Shoprite Holdings Ltd comprises the following entities: the Shoprite Checkers supermarket group, which consists of 422 Shoprite supermarkets; 163 Checkers supermarkets; 27 Checkers Hypers; 240 Usave stores; 240 OK Furniture outlets; 19 OK Power Express stores; 49 House & Home stores; 143 Hungry Lion fast food outlets; 130 Medirite pharmacies and 153 LiquorShops. Through its OK Franchise Division, the Group procures and distributes stock to 29 OK MiniMark convenience stores; 15 OK Foods supermarkets; 82 OK Grocer stores; 30 Megasave wholesale stores; 35 OK Value stores; 68 Sentra stores and buying partners, as well as more than 144 Friendly franchise stores.

The Shoprite Group of Companies started from small beginnings in 1979 with the purchase of a chain of 8 Cape-based supermarkets for R1 million. The next 30 years were marked by various acquisitions and innovative expansion strategies that brought it to the R72 billion business that Shoprite is today.

The Shoprite Group of Companies, Africa’s largest food retailer, operates 1303 corporate and 427 franchise outlets in 16 countries across Africa and the Indian Ocean Islands, and reported turnover of R41,054 billion for the 6 months ended December 2011. The Company’s head quarters are situated in the Western Cape province of South Africa.

Shoprite Holdings Ltd is a public company listed on the JSE Limited, with secondary listings on both the Namibian and Zambian Stock Exchanges. Its ownership therefore lies in the hands of its almost 5 000 shareholders. The Group is continuing its implementation of a strategic expansion programme to maintain its position as the leading food retailer on the continent.

In 1983 the Group opened its first branch outside the Western Cape – in Hartswater in the Northern Cape. At the end of that year, Shoprite opened its 21st outlet in Worcester and celebrated an increase in turnover of almost 600% over the four years of its existence. A year later Shoprite sped up its growth by buying six food stores from Ackermans. In 1986 the Group expanded to the Free State, opening a store in Bloemfontein. Shoprite was listed on the JSE Securities Exchange South Africa with a market capitalisation of R29 million. It then owned 33 outlets. Two years later Shoprite ventured over the Vaal River and opened two stores in the former Transvaal province, the first of which is situated in Polokwane (Pietersburg).

In 1990 Shoprite opened in Namibia. Within four years of listing on the JSE, Shoprite increased its outlets four-fold by acquiring Grand Bazaars, and the next year, in 1991; it grew almost six-fold with the acquisition of the national Checkers chain of supermarkets. Overnight Shoprite trebled in size to 241 outlets with a staff of 22 600.

While consolidating that new business, which for the first time gave Shoprite country-wide representation, expansion plans for the rest of the continent were put into action and by 1995 the Group was able to open its first store in Central Africa, Shoprite Lusaka in Zambia.

That same year Shoprite utilised a golden opportunity to increase its distribution substantially by acquiring the central buying organisation then known as Sentra, which acted as a buying group for 550 owner-manager supermarket members. Shoprite thus entered into the franchising field, enabling it to compete in smaller markets where the emphasis is on convenience.

In 1996 the Group launched the Woman of the Year Award to mark National Women’s Day. It became South Africa’s premier accolade for achievement by women and seeks to focus attention on issues that are of importance to the women of South Africa.

In 1997 Shoprite acquired the ailing OK Bazaars Group from SAB in the now legendary "R1 deal". This strategic expansion move added 157 super- and hyper sized supermarkets and 146 Furniture stores to the Group. In the same year the Group opened its first outlet in Mozambique and Chief Executive Whitey Basson
earned the Western Cape Business Man of the Year Award as acknowledgement for his pioneering work in supermarket retailing. The Group also invested in a development in Mozambique and opened its first store in Maputo. All the OK stores in Swaziland were converted into Shoprite stores and a year later the same process was followed in Botswana.

