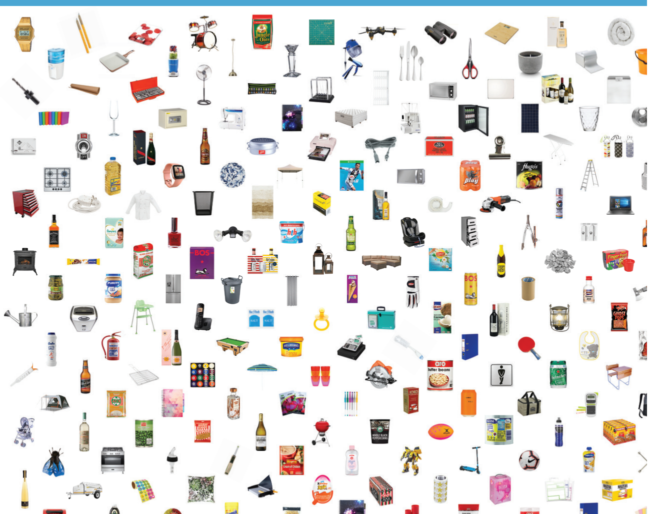
Massmart + Walmart


# Results

for the 52 weeks ended 30 December 2018

Massmart, with total sales of R90.9 billion, comprises four Divisions operating in 436 stores, in 13 sub-Saharan countries.

Through our widely-recognised, differentiated retail and wholesale formats, we have leading shares in the General Merchandise, Liquor, Home Improvement and wholesale Food markets. Our key foundations of high volume, low cost and operational excellence enable our price leadership.



# PERFORMANCE SUMMARY

Like-on-like 52-week basis*

↑ 2.9%

**Sales**

**R90.9 billion**

2017: R88.4 billion

↓ 16.8%

**Trading profit before interest and taxation**

**R2.1 billion**

2017: R2.5 billion^

↓ 22.9%

**Headline Earnings before restructure costs (taxed)**

**R1.0 billion**

2017: R1.3 billion^

↓ 31.7%

**Headline Earnings**

**R901.2 million**

2017: R1.3 billion^

↓ 40.1%

**Total dividend per share**

**208.00 cents**

2017: 347.00 cents

^ *Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*

* *To provide a more meaningful assessment of the current year's performance, the performance summary has been prepared on a like-on-like basis which includes the material impact of IFRS 15 'Revenue from contracts with customers' in the current and prior financial years. Refer to note 2 for details on the impact of the new accounting standards using the modified retrospective approach.*

## Massdiscounters

COMPRISES THE 146-STORE GENERAL MERCHANDISE AND FOOD DISCOUNTER GAME, WHICH TRADES IN SOUTH AFRICA AND 11 OTHER AFRICAN COUNTRIES; AND THE 25-STORE HI-TECH RETAILER DIONWIRED IN SOUTH AFRICA.

| ↓ 1.2% | ↓ 91.3% |
|---|---|
| **Sales** | **Trading profit**** |
| **R19,729.4 million** | **R32.6 million** |
| 2017: R19,971.7 million | 2017: R373.5 million |

Total sales of R19.7 billion decreased by 1.2% and comparable sales were down 1.5% with product deflation of 2.9%. In South Africa, Game's total sales declined by 0.1% while comparable sales increased by 0.1%, an improved second half sales performance showing positive volume growth. Game Africa's total sales in constant currencies increased by 1.5%, but declined by 0.9% in Rands, with trading conditions particularly difficult in Nigeria and Mozambique. DionWired's sales were below those of the prior year from a combination of factors including limited product innovation and severe stock supply challenges, especially in laptops.

The organisational restructure and relocation of the Game head office incurred a cost of R116.1 million, with expected annual savings of approximately R30.0 million. Following the February 2018 announcement, the restructure and relocation took about nine months to settle. One disappointing consequence was that trading disciplines were not robust and about 1% of annual trading margin was foregone. This will be recovered during 2019.

Expenses were well managed and were only 1.6% higher than the prior year (a comparable increase of 0.6%). The softer trading margin and lower than expected December sales caused pressure on overall profitability resulting in Massdiscounters' trading profit before interest and tax decreasing by 91.3% (excluding restructure costs) to R32.6 million.

Game and now DionWired use the SAP Hybris online shopping platform. The SAP ERP system implementation go-live date is scheduled for the second half of 2019.

Three DionWired stores and five Game stores (including two in Ghana and one in Kenya) were opened during the year, while one Game store and two DionWired stores were closed. Massdiscounters' trading space increased by 2.2% to 560,828m².

## Masswarehouse

COMPRISES THE 21-STORE MAKRO WAREHOUSE-CLUB TRADING IN FOOD, GENERAL MERCHANDISE AND LIQUOR IN SOUTH AFRICA; AND MASSFRESH, WHICH HOUSES THE GROUP'S FRESH PRODUCE, FRESH MEAT AND BAKERY OPERATIONS INCLUDING THE FRUITSPOT.

| ↑ 5.4% | ↓ 12.4% |
|---|---|
| **Sales** | **Trading profit**** |
| **R28,778.2 million** | **R1,100.8 million** |
| 2017: R27,311.9 million | 2017: R1,256.7 million^ |

Total sales of R28.8 billion increased by 5.4% and comparable sales grew by 3.7%, with product deflation of 0.2%, caused by deflation in General Merchandise and Food commodities. Comparable sales growth in Food & Liquor was 3.3% and General Merchandise sales growth was 4.5%.

Makro's operating margin was well managed but the Masswarehouse result in the second-half was severely impacted by negative adjustments for inventory and cost of sales in Massfresh. This unsatisfactory development first came to light in November 2018 and more than 20 management and staff have already been replaced.

Expense growth of 9.2% (a 5.7% comparable increase) was higher than sales growth, partly as a result of the new Makro store opened in late 2017. Including the negative Massfresh adjustments trading profit before interest and tax decreased by 12.4% to R1.1 billion.

Online sales grew by 22.4% and margins improved through better logistics, fulfilment and product mix. Makro's new SAP Hybris platform was launched in early February 2019.

There were no new stores with trading space remaining at 231,021m². In late March 2019 we will open a new Makro store in Cornubia, north of Durban.

## Massbuild

COMPRISES 106 STORES, TRADING IN DIY, HOME IMPROVEMENT AND BUILDING MATERIALS, UNDER THE BUILDERS WAREHOUSE, BUILDERS EXPRESS, BUILDERS TRADE DEPOT AND BUILDERS SUPERSTORE BRANDS IN SOUTH AFRICA; AND EIGHT BUILDERS STORES ACROSS BOTSWANA, MOZAMBIQUE AND ZAMBIA.

| ↑ 5.9% | ↑ 1.8% |
|---|---|
| **Sales** | **Trading profit**** |
| **R13,756.1 million** | **R749.1 million** |
| 2017: R12,993.6 million | 2017: R735.5 million |

Massbuild grew total sales by 5.9% to R13.8 billion, with comparable sales increasing by 3.4% and product inflation of 2.7%. In the second half of 2018 the South African business saw a decline in growth of contactor sales even as retail sales grew slightly – this trend has thus far continued into 2019. Assisted by new stores opened in 2017 and 2018, total Rand sales growth in our ex-SA stores was 14.1% while comparable sales growth was slightly negative.

The increased participation of higher-margin retail sales improved Massbuild's gross margins. As a result of the net six new stores, total expenses grew by 8.1% but comparable expenses grew by only 3.6%. Trading profit before interest and tax of R749.1 million grew by 1.8%.

The product range on the Builders Warehouse online platform has been expanded to 35,000 items and sales growth remains high with strong customer support. Click-and-collect is available in all South African metropolitan stores and will soon be launched in our stores in Zambia and Botswana.

In South Africa four Builders Superstores and three Builders Express stores were opened while two Builders Trade Depot stores and one Builders Express store were closed. One Builders Express store was opened in Maputo, Mozambique and one Builders Warehouse store in Makeni, Zambia, resulting in a net trading space increase of 2.6% to 468,155m².

## Masscash

COMPRISES 54 WHOLESALE CASH & CARRY STORES AND 63 RETAIL STORES TRADING IN SOUTH AFRICA; 13 CASH & CARRY STORES IN BOTSWANA, LESOTHO, MOZAMBIQUE, NAMIBIA, SWAZILAND AND ZAMBIA; AND SHIELD, A VOLUNTARY BUYING ASSOCIATION.

| ↑ 2.1% | ↑ 48.4% |
|---|---|
| **Sales** | **Trading profit**** |
| **R28,677.9 million** | **R188.6 million** |
| 2017: R28,078.8 million* | 2017: R127.1 million |

Total sales of R28.7 billion increased by 2.1%, while comparable sales decreased by 0.2%. Product inflation increased from June 2018 to 0.3% as price deflation eased in commodities like maize, wheat, oil, sugar and rice. Sales in our Wholesale business grew by 2.3% and in our Retail business (Cambridge and Rhino) grew by 1.8%.

The organisational restructure and relocation of regional offices to Johannesburg was completed at a cost of R44.9 million in the current year, with annual savings expected of R22.0 million. The trading benefits of this restructure began to show in the second half of 2018.

