



Analyst Store Visits

10 November 2015



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The environment

It remains tough out there!

South Africa

- Negative consumer confidence
- CPI range-bound but Food inflation soon to increase – exacerbated by SA's worst drought since 1982
- Manufacturing & Construction remain weak, with associated job losses
- Rand falls to weakest ever level

Africa

- Economies affected by double-dip of lower Commodities' prices and US\$ strength
- Our basket of currencies weakened further since June '15
- Hard-currency payments restricted in some countries
- But long-term potential remains intact



Our environment

Trust our model. Superb execution. Be patient and measured.

- Sales performances volatile. Mid-month quiet
- Group's week-45 sales growths at similar levels to those in week 33, despite lower sales inflation
- Encouraging recent sales recoveries in Game SA and Masscash Wholesale
- Focus on offering customers value & innovation
- Stock availability and pricing critical
- Watching costs and capital expenditure
- Likely 2015 Christmas sales performance? Volatility & weak macro-economics suggest a range of outcomes but, absent any major shock, should approximate current sales levels

Sales performance

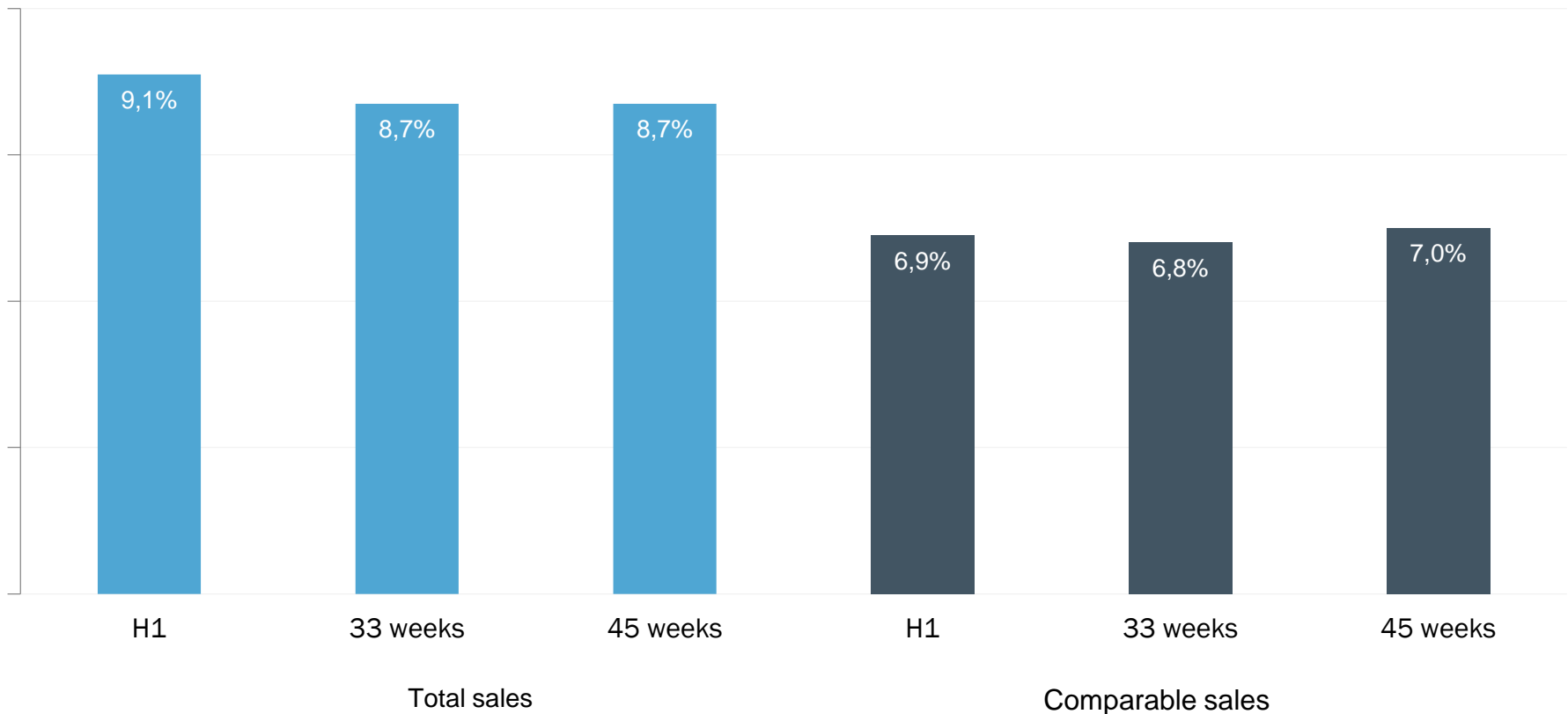


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Strong sales growth in challenging environment

