Dedicated to Value

“Simply Unique”

UBS Investors Conference – June 2004
Format

• 1988 – 2004
  – The Strategy
  – The Result
• 2004 – 2007
  – Pillars of Future Growth
  – Our Corporate Conversation
• 2007 Vision for Growth
1988 – 2004
The Strategy
Configuring assets for competitive advantage in the industry (Addendum 1)
Massmart’s Competitive Growth Strategy

• Build portfolio through acquisitive & organic growth, based on category expertise
  – Different formats enable broader, deeper market penetration than single retail/wholesale brand
  – Different formats duplicate costs

• Mitigate portfolio costs through internal collaboration & joint initiatives (not centralised)
  – Procurement
  – Coordinated Retailing (Location, Positioning, Pricing & Promotion)
  – Cost reduction (Shared information & services)
  – Human capital development & motivation

• Incentivise for alignment
Mission
Our definition of purpose - the assets and competencies used to realise our vision (Addendum 2)

Massmart is a South African based international, management group, invested in a portfolio of differentiated, complementary, focused wholesale and retail formats, each reliant on high volumes and operational excellence as the foundation of price leadership, in the distribution of mainly branded consumer goods for cash.
**Mission**

Our definition of purpose - the assets and competencies used to realise our vision

The group actively seeks the continual improvement of performance in the portfolio and its parts, through **strategic and structural clarity, high market shares, excellent management and leadership, cost effective technology** and the **sharing or agglomeration of capabilities, knowledge, resources, influence and information.**
Mission

Our definition of purpose - the assets and competencies used to realise our vision

To this end thought leadership, individual and collective performance, and collaboration throughout the group are **highly rewarded**, with executive management **incentivised predominantly on group performance**.
Business Model

Divisional growth
- Differentiated competitive offerings
- Dominant in complementary product categories
- Multiple target markets & regional reach
- Favorable cash characteristics
- Sound organic growth
- Strict acquisition criteria

Channel collaboration
- Procurement (Forums)
- Coordinated retailing (Positioning, Pricing & Promotion)

Shared services
- Non differentiating services rendered at lower cost to Divisions
- Human Capital management

Holdings
- Strategy
- Portfolio
- Capital allocation
- Performance
- Exec. Dev
Leadership structure

**Executive Committee**

- **Group CFO**
- **Group Org. Exec**
- **Group Human Capital Management**
- **Group Finance, Acc., Audit, IR**

**Group Comm. Exec**
- **Strategic interventions**
- **All shared services**

**Group**
- **Strategy, Portfolio, Capital allocation, Human Capital, IR, Performance, Governance, Audit**
- **Delivering strategic value to shareholders**

**MD**
- **Massdisc**
- **Masscash**
- **Masswarehouse**
- **Masstrade**
- **Builders**
- **Jumbo**
- **Tile**

**Divisions Manage:**
- Focused Retail/Wholesale Business Units
- **Responsibility:** Day to day operating performance

**Channel Manages:**
- Forums: GM, Food, TIP, Masscell, FD’s, HR,
- **Responsibility:** Value creation through inter divisional collaboration

**Services Manages:**
- Treasury, Rebates, Forex, Salaries, Int. Commerce etc
- **Responsibility:** Value creation through lower cost shared services

**CEO & Deputy Chairman**
The Balance

“I believe that in today’s highly competitive, rapidly changing world, few if any large enterprises can pursue a strategy of total decentralisation. It is simply too expensive and too slow when significant changes have to be made. Thus, what every CEO has to do is decide what is going to be uniquely local (decentralised) and what is going to be common. Note the absence of the word “centralised” It is not a question of centralisation vs. decentralisation. Great institutions balance common shared activities with highly localised, unique activities”

Who Says Elephants Can’t Dance – Lou Gerstner, Jr
Sales growth

Compound Annual Growth to June 2004

- 3 Year 26.9% p.a.
- 5 Year 22.2% p.a.
- 10 Year 21.6% p.a.
Major RSA based mass marketer
(2003/04 turnover, Rb)

- Massmart ranked fourth in total sales among JSE Retailers

Source: Company reports/ UBS Estimates
Major regional mass marketer
(2003/04 turnover, Rb)

- Shoprite: 27.7
- Pick 'n Pay: 25.1
- Massmart: 23.8
- Metcash: 15.7
- Spar: 12.1