Shoprite Holdings was selected by the Corporate Research Foundation as one of the 49 Best Companies To Work For and one of the 50 Most Promising Companies in South Africa for 1998. Also in 1998, Shoprite Holdings was ranked number 8 by Turnover in Financial Mail's Top 100 Companies listing. The Group was also ranked third in the category of Total Assets in Finance Week's survey of the Top 200 Companies in the JSE's Stores Sector.

In 1999 Shoprite Holdings was ranked 43rd in the Sunday Times Business survey of Top Companies by Price Earnings Ratio. The Group also maintained its position as number 8 in Financial Mail's Top 100 Companies listing by Turnover.

In 2000 the Group opened its first supermarkets in Zimbabwe and Uganda. The Corporate Research Foundation again selected Shoprite Holdings as one of South Africa's Most Promising Companies. The Group was the only supermarket retailer to achieve this distinction. In November 2000 the company was identified by Financial Mail and Human Capital Corporation (Deloitte & Touche) as one of the 40 Best Companies to work for. Also in 2000, the Sunday Times Business Times ranked Shoprite Holdings as number 51 in its listing of the Top 100 Companies over the previous 5 years.

A year later in 2001 the first of seven supermarkets opened in Egypt, taking Shoprite into the North African market. The Group also started operating in Malawi and Lesotho.

In this year F&T Finance Week measured the growth ratios of top companies and Shoprite was the top performer on earnings per share over 10 years. In Financial Mail's Top Company Survey of 2001 Shoprite Holdings was placed 58th in the ranking by market capitalisation of the Top 150 Market Leaders. In the retail sector the company ranked 3rd by market capitalisation. Shoprite was placed 4th in the survey on staff numbers and productivity.

October 2002 saw the acquisition of the French-owned Champion supermarket group in Madagascar in an agreement that enabled Shoprite to take control of five supermarkets now trading under the Shoprite banner, and one distribution centre.

The 2002 Markinor-Sunday Times Top Brands Survey scored Shoprite Checkers in 4th place in the Most Loved Every-Day South African Brand category and 5th place in the Top 10 Most Admired Companies category. The Checkers brand shared the 1st place on a brand relationship score in the Grocery Store Sector, Shoprite was ranked 2nd, Shoprite Checkers 3d and the Ok brand took 4th place.

The November 2002 opening of the Group's first outlet in Mauritius - the first Shoprite Hyper beyond South African borders - made Group history by achieving the highest turnover ever recorded for a single opening day of trade.

Shoprite ended the year 2002 on a high note with the acquisition of Score Supermarkets' Tanzanian operation - three supermarkets and a small distribution centre - which became effective on 31 December.

After listing on the Namibian Stock Exchange towards the end of 2002, the first highlight of the year 2003 was the Company's listing of 2, 7 million shares on the Lusaka Stock Exchange (LuSE) at an initial listing price of 4,200 Kwacha per share. The Group's main listing remains on the Johannesburg Stock Exchange. In the same year the Markinor-Sunday Times Top Brands survey identified Shoprite and Checkers, individually and combined, as South Africa's most trusted supermarket. The Group also opened its first stores in Ghana and Angola and made a start with the rollout of the highly successful new Usave format.
The 2003 Markinor-Sunday Times Top Brands Survey identified Shoprite and Checkers, individually and combined, as South Africa’s Most Trusted Supermarket. In a measurement of all brands, Shoprite scored fifth place in the category for Most Admired Companies – the highest of all retailers.

In 2004 Shoprite started trading as a wholesale operation in India and franchised its first Shoprite Hyper in this country, in a modern shopping centre in Mumbai. In the 2004 Markinor-Sunday Times Top Brands survey, Shoprite Checkers is listed as the fifth Most Admired Company in South Africa.

2005 saw the Group acquiring both Foodworld, with 13 stores, and Computicket, as well as opening the first Shoprite Liquor Shop. Furthermore, in December of 2005 Shoprite entered Nigeria, the world’s fifth largest oil producer, when it opened a supermarket in a new shopping centre in Lagos. During 2006 the Group divested from Egypt due to ongoing restrictions on retailing. Its seven stores were closed, resulting in a loss of R19.9 million.