Comparable sales improving slightly

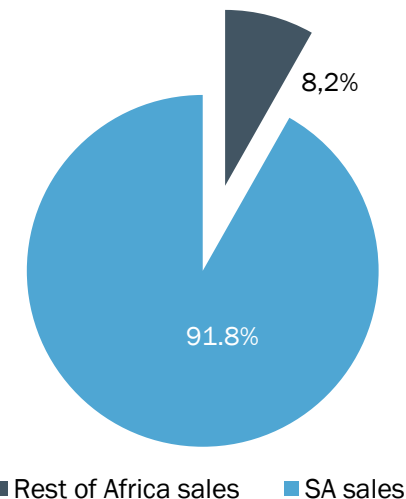




Sales – 45 weeks to 8 November 2015

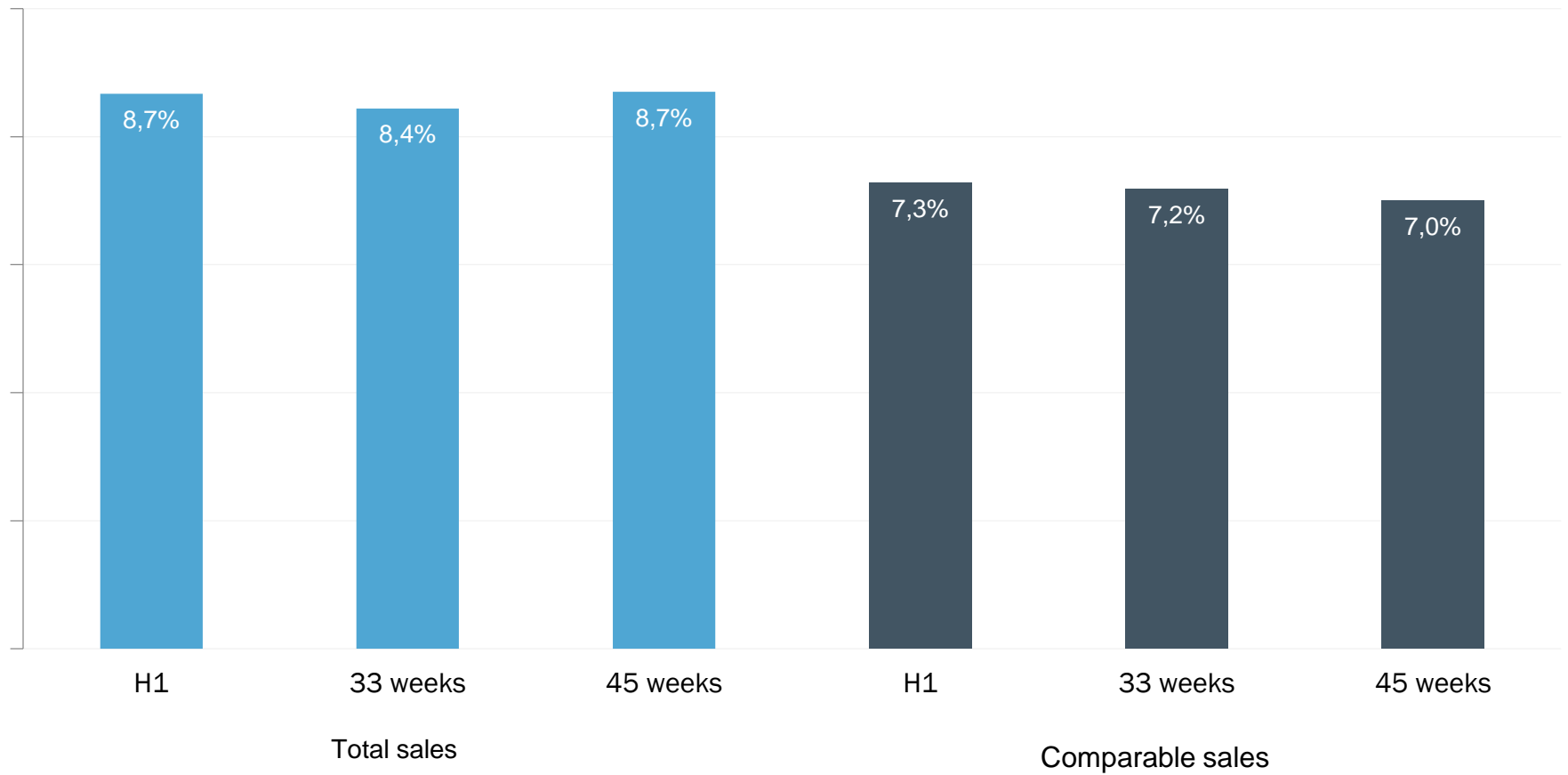
Real comparable volume growth of 3.9%

Rm	% growth	Comparable % sales growth	Estimated % sales inflation	Real comparable volume growth
Total	8.7	7.0	3.1	3.9
Massdiscounters	9.2	4.3	1.6	2.7
Masswarehouse	10.1	10.1	3.5	6.6
Massbuild	11.8	8.4	4.2	4.2
Masscash	6.0	5.6	3.1	2.5





