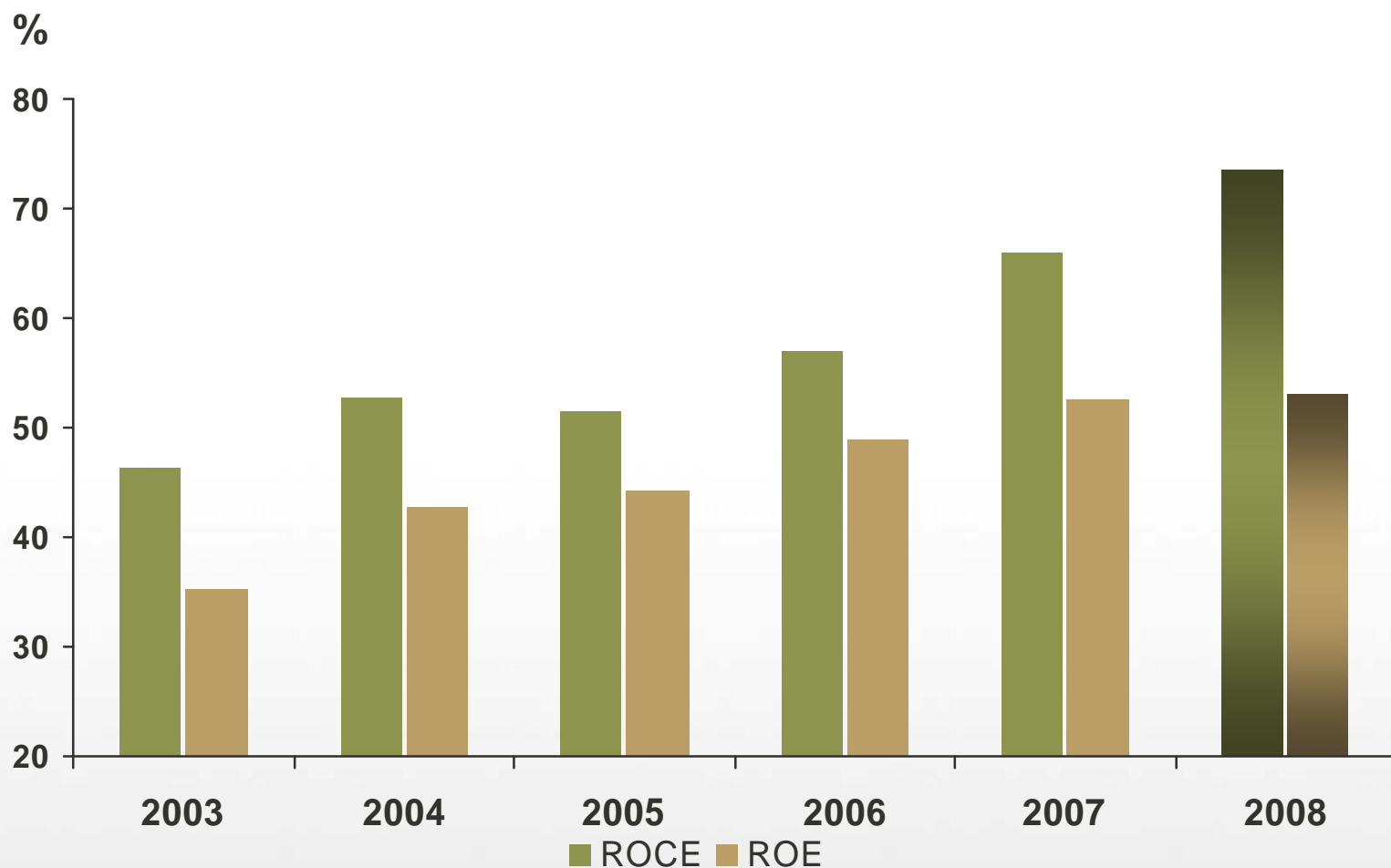


# Cash Earnings



HEPS – Headline Earnings per Share (cents)  
Cash EPS – Cash from Operating Activities, before dividends paid

