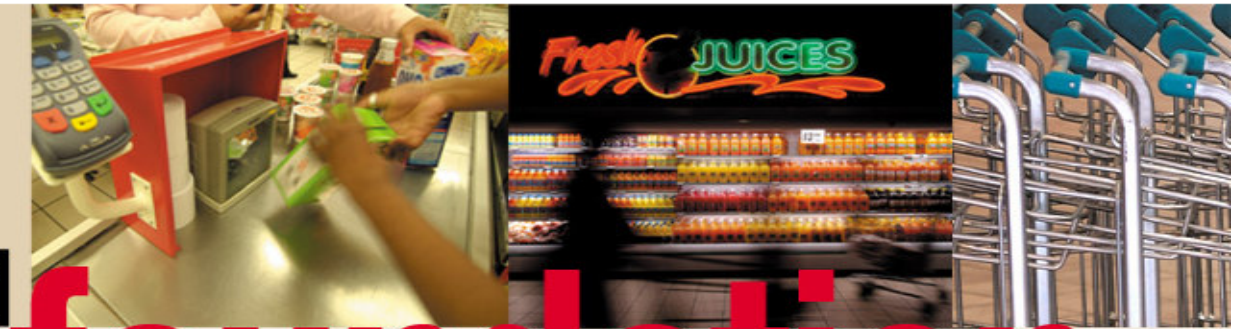




building on a solid



foundation

Shoprite Holdings Limited

Financial Results – June 2004



SHOPRITE 
HOLDINGS LTD

Carel Goosen

Deputy MD, Shoprite Holdings Ltd



SHOPRITE 
HOLDINGS LTD

Size of Operation

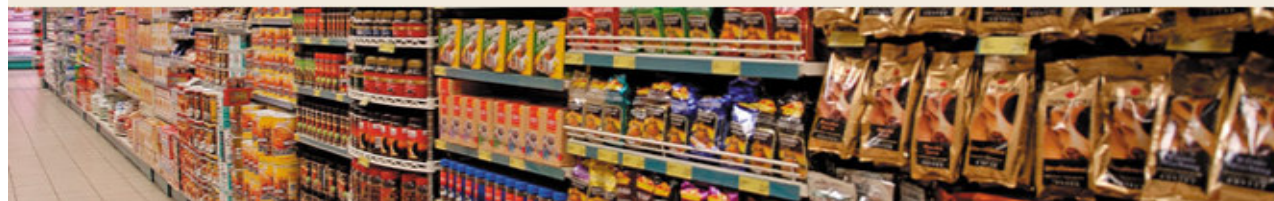
- Sales of R 27 bn
- 705 Owned outlets
- 300 Franchise outlets
- 16 Countries
- 61 000 Employees



Financial Results

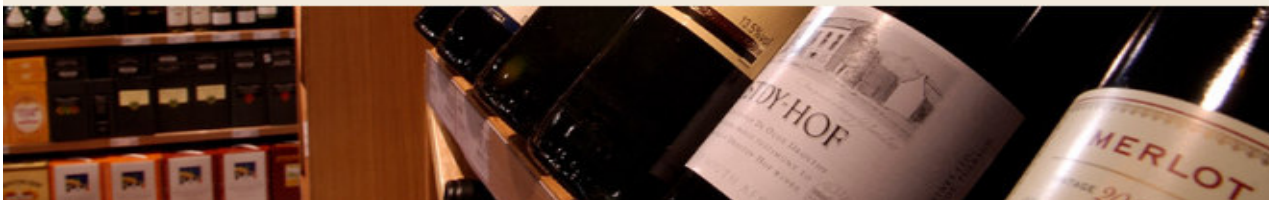
Year Ended	June 03	June 04
Revenue (Rm)	25 278	27 172
Revenue growth (%)	13,3	7,5
Operating Profit (Rm)	603	702
Operating Profit growth (%)	21,1	16,4
Operating Margin (%)	2,4	2,6
Adjusted Headline EPS	79,9*	91,7*
Adj Headline EPS Growth (%)	23,5	14,7
Dividend per share	30,5	36,0
Dividend Cover	2,6	2,5