Also in 2005, the Shoprite brand scores second place in the Top Grocery and Convenience Store category and Checkers fourth place, in the annual Markinor-Sunday Times Top Brands survey. Shoprite is also rated amongst the Top 10 for Community Upliftment. Hungry Lion is recognised for creating huge brand awareness in only a few years by entering the Top 10 in the Fast-food Top Brands sector.

Shoprite was ranked 132nd on the list of the world’s top 250 retailers in 2006 according to the 2008 Global Powers of Retail report from tail report from Deloitte Touche Tohmatsu, in conjunction with STORES magazine. Only four South African retailers made it on to the list.

The 2006 Markinor-Sunday Times Top Brands survey rated Shoprite the number one food retail brand in the country. Shoprite also achieved the highest score from customers in non-metro areas where the brand has established the largest footprint in its forty years of existence. Moreover, Shoprite Checkers is listed under the top six good corporate citizens in South Africa in a national survey by research company Plus 94 on the corporate social responsibility contributions made by companies.

In December 2007 Shoprite announced an investment of US$80 million into the Democratic Republic of the Congo for the development of two world class supermarkets in the major cities of Lubumbashi and Kinshasa. Construction is set to commence in the second quarter of 2008 with an anticipated completion date of mid-2009.

The 2007 Markinor-Sunday Times Top Brands survey rated Shoprite amongst the Top 10 companies for Community Upliftment. Hungry Lion was also rated amongst the Top 10 Fast Food and Restaurant Chains.

2008 saw the Shoprite Group added to the JSE Top-40 Index of blue-chips, while the Shoprite brand was voted South Africa’s number one supermarket in the annual Ipsos Markinor Top Brands business-to-consumer survey.

In the 2008 Business Times Top 100 Companies Survey - a survey that acknowledges those listed companies that have earned the most wealth for their shareholders - Shoprite Holdings was ranked in the top 20 companies in both the over 5 year and over 1 year measurements of return. When compared to the other 39 companies within the JSE Top-40 Index, the same survey placed Shoprite Holdings in an impressive 5th position.

Also in 2008, Shoprite was named the leading retailer in Africa and Middle East out of the regions’ 30 best grocery businesses in a report by Planet Retail titled: Africa and Middle East Rankings: All set to make the difference.

In January of 2009 Shoprite Holdings Ltd., South Africa’s largest grocery chain by market value, was added to Merrill Lynch & Co.’s list of most preferred stocks, with the bank citing "excellent growth" in sub-Saharan
Africa. The Shoprite brand was also again voted SA's No. 1 supermarket in the 2009 Sunday Times Top Brand Survey. During this year the company acquired Transfarm, a pharmaceutical wholesale company.

In the Deloitte report - Emerging from the downturn: Global Powers of Retail 2010 - published in January 2010, Shoprite Holdings Ltd was listed as the largest retailer in South Africa and 130th biggest retailer globally. This report identified the 250 largest retailers in the world based on publicly available data for the companies’ 2008 fiscal year (encompassing fiscal years ended through June 2009).

In 2010 Shoprite made the decision to disinvest from India and focus on investment opportunities in the commodity rich countries of Western Africa in line with its long term growth plan.

For the third year in a row, the Shoprite brand was voted SA's No. 1 supermarket in the 2010 Sunday Times Top Brand Survey. Another feather in Shoprite Group's cap was when the Shoprite supermarket brand won a first place in the 2010 annual The Times and Sowetan Retail Awards as top supermarket for overall customer experience. The Shoprite brand also won in the categories of monthly grocery shopping, weekly grocery shopping and more-than-once-weekly grocery shopping and took second place in the Retail Grand Prix category.

In the Sunday Times’ 2010 survey of Top Companies listed on the JSE the Shoprite Group ranked third for its share price and dividend performance over the past five years and was the top-performing retailer, achieving compound annual growth of 46.35% over the period. An investment in Shoprite of R10 000 in 2005 would have yielded R67 126 in 2010.