# Returns (IFRS and Lease-smoothing from 2004)



ROCE - EBITA / Average Capital Employed

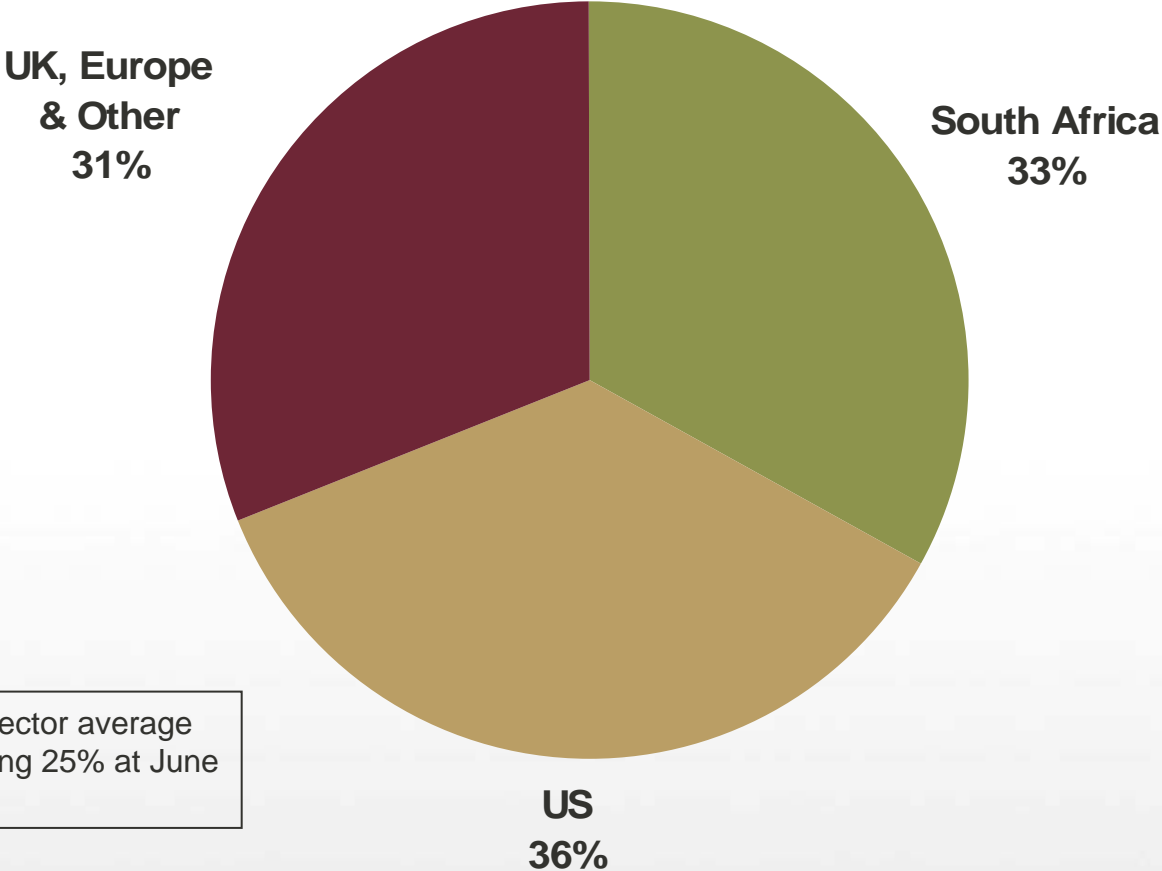
ROE - Headline Earnings / Average Shareholders Equity (ignoring previous goodwill & trademark write-offs)