* Diluted



Highlights on Results

- Market Share Gained +0.3%
 - (June 2004 Like for Like)
 - Increased number of customers + basket size



Highlights on Results

- Gross Margin Increased +0.2%
 - Improved product ranges
 - Efficient replenishment
 - Sophisticated distribution facilities



Highlights on Results

- Operating Profit Increased above Revenue growth (16,4% v 7,5%)
 - Efficient collaboration with suppliers
 - Substantial growth in financial services
 - Effective cost control
- Improved Cash flow R 363 m
 - Increased net investment income



Opportunities for the new year

- Operating Profit
 - Reduced uneconomical leases
 - OK Franchise turnaround (R 30 m)
 - Reduced staff cost (R 30 m)
 - Increased contribution from non-RSA



Opportunities for the new year

- Net Investment income
 - Reduced stockholding (R 500 m)
 - Increased Cash Tax



Whitey Basson

CEO, Shoprite Holdings Ltd



SHOPRITE 
HOLDINGS LTD

Shoprite

1

- Where do we play?
- Food Retail
 - RSA
 - Non RSA
- Value added services
- Furniture



RSA

Checkers – Top end

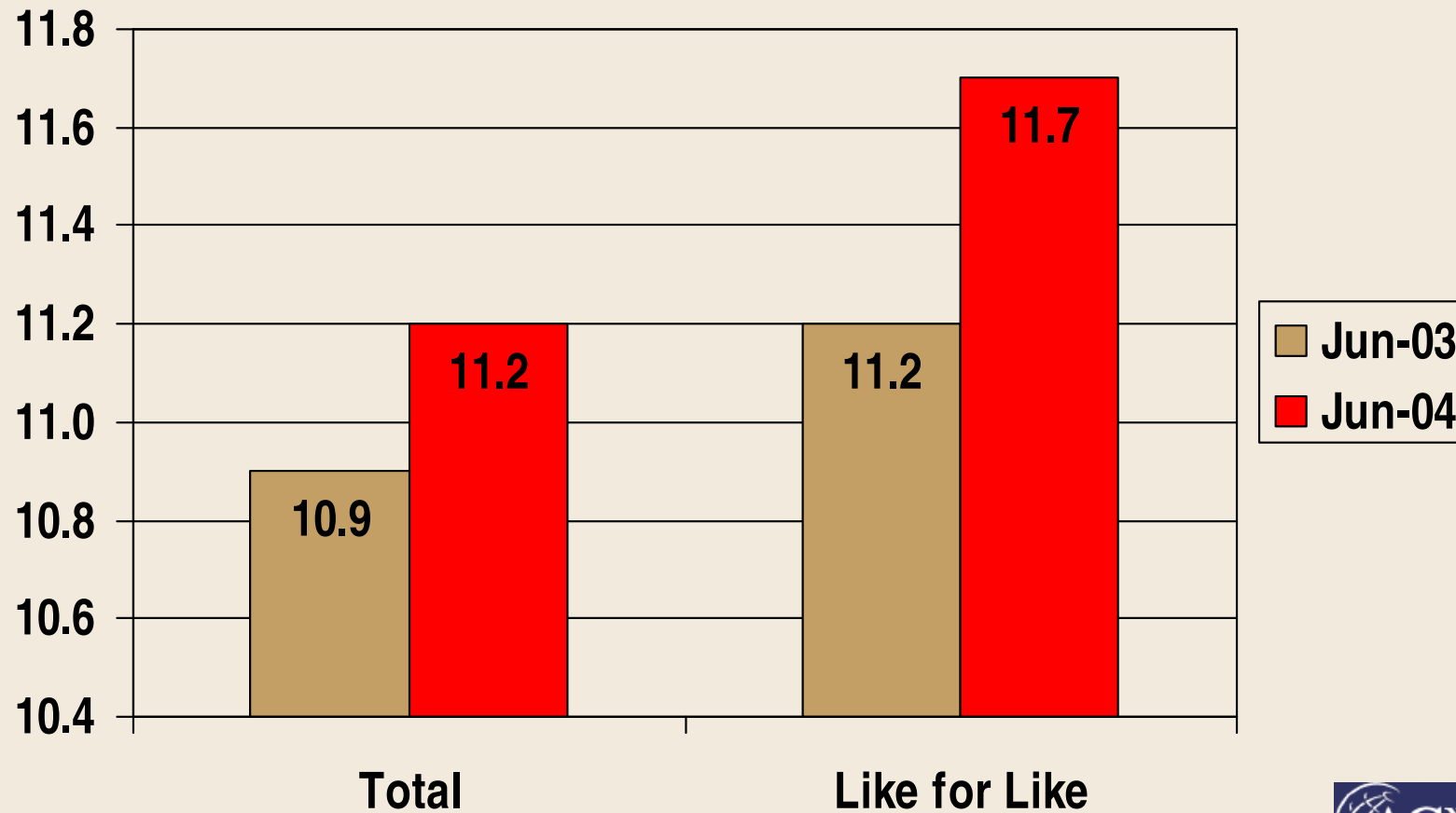
2

- High LSM
- Rebranding works
- Affirm
 - Profit up 47%
 - Margin – product mix
 - Basket size = 1.6 times Shoprite
 - Market share
- 4.08% Customer growth; 2.73% Basket growth