2010 also saw Shoprite Holdings Ltd receive top honours in the Retail category of the 2010 Top 500 Companies Awards. The Awards, presented in association with Top500: South Africa’s Best Managed Companies publication, bring together the first in sector winners from 100 leading business sectors to celebrate the best in South African Business. In the 13th annual edition of the Global Powers of Retail 2010 report by Deloitte, Shoprite Holdings Ltd was listed as the largest retailer in South Africa and 130th biggest retailer globally.

In March 2011 it was announced that the Shoprite Group has entered into an agreement with Metcash Trading Africa (Pty) Ltd in terms of which the franchise division of Metcash Checkers. The Metcash franchise division includes franchise arrangements with franchisees operating retail stores under registered trademark names such as Friendly, Seven Eleven and Price Club Discount Supermarket. The store formats varies from convenience stores to supermarkets and discount supermarkets and are situated throughout the nine provinces of South Africa. The sale, which is subject to Competition Authority approval, will see the integration of members of the Metcash division in Shoprite’s OK Franchise Division

The Global Powers of Retailing list, that ranks 250 retailers from all over the world according to total revenue, showed Shoprite Holdings rocketing from a global ranking of 130 in the previous year into the 95th position in 2011 - a truly impressive movement on the global retailing stage.

The Markinor Top Brands Survey 2011 found the Shoprite brand to be the No 1 Supermarket for the 5th year running, while in the Top Retail Brands Section of the same survey Shoprite claimed first place in all five grocery categories. The Markinor Survey furthermore identified Shorite as the 6th overall favourite brand, with a 3rd most valued brand in terms of community upliftment in South Africa.

The Group started 2012 on a high note by moving up another three places on the Global Powers of Retailing list to a global ranking of 92nd, while solidly maintaining its 1st place ranking in terms of Africa and the Middle East.

Today the Shoprite Group trades with 1303 corporate and 427 franchise outlets in 16 countries across Africa, bringing the total number of stores in the Group to 1730.
Checkers caters for customers in the upper-income groups and targets living standards measurement 7 to 10. This chain of supermarkets provides a product range suitable for the discerning shopper in a world-class retail environment. Acquired in 1991, Checkers is the major brand after Shoprite. It operates stores throughout South Africa and in some neighbouring countries. It focuses more strongly on fresh produce and offers a wider range of choice food items to a more affluent clientele.

Checkers has become a regular shopping destination for time-pressed consumers. It has strongly developed lifestyle departments such as for wine, cheese and meat.

The brand boasts two store formats namely supermarkets and large-format hyper stores.

After being managed and marketed under the Shoprite umbrella for 10 years, the Checkers brand was separated from Shoprite in 2001 as part of ongoing strategic planning to improve the company as well as the offer to consumers. The Checkers branches had become more viable and thus needed a more focused marketing strategy.

The Shoprite Group acquired the ailing Checkers chain of 170 supermarkets in 1991 primarily to grow its market share, and to spread the geographical distribution of its stores nationally. Up to that point, the Shoprite Group was a Cape-based chain of some 75 supermarkets.

Further motivation to take over Checkers was to save the chain financially, and to also save the jobs of its thousands of employees. To achieve this, the two brands were merged regardless of the fact that Shoprite catered for the broad middle to lower consumer market, while Checkers targeted the middle to upper income groups. Checkers stores were integrated with Shoprite strategically by keeping the brand name Checkers for those stores that were financially viable and that were located in the corresponding target market. Checkers stores, which were more suitable to the Shoprite profile in terms of their location and customer base were converted to Shoprite stores and the non-viable ones were closed down.

Supermarkets: There are currently 163 Checkers supermarkets with an emphasis on specialist departments such as the bakery, meat market, cheese and delicatessen counter, and wine store. Over the past year the focus on convenience has seen a strong increase in prepared food while the fruit and vegetable departments were expanded.