# Thuthukani BEE Staff Issue

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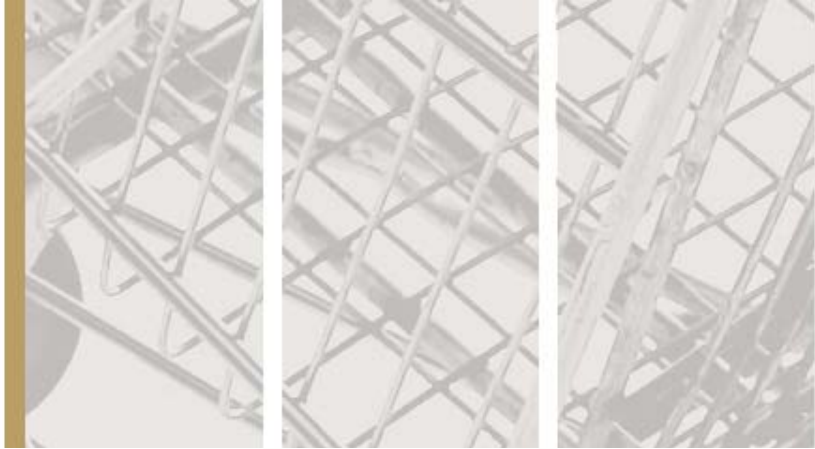
- Effective 1 October 2006 – now annualised (FY09)
- Remaining total Scheme IFRS 2 charge R264m
  - Still to be expensed over four years (was six in total)
  - Estimated maximum annual charge for 2009: R75m
  - Non-cash and no tax relief
- BEE Scheme Dividend:
  - June 2008: 50% of ordinary dividend
  - In 2009: 75% and 2010 100% of dividend
- IFRS 2 charge & Scheme dividend affected Group HEPS by 45 cents (2007: 31 cents)
- In FY08 12 700 participating employees received an average dividend of R1 734 each

# Massmart Shareholding - June 2008



JSE Retail sector average foreign holding 25% at June 2008

Source: JPMorgan Cazenove



## Environment



# Environment

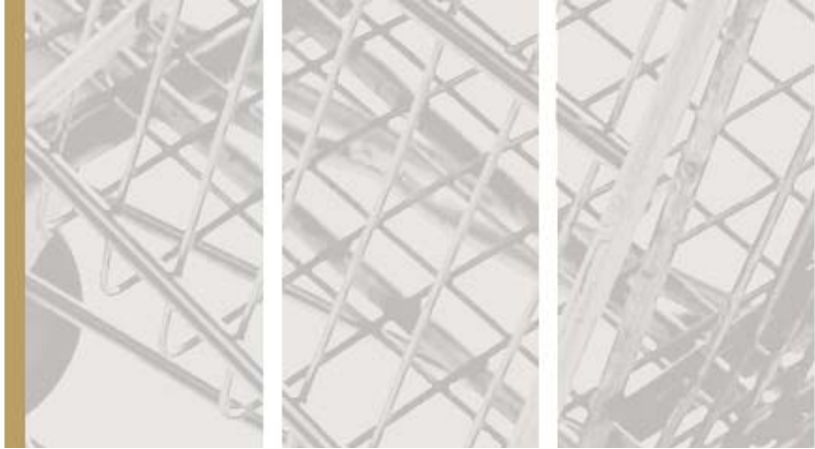
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- Retail market has softened:
  - High food and liquor inflation, fuel prices and interest rates has drained disposable income.
  - Home Improvement slowing during the year in response to property and development market. Commercial and Infrastructure market still strong.
  - General Merchandise under pressure particularly in large ticket financed items.
- Massmart performance is affected by:
  - Food and Liquor balances sales performance driven by inflation and solid volumes with lower LSMs, buoyed by social spending and immigration.
  - Market share gains in wholesale food and liquor assisted by weak competitors.
  - In Home Improvement, Massbuild management's focus on consolidating the rapid operational, system and brand integration limited our tactical response.
  - In General Merchandise market share gains as customers responded to Makro and Game's price and value position
  - Cash positioning limited the effects of NCA implementation on sales.

# Environment

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- Challenges
  - Securing Food stock and controlling Home Improvement and General Merchandise stock as purchasing patterns shift
  - Emigration straining succession planning
  - Wage negotiations and Union relations
  - Power supply uncertainty made planning difficult
  - Increasing regulatory environment, combined with inefficient bureaucracy
  - Highly complex management environment
  - Land: prices uneconomically high in some areas and just unavailable in others (Durban)



## The Divisions





# Massdiscounters

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	2008	% change
Sales	R10 406m	10.4%
PBT	R783m	14.1%
<i>PBT margin</i>	7.5%	

- Comparable sales increased through the year – Africa performing well.
- All Dion stores now closed / converted.
- Will launch next generation Game store in Boksburg – contemporary.
- W Cape RDC opened August 2008.
- Six Dion Wired stores now open - focus on finding a Cape Town store.
- Africa new store pipeline re-established, DRC recently approved.
- Base put in place to re-launch Winners card as Game card, and build financial services offering.
- Re-focussed trading model around core strengths of price leadership.