Massmart in Africa:
- Ranks 3rd in total sales
- Ranks 1st in Gen. Merchandise, Liquor & Wholesale food
- Ranks 3rd in food

Source: Company reports/ UBS Estimates
## Market penetration

<table>
<thead>
<tr>
<th>% of total sales</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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</thead>
<tbody>
<tr>
<td>Shoprite</td>
<td>27%</td>
<td>27%</td>
<td>26%</td>
<td>26%</td>
<td>24.5%</td>
<td>22.3%</td>
<td>22%</td>
</tr>
<tr>
<td>Pick 'n Pay</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>22%</td>
<td>21.1%</td>
<td>22.2%</td>
<td>21%</td>
</tr>
<tr>
<td>Massmart</td>
<td>12%</td>
<td>14%</td>
<td>15%</td>
<td>15%</td>
<td>18.9%</td>
<td>19.5%</td>
<td>20%</td>
</tr>
<tr>
<td>Metcash</td>
<td>15%</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
<td>13.5%</td>
<td>13.6%</td>
<td>12%</td>
</tr>
<tr>
<td>Edcon</td>
<td>11%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>8.3%</td>
<td>8.5%</td>
<td>9%</td>
</tr>
<tr>
<td>Woolworths</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>9.0%</td>
<td>8.5%</td>
<td>9%</td>
</tr>
<tr>
<td>JD Group</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4.7%</td>
<td>5.4%</td>
<td>7%</td>
</tr>
</tbody>
</table>

The table shows the market penetration of various retail companies from 1998 to 2004.
EBITA growth

Compound Annual Growth to June 2004

- 3 Year 54% p.a.
- 5 Year 50% p.a.
- 10 Year 65% p.a.
Regional profitability
(2003/04 EBIT, Rb)

Massmart - third most profitable retailer & most profitable cash mass merchant in sub Saharan Africa

Massmart

Source: Company reports/Bloomberg Analysts Estimates
Cash Earnings

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

RONA - EBITA / Average Net Assets

ROE - Headline Earnings / Average Shareholders Equity (ignoring previous goodwill & trademark write-offs)
2004 – 2007
Pillars of future growth
Evolving from a solid core
Leading retail/wholesale brands
(Rated so by their target markets)
Focussed divisional structure

(Based on target markets & business models)

MASSMART HOLDINGS LIMITED
162 Owned stores
1667 Independent traders

Retail LSM 5-10
MASSDISCOUNTERS
Retail GM discounters
66 Stores

- Game (56 stores)
  GM - RSA, Bots, Nam, Zam, Maur, Ugan
- Dion (10 stores)
  GM - RSA

Retail LSM 6-10/Wholesale LSM 3-8
MASSWAREHOUSE
Warehouse outlets
29 stores

- Makro (14 outlets)
  GM/Food/Liquor - RSA, Zimbabwe
- Builders Warehouse (8 outlets)
  Builders hardware & supplies - RSA
- Tile Warehouse (7 outlets)
  Tiles & sanitary ware - RSA

Wholesale LSM 2-5
MASSCASH
Cash & carry wholesalers
67 stores

- CBW (60 outlets)
  Food/Liquor - RSA, Lesotho, Namibia
- Jumbo (7 outlets)
  Cosmetics/Food - RSA

Wholesale LSM 2-10
MASSTRADE
Voluntary buying groups
1667 independent outlets

- Shield (797 outlets)
  Food - RSA, Botswana, Namibia, Swaziland
- Furnex (870 outlets)
  Furniture/Appliances - RSA
Expanding regional presence

• South Africa
  – Exceptional national footprint
  – Under represented (9%) in Western Province (19%)

• Lesotho
• Swaziland
• Botswana
• Namibia
• Zimbabwe

• Zambia
• Mauritius
• Uganda
• Mozambique
• Tanzania
Broad socio economic reach

54% Wholesale (mainly FMCG) to retailers who supply consumers in the LSM 2 - 6 groups

46% Retail (mainly general merchandise) to end users in the LSM 6 -10 groups
Leadership in 7 major product categories

- FMCG
- Appliances
- DIY & Building
- Hi Tech
- Liquor
- Sports & Outdoor
- Multimedia & Office

(2004 Sales > R1.5b)
Positive cash characteristics & flow

- Cash: 73%
- Trade credit: 25%
- Retail credit: 2%
High productivity (2003)