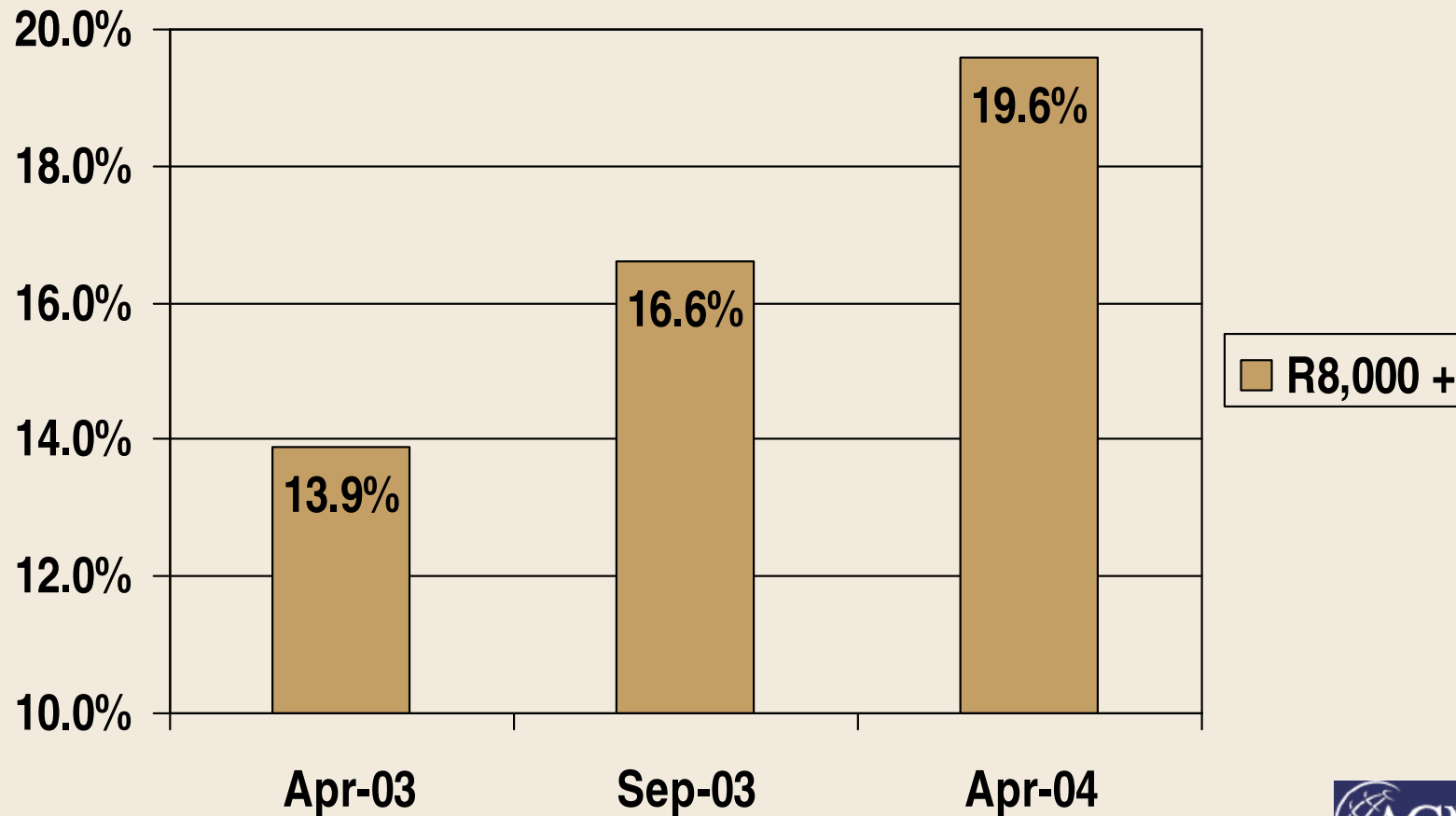
RSA Checkers Market Share

3



RSA Checkers Shopper Profile

4



RSA

Shoprite – Medium

5

- Middle income market
- Established and trusted brand
 - Fended off competition onslaught successfully
- Will benefit from redistribution of wealth
- 6.18% Customer growth; 0.72% Basket growth
- Top 10 Items = 20% of Turnover
- Deflation result in 0.2% loss in market share