# Makro

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	2008	% change
Sales	R10 104m	16.9%
PBT	R731m	39.1%
<i>PBT margin</i>	7.2%	

- Silverlakes successfully opened with cannibalisation at forecast levels.
- Superb tactical management of stocks, margins and costs.
- CRM taken to new levels.
- Value position recognised by customers during tough times.
- Struggling to secure optimum sites in markets identified for space growth.
- SAP Forecasting & Replenishment in trial.

# Massbuild

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	2008	% change
Sales	R5 663m	14.4%
PBT	R433m	14.0%
<i>PBT margin</i>	7.6%	

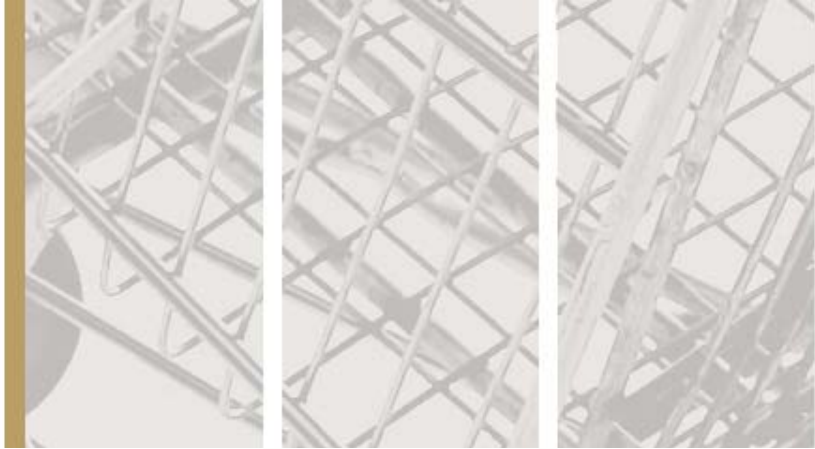
- Executive team restructured and now focussed.
- Significant improvement in general quality of management through the year. Costs under control.
- Better price perception through improved price control.
- Logistics and planning teams strengthened.
- Sales growth slowing in all three brands through the year.
- Brand roles clarified.

# Masscash

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	2008	% change
Sales	R13 610m	15.4%
PBT	R439m	44.6%
<i>PBT margin</i>	3.2%	

- CBW / Jumbo / Shield amalgamation well executed. Some annualising effects of merger benefits.
- Sales performance supported by food inflation and solid volumes.
- Stock shortages limited gross margin upside.
- Point-of-Sale IT system rolling-out in CBW / Jumbo. Banner Plus strategy now enabled.
- Agreements reached to buy 10 hybrid stores, including Cambridge in Durban.



## Update on Vision for Growth 2011



# Update on Vision for Growth 2011

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- Leadership and Transformation
- Growth of the core business
- New stores (expanding footprint)
- Greenfield formats
- Acquisitions
- Sustainability

# Update on Vision for Growth 2011

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- Leadership and Transformation
  - In response to Emigration and Skills Shortage :
    - Massmart University participants (268 participants this year)
    - Bursaries (additional funds approved)
    - Black Graduates (17 appointed this year and 16 currently in development and 30 planned for next year)
  - Completion of Diversity Management training program
  - Another group of 10 Executives participated in Walton School of Business program in Arkansas
  - Next round of programs and experiences planned – more investment in future years

# Update on Vision for Growth 2011

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- **Growth of the core business**
  - Supply Chain
    - Masdiscounters RDC commissioned
    - Space-planning trial underway – significant learning
    - Replenishment in all retail divisions now underway
    - New in-store system roll out in Masscash
  - Private Label
    - Several brands now completely reviewed to world-class standards. New strategy for Trojan in market
    - Measurement tools now in place
    - Large development program planned for September for 100+ buyers
    - Ambition to become one of the leading owners of Consumer Goods brands in South Africa
  - Financial Services
    - Masdiscounters book sold, outsourcing arrangement being stabilised
    - Once completed look for leverage opportunities across the Group



# Update on Vision for Growth 2011

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- New stores (excluding acquisitions)
  - Net 25 stores (32 open, 7 close, 11 relocate):
    - 13 Game
    - 1 Makro
    - 1 CBW
    - 7 Builders Warehouse, 2 Builders Express, 1 Trade Depot
  - 147 600m<sup>2</sup>, R3.66bn annualised turnover
  - Trading space growth (excluding acquisitions):
    - 2009 5.1%
    - 2010 6.0%
    - 2011 3.5%

