



MASSMART

MEDIA RELEASE

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The South African Competition Tribunal approves merger and accepts conditions proposed by Walmart and Massmart

The Competition Tribunal today announced that the Walmart and Massmart merger can proceed to finality and has accepted the conditions proposed by Walmart and Massmart, which include the set-up of a R100 million supplier development fund, no merger-related retrenchments for a period of two years as well as continued recognition of SACCAWU for three years post the merger. The Competition Tribunal further acknowledged the undertaking made by the merging parties that preference would be given to re-employing the 503 workers that were retrenched in 2010 prior to the proposed merger being announced.

Walmart International CEO Doug McMillon commented: "We're pleased that the competition authorities have recognised the benefits that our investment in Massmart can deliver. We look forward to creating new jobs in South Africa, support for the development of South African exports, and providing previously underserved customers and communities with better prices and increased access to the products they want and need. All of this is consistent with the benefits we've delivered to markets around the world."

Walmart intends to provide Massmart with increased financial stability and support to continue strengthening its presence in Africa. The combined Walmart / Massmart entity is planning significant new store openings, which will create thousands of new union jobs in South Africa, while in excess of a 50% growth is being anticipated in the Massmart food business over a five year period. Specifically in terms of fresh food growth, Walmart and Massmart have committed to ensure that the vast majority of those products will be sourced from South Africa and a substantial programme is being planned for the training and development of many thousands of local farmers, with a specific BEE focus, to assist in the delivery of the fresh food strategy.

Massmart CEO, Grant Pattison, commented: "The Massmart management team welcomes the prospect of becoming part of the Walmart family and we will now advance our strategy to ensure that our financial base is geared to accelerate growth through the opening of additional locations, which will provide more jobs and also career opportunities for our existing team, while bringing more outstanding products with lower prices to our customers. I look forward to the ongoing support of our loyal customers, our shareholders and our suppliers."

Walmart remains intent on sharing its experiences gained around the globe to deliver real improvements to the local supply chain. These benefits include logistics expertise, inventory management, and better forecasting models that will help South African suppliers, as they will be able to compete better in the global marketplace, and will also help lower the price of goods for South Africans.

McMillon added: "Whenever Walmart enters a new market, it introduces its global operating belief that being a responsible global citizen begins with being a responsible local citizen. Walmart looks forward to enhancing the already strong credentials that Massmart has in South Africa as a responsible and productive citizen that tirelessly builds on its relationships with communities, governments and consumers."

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For further information about the proposed transaction please visit the Massmart website on www.massmart.co.za or www.walmartinfo.co.za