Checkers Hyper: The merger of the Checkers brand with the former Hyperama led to the creation of 27 Checkers Hyper stores. Catering for the upper income groups, Checkers Hyper outlets boast an extensive range of products that range from a wide variety of fresh and frozen food, household items, clothing, indoor and outdoor furniture, to a big range of branded large appliances and audio-visual products. From a marketing and business perspective it made perfect sense to combine the management and marketing functions of these two renowned brands, as they essentially catered for the same market. The results are better customer service and an important benefit – lower prices. Located in areas with high population densities, the positioning of the large-format Checkers Hyper stores is very similar to that of the main Checkers brand.

State of the art service departments offer discerning shoppers anything from an extensive range of imported cheese, cold meat, wholesome ready-made meals and home made pastries and fresh fish.

Backed by leading-edge technology, Checkers Hypers offer consumers clean and hygienic stores, as well as a modern store layout to ensure fast and efficient service, contributing to a pleasant shopping experience.

Service Departments: Checkers in-house service departments include a bakery, deli, fish shop, wine section, Cheese World meat market and Money Market. Medirite pharmacies can also be found in selected Checkers stores.
**Consumer Centre:** The Consumer Centre at the entrance of our stores not only gives customers the opportunity to air their wishes and views, but also provides valuable information on a variety of topics through our consumer leaflets.

**Checkers Housebrand:** An economy brand, Checkers Housebrand offers consumers a guaranteed quality product, yet at an affordable price.

The Shoprite Group has a broad customer base which closely mirrors the demographic profile of the country and 58 million customer transactions are processed in the Group's supermarkets each month. The various store formats within the Group cater for all income groups with the Checkers, Checkers Hyper and House & Home stores focussing on the higher income groups and Shoprite and OK Furniture focussing on the lower-end of the market.

**POSITIONING**

The primary business of the Shoprite Group of Companies is food retailing to consumers of all income levels. Management's goal is to provide all communities in Africa with food and household items in a first-world shopping environment, at the Group's lowest possible prices. At the same time the Group, inextricably linked to Africa, contributes to the nurturing of stable economies and the social upliftment of its people.

**MARKET STANDING**

Through the years supermarkets in the Shoprite stable have proved to be firm favourites with South African consumers. Consumers turn in increasing numbers to the Group’s three supermarket chains, and according to recent research from AMPS the Group's chains are now being frequented by 64,3% of all South African shoppers.

The group now employs over 95 000 people, of these, more than 11 000 work in its stores outside South Africa. The Group created almost 7 000 more jobs in the period under review and hope to create a further estimated 8000 jobs during the next year.
Since it started out as a small chain of supermarkets in 1979, Shoprite gained valuable experience from selling to the emerging market. Today, the Shoprite chain remains the core business of the Group and its main brand. Shoprite's winning philosophy is to operate a chain of modern supermarkets where customers can be sure to pay our low prices on their basic food and household requirements.

This operational strategy put the Shoprite brand in an excellent position to expand into the African market outside of South Africa where its population has grown from one store in Lusaka, Zambia in 1995, to 83 stores in 15 countries today. The South African operation comprises 422 supermarkets in the Shoprite brand.

Shoprite draws its customers from the middle to lower-income consumers in the living standard measurement 4 to 7. In South Africa, Shoprite has two store formats, namely supermarkets and large-format superstores, while Shoprite Hypers are opening up outside the country:

**Supermarkets:** Supermarkets in the Shoprite brand sell a comprehensive range of groceries, fresh food, non-foods and small appliances. These stores vary in size between 2500m² and 4500m² and offer consumers a modern shopping convenience at our low prices.
**Superstores:** This Shoprite format offers extended ranges of basic grocery and household products, service departments and a bigger range of non-food and DIY items than the supermarkets. There is currently one Shoprite Superstore in South Africa that caters for a similar consumer market.

**Hyper stores:** Large-format Shoprite stores are branded Shoprite Hyper. Shoprite opened its first Shoprite Hyper in Mauritius in November 2002 and made group history by achieving the highest turnover ever recorded for a single opening day of trade. The 8000 square metre Shoprite Hyper is located in the Trianon Shopping Centre in Quatre Bornes, and apart from a wide range of quality basic food and household items at our low prices, it offers customers a wide range of merchandise from its high-tech service departments.