Expense growth was limited to 0.6% and good margin management resulted in trading profit before interest and tax increasing by 48.4% to R188.6 million.

We are very supportive of the South African government's intention to address general tax compliance and enforcement as this will improve our competitive positioning in the longer-run.

Two Retail stores were opened in South Africa, resulting in a net trading space increase of 3.1% to 388,714m² from December 2017.

** Like-on-like basis, including material impact of IFRS 15 in both years, refer to note 2.*
*** The 'trading profit before interest and tax' above is the amount per the condensed consolidated income statement less the BEE transaction IFRS 2 charge and excludes restructuring costs.*
*^ Certain comparative figures do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*

# Massmart Reviewed Consolidated Results

for the 52 weeks ended 30 December 2018

## Group sales performance on a like-on-like basis

This year's accounting for the adoption of IFRS 9 and IFRS 15, which in particular includes Shield's sales on a net basis in the current year, complicates performance comparisons between the results for the current and prior years. To provide a more meaningful assessment of the current year's performance, and unless otherwise stated, the commentary below has been provided on a like-on-like basis, i.e. reflecting the impact of IFRS 9 and IFRS 15 in both the current and prior years. This like-on-like financial information must be read in conjunction with note 2 on page 15. In addition, the commentary below reflects Massmart's performance for the current and prior years' 52-week periods.

Massmart's total sales for the 52 weeks of R90.9 billion represent an increase of 2.9%, with comparable store sales increasing by 1.2% and product deflation of 0.2%. These figures suggest comparable sales volume growth of 1.4% which approximates South African economic growth in 2018.

Total sales from our South African stores grew by 2.9% and comparable sales by 1.5%. Total Rand sales from our ex-SA stores grew by 3.7%, while in constant currencies these grew by 3.9% and comparable stores by 0.5%. Ex-SA Rand sales growth improved in the second-half of the financial year due to positive currency movements.

In the Group's major categories, Food sales grew by 0.7% (with product deflation of 1.1%), Liquor sales by 11.8% (with product inflation of 2.2%), Durable Goods sales by 0.7% (with product deflation of 1.7%) and Home Improvement sales by 5.9% (with product inflation of 0.9%).

The ongoing deflation in Food benefits constrained customers but causes pressure on profitability from deflated sales growth being below expense growth. Similarly, Durable Goods' deflation is benefitting customers who nevertheless remain cautious and time many of their purchases around our promotional activities. We continue to hold strong market shares across a number of our Durable Goods categories, including: large and small domestic appliances; Hi-tech; and most DIY and hardware categories.

Black Friday has become a firm fixture on the South African retail calendar and our various businesses developed different tactical plans to satisfy our customers' expectations and also to cope with the extreme volumes sold over this period. Customers have demonstrably changed their shopping behaviour with reduced purchases in the month or two prior to Black Friday and then they selectively target the promotional offerings. The Group's total sales from the Friday to Sunday of R1.8 billion were 16% higher than the same prior year period.

In our sales update on 22 January 2019 we reported that Group sales in November and December 2018 had been unexpectedly soft resulting in comparable sales declining by 0.9% over this crucial two-month period. This marked slowdown was seen subsequently in the StatsSA national sales figures for December 2018.

The Group's gross margins declined slightly from 19.63% to 19.45%, caused primarily by margin pressure in Game and negative stock adjustments in Massfresh, which were partially offset by the higher sales participation of retail customers in Massbuild. More detail is provided in the Divisional Reviews.

In February 2018, we announced the restructuring of some of the business functions within Massdiscounters and Masscash and the relocation of both head offices from Durban to Johannesburg. Expected annual savings will be approximately R52.0 million. The restructures and office moves were completed in late 2018 and caused business disruption and uncertainty amongst staff and management.

Growth in total expenses, excluding restructuring costs, was a creditable 5.0% while comparable expense increases were limited to 2.3%. This good performance was however insufficient to neutralise the pressure from soft sales, particularly over the crucial November and December 2018 period, and from slightly lower gross margins. Occupancy costs saw the highest increase of 10.1% which came from new stores that added 2.2% to trading space and the rental annualisation of Makro Riversands.

Disappointingly, the combination of low sales growth and higher expense growth caused Group trading profit excluding foreign exchange movements, interest and restructure costs to decline by 16.8% to R2.1 billion. Headline earnings excluding restructure costs decreased by 22.9% to R1.0 billion, while Headline earnings decreased by 31.7% to R901.2 million.

The Massdiscounters and Makro distribution centres (DCs) were transitioned into the Massmart Logistics business unit and will be utilised as a Group asset, resulting in improved DC cost recoveries and transport efficiencies from leveraging the Group scale.

The continued focus on new revenue streams saw a 61% growth in our Value-Added Services (VAS) business which was achieved through growth across money transfers, lotto sales, cash-backs, RCS credit product sales and extended warranties.

Our omnichannel focus, improving our customers' choice and experience, resulted in the Group's total online sales growing by 56%. This was achieved through our four e-commerce points of presence – Makro, Game, DionWired and Builders Warehouse – all of which are now use the SAP Hybris platform. Last month Makro switched from its legacy platform to Hybris and we are managing the usual challenges of this type of transition. Combined online traffic across Makro, Game, DionWired and Builders Warehouse grew by 74%.

During the year 19 stores were opened and six were closed, resulting in a net trading space increase of 2.2% to 1,648,718m$^2$. Our African growth plans remain on track and we added 13,409m$^2$ of ex-SA trading space in the year, representing 5.8% new space in our ex-SA stores.

# Financial review

## Like-on-like performance

Massmart's total sales for the 52 weeks ended 30 December 2018 increased by 2.9% and comparable store sales increased by 1.2%. Product deflation was 0.2%. Inflation in Food & Liquor and Home Improvements increased slightly to 1.1% and 0.9% respectively, while Durables went into further deflation of 2.1%. Our ex-SA businesses represent 8.7% (2017: 8.6%) of total sales and increased by 3.7% in Rands (3.9% increase in constant currencies).

The Group's 52-week like-on-like gross margin of 19.45% is marginally lower than that of the prior year (2017: 19.63%), caused primarily by margin pressure in Game and Massfresh, which were partially offset by the increased sales participation of higher-margin retail customers in Massbuild. Margin was adversely impacted by negative adjustments for inventory and the cost of sales in Massfresh.

Expenses were well managed and increased by only 5.0% (excluding restructure costs), while comparable expense increases were limited to 2.3%. Employment costs, the Group's biggest cost category, were limited to an increase of 2.7%, due to a combination of improved staff scheduling in stores and DCs and a selective replacement of vacancies which resulted in full-time equivalent employees remaining relatively stable at just under 48,500. The opening of a net 13 new stores and the rental annualisation of Makro Riversands resulted in occupancy costs increasing by 10.1% (a comparable increase of 6.4%). Depreciation and amortisation increased by 3.2% over the prior year while other operating expenses increased by 5.8%. The non-capital costs of upgrading our IT infrastructure, as well as pre-opening store expenses of R57.8 million (2017: R43.5 million), are included in this expense category.

Trading profit before interest and taxation (excluding restructure costs) declined by 16.8% to R2.1 billion. Included in operating profit are the costs of R161.0 million pertaining to the formal organisational restructure under s189 of the Labour Relations Act (LRA) in both Massdiscounters and Masscash (see note 4). Operating profit after restructure costs and before forex, interest and taxation declined by 25.0% to R1.9 billion.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of R3.0 billion decreased by 15.4% over the prior year.

Included in operating profit are net realised and unrealised foreign exchange losses of R2.7 million (2017: R39.9 million loss), the majority of which arose as a result of the strengthening of the average basket of ex-SA currencies. Cash interest paid to the banks grew R25.2 million (a 4.4% increase), resulting in net finance costs growing by 10.0% to R623.7 million (2017: R566.8 million), largely due to the impact of a finance lease capitalised at the end of 2017 and net working capital increases. The Group's effective tax rate of 31.5% (2017: 29.9%) increased mainly from the greater impact of non-deductible expenses.

Headline earnings before restructure costs decreased by 22.9% to R1.0 billion, while Headline earnings decreased by 31.7% to R901.2 million.

The 2017 financial year was a 53-week period. Using the modified retrospective method per IFRS 15, relative to the 2017 53-week period, total sales for the 2018 52-week period of R90.9 billion represent a decline of 3.0%, with comparable store sales also declining by 4.7%.

On the same basis, Headline earnings before restructure costs decreased by 31.3% to R1.0 billion, while Headline earnings decreased by 39.2% to R901.2 million.

## Financial position

Unless otherwise stated, the commentary on our financial position has been provided taking into account the adoption of IFRS 9 and IFRS 15.

Capital expenditure was focused on store openings, the refurbishment of existing stores, SAP Hybris implementation and ERP development which saw increases in new IT infrastructure.

The net book value of property, plant and equipment increased by 3.0% over the prior year. Total capital expenditure was R1.6 billion. The expansionary expenditure of R833.6 million included investments in IT systems and new store openings. Replacement expenditure was R772.4 million and included store refurbishments.

