Corporate profile

Founded in 1967 as a family controlled business with 4 small stores in the Western Cape, Pick n Pay listed on The JSE Limited (JSE) Securities Exchange the following year, and grew into a leading retail group. Concentrating on food, clothing and general merchandise, the Pick n Pay Group is managed through 3 divisions; each with their own management boards. These divisions are the Pick n Pay Retail Division; the Group Enterprises Division; and Franklins Australia.





www.pnp.co.za

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Value added statement

for the year ended 28 February 2009

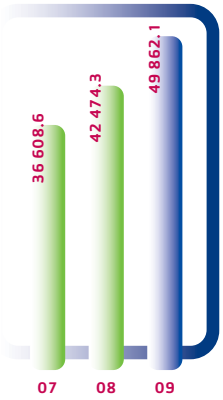
Continuing operations	FEB 2009 Rm	% of turnover	%	FEB 2008 Rm	% of turnover	%
Turnover	**49 862.1**			42 474.3		
Amounts paid for merchandise and expenses	**(42 851.9)**			(36 386.9)		
Interest received	**71.9**			45.0		
Value added	**7 082.1**	**14.2**	**100.0**	6 132.4	14.4	100.0
Utilised						
Employee salaries, wages and other benefits	**4 624.0**		**65.3**	4 050.3		66.0
Investors: Dividends and interest paid	**825.3**		**11.7**	694.1		11.3
Taxation	**568.0**		**8.0**	556.3		9.1
Retained for – Replacement of assets	**615.8**		**8.7**	481.9		7.9
– Growth	**449.0**		**6.3**	349.8		5.7
	7 082.1		**100.0**	6 132.4		100.0

Financial highlights

Continuing operations

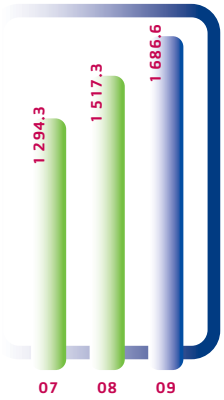
Turnover
(R million)

↑17.4%



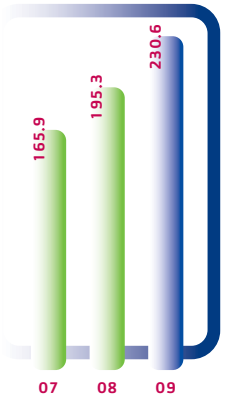
Trading profit
(R million)

↑11.2%



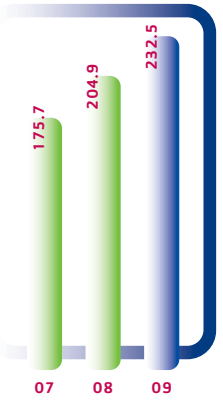
Diluted headline earnings per share
(cents)

↑18.1%



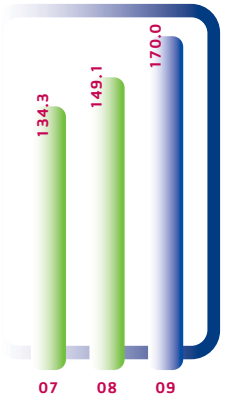
Headline earnings per share
(cents)

↑13.4%



Dividends per share*
(cents)

↑14.0%



*The dividend per share presented above is the interim dividend paid in the current year and the final dividend declared after year-end, but in respect of current year profit.

Number of stores

We are thrilled with the very positive customer response to our new format Hypers and refurbished "new look" Pick n Pay Supermarkets.

Store numbers		2007	2008	2009
Pick n Pay Retail Division				
Hypermarkets		16	18	**20**
Supermarkets	– Corporate	150	152	**152**
	– Franchise	190	207	**250**
Clothing		24	31	**32**
Liquor	– Corporate	36	54	**68**
	– Franchise	17	17	**27**
Pharmacies		—	—	**1**
Score Supermarkets		136	128	**67**
Boxer	– Supermarkets	60	64	**77**
	– Hardware	6	6	**6**
Franklins Supermarkets				
	– Corporate	76	74	**75**
	– Franchise	2	6	**7**
Total stores		713	757	**782**
	– Corporate	504	527	**498**
	– Franchise	209	230	**284**
TM Supermarkets		56	56	**56**

Our Group mission



- We serve
- With our hearts we create a great place to be
- With our minds we create an excellent place to shop

Our key values

- We are passionate about our customers and will fight for their rights
- We care for, and respect each other
- We foster personal growth and opportunity
- We nurture leadership and vision, and reward innovation
- We live by honesty and integrity
- We support and participate in our communities
- We take individual responsibility
- We are all accountable





Stakeholders

Communities

Our Communities will keep on benefiting from our ongoing investment in social upliftment programmes such as housing, education and literacy, self-help, feeding schemes and child welfare. Pick n Pay is also a keen patron of environmental, cultural, arts and sports initiatives.

Customers

Our Customers will select from a variety of products offering an optimal mix of quality, price and service, supported by ethical and informative marketing practices.

Employees

Our Employees will work for the most sought-after employer in retail, with access to recognition, opportunities, working conditions, competitive pay and benefits.

Shareholders

Our Shareholders can expect us to continue generating consistent profits in a long-term, sustainable manner that is the mark of a well-established business, operating according to tried and tested principles.

Suppliers

Our Suppliers can rely on a continual drive toward ever more efficient and mutually beneficial business relationships, while we continue to pursue new products that fulfil evolving customer needs.

Our success is based on seven enduring principles

- Consumer sovereignty
- A flat organisational structure
- Where appropriate, maximising decentralisation of authority to enable local control
- Promoting from within, recruiting from outside only as an exception when specialist skills are required
- Maintaining a discount image
- Fighting collusion amongst suppliers, and rejecting collusion between retailers
- Maintaining strong cash balances, buying forward on a rising market







New flagship Supermarkets

Our refurbished flagship Supermarkets, especially Benmore and Bedfordview in Johannesburg and Claremont in Cape Town, have enjoyed overwhelming customer support and have consequently experienced exceptional turnover growth.




BUTTERNUTS
R8
R12
ONION CARRY POCKET
R14


Thank you





New Flagship Supermarket
Benmore, Johannesburg



Chairman's statement

for the year ended 28 February 2009

This has been a year characterised by many challenges and pressures on our consumers, and consequently the retail industry in South Africa as a whole. As our results show, Pick n Pay's gross margins for the year under review dropped markedly. This has been the result of our deliberate policy to keep prices as low as possible at a time when our customers have suffered the consequences of high inflation and escalating food prices. In keeping with our philosophy to bring maximum benefits to our consumers and not to maximise profits at their expense, we have adopted a twin strategy of dropping our gross margins and negotiating very firmly with our suppliers over their cost increases.

In January 2009 our CEO, Nick Badminton, convened an urgent meeting with our suppliers to discuss high and rising food prices, which were continuing sharply upwards, despite a recent decline in fuel and some commodity prices. We are confident that in a spirit of cooperation, our suppliers will be able to exercise meaningful restraint with respect to food price inflation. We have been most encouraged by their response.