• Average sales per store R124m
  – 8 stores with sales > R500m
  – 18% of JSE listed retail & wholesale sales with only 3% of outlets

• Average sales per square meter R30k

• Average sales per employee R1.22m

• Average EBITA per store R5.3m

• Average EBITA per employee R45k

• Expenses as % sales fallen for four years
Leadership

Young / diverse
- Top 52: young (41), educated (78 degrees), retail/wholesale experience (17 yrs.)
- Excellent mix of business experience, retail skills and academic qualifications
- Determination to bring science to retail/wholesale

Entrepreneurial
- Empowered to trade
- Encouraged to innovate
- Incentivised to perform
- “We act like owners because we are”

Aligning demographically
- 28% executive management, 58% management - equity appointments

Ranked 4 of 33 in UCT Business School 2000 Entrepreneurship Index

Institute of Marketing Management 2001 Role of Honour

Ranked 7 of 87 in Deloittes 2002 “Best Company to Work For”
Shareholding

• 15% international institutions
• 15% management (if all options exercised)
• 70% local institutions
“Pillars of our future growth”

- High volume, low price, leading wholesale & retail brand portfolio, founded on merchandise expertise
- Coherent & accountable divisional/management structures implementing a collaborative business model to exploit intra & inter divisional synergies
- Broad regional & socio economic reach
- Merchandise complementarity & leadership
  - Food wholesaler & general merchandise retailer
  - Seasonality, cyclicality, margins, cash flow, productivity
- Experienced, cohesive & stable management
- Quality shareholder base & high liquidity
2004 – 2007
Our corporate conversation
Sustaining growth of market share & returns
The leading indicator

What is our corporate conversation?

HUMAN PERFORMANCE

OPERATING PERFORMANCE

FINANCIAL PERFORMANCE

MASSMART
Our corporate conversation is about.....

• Unchanged market focus (profitable sales)
  – Customers (Value conscious), Geography (sub Saharan Africa) / Market (Mass) / Distribution type (Wholesale & retail) / Distribution model (High volume, low expense, low price) / Merchandise (Broad range, blatant value) / Payment (Mainly cash, no reliance on finance charges)
Our corporate conversation is about…..

• Unchanged market focus (profitable sales)

• Merchandise & marketing innovation (pricing power & real comparable store growth)
  – 253 specialist, general merchandise, food and liquor buyers procure exceptional value, from 4286 local and international suppliers, across over 290 000 stock keeping units (SKU’s) managed through 1940 article groups within 15 basic merchandise categories
  – in F2005, R260m invested in advertising 150 000 products promoted through 297m leaflets
Merchandise innovation

“In retail, you are either operations driven - where your main thrust is towards reducing expenses and improving efficiency - or you are merchandise driven. If you are going to show the kind of double-digit comparable store sales increases that we show every year, and grow a company the way we’ve grown ours, you have to be merchandise driven. Retailers that are operations driven tend to level off and deteriorate.”

David Glass – Chairman Executive Committee Walmart
Our corporate conversation is about.....

- Unchanged market focus (profitable sales)
- Merchandise & marketing innovation (real comparable growth & pricing power)
- Store portfolio optimisation (penetrating markets & sweating assets)
  - National store development grid by July
Store portfolio optimisation

• Estimated growth & size of major consumer markets in RSA over the next ten years
• Researched existing store catchment areas
• Applied analog methodology
• Concluded that in Gauteng (excluding Builders & Tile Warehouse) we should:
  – Open 15 stores
  – Close 13 stores
  – Convert 5 stores
  – Enlarge 2 stores
  – Reduce 1 store
  – Relocate 1 store
Massmart’s portfolio optimisation

• Result:
  – 2 more stores
  – 29% improvement in trading density
  – 34% improvement in sales
  – 62% improvement in branch contribution
  – 164% return on the capital employed in the changes
Our corporate conversation is about…..