Operating cash before working capital movements amounted to R3.4 billion, 14.1% lower than the corresponding prior year and slightly better than the decline in EBITDA. Cash from working capital movements was an outflow of R545.8 million compared to an inflow of R705.8 million in 2017, partly due to higher inventory levels in 2018 but also from the 2018 year-end calendar cut-off date being a day earlier.

The inventory balance increased by 10.9% to R12.2 billion and inventory days increased by five days to 61 days compared to December 2017. Inventory has been raised in Masscash from a deliberate focus on improving service-levels and is slightly higher in Massbuild and Game from lower than expected sales in December. Debtors' days increased by one day to 10 days and creditors' days increased by three days to 81 days.

## Impact of IFRS16

The Group anticipates a material impact as a result of the adoption of IFRS 16 in 2019 using the modified retrospective approach. The material impact relates to the capitalising of leased stores and equipment onto the balance sheet in the form of a right-of-use-asset, together with the corresponding lease liability. Changes to the Statement of Comprehensive Income will result in the current operating lease costs being replaced by an amortisation of the right-of-use asset and calculated lease finance costs on the interest line. Other areas of the statutory metrics that will be impacted by the adoption of the standard include trading profit margin, EBITDA, earnings per share and derived KPIs. The average remaining term on real estate and non-real estate is currently 5 and 2 years respectively. We will give first time disclosure in the publication of our 2018 annual financial statements.

# Like-on-like Divisional operational review

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | % OF SALES | RESTATED^ 52 WEEKS DECEMBER 2017 (LIKE-ON-LIKE)* | % OF SALES | 52 WEEKS LIKE-ON-LIKE % GROWTH* | 52 WEEKS COMPARABLE % SALES GROWTH | ESTIMATED# % SALES INFLATION | RESTATED^ 53 WEEKS DECEMBER 2017 (LIKE-ON-LIKE)* | % OF SALES |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **90,941.6** | | **88,356.0** | | *2.9* | *1.2* | *(0.2)* | **89,869.7** | |
| Massdiscounters | **19,729.4** | | **19,971.7** | | *(1.2)* | *(1.5)* | *(2.9)* | **20,330.6** | |
| Masswarehouse | **28,778.2** | | **27,311.9** | | *5.4* | *3.7* | *(0.2)* | **27,748.9** | |
| Massbuild | **13,756.1** | | **12,993.6** | | *5.9* | *3.4* | *2.7* | **13,191.9** | |
| Masscash | **28,677.9** | | **28,078.8** | | *2.1* | *(0.2)* | *0.3* | **28,598.3** | |
| **Trading profit**** | **2,071.1** | *2.3* | **2,492.8** | *2.8* | *(16.9)* | | | **2,744.1** | *3.1* |
| Massdiscounters | **32.6** | *0.2* | **373.5** | *1.9* | *(91.3)* | | | **454.3** | *2.2* |
| Masswarehouse | **1,100.8** | *3.8* | **1,256.7** | *4.6* | *(12.4)* | | | **1,313.3** | *4.7* |
| Massbuild | **749.1** | *5.4* | **735.5** | *5.7* | *1.8* | | | **797.5** | *6.0* |
| Masscash | **188.6** | *0.7* | **127.1** | *0.5* | *48.4* | | | **179.0** | *0.6* |

* *Refer to note 2.*

** *The 'trading profit before interest and tax' above is the amount per the condensed consolidated income statement less the BEE transaction IFRS 2 charge and excludes restructure costs.*

\# *Group Sales inflation is a weighted inflation.*

^ *Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*

## OUR STRATEGY

**Our areas of strategic focus remain unchanged:**

IMPROVE AND GROW OUR CORE BUSINESS

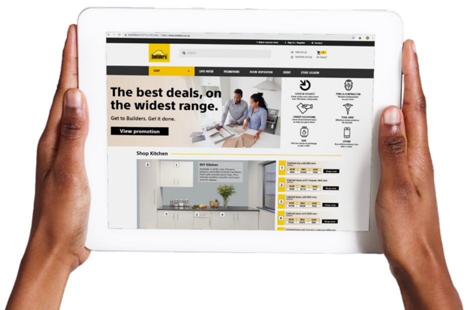
**To drive the growth and profitability of the core South African business over the medium-term;**


GROW INTO SUB-SAHARAN AFRICA

**Sub-Saharan African expansion through opening Builders Warehouse, Game and Masscash stores. In the next three years we anticipating increasing net trading space by 39,195m² representing ex-SA space CAGR growth of 7.8%; and**

GROW ONLINE/ OMNICHANNEL

**To expand, improve and refine our online / e-commerce offerings in Game, DionWired, Makro, and Builders Warehouse.**




## Our people

The contribution of our 48,500 colleagues across sub-Saharan Africa remains remarkable and always appreciated, especially in the current environment where many of them and their own families may be feeling the adverse consequences of the weak economy and high unemployment. We acknowledge and thank our colleagues in all our stores, offices, DCs, and call-centres for their contribution, service and support.

## Directorate

Hans van Lierop, Massmart's Chief Financial Officer, has indicated that for personal reasons he is not available to extend his tenure in South Africa after the formal conclusion of his South African work visa in February 2020.

He has therefore given the Board early notice of this development and a formal executive search process to identify and appoint a successor will commence. This process will likely take between three to six months.

Further announcements will be made when there are any material developments in this regard.

See our separate announcement noting some changes to Massmart's non-Executive Directors.

## Strategic priorities

Due to our disappointing 2018 financial performance we are driving towards group services that encompass logistics, supply chain and part of our IT capabilities. This has been one of our strategic priorities and the remaining long-term strategic goals are outlined below:

- Improving Game's profitability;
- Delivering structurally lower operating costs by improving Group resource utilisation;
- Achieving supply chain efficiency through optimisation of regional DCs and vehicles by increasing the volume of product moved through the supply chain network thereby reducing costs and stock holding;
- Adding 43 new stores between 2019 and 2021 representing a 2.5% compounded annual growth rate (CAGR) of new space. 25.9% of this space will be in Africa, concentrated specifically in Kenya and Zambia;
- Investing capital in omnichannel capabilities which now represent 1.1% sales participation of those categories that are online and are growing at 56.4%;
- Improving our VAS customer offerings across the Group by adding to the portfolio of services offered; and
- Improving our Private Label sourcing to offer customers good quality products at affordable value.

Given the Group's 2018 financial performance; our increased IT capital expenditure programme over the next few years; the likely muted South African economic growth in upcoming years; and the possibility of negative movements in future key South African macro-economic variables, the Group has begun to selectively curtail new store growth and to focus on reducing working capital levels in order to reduce our cash and capital demands. Another aspect of this focus is to offer shareholders the choice of a cash or scrip dividend as outlined in the Dividend section below.

## Outlook

For the seven weeks to 17 February 2019, total sales amounted to R11.2 billion, representing an increase of 5.2% over the prior year. Comparable store sales increased by 3.9%. Product inflation is estimated at 1.3%.

Despite this slightly improved sales performance, we remain cautious about the outlook for the South African consumer economy for the first half of the 2019 financial year.

The financial information on which this outlook statement is based has not been reviewed and reported on by the Company's external auditors.

## Scrip dividend

For the final dividend, Massmart's Board has elected to declare and issue a scrip dividend or as an alternative, an election to receive a cash dividend from Massmart. The Board has resolved to declare a distribution of fully paid Massmart ordinary shares with a par value of R0.01 each (the "Scrip Distribution") to ordinary shareholders of Massmart recorded in the securities register of the Company at the close of business on the record date, being Friday, 29 March 2019.

Shareholders will, however, be entitled to elect to receive a cash dividend ("the Cash Dividend") of 140 cents per Massmart ordinary share held on the record date, being Friday, 29 March 2019, in respect of all or part of their ordinary shareholding, instead of the Scrip Distribution. The Cash Dividend will be paid only to those:

- certificated shareholders whose forms of election to receive the Cash Dividend, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12:00 on Friday, 29 March 2019; and
- dematerialised shareholders who have instructed their CSDP or broker accordingly and in the manner and time stipulated in their agreement with such CSDP or broker.

Shareholders not electing to receive the Cash Dividend in respect of all or part of their ordinary shareholding will, without any action on their part, be entitled to receive the Scrip Distribution in proportion to their ordinary shareholding as at the close of business on the record date, being Friday, 29 March 2019 and in accordance with the ratio set out in the announcement to be published around 18 March 2019.

No payment to shareholders contemplated in this announcement shall carry interest against the Company. Furthermore, any reference in this announcement to the Cash Dividend payable to or receivable by shareholders refers to the amount of such dividend, after the deduction of dividend withholding tax ("DWT"), if any, as contemplated in this announcement.

The Scrip Distribution and the Cash Dividend alternative may have tax implications for both resident and non-resident shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act, 58 of 1962, as amended ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to DWT. South African resident shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 112 cents per share. Non-resident shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any double tax agreement between South Africa and their country of residence.

The Scrip Distribution is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of Massmart ordinary shares obtained as a result of the Scrip Distribution is likely to have income tax or capital gains tax ("CGT") implications. Where any future disposals of Massmart ordinary shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Massmart ordinary shares will be included in the determination of the weighted average base cost method will be zero).