SA sales growth – holding well





Foreign currency

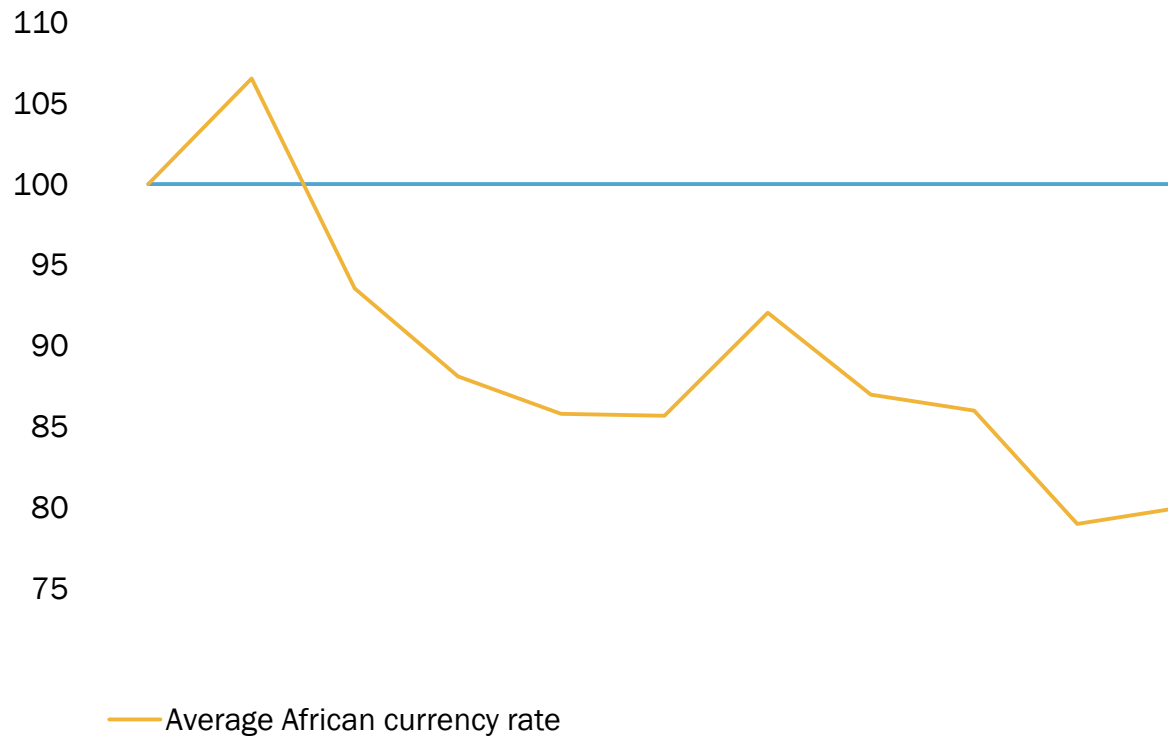
Impacts the financials in different ways

We are affected in three ways by movements in foreign exchange rates:

- Lower reported Rand profits as a result of currency weakness. This impact is not calculated or separately reported
- Higher costs of inventory – including impact of hedging – as a result of currency weakness. This impact ends up in Cost of Sales and is not separately reported
- Unrealised translation losses from non-domestic net assets – this is the forex loss (or gain) in the I/S. And w.e.f. March '15 we've changed the accounting for this and so less of the adjustment will now be in the I/S



Foreign exchange movement Dec '14 - Oct '15





Africa growth

Underlying demand is holding

- Africa remains a tough trading environment
- Total Africa sales growth of 11.1 % and Rand comparable sales growth of 3.5%
- Underlying local currency sales are strong but impacted by FX movements
- Different countries' performances with SADC doing better than West Africa



Today's agenda

- Focus on innovation – merchandise, in-store execution, private label, Christmas, etc.
- Andrew Jackson, Game Gen Merch director, update on their customer & merchandise journey
- We're visiting:
 - Makro Woodmead
 - DionWired Woodmead
 - Builders Warehouse Rivonia
 - Will meet respective Merchandise directors in each store



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