- Unchanged market focus (profitable sales)
- Merchandise & marketing innovation (real comparable growth & pricing power)
- Store portfolio optimisation (penetrating markets & sweating assets)
- 3 year Growth Vectors (expanding footprint)
Growth Vector 1 – Africa

• Constitutes 5% sales & 9% branch contribution
  – Game – 6 general merchandise discount stores, CBW – 9 wholesale food & liquor outlets, (Makro – 2 Zimbabwe stores not consolidated)

• First mover advantage in underserved markets
  – Game viable at 150 000 mid/upscale customers

• Risk mitigated by weekly cash extraction, very low cost management & logistics model, limited long term credit & country diversification

• High profitability – high trading densities, logistics, higher margins for higher risk

• Planned 7 Game & 4 CBW stores (R1.1b)
Growth Vector 2 – FMCG wholesaling

- 35% share of R38b market
  - Constitutes 48% Group sales
  - Makro – 12 stores, CBW – 60 stores, Jumbo – 7 stores, Shield – 388 independent wholesalers & 409 independent retailers)

- Competitiveness & profitability ensured by low expense, high customer relationship operations (Makro CRM & overnight picking systems, CBW buying groups, Shield rebate sharing)

- ROS 3.4% - comparable to European food wholesaling, higher than SA food retailing

- Planned 15 CBW & 3 Jumbo stores in RSA (R1.8b)
**FMCG wholesaling**

- FMCG distribution in RSA shaped by apartheid:
  - location & consumption of lower socio economic groups
  - 4.8m households (50.1%), 23.2m people (52.6%) in LSM 1 – 4 groups *(Addendum 3)*

- Cash & Carry plus Independent trader is an integral (R38b) part of (R120b+) FMCG supply chain
  - Low & slow penetration (est. R20m per store) of supermarket majors into traditional low income areas

- Contrary to Nielsen data, our experience suggests growth of FMCG wholesale
  - CBW producing real comparable store growth
  - Shield members enthusiastic & expanding
  - Makro customers growing
Competitiveness of Independent retail

• Convenience/poor transport major competitive factors
• Low C&C expenses & prices plus the low expenses of independent retailer enables the latter to compete profitably with majors
  – Majors only < 6% cheaper on typical basket (Addendum 4) in shop out we conducted last week (Addendum 5)
• Majors struggling to define profitable low income supermarket format
  – Core, low income, low gross margin FMCG products constitute 40% - 60% of mix relative to <5% in middle/upmarket outlets
  – Store & corporate expenses much higher than independent (e.g. 3% PBT on 16% GP (Addendum 6))
Growth Vector 3 – RSA Home improvement

- > R2b of R18b market
- Constitutes 8% of Group sales
  - Makro – 12 stores, Game – 49 stores, Dion – 10 stores, Builders Warehouse – 8 stores, Tile Warehouse – 7 stores
- Secular structural market development driven by:
  - Property prices
  - Increasing middle-market home ownership (BEE)
- Fragmented industry
- Opportunity for national market leader (e.g. Home Depot / B&Q)
- Planned 21 Builders Warehouse & 21 Tile Warehouse outlets in RSA (R2.1b)
Growth Vector 4 – Opportunities under research

• Game RSA (new large stores) – 3 in 2005 (R0.3b)

• Support independent trade (Masstrade)
  – Currently supply 797 Shield food wholesalers & retailers, & 870 Furnex furniture retailers
  – Independent trade needs procurement assistance to compete
  – Independent trade fuelled by BEE enterprise development
  – Masstrade to add additional product categories onto our trading hub by acquisition or greenfields

• Smaller format Game (15 store opportunity)

• Reposition Dion (nett + 5 stores)
Our corporate conversation is about.....

- Unchanged market focus (profitable sales)
- Merchandise & marketing innovation (real comparable growth & pricing power)
- Store portfolio optimisation (penetrating markets & sweating assets)
- 3 year Growth Vectors (expanding footprint)
- Acquisitions (enhancing portfolio)
Our corporate conversation is about…..

- Unchanged market focus (profitable sales)
- Merchandise & marketing innovation (real comparable growth & pricing power)
- Store portfolio optimisation (penetrating markets & sweating assets)
- 3 year Growth Vectors (expanding footprint)
- Acquisitions (enhancing portfolio)
- PBT margin improvement (enhancing productivity)
PBT margin improvement

• Higher gross margin through:
  – Pricing power (range/differentiation/exclusivity)
  – Promotional power (increasing marginal sales)
  – Procurement (lower logistics/intermediary costs)
  – Merchandise mix (higher value/margin products)
  – Portfolio mix (growth of higher margin formats Game/BW)

• Lower expenses through:
  – Systems, process improvement, productivity & discipline
  – Amortising central costs over more stores