Despite the current turmoil in world markets and the associated tightening of economic conditions, the results continue to reflect a vigorous and well-performing company, and I remain resolutely confident about our future. South Africa has recently experienced an unsettling political and economic climate, and it will take steady nerves and reliable political instincts to see us through the year ahead. If we are able to adopt an uncompromising approach to crime, corruption and poor service-delivery, our country is assured of a prosperous and safe future. I simply cannot bring myself to believe that a nation conceived amid the hopes of millions and born in a unique wave of global goodwill would fail to match those expectations.

I have been profoundly moved by the rise of President Obama and see no reason why South Africa should not, in its own moment of need, produce a similar movement of hope and optimism. I look forward to a future in which a re-energised combination of citizens' hope, politicians' idealism and an engaged business sector is able to create the kind of society we know we deserve and to which we all aspired in 1994.

At an operational level, we have continued to invest in the business including the Longmeadow distribution centre, with phase I now complete. I have no doubt that this important element of our centralised distribution strategy will benefit Pick n Pay and our customers. We are therefore pressing ahead with the further development of our supply chain strategy.

I am pleased to report that Franklins, our Australian operation, has experienced a most satisfactory improvement and has moved into profitable territory. We have worked hard on this operation and the significant turnaround over last year is due to increased operating efficiencies, double-digit turnover growth from refurbished stores and the success of the customer loyalty programme. There is every indication that this historic milestone establishes a sound platform for the future profitability and growth of the Group's Australian investment.

The conversion of Score stores to Black-owned Pick n Pay Family franchise stores is going very well and on track to be completed in the year ahead. The winding-down of Score has been achieved with the minimum disruption and consumers' response to the conversion has been overwhelmingly positive. Most gratifyingly, we are succeeding in transferring almost R1 billion of assets into the hands of new Black entrepreneurs, and turnover in all the converted stores has improved beyond projections.

Boxer had another great year, increasing turnover and profit significantly.

Some two years ago we introduced a new strategy in terms of which we resolved to maintain and reinforce our dominance in the LSM 8 – 10 market, through

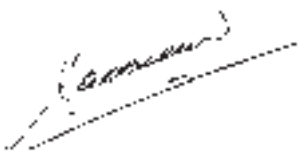
Despite the current turmoil in world markets and the associated tightening of economic conditions, the results continue to reflect a vigorous and well-performing company, and I remain resolutely confident about our future.

getting our offering and branding right, and to expand the Pick n Pay footprint in the LSM 4 – 7 market through our Score conversion project and a greater focus on traditional Black areas. At the same time, the strategy was designed to introduce greater operating efficiencies (including centralised distribution) and build world-class retail capabilities by, among other measures, developing the skills of our workforce.

As part of this strategy, we have invested considerable resources in improving our operating model, while simultaneously building a future which is firmly founded on sustainable business practices and the advancement of our Corporate Social Investment priorities.

The implementation of the strategy is now far down the track and we remain confident that it will pay handsome dividends in years to come.

Nick, his team and all who work at Pick n Pay have put in an incredible amount of hard work into preparing us for the future. All credit is due to them and the loyalty and commitment they consistently show to the Company.



Raymond Ackerman

Chairman



Boards of directors

Pick n Pay Stores Limited

EXECUTIVE DIRECTORS

Raymond Ackerman[Δ‡] (78)
Chairman

Appointed 1968
Years of service 42

Raymond Ackerman founded Pick n Pay in 1967 and has been its Chairman ever since. He was also CEO of the Group until 1999 when the responsibilities of Chairman and CEO were separated. He has won many accolades during the years as a leader, a businessman and as the champion of the consumer.

Other listed company directorships: Pick n Pay Holdings Limited

Nick Badminton (47)
Chief Executive Officer

Appointed 2007
Years of service 30

Nick Badminton joined the Western Cape region of Pick n Pay in 1979, and after working his way up the ranks was appointed General Manager of the Western Cape region in 1994. While GM of the Western Cape he was appointed to the Retail Division management board and became its Managing Director in May 2001. Effective March 2007 Nick was appointed CEO of the Group and a member of the board.

Wendy Ackerman
Employee Liaison and Benefits

Appointed 1981
Years of service 42

Wendy Ackerman was one of the founding executives of Pick n Pay. She was appointed to the board in 1981 and is in charge of Employee Liaison and Benefits where her passion for people in the business is unwavering. This includes the management of our large internal and external bursary funds.

Other listed company directorships: Pick n Pay Holdings Limited

Dennis Cope (58)
Chief Finance Officer

Appointed 1997
Years of service 31

Dennis Cope has been with the Group for over 30 years, initially joining the Pick n Pay Butcheries division as the accountant and then Finance Director. In 1986 Dennis joined the Pick n Pay Corporate Finance division, was appointed Finance Director of the Group Enterprises division in 1995 and then in 1999 he was appointed CFO and a member of the board.

1. **Raymond Ackerman**
   Chairman
2. **Nick Badminton**
   Chief Executive Officer
3. **Wendy Ackerman**
   Employee Liaison and Benefits
4. **Dennis Cope**
   Chief Finance Officer


1.


2.


3.


4.

NON-EXECUTIVE DIRECTORS

Gareth Ackerman*#Δ‡ (51)

Appointed 1990

Gareth Ackerman was an executive director at Pick n Pay for 15 years before becoming a non-executive director of the Company in 1999. While an executive of Pick n Pay Gareth ran many different divisions of the Company, was appointed Joint Managing Director in 1993 and Managing Director of the Group Enterprises division in 1995. Gareth was appointed to the board in 1990 and in 2002 he was appointed as Chairman of Pick n Pay Holdings Limited.

Other listed company directorships: Pick n Pay Holdings Limited (Chairman)

David Robins (55)

Appointed 2002

David Robins joined the Group in 1994 and was appointed to the Group Enterprises management board in 2005 as the executive responsible for expansion outside South African borders. In 2002 David was appointed as Deputy Chairman of the Group and also as an executive director of the Company. During 2008 David retired from his executive position in the Group but remains on the board as a non-executive director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

René de Wet (66)

Appointed 1975

Retired 30 April 2008

Hugh Herman# (68)

Remuneration Committee Chairman

Appointed 1976

Hugh Herman was Managing Director of Pick n Pay for many years after having joined the Group from our main legal advisory firm and was appointed as a member of the board in 1976. He left Pick n Pay in 1993 when he joined Investec Bank, where he still serves as Chairman of the Group.

Other listed company directorships: Investec Limited (Chairman), Investec plc (Chairman), Growthpoint Properties Limited, Pick n Pay Holdings Limited

Constance Nkosi‡

Appointed 1996

Constance (Connie) Nkosi is chairperson of Lidonga Group Holdings (Pty) Limited. She is also chairperson of First Technology (Pty) Limited. Connie has been a member of the Company's board since 1996 and also serves on the board's Nominations committee.