**Service Departments:** Shoprite’s in-house service departments include a bakery, deli, fish shop, wine section, meat market and Money Market. Medirite pharmacies can also be found in selected Shoprite stores.

**Housebrands:** As Shoprite’s house brand, Ritebrand products strive to be the cheapest product on the shelf in a particular category without compromising on quality.

**Consumer Centre:** The Consumer Centre at the entrance of our stores not only gives customers the opportunity to air their wishes and views, but also provides valuable information on a variety of topics through our consumer leaflets.

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**CHECKERS BRAND**

Checkers caters for customers in the upper-income groups and targets living standards measurement 7 to 10. This chain of supermarkets provides a product range suitable for the discerning shopper in a world-class retail environment. Acquired in 1991, Checkers is the major brand after Shoprite. It operates stores throughout South Africa and in some neighbouring countries. It focuses more strongly on fresh produce and offers a wider range of choice food items to a more affluent clientele.

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State of the art service departments offer discerning shoppers anything from an extensive range of imported cheese, cold meat, wholesome ready-made meals and home made pastries and fresh fish.

Backed by leading-edge technology, Checkers Hypers offer consumers clean and hygienic stores, as well as a modern store layout to ensure fast and efficient service, contributing to a pleasant shopping experience.

Service Departments: Checkers in-house service departments include a bakery, deli, fish shop, wine section, Cheese World meat market and Money Market. Medirite pharmacies can also be found in selected Checkers stores.

Consumer Centre: The Consumer Centre at the entrance of the stores not only gives customers the opportunity to air their wishes and views, but also provides valuable information on a variety of topics through their consumer leaflets.

Checkers Housebrand: An economy brand, Checkers Housebrand offers consumers a guaranteed quality product, yet at an affordable price.

OK Furniture Brand

OK Furniture numbers 240 stores and branches located as far as Namibia, Lesotho, Mozambique, Swaziland and Botswana.

The OK Furniture stores present its customers with an exciting shopping experience, offering only the best local and imported brands at the very best prices – cash, or terms. Whether you’re looking for a bedroom suite, lounge suite, base set, TV, VCR, or any appliance, OK Furniture must be your ultimate shopping destination, every time. We also boast one of the broadest wall-to-wall carpet services in the country, with a reputable obligation free quotation service.
USAVE BRAND

Saving money has never been “Simpler”. Usave has a simple philosophy – “When we save, Usave”. Using a clever idea that is highly successful in Europe and the USA, Usave removes the cost of packing and pricing out of the value chain. Therefore, delivering the top brands at our low prices is even more affordable. This saving is passed directly on to the customer. Furthermore, although the customer gets bulk value, this does not mean he or she has to buy in bulk to get Usave’s low prices!

Top brands have been sourced.

Through bulk buying directly from the manufacturers, we’ve managed to drop our prices even more.

The Usave chain’s focus is the lower income groups. Customers who are serious about saving and do not need the expensive frills and spills of regular shopping centres, are invited to put Usave to the test.

Not only is the Usave chain an ideal vehicle for the Group’s expansion into Africa but also allows far greater penetration of the lower end of the market within the borders of the country. The Usave chain currently consists of 240 outlets in seven countries.

OK POWER EXPRESS

OK Power Express is a new-age retail brand that specializes in selling a reduced range major and domestic appliances, home entertainment and cellphones in addition to base sets, bedding and carpeting.

Since May 2000, a total of 19 Power Express Stores have been opened in South Africa and 1 in Lesotho.

This chain promises to provide their best prices and a pleasant shopping experience, in an environment with a beautiful layout and superior finishes.

HOUSE AND HOME

The fleet of House & Home stores numbers 49 stores in South Africa and 2 in Namibia.

The House & Home Store presents its customers with an exciting shopping experience, offering top quality local and imported brands at our very best prices – cash, or terms. Whether you’re looking for a bedroom suite, lounge suite, base set, Patio Suite, TV, VCR, or any Appliance, House & Home must be your ultimate shopping destination, every time. We also boast one of the widest wall-to-wall Carpet services in the country, with a reputable obligation free quotation service.