• Working capital management
  – Systems (replenishment), logistics & discipline

(Note: Invested R600m in IT over past 3 yrs.)
# Targeted PBT ROS

<table>
<thead>
<tr>
<th>(%)</th>
<th>Target</th>
<th>Dec 2003</th>
<th>June 2003</th>
<th>June 2002</th>
<th>June 2001</th>
<th>International benchmark</th>
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<tr>
<td>Massdiscounters</td>
<td>5.0</td>
<td>6.0</td>
<td>3.64</td>
<td>3.36</td>
<td>2.02</td>
<td>7.4</td>
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<td>Masswarehouse</td>
<td>4.0</td>
<td>4.6</td>
<td>3.03</td>
<td>2.91</td>
<td>2.52</td>
<td>5.0</td>
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<td>Masscash</td>
<td>4.0</td>
<td>3.6</td>
<td>4.08</td>
<td>3.92</td>
<td>3.52</td>
<td>3.5</td>
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<tr>
<td>Masstrade</td>
<td>3.0</td>
<td>2.7</td>
<td>2.89</td>
<td>2.51</td>
<td>2.73</td>
<td>3.0</td>
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<tr>
<td>Group</td>
<td>*4.17</td>
<td>4.6</td>
<td>3.49</td>
<td>3.29</td>
<td>2.48</td>
<td>*5.0</td>
</tr>
</tbody>
</table>

* Proforma using actual sales mix and target margins
Our corporate conversation is about…..

• Unchanged market focus (profitable sales)
• Merchandise & marketing innovation (real comparable growth & pricing power)
• Store portfolio optimisation (penetrating markets & sweating assets)
• 3 year Growth Vectors (expanding footprint)
• Acquisitions (enhancing portfolio)
• Margin improvement (enhancing productivity)
• Collaboration (whole > sum of parts)
Collaboration

Group wide Channel collaboration & integration through “Forums”, which seek synergies in:

• Food procurement
• General merchandise procurement
• TIP (Technology, Information & Processes)
• Human Capital management
• Expense rationalisation
• Finance & accounting

Current benefits > R150m operating profit
Our corporate conversation is about…..

- Unchanged market focus (profitable sales)
- Merchandise & marketing innovation (real comparable growth & pricing power)
- Store portfolio optimisation (penetrating markets & sweating assets)
- 3 year Growth Vectors (expanding footprint)
- Acquisitions (enhancing portfolio)
- Margin improvement (enhancing productivity)
- Collaboration (whole > sum of parts)
- BEE (alignment with national agenda)
• Unchanged market focus (profitable sales)
• Merchandise & marketing innovation (real comparable growth & pricing power)
• Store portfolio optimisation (penetrating markets & sweating assets)
• 3 year Growth Vectors (expanding footprint)
• Acquisitions (enhancing portfolio)
• Margin improvement (enhancing productivity)
• Collaboration (whole > sum of parts)
• BEE (aligning it with national agenda)

An interesting conversation !!!
2007 Vision for Growth

Doubling shareholder value over three years?
# 2007 Vision for Growth

<table>
<thead>
<tr>
<th></th>
<th>3 Yr effect</th>
<th>Rb</th>
<th>Cpd. Grth*</th>
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</thead>
<tbody>
<tr>
<td>UBS forecast ’04 sales base</td>
<td></td>
<td>23.8</td>
<td></td>
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<tr>
<td>Inflation (6.5% pa)</td>
<td></td>
<td>20.8%</td>
<td>4.9</td>
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<tr>
<td>Real comparable growth (4% pa)</td>
<td></td>
<td>12.5%</td>
<td>2.9</td>
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<tr>
<td>50 new/acq.stores @ R100m ps</td>
<td></td>
<td>5.0</td>
<td></td>
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<tr>
<td>22 CBW/Jumbo, 21 BW &amp; 7 Game</td>
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<td></td>
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<tr>
<td>Opportunities under research</td>
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<tr>
<td>Acquisitions</td>
<td></td>
<td>?</td>
<td></td>
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<tr>
<td>Sales to June 2007</td>
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<td>36.9</td>
<td>15.6%</td>
</tr>
<tr>
<td>Targeted PBT margin 5.0%</td>
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<td>1.83</td>
<td>25.1%</td>
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<tr>
<td>Targeted EPS</td>
<td></td>
<td>&gt;600c</td>
<td></td>
</tr>
</tbody>
</table>