# Update on Vision for Growth 2011

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- **Greenfield formats**
  - Dion Wired at six stores and profitable. Ideal expansion sites identified and communicated to landlords
  - Hybrid strategy gaining momentum through acquisitions. First site identified to build our own store
  - Good progress on identifying and developing new format opportunities
- **Acquisitions**
  - Targets identified
  - Continue to evaluate opportunities as they arise
  - Must comply strategically

# Update on Vision for Growth 2011

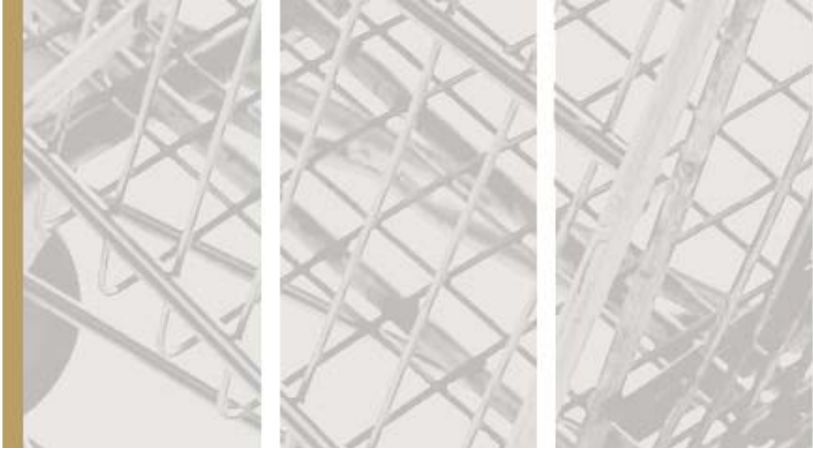
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- Sustainability
  - BEE
    - Score improved 36% to 49% - Level 6 Contributor
    - Increased supplier commitment
    - Ranked as most empowered listed retailer
  - Sustainable Development
    - Top sustainability report non-extractive industries
    - Best Performer status JSE SRI index (medium impact)
    - Calculated Carbon Footprint
    - Launched pilot e-waste re-cycling project
    - Implemented free cholesterol and diabetes blood screening for employees

# Targeted ROS (PBT / Sales)

(%)	<b>FY08</b>	<b><i>FY Medium-term Target</i></b>	<b>International</b>
Massdiscounters	<b>7.5%</b>	8.0%	Wal-Mart ex-food 7.4%
Masswarehouse	<b>7.2%</b>	7.0%	Metro AG C&C 5.0%
Massbuild	<b>7.6%</b>	9.0%	Home Depot/B&Q 10.0%
Masscash	<b>3.2%</b>	3.0%	Makro S. America 3.0%
IFRS 2 & Net Corporate Interest	<b>-0.9%</b>	-0.5%	-
<b>Group</b>	<b>5.1%</b>	<b>*6.2%</b>	<b>*5.7%</b>