- Total Republic - Monthly Market Share

Total Store – Total Like for Like Universe

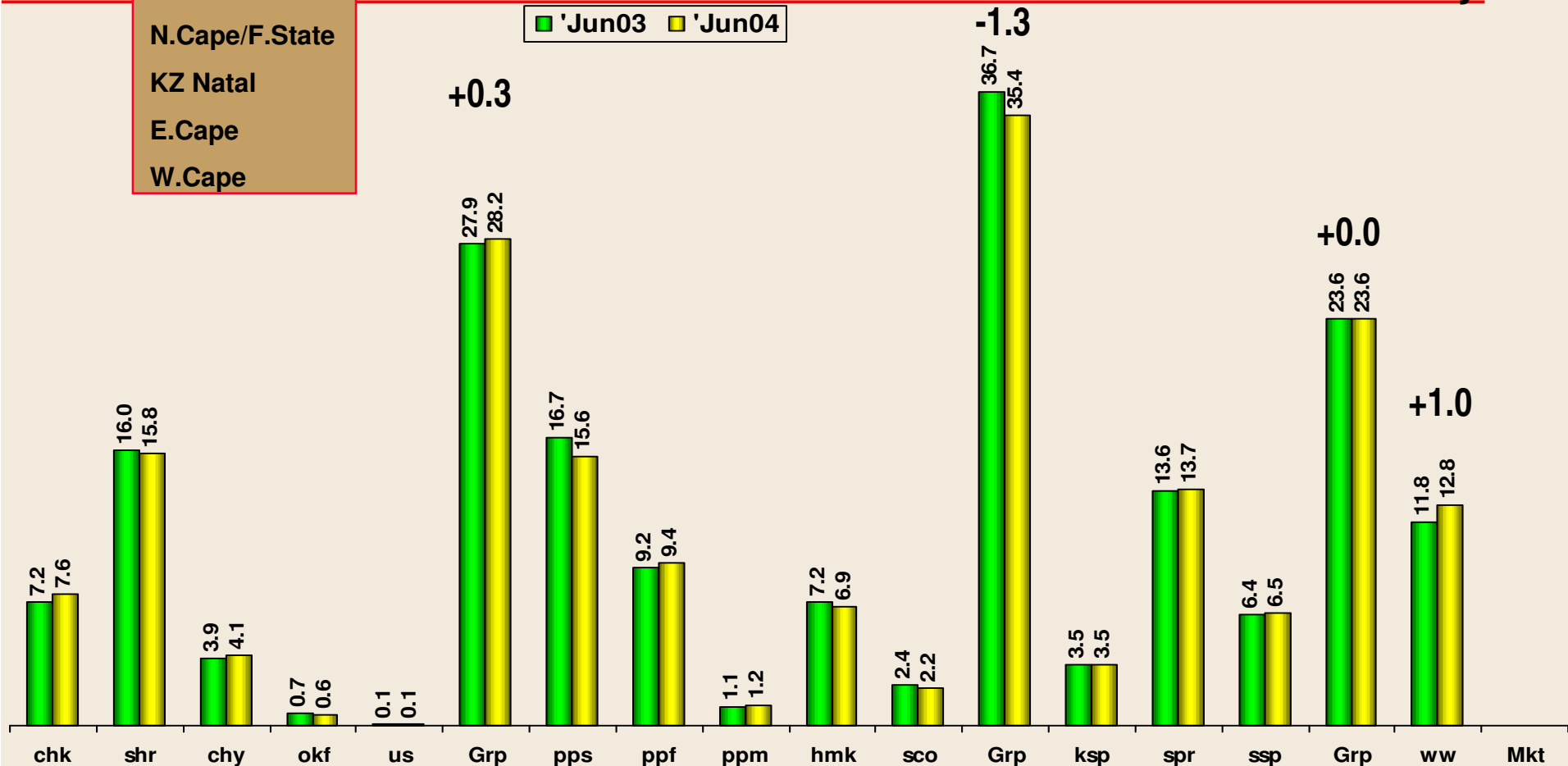
6

South Africa Only

Areas covered

- Great North
- N.Cape/F.State
- KZ Natal
- E.Cape
- W.Cape

■ 'Jun03 ■ 'Jun04



- Total Republic - Monthly Market Share

All Stores (Like for Like, Closed & New) - Total Universe

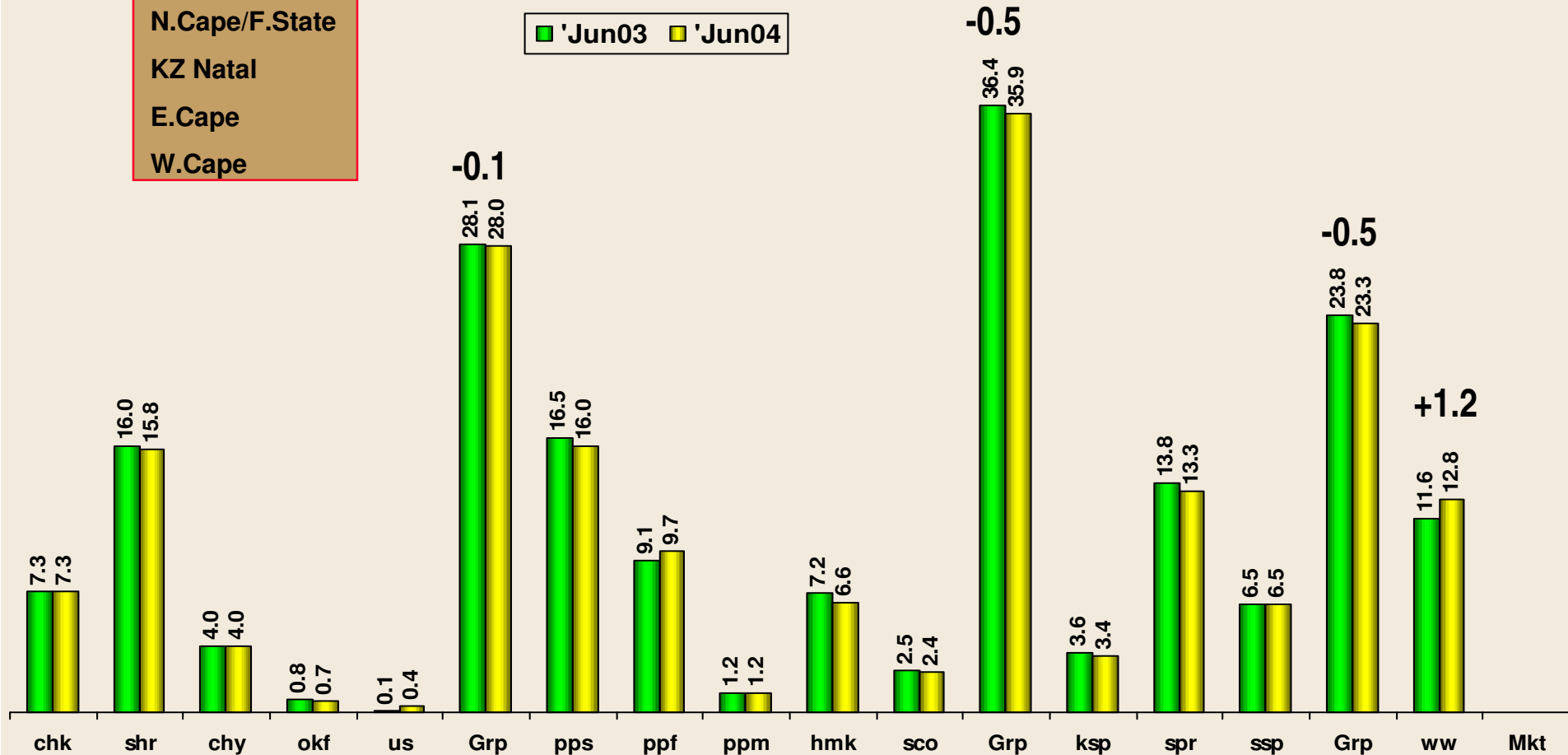
7

South Africa Only

Areas covered