Other listed company directorships: Protech Khuthele Holdings Limited and Spescom Limited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5. **Gareth Ackerman**
Non-executive Director

6. **David Robins**
Non-executive Director

7. **René de Wet**
Independent Non-executive Director

8. **Hugh Herman**
Independent Non-executive Director

9. **Connie Nkosi**
Independent Non-executive Director

Boards of directors continued

Pick n Pay Stores Limited continued

INDEPENDENT NON-EXECUTIVE DIRECTORS

David Nurek (59)

Appointed 1999

Retired 30 April 2008

Ben van der Ross$^{*\#\Delta}$ (62)

Appointed 2000

Ben van der Ross is a director of companies. Ben qualified as an attorney, was admitted to the Cape Side Bar and was in private practice for 16 years.

Other listed company directorships: Bonatla Property Holdings (Chairman), FirstRand Bank Holdings Limited, Lewis Group Limited, Makalani Holdings Limited, Momentum Group Limited, Naspers Limited.

Jeff van Rooyen$^{*\Delta}$ (59)
Audit, Risk and Compliance Committee Chairman

Appointed 2007

Jeff van Rooyen is a chartered accountant and is the founder and chief executive of Uranus Investment Holdings. He is a founder member and former president of the Association for the Advancement of Black Accountants (ABASA), was chairperson of the Public Accountants and Auditors Board (PAAB) in 1995 and a former CEO of the Financial Services Board. He is also a trustee of the International Accounting Standards Committee Foundation.

Other listed company directorships: MTN Group Limited, Exxaro Resources Limited, Sentula Mining Limited.

COMPANY SECRETARY

Gary Lea (43)

Appointed 2002

Years of service 12

10. **David Nurek**
Independent Non-executive Director

11. **Ben van der Ross**
Independent Non-executive Director

12. **Jeff van Rooyen**
Independent Non-executive Director

13. **Gary Lea**
Company Secretary


10.


11.


12.


13.

Pick n Pay Holdings Limited

DIRECTORS

NON-EXECUTIVE DIRECTORS

Gareth Ackerman (51)
(Chairman)
Appointed 1987

Raymond Ackerman (78)
Appointed 1981

Wendy Ackerman
Appointed 1981

INDEPENDENT NON-EXECUTIVE DIRECTORS

René de Wet* (66)
Audit, Risk and Compliance Committee Chairman
Appointed 1981

Hugh Herman* (68)
Appointed 1981

OFFICERS

CHIEF FINANCE OFFICER

Dennis Cope (58)
Appointed 2008

COMPANY SECRETARY

Gary Lea (43)
Appointed 2002

* Member of Audit, Risk and Compliance committee
\# Member of Remuneration committee
Δ Member of Corporate Governance committee
‡ Member of Nominations committee





Chief Executive Officer's review

for the year ended 28 February 2009

We made great strides in implementing our strategy in 2009 which, together with the relief to be brought to consumers by lower interest rates and reducing inflation, gives us confidence for another great year ahead.







Nick Badminton
Chief Executive Officer

RESULT OVERVIEW

2009 was another year in which we made great strides in implementing the strategy we laid out in March 2007. Again we invested heavily in the business to ensure that we lay the right platform for many more years of sustainable growth.

Highlights of the year include:

- the successful refurbishment of some of our flagship stores;
- the re-launch of our private label brands;
- continued improvements in the range and quality of our fresh foods;
- 27 conversions of Score stores to Pick n Pay;
- completion of the first phase of our supply chain plan at Longmeadow;
- completion of 65% of our SAP implementation;
- the Boxer business continued to deliver outstanding results; and
- Franklins in Australia produced its first full year's operating profit.

In the context of our continued investment in the business, as well as the current economic climate, we are very pleased with our financial results for the year.

As disclosed more fully in note 18 of the financial statements on page 88, the results of Score Supermarkets have been disclosed as a discontinued operation as we are winding down the business and sub-letting many of its sites to Black franchisees as Pick n Pay Family stores.

Financial highlights – continuing operations

Turnover

Group turnover at R49.9 billion is 17.4% above last year, with a growth of 17.3% in southern Africa and 18.2% in Australia. The Franklins' increase in Australian dollars is 3.5%.

Trading profit

Trading profit margin is down from 3.6% to 3.4%. This is as a result of significant price investments we have made to help consumers during these tough economic times and is evident by a drop in the gross profit margin by 0.4% to 19.0% for the year. However, we have managed to cushion the financial effect of this investment in price by a reduction in expenses for the year of 0.2% of turnover.

Interest

Interest received increased over last year due to higher interest rates and better average cash balances. Interest paid was also up on last year due to the R500 million term loan drawn down in June 2007, owing for a full year.

Headline earnings per share ("HEPS") and diluted HEPS

HEPS at 232.48 cents reflects an increase of 13.4%. Diluted HEPS shows an increase of 18.1% as last year's base already allowed for the full dilution of the 20 million new ordinary shares issued on 31 December 2007.

Dividends per share

The final dividend per share of 134.25 cents for Pick n Pay Stores Limited and 65.52 cents for Pick n Pay Holdings Limited brings the total dividend for the year to 170.00 cents and 82.97 cents respectively, an increase of 14.0% and 13.9%, respectively.

OUR STRATEGY

South Africa's favourite and most admired grocery retailer

Customers		Operations		People	Sustainability
Defend and grow leadership in LSM 8 – 10 heartland	Bring the best of Pick n Pay to LSM 4 – 7	Invest to improve operating model	Continue to deliver operating efficiencies	Build world-class retail capabilities	Create a sustainable future

OPERATIONAL HIGHLIGHTS

PICK N PAY RETAIL DIVISION

Hypermarkets

We opened 2 new Hypers this year at Woodmead in Johannesburg and South Coast in Durban. Customers have been very positive about the new format used in these stores. We will therefore continue the refurbishment of the existing Hypers along similar lines.

The Hyper division traded strongly during the year, with the new format and refurbished stores doing particularly well.

Supermarkets

During the year we opened 5 new corporate and 12 new franchise stores. We also converted 4 stores from corporate to franchise in line with our ongoing review of store operations to ensure that we utilise the best formula for each trading site. In the year ahead we plan to open 4 new corporate and 15 new franchise supermarkets and convert a further 2 corporate supermarkets to franchise.

In addition to the above, we converted 27 Score stores to the Family franchise brand and next year we will convert another 25. These conversions are in line with our strategy to give consumers in the lower income brackets the Pick n Pay shopping experience they desire and to create franchise opportunities for black entrepreneurs.

Supermarkets continue to show robust turnover growth, particularly from our new-look refurbished stores such as Claremont, Benmore and Bedfordview. Based on the positive uplift in turnover from the 23 supermarkets (11 corporate, 12 franchise) refurbished in the current year, we will be expanding our new-look refurbishment programme in the year ahead to another 54 stores (21 corporate, 33 franchise). This significant investment shows just how confident we are that there are benefits to be derived even in very tough economic conditions.

Liquor and clothing stores

In the current year we opened another 24 (14 corporate, 10 franchise) liquor stores and 1 clothing store. These stores continue to give great value propositions to customers.