HUNGRY LION

The Shoprite Group entered the Quick Service Restaurant (QSR) market in 1997 with the introduction of the Hungry Lion brand. From the launch of their first store in Stellenbosch, the concept has grown into a chain of 143 fast food outlets operating in seven countries throughout Southern Africa.

Developed from a small take away outlet, the chain now boasts modern, well-designed stores with ample seating and an inescapable focus on fried chicken. Today, Hungry Lion competes in the same market as well-known American chicken franchises. The chain delivers a wide variety of quality products that offer consumers more value for money in a fast and friendly environment.
With nearly 40 stores opening since Hungry Lion’s 10th birthday in 2007 alone, the chain’s remarkable expansion can be attributed to the huge following that their consistently great tasting chicken developed over time, as well their proudly South African heritage and image.

The Hungry Lion brand grows stronger every year and strives to remain relevant to consumers in all aspects. Hungry Lion seeks to be at the forefront of consumers' minds with their pay-off line: “For the love of chicken.”

OK FRANCHISE

Since the take-over of the OK and Sentra Groups by Shoprite/Checkers, the franchise market in Southern Africa has taken on a new dimension. To meet the needs of this expanding and increasingly competitive market, the skills and expertise of the OK, Sentra and Shoprite have been combined, to form a new franchise group with tremendous buying muscle and excellent marketing skills - the OK Franchise Division.

This Division franchises a number of highly esteemed names in food retailing, each aimed at a specific market and each offering great shopping facilities for the Southern African consumer, plus tremendous opportunities for investors.

Our mission is to create and control a network of well-liked, well-located franchise brands that satisfy the needs of South African consumers by providing them with a comprehensive range of quality products at competitive prices in a pleasant shopping environment, while offering entrepreneurs and investors favourable business opportunities.

The OK Franchise Division franchises five different types of retail and one wholesale outlet, each with its identity and personality and each offering different shopping facilities – OK Foods, OK Grocer, OK Minimark, OK Value, Sentra, Megasave and Enjoy.

In March 2011 it was announced that the Shoprite Group has entered into an agreement with Metcash Trading Africa (Pty) Ltd in terms of which the franchise division of Metcash is to be sold to Shoprite Checkers. The Metcash franchise division includes franchise arrangements with franchisees operating retail stores under registered trademark names such as Friendly, Seven Eleven and Price Club Discount Supermarket. The store formats varies from convenience stores to supermarkets and discount supermarkets and are situated throughout the nine provinces of South Africa. The sale, which is subject to Competition Authority approval, will see the integration of members of the Metcash division in Shoprite's OK Franchise Division.

MONEY MARKET

Our Money Markets started in 1998 with a vision of bringing a comprehensive range of financial services and products to our customers at our conveniently located supermarkets. In contrast with other retailers we created a dedicated service counter called “Money Market” to transact financial services and products in our supermarkets.
The Money Market concept continues to build customer loyalty in the Group's Shoprite and Checkers outlets, offering an ever-increasing number of services, from utility payments, bus and airline tickets to basic insurance policies, tickets for major sporting and cultural events (through Computicket), travel packages and money transfers.

Customers can also purchase a comprehensive range of phone cards such as MTN, Vodacom, Cell C and Telkom, postage stamps and game scratch cards.

**COMPUTICKET**

The potential of Computicket, South Africa's leading ticketing company with offerings covering the whole spectrum of leisure activities, came to full fruition when acquired by the Group. It gave Computicket a presence in every Checkers and Shoprite supermarket and hyperstore making it accessible to a much broader consumer base. In addition to its traditional ticketing services the company in 2009 also moved successfully into the travel market, selling packages mainly on line and through its call centre.

Computicket customers also have the added benefit of having access to the Money Market offering of a vast number of financial transactions ranging from account payments for television licences, utilities, traffic fine payments and Telkom, to pre-paid services like electricity, cellular phone airtime and Telkom air time.