The salient dates relating to the payment of the Scrip Distribution and Cash Dividend are as follows:

**Thursday, 28 February**
Preliminary results including declaration information released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE")

**Friday, 1 March**
Preliminary results including declaration information published in the press

**Monday, 4 March**
Circular and form of election posted to shareholders

**Monday, 18 March**
Finalisation of information, including the ratio applicable to the Scrip Distribution, released on SENS by 11:00

**Tuesday, 19 March**
Finalisation of information, including the ratio applicable to the Scrip Distribution, published in the press

**Tuesday, 26 March**
Last day to trade in order to be eligible to participate in the Scrip Distribution/Cash Dividend alternative ("CUM")

**Wednesday, 27 March**
Massmart ordinary shares trade "Ex" the entitlement to the Cash Dividend/Scrip Distribution

**Wednesday, 27 March**
Listing of maximum possible number of new Massmart ordinary shares that could be issued in terms of the Scrip Distribution

**Thursday, 28 March**
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the vourne average price on Wednesday, 27 March 2019, discounted by 10%, by 11h00

**Friday, 29 March**
Last day to elect the Cash Dividend alternative in lieu of the Scrip Distribution by 12:00 for certificated shareholders and for dematerialised shareholders (in accordance with the mandate between the shareholder and their CSDP/broker)

**Friday, 29 March**
Record date in respect of the Scrip Distribution/Cash Dividend alternative

**Monday, 1 April**
Share certificates, electronic funds transfers and/or dividend cheques posted and CSDP/broker accounts credited/updated

**Monday, 1 April**
Announcement regarding the results of the Scrip Distribution released on SENS

**Wednesday, 3 April**
Maximum number of new Massmart ordinary shares listed adjusted to reflect the actual number of new Massmart ordinary shares issued in respect of the Scrip Distribution

*Notes to salient dates:*

- *All times provided are South African standard times quoted on a 24-hour basis, unless specified otherwise. The above dates and times are subject to change. If applicable, any changes will be released on SENS and published in the South African press.*
- *Share certificates may not be dematerialised between Wednesday, 27 March 2019 and Friday, 29 March 2019, both days inclusive.*

The distribution of this announcement, and the rights to receive the Scrip Distribution shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, shareholders will not be entitled to receive the Scrip Distribution shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative. Such non-resident shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

Shareholders in the United States or US persons as defined in Regulation S under the US Securities Act of 1933 who wish to receive the Scrip Distribution must be qualified institutional buyers as defined in Rule 144A under the Securities Act and also qualified purchasers within the meaning of Section 2(a)(51)(A) of the US Investment Company Act of 1940.

Massmart shareholders who hold Massmart ordinary shares in certificated form ("certificated shareholders") should note that dividends will be paid by cheque and by means of an electronic funds transfer ("EFT") method. Where the dividend payable to a particular certificated shareholder is less than R100, the dividend will be paid by EFT only to such certificated shareholder. Certificated shareholders who do not have access to any EFT facilities are advised to contact the company's transfer secretaries, Computershare Investor Services at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196; on 011 370 5000; or on 0861 100 9818 (fax), in order to make the necessary arrangements to take delivery of the proceeds of their dividend.

Massmart shareholders who hold Massmart ordinary shares in dematerialised form will have their accounts held at their CSDP or broker credited electronically with the proceeds of their dividend.

**Guy Hayward**
Chief Executive Officer
27 February 2019

**Johannes van Lierop**
Chief Financial Officer



## Like-on-like condensed consolidated income statement

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | RESTATED^ 52 WEEKS DECEMBER 2017 (LIKE-ON-LIKE)* | LIKE-ON-LIKE* % CHANGE | RESTATED^ 53 WEEKS DECEMBER 2017 (LIKE-ON-LIKE)* |
|---|---|---|---|---|
| Revenue | **91,180.6** | 88,649.7 | *2.9* | 90,163.6 |
| **Sales** | **90,941.6** | 88,356.0 | *2.9* | 89,869.7 |
| Cost of sales | **(73,250.4)** | (71,007.5) | *(3.2)* | (72,219.1) |
| **Gross profit** | **17,691.2** | 17,348.5 | *2.0* | 17,650.6 |
| Other income | **231.0** | 234.9 | *(1.7)* | 235.1 |
| Depreciation and amortisation | **(1,134.6)** | (1,099.6) | *(3.2)* | (1,099.6) |
| Employment costs | **(7,582.9)** | (7,381.9) | *(2.7)* | (7,402.9) |
| Occupancy costs | **(3,491.3)** | (3,170.0) | *(10.1)* | (3,182.6) |
| Other operating costs | **(3,644.5)** | (3,445.8) | *(5.8)* | (3,463.3) |
| **Trading profit before interest and taxation** | **2,068.9** | 2,486.1 | *(16.8)* | 2,737.3 |
| Restructuring cost (note 4) | **(161.0)** | - | - | - |
| Impairment of assets | **(21.4)** | (18.9) | *(13.2)* | (18.9) |
| Insurance proceeds on items in PP&E | **8.0** | 58.8 | *(86.4)* | 58.8 |
| **Operating profit before foreign exchange movements and interest** | **1,894.5** | 2,526.0 | *(25.0)* | 2,777.2 |
| Foreign exchange loss (note 7) | **(2.7)** | (39.9) | *93.2* | (47.2) |
| **Operating profit before interest** | **1,891.8** | 2,486.1 | *(23.9)* | 2,730.0 |
| – Finance costs | **(648.8)** | (592.7) | *(9.5)* | (603.5) |
| – Finance income | **25.1** | 25.9 | *(3.1)* | 26.4 |
| Net finance costs | **(623.7)** | (566.8) | *(10.0)* | (577.1) |
| **Profit before taxation** | **1,268.1** | 1,919.3 | *(33.9)* | 2,152.9 |
| Taxation | **(399.4)** | (574.2) | *30.4* | (644.0) |
| **Profit for the year** | **868.7** | 1,345.1 | *(35.4)* | 1,508.9 |
| Profit attributable to: | | | | |
| – Owners of the parent | **888.6** | 1,332.6 | *(33.3)* | 1,494.9 |
| – Non–controlling interests | **(19.9)** | 12.5 | *(100.0)* | 14.0 |
| **Profit for the year** | **868.7** | 1,345.1 | *(35.4)* | 1,508.9 |
| | | | | |
| Basic EPS (cents) | **410.6** | 619.0 | *(33.7)* | 694.4 |
| Diluted basic EPS (cents) | **401.9** | 607.5 | *(33.8)* | 681.5 |
| Dividend (cents): | | | | |
| – Interim | **68.0** | 76.0 | *(10.5)* | 76.0 |
| – Final | **140.0** | 271.0 | *(48.3)* | 271.0 |
| – Total | **208.0** | 347.0 | *(40.1)* | 347.0 |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*

** To provide a more meaningful assessment of the current year's performance, the financial tables have been prepared on a like-on-like basis which includes the material impact of IFRS 15 in the current and prior financial year. Refer to note 2 for detail on the impact of the new accounting standards using the modified retrospective approach.*

*The like-on-like financial effects on sales, for which the Directors of Massmart are responsible, are provided for illustrative purposes only to show the effect that IFRS 15 'Revenue from contracts with customers' would have had on the 31 December 2017 sales amount, allowing for a like-on-like comparison to December 2018. The Group's external auditor has issued a reporting accountants' report on the December 2017 sales amount. A copy of their procedures report is available at the Group's registered office.*