Strategy implementation

The implementation of the six-pillar strategy we developed in 2007 is continuing rapidly. We are already seeing the positive results from the changes we are making and are very confident that the benefits from the capital and management expertise invested in this strategy will pay dividends for decades to come.

Under each of the strategy pillars, a few of the success stories so far include:

Customers

Defend and grow leadership in Living Standards Measure (LSM) 8 – 10 heartland

The majority of our sales and profit is generated by serving our more affluent LSM 8 – 10 customers. Delighting these customers remains the primary focus of our strategy. We have made many improvements to our offer, all of which have received very positive customer feedback. These include:

- Improvements to each of our store formats
  - The new Hypermarket format continues to trade strongly having broad appeal to all our customers;
  - Our refurbished flagship supermarkets at Benmore and Bedfordview in Johannesburg and Claremont in Cape Town have delivered outstanding growth in turnover;
  - Our small supermarkets continue to grow strongly; and
  - Pick n Pay Express, our forecourt joint venture with BP, was launched in December 2008 with 2 stores in Cape Town. Customers love this new format giving us confidence to trial at least 2 more stores in the year ahead.
- The re-launch of our private label brands. During the year we re-launched our mainstream private label brand "PnP" upgrading many of the products and repackaging over 1 000 items in our new branding.
- The continued improvement in the range and quality of our fresh food products.
- The roll-out of our revitalised branding continues. Each of the customer-facing initiatives implemented has benefited from the new look and feel.

Bring the best of Pick n Pay to LSM 4 – 7

Expanding our presence in the emerging LSM 4 – 7 market is a significant growth opportunity for the business. We know from our own research that customers love our brand and our stores and are deeply frustrated that we don't have sufficient stores near their homes. We also know this part of the market is growing rapidly as the government continues to invest in social grants. We are addressing this opportunity with vigour through our Score conversions. We now have 29 conversions to Pick n Pay Family franchise complete, as well as nine conversions to Boxer. Each of these stores is achieving substantially higher turnovers once converted than they did as a Score. Next year we plan to convert a further 29 stores (Family franchise 25, Boxer 4). The only stores remaining to be converted in the 2011 financial year are our Score stores in Botswana which will trade as Family franchise stores.

In total, we now have 66 Pick n Pay stores and 77 Boxer stores serving this market and we expect this number to grow significantly over the next few years. Over the last year our customer count in this market sector has grown by 18%. 52% of Pick n Pay's customers representing some 40% of spend now come from LSM 7 and below. To enable us to focus appropriately we have a separate team within Pick n Pay concentrating on this part of the market.

Operations

Invest to improve the operating model

The SAP implementation is 65% complete, with the remaining Pick n Pay regions to be completed in the next 18 months. We are seeing clear benefits from this investment: Our supply chain is more efficient, we have faster response times for new business development and have improved our electronic trading capabilities.

Phase I of our supply chain plan is now complete. The Longmeadow Distribution Centre in Johannesburg is now fully operational with all set-up

costs absorbed. The distribution centre now supplies all 263 inland stores. Phase II will expand the facility to accommodate central distribution, automated replenishment and strategic buy-ins. This expansion will commence during the 2010 financial year.

Continue to deliver operating efficiencies

We continue to be highly focused on reducing our operating expenses as a percentage of sales. This year we achieved a reduction of 0.2% of turnover.

People

Build world-class retail capabilities

Through the expansion of the business we have created more than 3 200 new positions (including franchise), notwithstanding the closing down or sale of many Score stores.

Investment in our people remains a cornerstone of our success. Their development (through our extensive training programmes) and well-being (through better pay and benefits) are very important to us. HIV/Aids education and support remain critical to us maintaining a healthy workforce.

Sustainability

Create a sustainable future

Sustainability in Pick n Pay is about reducing costs, sound governance and using our influence to encourage positive change, all of which ultimately helps drive innovation.

We have implemented many new initiatives within the Group with the clear focus being on energy saving, reducing our carbon footprint, and recycling. Sustainable practices are becoming a new way of life at Pick n Pay and we are confident that not only will they cultivate a more sustainable environment but will also lead to increased operating efficiencies.

We continue to facilitate ways that customers can help the environment. As an example, we have recently launched an initiative to encourage customers to significantly reduce the use of plastic bags.

We continue to expand the number of Enterprise development initiatives we support; we now have 67 Black-owned franchise stores and will be expanding our successful Support Bakery initiative in Johannesburg and rolling it out to Cape Town. For more information on the sustainability in Pick n Pay please refer to our sustainability report on page 26.

GROUP ENTERPRISES DIVISION

Score Supermarkets

As mentioned above we are closing down the Score operation and sub-letting the majority of its leases to black entrepreneurs to operate Pick n Pay Family franchise stores. We are converting as many of the remainder as possible to Boxer. Those that are unsuitable for either Pick n Pay or Boxer will be sold or closed.

In the current year, we closed 38 stores for conversion to Pick n Pay Family stores (27) and Boxer (9) with another 18 stores either closed or sold. In the year ahead, we will close a further 50 stores, of which 25 are confirmed for conversion to Family stores and 4 to Boxer. By the end of February 2010 this will leave 14 stores in Botswana, which will be converted to Pick n Pay Family franchise stores early in the 2011 financial year.

Boxer Superstores

Boxer produced another very solid result with a significant increase in turnover and profit. In addition to the 9 Score stores taken over in the current year, Boxer opened 6 new stores and plan to open a further 4 new stores and convert another 4 Score stores in the 2010 financial year.

FRANKLINS AUSTRALIA

Franklins produced a substantial turnaround in profitability, with a swing of R52.0 million to a R23.5 million trading profit in the current year. The key drivers to this significant improvement are further increased operating efficiencies, double-digit turnover growth from refurbished stores and its successful customer loyalty programme.

The 11 fully refurbished stores in the current year are producing good turnover growth and increased profitability. Moreover, their success is also starting to open doors with landlords for prospective new stores. During the 2010 financial year we will complete another 14 store refurbishments. By the end of next year about half of the Franklins stores will offer full service supermarkets with extensive deli, produce and fresh food ranges.

Franklins' business model continues to prove resilient in the challenging Australian retail environment as consumers seek new ways to save money and as they respond well to the company's increased promotion of weekly specials. Another factor in Franklins' favour during these tough times is the huge success of their loyalty programme. In a recent independent survey, which evaluated ease of use and customer benefits, Franklins' loyalty card came out on top, ahead of their two main rivals. The programme now has 630 000 members whose purchases account for 60% of Franklins' turnover.

We are delighted by the outstanding turnaround achieved by Franklins, which has now established a solid foundation for long-term growth in Australia.

EXECUTIVE RETIREMENTS AND APPOINTMENTS

During the year Paul Connellan and Chris van Rooyen retired from the Retail board and Duncan Pentz, who was head of Hypermarkets, elected to take up a Family franchise opportunity. I thank them for their many years of dedicated service to the Company and wish them all the best in their future endeavours.