**MEDI-RITE**

The MediRite chain of pharmacies was established in order to meet the growing health and wellness needs of the consumer by healthcare professionals at affordable prices.

Our unique ability to pass exceptional savings onto the consumer is the result of reduced operational costs which stems from trading within the supermarket. With 130 in-store dispensaries currently operating throughout South Africa and Swaziland, our goal of bringing better healthcare to the public is being realised.

The continued support of our customers and local communities is playing a large role in our ability to operate successfully and to expand our quality healthcare services further across the country, with the opening of additional instore pharmacies planned in the near future.

Our healthcare professionals place a large emphasis on quality service and compassionate consideration for each and every patient and are not only knowledgeable and experienced, but dedicated to making a real difference.

In December 2009 MediRite acquired Transfarm Pharmaceutical Wholesalers which sells and distributes a wide range of pharmaceutical products and surgical equipment to hospitals and clinics, dispensing doctors and veterinary surgeons as well as to private and corporate pharmacies. Transfarm, which continues as an independent business, greatly reduces MediRite's dependence on other wholesalers and by the end of the reporting period some 90% of the chain's stock requirements were already being channelled through Transfarm.

**LIQUORSHOP**

One of the latest retail areas the Group has entered is liquor stores. The Group now has 153 Liquorshop outlets. The LiquorShops do not replace the wine departments within supermarkets, but extend the offering to consumers by providing, in addition to a selection of wines, also a choice of beers and a wide range of...
mainly premium spirits. Complementing items such as glassware and liquor gift sets are also offered.

FRESHMARK

Freshmark is the Group's fruit and vegetable procurement and distribution arm and is a substantial business in its own right. It not only supplies fresh produce to Group stores within South Africa, but also to most of its outlets in other parts of the continent. Currently one of the largest buyers of fresh produce in South Africa, Freshmark also imports fruit and vegetables to ensure a wide variety and continuity of traditionally seasonal fresh produce. In the period under review it handled 292,000 tons of fruit and vegetables and provided stores with 440 different product lines.

The majority of our produce requirements are sourced directly from producers with the focus on a fresh promise to the customer. This practice also reduces packaging costs and unnecessary handling made possible by using returnable plastic crates.

It operates its own network of distribution centres and refrigerated trucks; negotiates production contracts with some 500 large- and small-scale farmers in a number of countries; sources specialty fruit and vegetables on international markets, and plays a key role in equipping emerging farmers with the knowledge and skills to produce and meet international GLOBALG.A.P.

Management stay in touch with the latest international research about new and improved varietals and a number of these have been introduced to the South African market over the past two years. In the light of the requirements of the new Consumer Protection Act all packaging was reviewed and displays product origin in addition to a schedule of nutritional values.

International laboratories regularly audit all farmers that have GLOBALG.A.P. accreditation to ensure they comply with the food safety standards set.

Freshmark's distribution and cooling facilities in Durban have been greatly extended while upgrades are at present being undertaken in Cape Town, Port Elizabeth and Polokwane.

Freshmark has also put into place a quality assurance program that is built around quality standards and food safety. These important principles are enforced in all distribution centres and at producers. Produce is tested daily for any deviation from specification requirements, as well as microbiological activity and chemical residues.

MEAT MARKET

Meat Markets offer prime cut and top quality fresh meat to the discerning meat lover. Shoprite Meat Markets do not stock frozen meat.

Offering meat of only the finest quality, Meat Market shoppers will find only A-grade meat (with reference to the South African grading system) on the shelves. Meat Markets have a range and variety of products that is unsurpassed by other butcheries. A wide variety of braai wors, boerewors, beef, lamb, pork and poultry products are freshly cut and prepared and available every day.

As Africa's largest fresh meat retailer, Shoprite Meat Markets strive to stay abreast of customer needs and to this end only qualified butchery technicians are employed. These meat specialists are able to cater for individuals who prefer their own choice cut of meat as well as bulk cuts. There are butchery-training centres in each division around the country to ensure that Meat Market staff remain at the cutting edge of market trends, innovation, and, most importantly, hygiene and freshness standards.