## Condensed consolidated income statement

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | IFRS 9 & 15 ADJUSTMENT* | 52 WEEKS DECEMBER 2018 (ADJUSTED)* | RESTATED^ 52 WEEKS DECEMBER 2017 (PRO FORMA) | % CHANGE | ADJUSTED % CHANGE* | RESTATED^ 53 WEEKS DECEMBER 2017 (REVIEWED) |
|---|---|---|---|---|---|---|---|
| Revenue | 91,180.6 | 4,419.9 | 95,600.5 | 92,442.3 | (1.4) | 3.4 | 94,029.1 |
| **Sales** | 90,941.6 | 4,415.6 | 95,357.2 | 92,148.6 | (1.3) | 3.5 | 93,735.2 |
| Cost of sales | (73,250.4) | (4,432.3) | (77,682.7) | (74,800.1) | 2.1 | (3.9) | (76,084.6) |
| **Gross profit** | 17,691.2 | (16.7) | 17,674.5 | 17,348.5 | 2.0 | 1.9 | 17,650.6 |
| Other income | 231.0 | 4.3 | 235.3 | 234.9 | (1.7) | 0.2 | 235.1 |
| Depreciation and amortisation | (1,134.6) | - | (1,134.6) | (1,099.6) | (3.2) | (3.2) | (1,099.6) |
| Employment costs | (7,582.9) | - | (7,582.9) | (7,381.9) | (2.7) | (2.7) | (7,402.9) |
| Occupancy costs | (3,491.3) | - | (3,491.3) | (3,170.0) | (10.1) | (10.1) | (3,182.6) |
| Other operating costs | (3,644.5) | 1.6 | (3,642.9) | (3,445.8) | (5.8) | (5.7) | (3,463.3) |
| **Trading profit before interest and taxation** | 2,068.9 | (10.8) | 2,058.1 | 2,486.1 | (16.8) | (17.2) | 2,737.3 |
| Restructuring cost (note 4) | (161.0) | - | (161.0) | - | - | - | - |
| Impairment of assets | (21.4) | - | (21.4) | (18.9) | (13.2) | (13.2) | (18.9) |
| Insurance proceeds on items in PP&E | 8.0 | - | 8.0 | 58.8 | (86.4) | (86.4) | 58.8 |
| **Operating profit before foreign exchange movements and interest** | 1,894.5 | (10.8) | 1,883.7 | 2,526.0 | (25.0) | (25.4) | 2,777.2 |
| Foreign exchange loss (note 7) | (2.7) | - | (2.7) | (39.9) | 93.2 | 93.2 | (47.2) |
| **Operating profit before interest** | 1,891.8 | (10.8) | 1,881.0 | 2,486.1 | (23.9) | (24.3) | 2,730.0 |
| - Finance costs | (648.8) | - | (648.8) | (592.7) | (9.5) | (9.5) | (603.5) |
| - Finance income | 25.1 | - | 25.1 | 25.9 | (3.1) | (3.1) | 26.4 |
| Net finance costs | (623.7) | - | (623.7) | (566.8) | (10.0) | (10.0) | (577.1) |
| **Profit before taxation** | 1,268.1 | (10.8) | 1,257.3 | 1,919.3 | (33.9) | (34.5) | 2,152.9 |
| Taxation | (399.4) | 2.8 | (396.6) | (574.2) | 30.4 | 30.9 | (644.0) |
| **Profit for the year** | 868.7 | (8.0) | 860.7 | 1,345.1 | (35.4) | (36.0) | 1,508.9 |
| Profit attributable to: | | | | | | | |
| - Owners of the parent | 888.6 | (8.0) | 880.6 | 1,332.6 | (33.3) | (33.9) | 1,494.9 |
| - Non-controlling interests | (19.9) | - | (19.9) | 12.5 | (100.0) | (100.0) | 14.0 |
| **Profit for the year** | 868.7 | (8.0) | 860.7 | 1,345.1 | (35.4) | (36.0) | 1,508.9 |
| Basic EPS (cents) | 410.6 | (3.7) | 406.9 | 619.0 | (33.7) | (34.3) | 694.4 |
| Diluted basic EPS (cents) | 401.9 | (3.6) | 398.3 | 607.5 | (33.8) | (34.4) | 681.5 |
| Dividend (cents): | | | | | | | |
| – Interim | 68.0 | - | 68.0 | 76.0 | (10.5) | (10.5) | 76.0 |
| – Final | 140.0 | - | 140.0 | 271.0 | (48.3) | (48.3) | 271.0 |
| - Total | 208.0 | - | 208.0 | 347.0 | (40.1) | (40.1) | 347.0 |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Headline earnings

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | IFRS 9 & 15 ADJUSTMENT* | 52 WEEKS DECEMBER 2018 (ADJUSTED)* | RESTATED^ 52 WEEKS DECEMBER 2017 (PRO FORMA) | % CHANGE | ADJUSTED % CHANGE* | RESTATED^ 53 WEEKS DECEMBER 2017 (REVIEWED) |
|---|---|---|---|---|---|---|---|
| **Reconciliation of profit for the year to Headline earnings** | | | | | | | |
| Profit for the year attributable to owners of the parent | 888.6 | (8.0) | 880.6 | 1,332.6 | (33.3) | (33.9) | 1,494.9 |
| Impairment of assets | 24.0 | - | 24.0 | 18.9 | 27.0 | 27.0 | 18.9 |
| Net loss on disposal of tangible and intangible assets | 9.5 | - | 9.5 | 23.3 | (59.2) | (59.2) | 23.3 |
| Profit on sale of non-current assets classified as held for sale | (15.9) | - | (15.9) | (2.3) | (100.0) | (100.0) | (2.3) |
| Insurance proceeds on items of PP&E | (8.0) | - | (8.0) | (58.8) | 86.4 | 86.4 | (58.8) |
| Available for sale reserve re-classified to the Income Statement | - | - | - | 1.1 | (100.0) | (100.0) | 1.1 |
| Total tax effects of adjustments | 3.0 | - | 3.0 | 4.4 | (31.8) | (31.8) | 4.4 |
| **Headline earnings** | 901.2 | (8.0) | 893.2 | 1,319.2 | (31.7) | (32.3) | 1,481.5 |
| Restructure costs after taxation | 115.9 | - | 115.9 | - | - | - | - |
| **Headline earnings before restructure costs (taxed)** | 1,017.1 | (8.0) | 1,009.1 | 1,319.2 | (22.9) | (23.5) | 1,481.5 |
| Headline EPS (cents) | 416.5 | (3.7) | 412.8 | 612.8 | (32.6) | (23.9) | 688.2 |
| Headline EPS before restructure costs (taxed) (cents) | 470.0 | (3.7) | 466.3 | 612.8 | (23.3) | (23.9) | 688.2 |
| Diluted headline EPS (cents) | 407.6 | (3.6) | 404.0 | 601.4 | (32.2) | (32.8) | 675.4 |
| Diluted headline EPS before restructure costs (taxed) (cents) | 460.1 | (3.6) | 456.5 | 601.4 | (23.5) | (24.1) | 675.4 |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Condensed consolidated statement of comprehensive income

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | IFRS 9 & 15 ADJUSTMENT* | 52 WEEKS DECEMBER 2018 (ADJUSTED)* | RESTATED^ 52 WEEKS DECEMBER 2017 (PRO FORMA) | % CHANGE | ADJUSTED % CHANGE* | RESTATED^ 53 WEEKS DECEMBER 2017 (REVIEWED) |
|---|---|---|---|---|---|---|---|
| **Profit for the year** | **868.7** | (8.0) | **860.7** | 1,345.1 | *(35.4)* | *(36.0)* | *1,508.9* |
| **Items that will not subsequently be re-classified to the Income Statement:** | **13.3** | - | **13.3** | 15.1 | *(11.9)* | *(11.9)* | *15.1* |
| Net post retirement medical aid actuarial profit | **13.4** | - | **13.4** | 15.1 | *(11.3)* | *(11.3)* | *15.1* |
| Fair value movement on OCI financial assets | **(0.1)** | - | **(0.1)** | - | - | - | - |
| **Items that will subsequently be re-classified to the income statement:** | **90.6** | - | **90.6** | (99.8) | *100.0* | *100.0* | *(99.8)* |
| Foreign currency translation reserve | **85.6** | - | **85.6** | (109.7) | *100.0* | *100.0* | *(109.7)* |
| Cash flow hedges - effective portion of changes in fair value | **20.8** | - | **20.8** | (14.2) | *100.0* | *100.0* | *(14.2)* |
| Fair value movement on available-for-sale financial assets | **-** | - | **-** | 0.4 | *(100.0)* | *(100.0)* | 0.4 |
| Income tax relating to components of other comprehensive income | **(15.8)** | - | **(15.8)** | 23.7 | *(100.0)* | *(100.0)* | 23.7 |
| **Total other comprehensive profit for the year, net of tax** | **103.9** | - | **103.9** | (84.7) | *100.0* | *100.0* | *(84.7)* |
| **Total comprehensive income for the year** | **972.6** | (8.0) | **964.6** | 1,260.4 | *(22.8)* | *(23.5)* | *1,424.2* |
| Total comprehensive income attributable to: | | | | | | | |
| - Owners of the parent | **992.5** | (8.0) | **984.5** | 1,247.9 | *(20.5)* | *(21.1)* | *1,410.2* |
| - Non-controlling interests | **(19.9)** | - | **(19.9)** | 12.5 | *(100.0)* | *(100.0)* | *14.0* |
| **Total comprehensive income for the year** | **972.6** | (8.0) | **964.6** | 1,260.4 | *(22.8)* | *(23.5)* | *1,424.2* |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Condensed consolidated statement of financial position