We recently announced some key executive appointments in the Retail Division: Kevin Korb as Foods Director, Neal Quirk as Operations Director and Dharmalingum Dass as head of Hypermarkets. Adrian Naude, Head of Group Enterprises (GE), requested additional operational experience and has therefore moved to the position of General Manager of the Pick n Pay Gauteng region. In his stead, Dallas Langman has been seconded to run the GE division for two years.

We wish them all the very best in their new positions.

GENERAL COMMENTS AND PROSPECTS

Given the tough trading conditions and the investment phase we are in, we are pleased with this result. We remain optimistic for the year ahead due to our strategic investments now starting to bear fruit and the relief to be brought to consumers by lower interest rates and reducing inflation. We forecast improved growth in 2010 headline earnings per share over that achieved this year. (This forecast financial information has not been reviewed and reported on by the Group's independent auditors.)

I wish to thank all our employees for their dedication and support during the past year and look forward to working with them in what is going to be another exciting year ahead.



Nick Badminton

Chief Executive Officer



New format Hypermarkets

Our new format Hypers launched over the last 2 years are attracting wide customer appeal. As a result of their success, we will continue to refurbish existing Hypers along similar lines.




HEALTH & BEAUT
Tonics
Tonics


PHARMACY
FEMOLENE





New Hypermarkets
Soweto and Woodmead, Johannesburg



Sustainability report

for the year ended 28 February 2009

SUSTAINABILITY OVERVIEW

Sustainability remains a key focus area of our business. It is a way of thinking that should not be displaced by the pressure of a global financial crisis. We regard tougher trading conditions and tighter margins as an excellent context to ensure these considerations become more fully integrated and linked to core business practices. These include the products we stock, how they are packaged, transported and displayed, how our customers use them and dispose of any waste.

We have delivered quality products at affordable prices to our customers for decades; our challenge now is to work with suppliers and other partners to inspire products and services that create lasting value for communities and the environment. This is an immense challenge presenting several critical issues. Of particular importance for retail is food security. Food supplies globally are under threat from a changing climate, declining soil fertility and water limitations. This is intensified as farmers face tougher access to credit and a shift to biofuel production in several countries. We can never take food for granted. Challenges such as these are unequivocally our business. We have no choice but to place retailing in the larger social and environmental context which will define how well we are doing our work.

The issues are seldom simple. Organic products may lead to an increased water footprint; biodegradable plastics can hinder the plastics recycling industry; reducing packaging too much can undermine product integrity, creating more waste; biodiesel produced from our waste cooking oil still contributes greenhouse gases to the atmosphere; we delight in offering delicacies from distant places, yet recognise they carry a carbon cost not reflected in the price. Certainly, there are trade-offs to be made. But these must be made with the appropriate question in mind: *Are we doing the right things to build a more resilient company, help solve the world's toughest challenges, and create a brighter future for all?*

We are confident that we are moving in the right direction. Our sustainability strategy seeks primarily to develop our people's capacity to make difficult decisions that reflect our commitments. This will require a combination of innovative spirit, inspired partnerships and the humility to recognise where we are on the journey.

Energy has been a principal challenge this year, focused on building the foundations to consolidate broad commitments into quantified targets. We have been inspired by our customers: over 50 000 vouchers were issued for Compact Fluorescent Lamp (CFL) light bulbs as part of our power pledge campaign. There has been concerted action across the Group to reduce waste, energy and water usage. We have introduced a large number of pilot programmes in several areas (including waste, awareness and organics); national roll-outs are underway.

We are shifting our focus towards suppliers to encourage them to see environmental and social issues as an opportunity to innovate. We have activated partnerships aimed at improving animal welfare practices and are presently reviewing our procurement policies to drive ethical and animal welfare standards throughout our supply chain. In promoting preferential procurement, our Shelf Life Project has made great strides towards attracting small business owners into our supply chain.

We are immensely proud of the efforts made by literally thousands of Pick n Pay people who, through creative partnerships, are making the transition to a sustainable society a reality. The wind turbine installed at our regional office in Port Elizabeth may only generate 3% of daily energy usage, but the learning curve is crucial.

Sustainability commitments are an investment in the future of our business, the future of our customers, and the future of families around the world. Although there is clearly a lot of work to be done, we have faith in human ingenuity and goodness. Going forward, we hope our efforts will be an inspiration to a myriad of companies who have much to contribute to this critical task.

The following summary touches on a variety of ways we have worked with partners to put innovative ideas into practice and inspire our customers. A more comprehensive sustainable development report will be published on our website.

OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

Tracking our sustainable development key performance indicators (KPI)

Pick n Pay's Sustainable Development Key Performance Indicators	2009 KPI Performance	2008 KPI Performance
Group economic and related core baseline indicators		
Continuing operations Turnover	R49.9 billion (17.4% increase)	R42.5 billion
Trading profit	R1 686.6 million (11.2% increase)	R1 517.3 million
Operating profit	R1 734.8 (13.4% increase)	R 1 530.1 million
Headline earnings per share	232.48 cents (13.4% increase)	204.94 cents
Dividends paid per share	170.00 cents (14.0% increase)	149.10 cents
Total number of stores and distribution centres	Corporate stores: 498 Franchise stores: 284 Distribution centres: 6 (Please see page 2 for breakdown of store numbers)	Corporate stores: 527 Franchise stores: 230 Distribution centres: 6 (Please see page 2 for breakdown of store numbers)
Number of environmental, health and safety and/or governance legal incidents	None	None

Pick n Pay's Sustainable Development Key Performance Indicators	2009 KPI Performance	2008 KPI Performance
Employee issues*		
Total number of employees	38 409	36 541
New jobs created (direct employment only)	1 722	1 478
Employee turnover	11.75%	14.00%
Employment equity targets set by occupational level	See page 33	See page 33
Work-related fatalities	None	None
Number of classified injuries	116 injuries requiring time off work 916 injuries requiring minor attention	442 injuries requiring time off work 1 258 injuries requiring minor attention
Investment in employee training and development	R50.5 million	R40.0 million
Number of lost workdays due to industrial action	11.2 man-days	0.01 man-days
Environmental issues*		
Energy usage (stores, distribution centres, offices) Energy usage per m^2 per annum (stores)	613 million kWh 576 kWh	601 million kWh 637 kWh
Water consumption (stores, distribution centres, offices) Water consumption per m^2 per annum (stores)	1.48 million kilolitres 1.4 kilolitres (improved estimate)	2.04 million kilolitres (estimate) 2 kilolitres (estimate)
Waste – KwaZulu-Natal stores (by weight)	42% waste recycled; 58% waste to landfill (not recyclable) – see page 37	39% waste recycled; 61% waste to landfill (not recyclable)
Fuel usage (commercial fleet and company vehicles)**	9 346 837 litres (diesel) 3 255 018 litres (petrol)	5 768 740 litres (diesel) 3 198 121 litres (petrol)
Carbon footprint***	768 583 CO_2 equivalent metric tonnes	744 462 CO_2 equivalent metric tonnes
Corporate Social Investment		
CSI total spend	R60 million – 5.7% of post-tax profit	R60 million – 6.4% of post-tax profit

* These performance indicators relate only to the operations of Pick n Pay Stores Limited and Pick n Pay Retailers (Pty) Limited, our main operating company.