- Great North
- N.Cape/F.State
- KZ Natal
- E.Cape
- W.Cape

'Jun03 'Jun04



RSA

Usave – Lower end

8

- Covers underserved market
- Urban: LSM 1 – 3 (Income R1,200 p.m.)
- Rural: includes higher LSM
- R8 – R15 m T/o bracket:
 - No other format can be profitable
- ROI: 35% - 12 month trading stores
- Africa – low risk market entry



Non RSA Africa – Hedging the future

9

- Turnover growth – 26% stable currencies
- Huge benefits from a weaker rand
- Counter balance a downturn in SA
- Current market optimism
- Other SA Retailers warming to Africa expansion



Tanzania

11



- Initial problems
- Slowly turning around
- Small loss - 2005



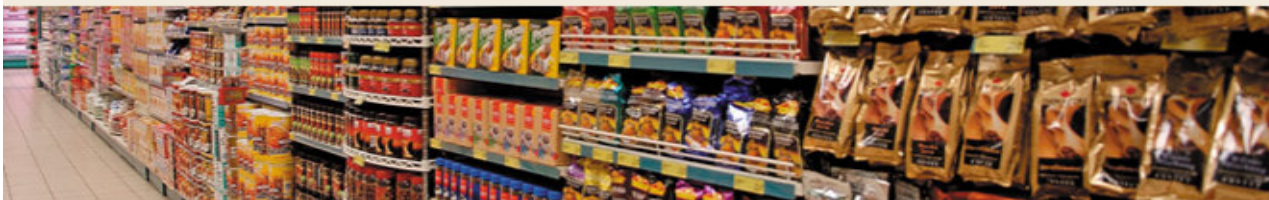
SHOPRITE 
HOLDINGS LTD

Mauritius

12



- 60% Turnover growth
- Improved Gross Profit from global sourcing of French Products
- This year will be break even