\* Proforma using June 2008 sales



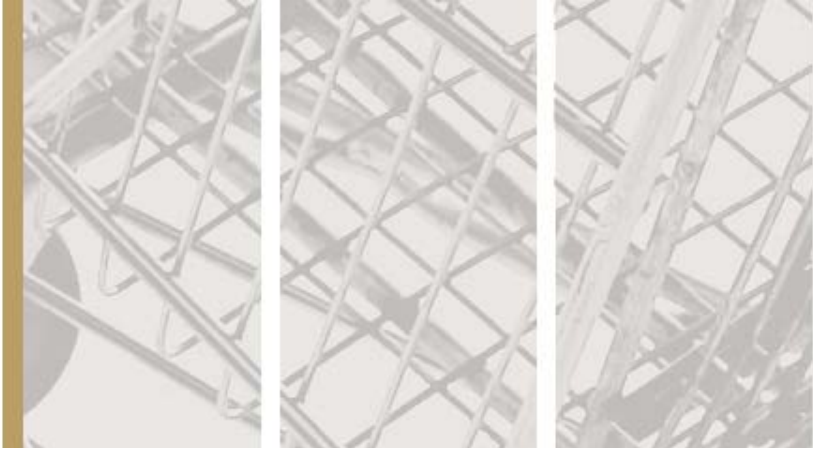
## Long-term Growth



# Long-Term Growth

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- **Massdiscounters**
  - Significant competitive operating improvements post RDC and space planning.
  - Africa has the potential to be 50% of the size of the South African business
  - Dion Wired has the potential to be a fully fledged 20-30 store national chain
- **Masswarehouse**
  - Can see the potential of a further 4 stores in South Africa
  - Potential for at least 4 African stores - lots of work to do
  - Potential for additional Warehouse stores focused on other categories
- **Massbuild**
  - Several years of store growth in all formats
  - Many operating improvement opportunities visible
  - Significant market share gain potential as competitors exit
  - Africa potential in all formats
- **Masscash**
  - Hybrid could be as big as Cash and Carry
  - Cash and Carry to migrate to franchising model – Banner Plus
  - Africa potential for Hybrid – South Africa first



## Prospects & Risks



# Massmart's 2009 Prospects

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- Confidence in the resilience of the business model
  - Historical performance on a relative basis against competitors in similar categories
  - Food inflation to remain double-digit and Home Improvement and General Merchandise inflation to rise, supporting nominal sales
  - There are both trading opportunities and threats in the short-term tightening cycle – consumer focussed on value
  - Balance sheet strength a competitive advantage
  - Aware that 2009 likely to be more difficult than 2008
  
- Keeping a close eye on Home Improvement
  - Slowing sales through 2008 indicate a difficult sales year ahead. We are now in a better position to respond
  - Some opportunity exists with improved in-stock and pricing
  - Post merger/consolidation costs under control
  - Still remain confident in medium to long-term growth story for Home Improvement market – shortage of housing, growing middle class, secondary benefits of infrastructure investment



# Massmart's 2009 Prospects

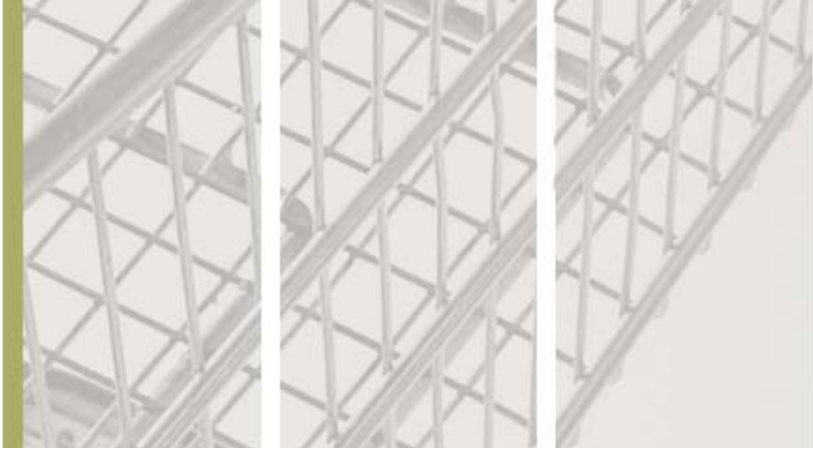
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- Organic growth opportunities – planned net space growth of 5.1%
- Exploring minor acquisitions
- In short-term:
  - Manage costs
  - Watch trading margins & keep inventory tight
  - Challenge minor capex & refurbishments
  - Market-share gains

# Risks

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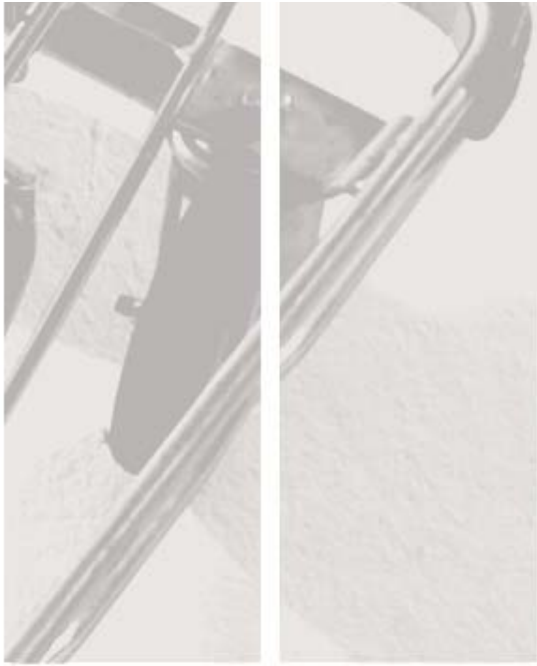
- **External**
  - Economic growth / consumer confidence
  - Power supply uncertainty
  - R/\$ volatility
  - Emigration and skills shortage
  - Uncertainty affecting customer and employee morale
  - HIV/AIDS effect on our customers
  