** Fuel increase based on 20.75% increase in fixed base fleet, servicing 21.57% more stores (vs 3.24% increase in carbon footprint)

*** Figures were calculated on the basis of fuel usage for our product distribution, corporate fleet (company cars), electricity usage in our stores, disribution centres and offices, and our business air-travel. Emissions from fuel usage were calculated using the World Business Council for Sustainable Development (WBCSD) greenhouse gas emissions reporting protocol. Emissions from electricity usage are calculated using the Eskom conversion factor of 1.2 tonnes of CO_2 per MWh of Eskom electricity.



1.

1. Pick n Pay's "Make Plastic Bags Extinct' campaign encouraged customers to use less plastic bags
2. Gave back food worth more than R1 million to participating customers and non-profit organisations
3. Distributed 50 000 vouchers, each offering 75% off the price of CFL lamps



2.



3.

Economic growth

We are committed to:

- Ensuring sustainable company profits, supporting the local economy and promoting job creation
- Maintaining highest standards of corporate governance
- Integrating sustainability into governance and internal audit structures
- Continuing to identify and strive to meet stakeholder expectations
- Further developing partnerships to promote more sustainable sourcing, fairer trading practices and greater awareness

Performance milestones:

- Opened 32 new corporate stores and converted 27 Score stores to independent black-owned Pick n Pay franchise formats, creating new business owners and jobs, driving our growth in rural communities
- Developed a partnership model aimed at delivering sustainability-driven business solutions; the forum identifies new partnerships for sustainable solutions, putting innovative ideas into practice
- Continuing to promote sustainable sources: organic and free-range produce, responsible management of fish stocks and livestock, household eco-products; all our wood products are FSC certified
- Invested significantly in increasing our local organic supplier base; we increased our sales of organics by 50% last year to over R6 million
- Significant improvement in fresh foods and produce supplier relationship management, enhanced by efficiency initiatives through our central distribution centre
- Reviewing our procurement practices internally with the aim of implementing revised policies to improve standards in the supply chain. Our focus has been on ethical issues, notably labour standards, and moving forward will be on animal welfare and green procurement practices
- Animal welfare – progressing on new policy and protocol development around farming, in consultation with Landmark Foundation, NSPCA, Meat Producers and Compassion in World Farming; we also enhanced our long-standing Country Reared programme



1.

1. Nearing completion of our project to convert Score stores to the Pick n Pay brand – transferring trading assets worth about R1 billion into the hands of new owners. Galeshewe franchise store owner Cynthia Gcuwa with Mr Raymond Ackerman
2. Pick n Pay is a proud SASSI Retail Participant and a founding sponsor and supporter of the initiative

2.

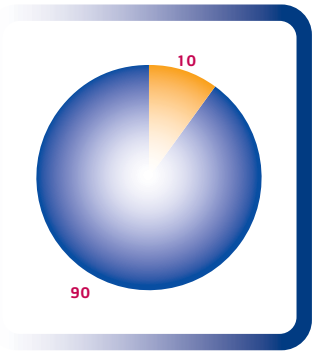


3.

Pick n Pay branded products – local versus imported

(%)

5.



Pick n Pay branded products – 10% imported

Pick n Pay branded products – 90% locally supplied

3. Animal welfare – partnering with Landmark Foundation on a predator management programme in the Eastern Cape; we plan to sell the farmers' meat, labelled "predator friendly", in stores in the area

   Pictured here is Bool Smuts (left) and his team with the 24th leopard rescued

4. Contracted OrganiMark to drive our organic product offering as part of enterprise development activities: Feasibility studies undertaken for meat and meat products, cotton and bioparaffin

5. 90% of Pick n Pay branded products are now locally supplied



4.

Transformation

We are committed to:

- Promoting growth of historically disadvantaged individuals
- Promoting and enhancing equitable representation at senior and executive levels
- Increasing procurement from black-empowered or black-owned businesses/enterprises
- Implementing training to inspire and empower our staff and supplier base to ensure sustainability

Transformation milestones:

Implementing the BEE Charter:

- ***Ownership*** – 42% of our entire workforce now hold 56 268 800 share options in the Group. This year 16 755 800 share options were granted to 3 085 employees and 4 002 300 share options were taken up by 1 143 employees
- ***Employment equity*** – Annual employment equity targets are reviewed in October, in line with the Department of Labour. To date we have exceeded most of our 2009 employment equity targets (see chart on page 33)
- ***Management*** – 652 trainee managers, including 19 trainee managers who are midway through our two-year Retail Academy programme aimed at developing future management. We launched a female mentorship programme in the Western Cape and are rolling out the initiative in all other regions
- ***Skills development*** – Significantly increased our level of expenditure on training and development, notably investment in our assessment centres and our Franchise Academy to develop black entrepreneurs as store owners. Regional training expenditure increased 6% and management participation in training and development increased 25%. We completed our project in partnership with the Wholesale and Retail Skills Education Training Authorities (SETA) to develop skills that are considered scarce: 181 learnerships completed
- ***Preferential procurement*** – We launched an exciting campaign, "Shelf Life", in partnership with the *Sunday Times,* aimed at developing and enlisting small consumer-goods manufacturers as our suppliers. We provided free workshops to around 350 small enterprises to develop their business skills as sustainable, reliable suppliers and an ongoing mentorship programme has been created
- ***Enterprise development*** – Over R10 million has been allocated over the last year towards enterprise development projects in the training and manufacturing communities to increase the supplier base to our emerging stores from local projects. The aim is to develop sustainable suppliers of goods and services to our business
- Implementation of BEE codes of good practice as laid down by the DTI

Employment equity targets by occupational levels (%)





1.



2.

1. Spurring entrepreneurial spirit by providing the skills and opportunities for small and micro-enterprises to become our suppliers
2. Roadshows to develop and grow partnerships with SMEs to assist them in becoming part of the Pick n Pay supplier base
3. Supporting Bio Swiss Industries, one of our major organic produce suppliers, which has signed a MOU with the Department of Agriculture committing it to help farmers in KwaZulu-Natal



3.

Social development

We are committed to:

- Ensuring our Corporate Social Investment (CSI) activities align with Government and UN Millennium Development goals
- Implementing and enhancing staff social initiatives
- Continued investment in our employees and activities to promote sound health and safety practices in the workplace, including management of HIV/Aids
- Ensuring high levels of customer service and satisfaction, including promoting healthy living

Performance milestones:

- Committed R60 million to our CSI activities (5.7% of post-tax profit). We disbursed R1.3 million towards bursaries: Race Relations received R750 000 and the remaining R550 000 was distributed in bursaries for the development of our employees' respective families
- Initiated a pilot programme at Boksburg Hyper aimed at building closer relations between our employees and their local communities, through projects selected by our employees
- Significant reduction in safety incidents in the workplace: 74% reduction in injuries requiring time off work and 27% reduction in injuries requiring minor attention
- Implemented an ongoing management HIV/Aids training programme: 314 managers trained
- Since our re-branding exercise in 2008 we have seen a 32% reduction in customer complaints about our Pick n Pay branded products and an increase in sales of these products
- We have removed MSG and Tartrazine, and reduced the levels of sugar, salt, saturated and trans fats, in selected Pick n Pay branded products
- Increased our health-related initiatives through our dietician, consumer materials and labelling



1.