*Based on UBS ’04 sales & PBT forecasts
Risks

• External
  – Economic growth / Consumer confidence
  – Lower or falling inflation
  – R/$ volatility
  – Labour costs
  – Legislation of industry structure or pricing

• Internal
  – Maintaining strategic & structural focus
  – Maintaining control of a large, complex, trading business
  – Weaker Rand impact on direct or indirect imports (30% purchases)
  – Retaining leadership/management competence & experience
Summary
Summary

- 1988 - 2004 – *Strategy and results that have shaped our Group*
- 2004 – 2008 – *Pillars of future growth and our corporate conversation*
- 2007 “Vision for Growth” – *A subjective, optimistic, management view of our future*
“Constantly making things better for the customers who shop in our stores is not something we can simply do in some general way. It isn’t something we can command from the executive offices because we want it to happen. We have to do it store by store, department by department, customer by customer, associate by associate”

Sam Walton – Founder Wal-Mart
Thank You

www.massmart.co.za
Addendum 1 – Strategic Principles

• There is no such thing as strategy at the level of the company - only at the level of the industry
• Strategy is about deploying resources & capabilities to achieve a superior competitive position within an industry – not about extending efficiency frontier
• Strategy is not about predicting the future, it is about building capabilities & competence to ensure superior relative performance in most environments
• Competitive advantage is made more sustainable by multiple interdependent activities
• Strategy demands leadership
Addendum 2 - Vision

Our definition of victory – how we will know that we’ve won

Customers will regard Massmart’s wholesale and retail formats as their first choice when buying those categories of merchandise offered by the formats.

Suppliers will regard Massmart as a valued partner in accessing and understanding their end consumers.

Career Retailers will regard Massmart as the preferred employer in the distribution industry.
Addendum 2 - Vision

Our definition of victory – how we will know that we’ve won

Investors will regard Massmart as a portfolio rendering superior growth and total returns at relatively lower risk than alternative wholesale and retail investments.

The community will regard Massmart as a sensitive, caring, trustworthy, South African corporation.
Addendum 3 - LSM 4

- Up to some high schooling
- Urban, conventional township housing & backyard rooms
- R1 570 per month income
- Monthly bulk shopping – Shoprite, Checkers, township supermarkets, informal traders and hawkers
- Increase in bank accounts
- Electricity, water on plot, flush toilet
- TV sets, hi-fi/radio set, stove, fridge
- Stokvel, lottery tickets
Addendum 4 – Shop out basket 3/6/04

Maize meal  Salt
Margarine  Cooking Oil
Chicken  Laundry Bar
Baked beans  Candles
Pilchards  Mayonnaise
Jam  Tomato Sauce
Washing Powder  Concentrate
Petroleum Jelly  Biscuits
Coffee  UHT Milk
Tea  Eggs

Toilet Soap  Shoe Polish
Toothpaste  Floor Polish
Toilet Roll
## Addendum 5 - Independent competitiveness

<table>
<thead>
<tr>
<th></th>
<th>Basket (1 of each)</th>
<th>Cum. GP%</th>
<th>Weighted (by usage)</th>
<th>Cum. GP %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Makro Score/Shoprite?</td>
<td>R193.86</td>
<td></td>
<td>R81.79</td>
<td></td>
</tr>
<tr>
<td>Cost of basket from Makro (CBW similar)</td>
<td>R202.84</td>
<td>4.3</td>
<td>R83.79</td>
<td>2.4</td>
</tr>
<tr>
<td>Independent selling price (Zola)</td>
<td>R255.56</td>
<td>31.9</td>
<td>R103.88</td>
<td>27.0</td>
</tr>
<tr>
<td>Shoprite selling price (Zola)</td>
<td>R249.51</td>
<td>28.7</td>
<td>R102.18</td>
<td>24.9</td>
</tr>
<tr>
<td>Independent selling price (Meadowlands)</td>
<td>R251.48</td>
<td>29.7</td>
<td>R95.11</td>
<td>16.3</td>
</tr>
<tr>
<td>Score selling price (Meadowlands)</td>
<td>R238.68</td>
<td>23.1</td>
<td>R89.39</td>
<td>9.3</td>
</tr>
</tbody>
</table>
Addendum 6 - Profitability of independent trader

Eastern Cape trader’s Income Statement

(R’000)

- Sales  1 859
- COS    1 554
- GP     305  16%
- Gen Exp 114  6%
- Salary  135
- PBT    56  3%