| Rm | DECEMBER 2018 (REVIEWED) | IFRS 9 & 15 ADJUSTMENT* | DECEMBER 2018 (ADJUSTED)* | RESTATED^ DECEMBER 2017 (REVIEWED) | % CHANGE | ADJUSTED* % CHANGE | RESTATED^ DECEMBER 2016 (REVIEWED) | % CHANGE |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | |
| **Non-current assets** | **14,165.8** | - | **14,165.8** | 13,575.1 | *4.4* | *4.4* | 12,687.3 | *7.0* |
| Property, plant and equipment | **9,647.2** | - | **9,647.2** | 9,368.1 | *3.0* | *3.0* | 8,627.8 | *8.6* |
| Goodwill and other intangible assets | **3,656.3** | - | **3,656.3** | 3,378.9 | *8.2* | *8.2* | 3,159.0 | *7.0* |
| Investments and other financial assets | **119.2** | - | **119.2** | 156.2 | *(23.7)* | *(23.7)* | 164.2 | *(4.9)* |
| Deferred taxation | **743.1** | - | **743.1** | 671.9 | *10.6* | *10.6* | 736.3 | *(8.7)* |
| **Current assets** | **20,605.2** | (83.3) | **20,521.9** | 18,893.8 | *9.1* | *8.6* | 18,905.9 | *(0.1)* |
| Inventories | **12,180.9** | (77.8) | **12,103.1** | 10,984.6 | *10.9* | *10.2* | 11,210.2 | *(2.0)* |
| Trade, other receivables and prepayments | **5,693.2** | (4.0) | **5,689.2** | 5,119.1 | *11.2* | *11.1* | 4,684.7 | *9.3* |
| Taxation | **361.3** | (1.5) | **359.8** | 396.5 | *(8.9)* | *(9.3)* | 208.7 | *90.0* |
| Cash on hand and bank balances | **2,369.8** | - | **2,369.8** | 2,393.6 | *(1.0)* | *(1.0)* | 2,802.3 | *(14.6)* |
| **Non-current assets classified as held for sale** | **11.6** | - | **11.6** | 19.9 | *(41.7)* | *(41.7)* | 17.7 | *12.4* |
| **Total assets** | **34,782.6** | (83.3) | **34,699.3** | 32,488.8 | *7.1* | *6.8* | 31,610.9 | *2.8* |
| **EQUITY AND LIABILITIES** | | | | | | | | |
| **Total equity** | **6,528.6** | (44.9) | **6,483.7** | 6,341.7 | *2.9* | *2.2* | 5,719.0 | *10.9* |
| Equity attributable to owners of the parent | **6,514.0** | (44.9) | **6,469.1** | 6,298.5 | *3.4* | *2.7* | 5,644.5 | *11.6* |
| Non-controlling interests | **14.6** | - | **14.6** | 43.2 | *(66.2)* | *(66.2)* | 74.5 | *(42.0)* |
| **Non-current liabilities** | **3,694.5** | (20.3) | **3,674.2** | 4,142.4 | *(10.8)* | *(11.3)* | 4,917.2 | *(15.8)* |
| Interest-bearing borrowings (note 11) | **2,254.1** | - | **2,254.1** | 2,760.8 | *(18.4)* | *(18.4)* | 3,496.7 | *(21.0)* |
| Deferred taxation | **76.7** | (20.3) | **56.4** | 66.3 | *15.7* | *(14.9)* | 73.9 | *(10.3)* |
| Other non-current liabilities and provisions | **1,363.7** | - | **1,363.7** | 1,315.3 | *3.7* | *3.7* | 1,346.6 | *(2.3)* |
| **Current liabilities** | **24,559.5** | (18.1) | **24,541.4** | 22,004.7 | *11.6* | *11.5* | 20,974.7 | *4.9* |
| Trade, other payables and provisions | **21,925.1** | (18.1) | **21,907.0** | 20,581.4 | *6.5* | *6.4* | 19,634.2 | *4.8* |
| Taxation | **205.3** | - | **205.3** | 59.1 | *100.0* | *100.0* | 121.6 | *(51.4)* |
| Bank overdrafts and debt facilities (note 11) | **1,744.0** | - | **1,744.0** | 87.5 | *100.0* | *100.0* | 180.6 | *(51.6)* |
| Interest-bearing borrowings (note 11) | **685.1** | - | **685.1** | 1,276.7 | *(46.3)* | *(46.3)* | 1,038.3 | *22.9* |
| **Total equity and liabilities** | **34,782.6** | (83.3) | **34,699.3** | 32,488.8 | *7.1* | *6.8* | 31,610.9 | *2.8* |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Condensed consolidated statement of cash flows

| Rm | DECEMBER 2018 (REVIEWED) | IFRS 9 & 15* ADJUSTMENT | DECEMBER 2018 (ADJUSTED)* | RESTATED^ DECEMBER 2017 (REVIEWED) |
|---|---|---|---|---|
| **Operating cash before working capital movements** | **3,409.6** | (10.8) | **3,398.8** | 3,969.1 |
| Working capital movements | **(545.8)** | 10.8 | **(535.0)** | 705.8 |
| **Cash generated from operations** | **2,863.8** | - | **2,863.8** | 4,674.9 |
| Taxation paid | **(322.9)** | - | **(322.9)** | (795.0) |
| Net interest paid | **(482.9)** | - | **(482.9)** | (593.6) |
| Dividends received | **34.0** | - | **34.0** | 80.0 |
| Dividends paid | **(750.0)** | - | **(750.0)** | (689.9) |
| **Cash inflow from operating activities** | **1,342.0** | - | **1,342.0** | 2,676.4 |
| Investment to maintain operations | **(772.4)** | - | **(772.4)** | (678.5) |
| Investment to expand operations | **(833.6)** | - | **(833.6)** | (1,138.3) |
| Investment in subsidiaries | **-** | - | **-** | (6.5) |
| Proceeds on disposal of property, plant and equipment | **20.4** | - | **20.4** | 12.9 |
| Proceeds on disposal of assets classified as held for sale | **32.8** | - | **32.8** | 9.4 |
| Other net investing activities | **5.9** | - | **5.9** | (5.7) |
| **Cash outflow from investing activities** | **(1,546.9)** | - | **(1,546.9)** | (1,806.7) |
| Decrease in non-current liabilities | **(583.7)** | - | **(583.7)** | (403.3) |
| Increase/(decrease) in current liabilities (note 11) | **1,043.5** | - | **1,043.5** | (437.6) |
| Non-controlling interests acquired | **-** | - | **-** | (112.6) |
| Net acquisition of treasury shares | **(221.1)** | - | **(221.1)** | (193.1) |
| **Cash inflow / (outflow) from financing activities** | **238.7** | - | **238.7** | (1,146.6) |
| **Net increase / (decrease) in cash and cash equivalents** | **33.8** | - | **33.8** | (276.9) |
| Foreign exchange movements on cash and cash equivalents | **29.9** | - | **29.9** | (38.7) |
| Opening cash and cash equivalents | **2,306.1** | - | **2,306.1** | 2,621.7 |
| **Closing cash and cash equivalents** | **2,369.8** | - | **2,369.8** | 2,306.1 |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Condensed consolidated statement of changes in equity

| Rm | SHARE CAPITAL | SHARE PREMIUM | OTHER RESERVES | RETAINED PROFIT | EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | NON-CONTROLLING INTERESTS | TOTAL |
|---|---|---|---|---|---|---|---|
| **Balance as at December 2016 (Reviewed) as previously stated** | 2.2 | 569.0 | 437.7 | 4,672.4 | 5,681.3 | 74.5 | 5,755.8 |
| Effect of error^ | - | - | - | (36.8) | (36.8) | - | (36.8) |
| **Balance at December 2016 (Reviewed) Restated** | 2.2 | 569.0 | 437.7 | 4,635.6 | 5,644.5 | 74.5 | 5,719.0 |
| Dividends declared | - | - | - | (653.2) | (653.2) | (35.4) | (688.6) |
| Total comprehensive income | - | - | (84.7) | 1,494.8 | 1,410.1 | 14.0 | 1,424.1 |
| Total comprehensive income - as previously stated | - | - | (84.7) | 1,507.7 | 1,423.0 | 14.0 | 1,437.0 |
| Effect of error^ | - | - | - | (12.9) | (12.9) | - | (12.9) |
| Changes in non-controlling interests | - | - | (103.2) | - | (103.2) | (9.9) | (113.1) |
| IFRS 2 charge and Share Trust transactions | - | (193.1) | 203.7 | (35.5) | (24.9) | - | (24.9) |
| Treasury shares acquired | - | 25.3 | (0.1) | - | 25.2 | - | 25.2 |
| **Balance as at December 2017 (Reviewed) Restated** | 2.2 | 401.2 | 453.4 | 5,441.7 | 6,298.5 | 43.2 | 6,341.7 |
| Effect of adoption of new accounting standards (IFRS 9 & IFRS 15)* | - | - | (0.7) | 36.4 | 35.7 | - | 35.7 |
| **Balance as at December 2017 (Reviewed) Restated** | **2.2** | **401.2** | **452.7** | **5,478.1** | **6,334.2** | **43.2** | **6,377.4** |
| Dividends declared | - | - | - | (735.6) | (735.6) | (8.4) | (744.0) |
| Total comprehensive income | - | - | 103.9 | 888.6 | 992.5 | (19.9) | 972.6 |
| Changes in non-controlling interests | - | - | - | 0.3 | 0.3 | (0.3) | - |
| IFRS 2 charge and Share Trust transactions | - | (221.1) | 173.0 | 11.7 | (36.4) | - | (36.4) |
| Treasury shares acquired | - | (41.0) | - | - | (41.0) | - | (41.0) |
| **Year ended December 2018 (Reviewed)** | **2.2** | **139.1** | **729.6** | **5,643.1** | **6,514.0** | **14.6** | **6,528.6** |

*^ Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*
** Refer to note 2.*

## Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments identified below. The table below reflects 'Financial instruments' and 'Non-current assets classified as held for sale' carried at fair value, and those 'Financial instruments' and 'Non-current assets classified as held for sale' that have carrying amounts that differ from their fair values, in the Statement of Financial Position.