1. Learners completed their Professional Cookery Qualification, equipped with high quality food preparation skills – a significant asset to our business
2. An inspired new range of organic products

3.







2.



3.



4.



5.

3. Providing nutritious lunch boxes to underprivileged children in the Eastern Cape
4. The 2008 Pick n Pay Calypso Cricket road show involving over 8 000 participants all along the SA coast encouraging children to follow a healthy lifestyle
5. We sold almost 365 000 copies of our awardwinning *Fresh Living* magazine, making it the highest selling audited food magazine in South Africa
6. Wind turbine system at our Port Elizabeth regional office generates 3% of the daily electricity usage



6.

Environmental responsibility

We are committed to:

- Reducing the carbon footprint of our retail stores, distribution centres and offices
- Reducing the generation of waste at our retail stores, distribution centres and offices
- Actively promoting innovative initiatives relating to packaging, products and store design
- Establishing new partnerships to promote more sustainable and ethical sourcing
- Making it easier for our customers to meet their own environmental responsibility

Performance milestones:

- Action at store level to meet energy and waste commitments and reduce chemical use
- Focus on e-waste: responsible disposal of IT equipment following the implementation of SAP programme. Formulating nationwide e-waste strategy
- As part of our ongoing "power pledge" energy-saving campaign for staff and customers, in partnership with Eskom, we distributed 50 000 vouchers, each offering 75% off the price of a CFL lamp, in our stores
- Reduced our local business travel through greater use of virtual communications and more stringent travel policies
- Packaging initiatives across food and general merchandise divisions leading to reductions in packaging and cost savings – focus going forward on quantifying and tracking performance
- Introduced CFL and battery recycling facilities in all our stores and will be adding facilities for plastic bags and ink cartridges
- Wind turbine system installed at our regional office in Port Elizabeth to generate electricity and pilot solar heating installed at our Longmeadow distribution centre to provide hot water
- Continuing to action the biodiesel from waste project; we have appointed contracts at key national centres to collect, process and deliver biofuel to our distribution centres for use as a blend in our trucks
- Building on the success of our integrated waste plan in KZN, we aim to roll out waste recycling to all regions by the end of the 2010 financial year
- Developed a set of guidelines for the design of eco-effective stores
- Working in partnership with Leadership for Conservation in Africa to develop capacity in developing country governments in Africa to find solutions to address conservation issues

1. **KZN waste figures**

KZN Sample stores actual volume			Extrapolated national volume (kgs)	
General waste	2 092 483	57.86%	29 892 614	57.86%
Glass	2 100	0.14%	30 000	0.14%
Cans	2 270	0.15%	32 429	0.15%
Paper	1 468 752	96.38%	20 982 171	96.38%
Plastic	50 772	3.33%	725 314	3.33%
Recycling	1 523 894	42.14%	21 769 914	42.14%
Total kgs	3 616 377		51 662 528	

2. **Our carbon footprint**

Source of operational CO^2 emissions	CO^2 equivalent metric tonnes 2008/2009	CO^2 equivalent metric tonnes 2007/2008
Energy usage at stores, distribution centres and offices	735 600	721 200
Diesel usage from commercial fleet and company vehicles	24 582	15 172
Petrol usage from commercial fleet and company vehicles	7 487	7 353
Business air travel	914	686
*Total	768 583	744 414

*This does not include store and office refrigeration and air conditioning gases.

1. Our KZN stores waste programme statistics
2. Relative to turnover increase of 17.4%, carbon footprint increased with 3.24%, an improvement in our emissions intensity compared to 2008
3. Pick n Pay converted fresh produce pre-packs from PVC trays to Polypropylene or PET punnets (an example of one packaging programme)
4. We took the lead in developing a Fair Trade Eco shopping bag
5. Pick n Pay launched a joint initiative with rechargeable battery manufacturer Uniross and CFL manufacturer Philips to place collection bins in all its stores


3.



4.


5.