- **Internal**
  - Maintaining control of a large, complex, trading business
  - Attracting, developing & retaining leadership, management competence & experienced skills



Dedicated to Value

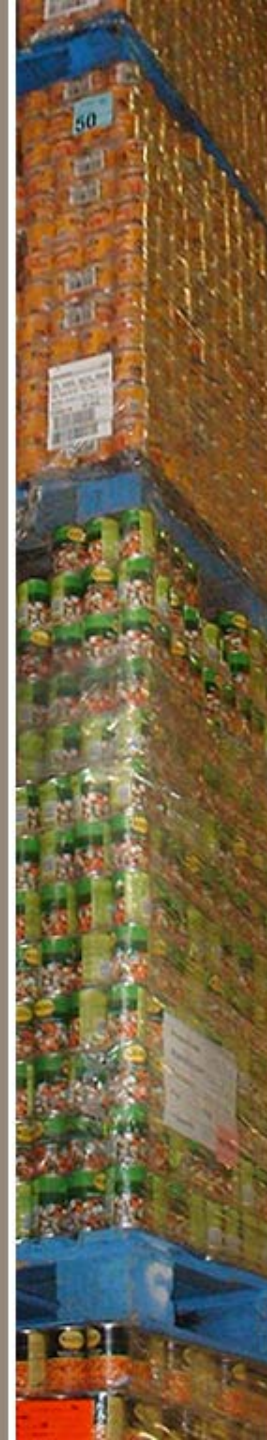
Dedicated to Shareholder Value

[www.massmart.co.za](http://www.massmart.co.za)





## Additional Financial Data



# Headline Tax Rate Reconciliation

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	<b>June 2008</b>
	%
Standard tax rate	28.0
Disallowed expenses	2.3
Exempt income	(1.1)
Foreign income	0.1
Prior year	0.7
STC	3.4
Other	(0.6)
<b>Group tax rate</b>	<b>32.8</b>

# Analysis of Tax Charge

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	<b>June 2008</b>
	<b>Rm's</b>
SA tax	512.1
STC	65.9
Deferred tax	35.7
Foreign tax	40.1
Foreign deferred tax	9.1
<b>Income Statement Charge</b>	<b>662.9</b>

# Capital Expenditure

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Rm's	June 2008	June 2007
Land & buildings	5	3
Leasehold improvements	60	48
PPE	368	275
Computers	106	113
Motor vehicles	23	32
Sub-total	562	471
Goodwill & trademarks	16	165
<b>Total</b>	<b>578</b>	<b>636</b>

2008 Budget Capex R595m

# Headline Earnings Reconciliation

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<b>Rm</b>	<b>June 2008</b>
Attributable earnings	1 314.1
Loss on fixed asset disposals	3.8
Impairment of assets	4.7
Tax effects on adjustments	(3.2)
<b>Headline earnings</b>	<b>1 319.4</b>



# Number of Shares

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	<b>2008</b> <b>(000's)</b>	<b>2007</b> <b>(000's)</b>
Opening Balance	201 073	201 041
Shares issued	122	32
Closing Balance	201 195	201 073
Weighted-average for period	198 996	200 461
Fully-diluted weighted average	203 867	204 037

The weighted-average number of shares is lower due to the effect of the treasury shares arising from the share buyback.

IAS 33 requires the fully-diluted weighted-average shares calculation to be based on the extent to which the BEE shares are in-the-money. This must take into account the strike price, the associated IFRS 2 charge and average annual share price.

This calculation produces the additional 4.87m shares that are included to get the fully-diluted weighted-average no. of shares.

Total BEE shares issued were 20m.

# Targets

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Group Annual ROS > 5.5%

Int-bearing Debt : Equity < 30%

Return on Capital Employed > 45%

Return on Equity > 35%

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

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