Egypt

13



- Shrinkage problem - 2004
- This year all stores, except 1 to be profitable



SHOPRITE 
HOLDINGS LTD

Angola

14



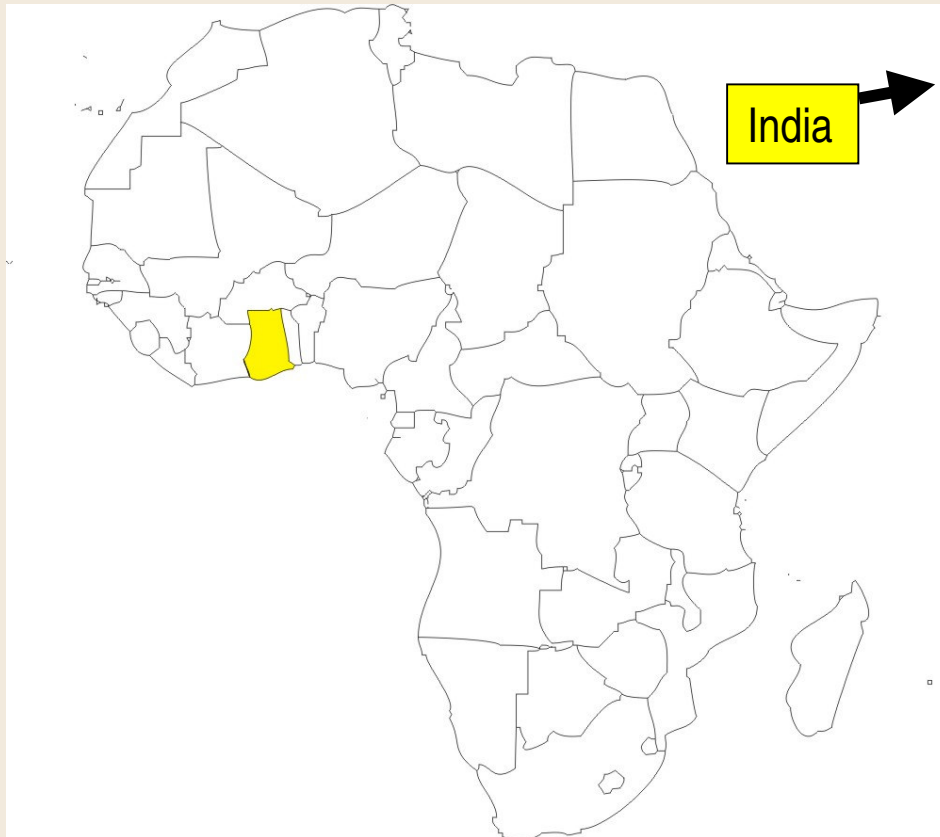
- 2004 Loss (Start-up costs)
- Already profitable
- 6 new Usaves
- 4 Supermarkets



SHOPRITE 
HOLDINGS LTD

Ghana & India

15



- Ghana
 - Write off of R5m in 2004
- India
 - Write off of R9m in 2004



Immediate Future

16

- Revenue
- Gross Profit
- Cost
- Capital
 - Working Capital
 - Fixed Capital

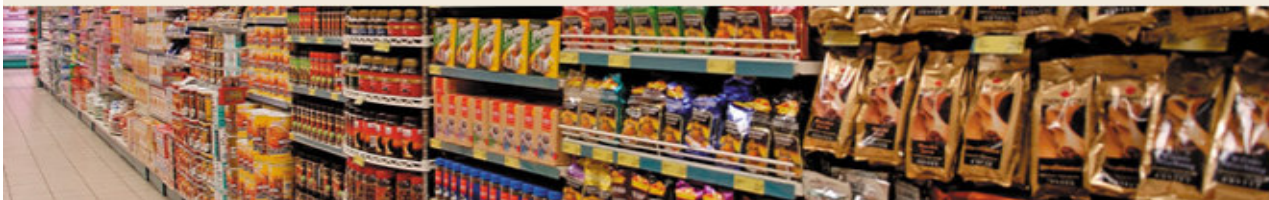


- Revenue
 - Continued assortment optimisation
 - Non Foods (26% participation)
 - New products and services
 - Money Market kiosks
 - Pharmacies
 - Liquor stores
 - New Stores



Supermarket Expansion next 18 m

Format	RSA	Non RSA	Total
Shoprite	43	10	53
Checkers	34	-	34
Usave	45	15	60
Total	122	25	147



Gross Profit

19

- Competition decides
 - 1% cheaper
- Global procurement – own DC's



- Staff
 - Permanents: Fixed 8%
 - Flexi / Part timers: 0%
- Admin expense reduction
 - Leases
 - Business to Business
 - Orders and Claims



- Working Capital
 - Inventory management
 - Supermarkets reduced by R 100 m



Statistics – 18 years

22

Statistics since listing	1986	Comp Growth	2004
Revenue (Rm)	126	34,8%	27 172
Operating Profit (Rm)	3,9	32,6%	623
NAV/share (cents)	3,4	30,7%	419,4
Headline EPS (cents)	0,6	31,2%	79,9

- Long term potential



Thank you

Questions?



SHOPRITE 
HOLDINGS LTD