| Rm | DECEMBER 2018 (REVIEWED) | LEVEL 1 | LEVEL 2 | LEVEL 3 | DECEMBER 2017 (REVIEWED) | LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | | |
| Financial assets at fair value through profit or loss | **124.3** | - | 124.3 | - | **134.9** | - | 134.9 | - |
| Financial asset designated as a cash flow hedging instrument | **-** | - | - | - | **1.1** | - | 1.1 | - |
| Loans and receivables | **9.6** | - | 9.6 | - | **13.1** | - | 13.1 | - |
| OCI/Available-for-sale financial assets | **1.1** | 1.1 | - | - | **1.1** | 1.1 | - | - |
| Non-current assets classified as held for sale | **11.6** | - | - | 11.6 | **19.9** | - | - | 19.9 |
| **Financial assets** | **146.6** | 1.1 | 133.9 | 11.6 | **170.1** | 1.1 | 149.1 | 19.9 |
| **Financial liabilities** | | | | | | | | |
| Financial liabilities at amortised cost | **2,342.2** | - | 2,342.2 | - | **3,259.5** | - | 3,259.5 | - |
| Financial liabilities at fair value through profit or loss | **24.8** | - | 24.8 | - | **28.7** | - | 28.7 | - |
| Financial liability designated as a cash flow hedging instrument | **-** | - | - | - | **23.8** | - | 23.8 | - |
| **Financial liabilities** | **2,367.0** | - | 2,367.0 | - | **3,312.0** | - | 3,312.0 | - |

*There were no transfers of financial instruments between Level 1, Level 2 and Level 3 fair value measurements during the year ended December 2018. The financial assets and financial liabilities have been presented based on an analysis of their respective natures, characteristics and risks. Refer to the 2017 Group Financial Statements, note 39 for the valuation techniques applied.*

## Divisional Trading Review

| Rm | 52 WEEKS DECEMBER 2018 (REVIEWED) | IFRS15 & 9 ADJUSTMENT* | 52 WEEKS DECEMBER 2018 (ADJUSTED)* | RESTATED^ 52 WEEKS DECEMBER 2017 (PRO FORMA) | RESTATED^ 53 WEEKS DECEMBER 2017 (REVIEWED) |
|---|---|---|---|---|---|
| **Sales** | **90,941.6** | 4,415.6 | **95,357.2** | 92,148.6 | 93,735.2 |
| Massdiscounters | **19,729.4** | 68.5 | **19,797.9** | 19,971.7 | 20,330.6 |
| Masswarehouse | **28,778.2** | 63.9 | **28,842.1** | 27,311.9 | 27,748.9 |
| Massbuild | **13,756.1** | - | **13,756.1** | 12,993.6 | 13,191.9 |
| Masscash | **28,677.9** | 4,283.2 | **32,961.1** | 31,871.4 | 32,463.8 |
| **Trading profit before interest and taxation**** | **2,071.1** | (10.8) | **2,060.3** | 2,492.9 | 2,744.1 |
| Massdiscounters | **32.6** | (9.6) | **23.0** | 373.5 | 454.3 |
| Masswarehouse | **1,100.8** | (2.2) | **1,098.6** | 1,256.8 | 1,313.3 |
| Massbuild | **749.1** | (0.8) | **748.3** | 735.5 | 797.5 |
| Masscash | **188.6** | 1.8 | **190.4** | 127.1 | 179.0 |

* *Refer to note 2.*

** *The 'trading profit before interest and tax' above is the amount per the Condensed Consolidated Income Statement less the BEE transaction IFRS 2 charge and excludes restructure costs.*

^ *Certain comparative figures shown do not correspond with the 2017 financial statements and reflect adjustments made. Refer to note 5.*



## Additional information

| | DECEMBER 2018 (REVIEWED) | RESTATED^ DECEMBER 2017 (AUDITED) |
|---|---|---|
| Net asset value per share (cents) | **2,999.4** | 2,900.6 |
| Ordinary shares (000's): | | |
| - In issue | **217,179.1** | 217,145.5 |
| - Weighted average (net of treasury shares) | **216,390.6** | 215,276.1 |
| - Diluted weighted average | **221,078.7** | 219,352.1 |
| Preference shares (000's): | | |
| - Black Scarce Skills Trust 'B' shares in issue | **2,797.7** | 2,831.3 |
| Capital expenditure (Rm): | | |
| - Authorised and committed | **958.8** | 797.6 |
| - Authorised not committed | **1,413.9** | 1,378.3 |
| Net operating lease commitments (2019-2034) (Rm) | **16,374.2** | 15,059.0 |
| Woodmead land lease (2019-2093) (Rm) | **15,147.2** | 15,151.7 |
| US dollar exchange rates: - year end (R/$) | **14.47** | 12.44 |
| - average (R/$) | **13.18** | 13.37 |

^ *The December 2017 net operating lease commitments have been restated to include the Makro Woodmead, 99-year long-term lease of land which had previously been identified as a variable lease arrangement. The present value of the minimum lease payments is R251.9 million. Refer to note 5.*

## Share data

| | 31 DEC 2017 - 30 DEC 2018 |
|---|---|
| Closing price, 28 Dec 2018 | **R103.00** |
| Share price (52 week high) | **R178.48** |
| Share price (52 week low) | **R86.35** |
| Market cap (billions) | **R22.28** |
| Shares in issue (millions) | **217.2** |
| Shares traded (millions) | **156.7** |
| Percentage of shares traded | **72.2%** |

Reuters **MSMJ.J**

Bloomberg **MSM SJ**

*Source: I-Net*

## Notes

1. These provisional reviewed condensed consolidated results (pages 8 to 14) have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosure as required by International Accounting Standard (IAS) 34 *'Interim financial reporting'*, the JSE Limited Listings Requirements and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies and methods of computation used in the preparation of the provisional reviewed condensed consolidated results are in terms of IFRS and are consistent in all material respects with those applied in the most recent Annual Financial Statements, except for restatement in note 5 and the changes listed below in note 2.
2. The Group has applied both IFRS 9 *'Financial instruments'* and IFRS 15 *'Revenue from contracts with customers'* using the modified retrospective approach, by recognising the cumulative effect of initially applying IFRS 9 and IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore (with the exception of the Like-on-like consolidated income statement on page 7 and the Divisional operational review on page 3) the comparative information has not been restated and continues to be reported under IAS 18 *'Revenue'* and IAS 39 *'Financial instruments'*. IFRS 9 has had an insignificant impact for the Group due to the low-value short-term nature of debtors. IFRS 15 key areas of impact are the changes in the principal versus agent recognition of sales in parts of the Masscash Division, particularly Shield, where sales are now recognised on a net basis and the recognition of the right of return liability and related right of return asset now recognised on a gross basis. Revenue can be further disaggregated for the current year between South Africa R83.1 billion (2017: R86.0 billion) and ex-SA R7.8 billion (2017: R7.7 billion). The quantitative impact of the changes are illustrated on pages 8 to 14.
3. The Group anticipates a material change as a result of the adoption of IFRS 16 *'Leases'* in 2019 using the modified retrospective approach. The material change relates to the capitalising of leased stores and equipment onto the balance sheet in the form of a right of use asset, together with the corresponding lease liability. Changes to the Statement of Comprehensive Income will result in the current operating lease costs being replaced by an amortisation of the right-of-use asset and calculated lease finance costs on the interest line. Other areas of the statutory metrics that will be impacted by the adoption of the standard include trading profit margin, EBITDA, earnings per share and derived KPIs. The average remaining term on real estate and non-real estate is currently 5 and 2 years respectively. We will give first time disclosure in the publication of our 2018 annual financial statements.
4. In late February 2018 the Group announced, internally, the decision to relocate major sections of Massdiscounters and Masscash head offices from Durban to Johannesburg during the current year and to embark on a formal organisational restructure under s189 of the Labour Relations Act (LRA) in both Massdiscounters and Masscash. This process has now been substantially completed and resulted in restructure costs of R161.0 million. These restructures will produce annual savings of R52.0 million (unaudited).

5. During the IFRS 16 implementation project, an error in accounting was identified relating to a long-term lease of land. This 99-year lease arrangement that was entered into in 1994 for the land on which Makro Woodmead store is situated was incorrectly accounted for as an operating lease and should have been accounted for as a finance lease together with an adjustment on the purchase price allocation of the 2013 acquisition of the Makro store on that land. As a consequence of this error, our lease commitment disclosure relating to the remaining non-cancellable lease payments has been updated in our results to include an additional R15.1 billion for both the 2018 and 2017 period, representing the lease commitments for the remaining 74 years on the lease in the Additional information section. Between 2019 and 2033 R131.4 million is payable on these leases whereas the remaining 60 years post 2033 represents R15,015.6 million. The present value of the lease payments is R251.9 million. The error has been corrected by restating the comparative 2017 and 2016 figures as follows:

| | DECEMBER 2017 53 WEEKS | | | DECEMBER 2016 52 WEEKS | | |
|---|---|---|---|---|---|---|
| **Rm** | **AUDITED** | **IMPACT** | **RESTATED** | AUDITED | IMPACT | RESTATED |
| **Statement of financial position** | | | | | | |
| Property, plant and equipment | 9,214.7 | **153.4** | 9,368.1 | 8,470.2 | **157.6** | 8,627.8 |
| Deferred Taxation | 652.6 | **19.3** | 671.9 | 722.0 | **14.3** | 736.3 |
| **Total assets** | 9,867.3 | **172.7** | 10,040.0 | 9,192.2 | **171.9** | 9,364.1 |
| Non-current Interest-bearing borrowings | 2,553.0 | **207.8** | 2,760.8 | 3,301.9 | **194.8** | 3,496.7 |
| Current interest bearing borrowings | 1,262.0 | **14.7** | 1,276.7 | 1,024.5 | **13.8** | 1,038.3 |
| **Total liabilities** | 3,815.0 | **222.4** | 4,037.4 | 4,326.4 | **208.6** | 4,535.0 |
| **Net impact on total equity** | | **(49.7)** | | | **(36.8)** | |
| **Income statement** | | | | | | |
| Depreciation and amortisation | (1,095.4) | **(4.2)** | (1,099.6) | | | |
| Occupancy costs | (3,187.0) | **4.4** | (3,182.6) | | | |
| **Trading profit before interest and taxation** | 2,737.1 | **0.2** | 2,737.3 | | | |
| Finance costs | (585.4) | **(18.1)** | (603.5) | | | |
| **Profit before taxation** | 2,170.8 | **(17.9)** | 2,152.9 | | | |
| Taxation | (649.1) | **5.0** | (644.0) | | | |
| **Profit for the year** | | **(12.9)** | | | | |
| Profit attributable to: | | | | | | |
| - Owners of the parent | 1,507.7 | **(12.9)** | 1,494.9 | | | |
| - Non-controlling interests | 14.0 | **-** | 14.0 | | | |
| | | **(12.9)** | | | | |
| Basic EPS (cents) | 700.3 | **(6.0)** | 694.3 | | | |
| Diluted basic EPS (cents) | 687.3 | **(5.9)** | 681.4 | | | |
| Headline EPS (cents) | 694.1 | **(6.0)** | 688.1 | | | |
| Diluted headline EPS (cents) | 681.2 | **(5.9)** | 675.3 | | | |
| **Statement of cash flows** | | | | | | |
| Operating cash before working capital movements | **3,964.7** | **4.4** | **3,969.1** | | | |
| Decrease in current liabilities | **(433.2)** | **(4.4)** | **(437.6)** | | | |

*The impact for the 52nd week has been assessed as immaterial, thus the same impact has been applied for both 52 and 53 weeks.*

6. The pro forma financial effects for the prior financial period, for which the Directors of Massmart are responsible, are provided for illustrative purposes only to show the effect of the additional week of trading in the prior year on the financial information of Massmart, allowing for a like-on-like comparison of the 52-week periods in 2018. These pro forma financial effects are not expected to have a continuing effect as they will only occur in every 53-week year.
   a. Due to its nature, the pro forma financial effects may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.
   b. The accounting policies adopted by the Group in the 2018 provisional reviewed condensed consolidated results, which have been prepared in accordance with IFRS, have been used in preparing the unaudited pro forma 52-weeks comparative information.
   c. The '53 weeks to 31 December 2017' column is the restated reviewed results for the 53-week period ended 31 December 2017.
   d. The amounts in the '52- week pro forma' column relate to the adjustments for sales and the related cost of sales (calculated with reference to the gross profit margin for the month of December 2017), including weekly employment costs and other relevant variable costs, foreign exchange loss, finance costs and tax expense (calculated with reference to the effective tax rate for the 53-week period) for the one-week period from 25 December 2017 to 31 December 2017, together with the resultant gross profit, trading profit, operating profit, profit before tax and profit for the said one-week period. The relevant amounts for the one-week period from 25 December 2017 to 31 December 2017 have been extracted and recalculated from the Group's accounting records.
   e. December 2017 to 31 December 2017 have been extracted and recalculated from the Group's accounting records.
   f. The '52-week pro forma' column, in the opinion of the Directors, fairly reflects the results for the 52-week period to the 24 December 2017.
   g. The calculation of EPS and Headline EPS for the pro forma 52-week period is based on the weighted average number of shares in issue over the full 53-week period.
   h. The Group's external auditor has issued a reporting accountants' report on the pro forma 52-week information. A copy of their procedures report is available at the Group's registered office.
7. The majority of Massmart's realised and unrealised foreign exchange loss of R2.7 million (2017: R47.2 million loss) arose as a result of the strengthening of the average basket of ex-SA currencies against the Rand.
8. Massmart and its Divisions enter into certain transactions with related parties in the normal course of business. At December 2018, the Supplier Development Fund had a closing balance of R10.8 million (2017: R34.6 million). In April 2018, the Group repaid its R600.0 million medium-term loan with Walmart, on which it had an interest rate of 7.46%, paid quarterly. As a 52.4% shareholder, Main Street 830 Proprietary Limited, a subsidiary of Walmart, will be receiving a dividend based on their number of shares held. A net amount of R2.3 million remains due from Walmart, which has been accounted for in 'trade, other payables and provisions' and trade, other receivables and prepayments'.
9. Massmart offers a diverse range of retail offerings to the market consisting of Food & Liquor, General Merchandise and Home Improvement. Due to the cyclical nature of this industry, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period October to December are mainly attributed to the increased demand for our non-Food categories where we see an increase in discretionary spend leading up to the Black Friday and Christmas holiday periods. This information is provided to allow for a better understanding of the results.
10. The constant currency information included in these provisional reviewed condensed consolidated results has been presented to illustrate the Group's underlying ex-SA business performance excluding the effect of foreign currency fluctuations. In determining the application of constant currency, sales for the prior comparable financial reporting period have been adjusted to take into account the average monthly exchange rate for the current period. The table below depicts the percentage change in sales in both reported currency and constant currency for the given material currencies. The constant currency information incorporated in these reviewed interim condensed consolidated results has not been audited or reviewed or otherwise reported on by our external auditors. The constant currency information is the responsibility of the Directors of Massmart. It has been prepared for illustrative purposes only and due to its nature, may not fairly present Massmart's financial position, changes in equity, results of operations or cash flows.

| **Sales growth in:** | Reported Currency | Constant Currency |
|---|---|---|
| Mozambican Metical | 8.2% | 4.9% |
| Malawian Kwacha | (7.8%) | (6.1%) |
| Zambian Kwacha | 13.9% | 23.0% |
| Total ex-SA | 8.5% | 11.8% |

11. Interest-bearing borrowings, including bank overdrafts, have increased by R558.2 million since December 2017. This movement is a result of the settlement of the R600.0 million medium-term loan with Walmart, as well as the R604.9 million settlement of our bank medium-term loans, offset by new finance leases. These term loans were replaced by an overnight bank overdraft facility due to more favorable terms and are included in our financing activities for the year.
12. During the post balance sheet period the Group concluded a medium-term loan facility agreement to replace the medium-term loan. In terms of this agreement, R600.0 million will be advanced to the Group on 27 February 2019 and the loan will mature in two years at an interest rate of 8.26%. With the exception of this, there were no significant subsequent events after the year end.
13. These provisional reviewed condensed consolidated results (pages 8 to 14) have been reviewed by independent external auditors, Ernst & Young Inc. and their unmodified review report is available for inspection at the Company's registered office. The review was performed in accordance with ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Group's registered office. The preparation of the Group's provisional reviewed condensed consolidated results was supervised by the Chief Financial Officer, Johannes van Lierop, Bachelor of Business Economics, RA (Netherlands).

## Massdiscounters

GENERAL MERCHANDISE AND FOOD DISCOUNTER

**171**
STORES
(166 stores in 2017)
in South Africa, Botswana, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Tanzania, Uganda, Zambia

**R19.7bn**
SALES
(R20.0bn in 2017)

**R32.6m**
TRADING PROFIT
(R373.5m in 2017)

**560,828**
M$^2$ OF TRADING SPACE
(548,544m$^2$ in 2017)

## Masswarehouse

WAREHOUSE CLUB

**21**
STORES
(21 stores in 2017)
in South Africa

**R28.8bn**
SALES
(R27.3bn in 2017)

**R1.1bn**
TRADING PROFIT
(R1.3bn in 2017)

**231,021**
M$^2$ OF TRADING SPACE
(231,021m$^2$ in 2017)

## Massbuild

HOME IMPROVEMENT RETAILER AND BUILDING MATERIALS SUPPLIER

**114**
STORES
(108 stores in 2017)
in South Africa, Botswana, Mozambique, Zambia

**R13.8bn**
SALES
(R13.0bn in 2017)

**R749.1m**
TRADING PROFIT
(R735.5m in 2017)

**468,155**
M$^2$ OF TRADING SPACE
(456,313m$^2$ in 2017)

## Masscash

FOOD WHOLESALER, RETAILER AND BUYING ASSOCIATION

**130**
STORES
(128 stores in 2017)
in South Africa, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia

**R28.7bn**
SALES
(R28.1m in 2017)

**R188.6m**
TRADING PROFIT
(R127.1m in 2017)

**388,714**
M$^2$ OF TRADING SPACE
(377,038m$^2$ in 2017)

**For more information call +27 11 517 0000 or visit massmart.co.za/results2018**

**Massmart Holdings Limited**
("the Company" or "the Group")

**JSE code** MSM

**ISIN** ZAE000152617

**Company registration number**
1940/014066/06

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