Ten-year review

R million unless otherwise stated		2009	2008	2007	2006	2005	2004	2003*	2002*	2001*	2000*
OPERATING RESULTS – CONTINUING OPERATIONS	Annual growth										
Turnover	17.4%	**49 862.1**	42 474.3								
Trading profit	11.2%	**1 686.6**	1 517.3								
Operating profit	13.4%	**1 734.8**	1 530.1								
Headline earnings	17.8%	**1 096.7**	931.2								
OPERATING RESULTS – GROUP	10-year compound annual growth										
Turnover	15.4%	**51 932.9**	45 380.7	39 337.1	35 078.4	31 885.0	29 276.1	26 194.2	18 817.5	15 126.1	13 606.7
Trading profit	24.6%	**1 563.6**	1 482.1	1 256.7	1 036.3	910.3	718.9	632.7	440.7	347.0	274.2
Operating profit	19.8%	**1 636.2**	1 498.8	1 256.6	1 059.7	958.8	754.2	691.9	485.9	409.4	354.6
Headline earnings (in 2007 – before deferred tax adjustment)	18.9%	**982.1**	899.9	813.0	702.6	607.6	510.2	452.8	353.3	298.8	242.7
CONSOLIDATED BALANCE SHEETS											
Assets											
Non-current assets											
Intangible assets		**1 093.6**	1 155.9	904.6	745.8	659.5	687.6	742.1	704.1	—	—
Property		**863.9**	848.6	752.2	499.0	251.6	182.3	110.9	95.4	70.3	119.6
Equipment, vehicles and aircraft		**2 073.1**	1 953.9	1 773.0	1 374.7	1 159.3	1 045.4	877.2	855.1	817.2	818.1
Investments		**0.2**	0.2	0.2	9.3	3.6	2.7	176.4	195.5	195.5	181.5
Investment in associate		**—**	—	9.1	47.0	23.6	15.0	12.6	11.0	9.5	8.0
Loans		**128.6**	120.7	108.8	96.7	95.8	89.6	97.5	89.2	135.8	105.0
Operating lease asset		**19.3**	10.9	5.9	4.8	3.7	2.5	2.1	2.0	2.0	1.8
Participation in export partnerships		**57.9**	61.5	67.8	71.8	102.7	127.6	143.3	149.3	166.2	183.4
Deferred tax		**99.8**	105.8	151.2	238.3	209.7	94.1	32.7	(18.1)	(40.8)	(50.3)
		4 336.4	4 257.5	3 772.8	3 087.4	2 509.5	2 246.8	2 194.8	2 083.5	1 355.7	1 367.1
Current assets											
Inventory	16.7%	**3 334.5**	3 028.5	2 352.7	1 979.9	1 851.7	1 560.7	1 501.4	1 259.5	862.5	727.9
Trade and other receivables		**1 769.5**	1 243.9	943.7	750.7	634.5	628.1	495.7	357.5	287.1	301.6
Cash and cash equivalents		**1 072.8**	663.2	709.1	944.6	1 329.0	1 502.5	1 035.6	986.5	1 085.3	773.3
Assets held for sale – discontinued operation		**62.6**	—	—	—	—	—	—	—	—	—
		6 239.4	4 935.6	4 005.5	3 675.2	3 815.2	3 691.3	3 032.7	2 603.5	2 234.9	1 802.8
Total assets		**10 575.8**	9 193.1	7 778.3	6 762.6	6 324.7	5 938.1	5 227.5	4 687.0	3 590.6	3 169.9
EQUITY AND LIABILITIES											
Ordinary shareholders' equity		**1 695.5**	1 340.9	1 004.9	851.9	699.5	772.3	640.1	782.6	492.7	351.9
Minority interest		**—**	—	—	—	—	—	—	—	19.6	18.4
Non-current liabilities											
Long-term debt		**678.1**	681.3	181.8	192.9	199.2	188.2	243.3	241.3	242.3	89.4
Retirement scheme obligations		**8.2**	49.0	129.0	194.8	189.8	145.0	125.9	123.5	109.2	113.4
Operating lease liability		**658.5**	626.9	584.3	554.4	505.5	430.8	428.9	391.0	314.4	300.5
		1 344.8	1 357.2	895.1	942.1	894.5	764.0	798.1	755.8	665.9	503.3
Current liabilities											
Short-term debt		**38.3**	36.4	51.6	79.5	61.7	159.9	186.7	17.2	15.3	13.1
Trade and other payables	14.3%	**7 315.8**	6 209.2	5 605.4	4 654.1	4 282.3	3 972.0	3 394.9	2 897.1	2 184.6	2 045.8
Tax		**181.4**	249.4	221.3	235.0	386.7	269.9	207.7	234.3	212.5	237.4
		7 535.5	6 495.0	5 878.3	4 968.6	4 730.7	4 401.8	3 789.3	3 148.6	2 412.4	2 296.3
Total equity and liabilities		**10 575.8**	9 193.1	7 778.3	6 762.6	6 324.7	5 938.1	5 227.5	4 687.0	3 590.6	3 169.9
Directors' valuation – Property		**1 318.1**	1 230.6	1 077.9	831.2	476.6	365.5	247.4	223.0	232.4	291.0
– Investments		**2.5**	2.2	0.2	9.3	3.6	2.7	176.4	195.5	195.5	181.5
STATISTICS											
Number of outlets – Corporate (including Liquor Stores)		**498**	527	504	468	446	438	396	332	221	224
– Franchise (including Liquor Stores)		**284**	230	209	179	172	162	157	139	193	176
Total selling area – Corporate	000 m²	**880**	893	875	803	790	800	748	678	503	492
– Franchise	000 m²	**320**	254	224	215	205	198	187	173	206	187
Number of TM Supermarkets		**56**	56	56	54	54	53	53	53	50	49
Number of Auto Centres		**5**	5	5	5	5	5	5	10	9	14
Total number of employees**	000's	**53.1**	54.7	49.2	47.0	47.7	44.7	31.0	27.3	24.5	24.7

*The Group adopted International Financial Reporting Standards (IFRS) in the 2006 financial year. The results presented above for the years after February 2004 are fully IFRS compliant and have been audited. The impact of IFRS for all years preceding February 2004 has been accounted for based on estimates, has not been audited and has only been presented to assist users with further comparative information.

**Prior to 2004 all casual employees were included as a one-third equivalent of full-time employees in this total. From 2004 these employees have been fully accounted for in the total number of employees, as they now receive full proportional company benefits as variable-time employees.

			2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
PERFORMANCE MEASURES – CONTINUING OPERATIONS												
Turnover growth	%		**17.4**									
Trading profit growth	%		**11.2**									
Operating profit growth	%		**13.4**									
Headline earnings growth	%		**17.8**									
PERFORMANCE MEASURES – GROUP		10-year compound annual growth										
Turnover growth	%	15.4	**14.4**	15.4	12.1	10.0	8.9	11.8	39.2	24.4	11.2	10.1
Trading profit growth	%	24.6	**5.5**	17.9	21.3	13.8	26.6	13.6	43.6	27.0	26.5	58.7
Operating profit growth	%	19.8	**9.2**	19.3	18.6	10.5	27.1	9.0	42.4	18.7	15.5	32.0
Headline earnings growth	%	18.9	**9.1**	10.7	15.7	15.6	19.1	12.7	28.2	18.2	23.1	39.0
Trading profit on turnover	%		**3.0**	3.3	3.2	3.0	2.9	2.5	2.4	2.3	2.3	2.0
Operating profit on turnover	%		**3.2**	3.3	3.2	3.0	3.0	2.6	2.6	2.6	2.7	2.6
Headline earnings on turnover	%		**1.9**	2.0	2.1	2.0	1.9	1.7	1.7	1.9	2.0	1.8
Return on shareholders' equity	%		**64.7**	76.7	87.6	90.6	82.6	72.2	63.7	55.4	70.8	85.5
Return on total assets	%		**9.9**	10.6	11.2	10.7	9.9	9.1	9.1	8.5	8.8	8.0
Headline earnings per share	cents	19.0%	**208.2**	198.1	178.3	152.4	129.6	108.4	93.6	70.8	61.1	50.0
Headline earnings per share growth	%		**5.1**	11.1	17.0	17.5	19.6	15.8	32.2	15.8	22.2	37.2
Net asset value per share	cents	19.5%	**441.7**	355.1	281.9	247.2	193.0	197.3	161.0	184.5	129.4	102.5
JSE LIMITED INFORMATION												
Pick n Pay Stores Limited (PICKNPAY)												
Number of shares in issue (*)	millions		**506.1**	506.1	486.1	486.1	486.1	483.4	483.4	497.1	501.3	494.8
Market capitalisation	Rm	15.8%	**15 690.2**	15 690.2	15 974.4	14 729.9	11 229.7	8 508.6	6 018.9	4 896.9	6 040.3	5 319.4
Price-earnings ratio	times		**14.9**	15.7	18.4	19.9	17.8	16.2	13.3	13.9	19.7	21.5
Dividend per share	cents	19.9%	**170.0**	149.1	134.3	113.8	96.5	80.0	69.0	51.8	42.9	34.8
Dividend cover	times		**1.2**	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4
PICKNPAY ordinary shares												
Volume of shares traded (*)	millions		**238.8**	239.7	255.0	147.9	140.2	133.7	171.6	191.4	128.9	130.2
Percentage of shares traded	%		**47.2**	47.4	52.5	30.4	28.8	27.7	35.5	38.5	25.7	26.3
Share price – High	cents		**3 749**	3 880	3 631	3 200	2 494	1 850	1 500	1 350	1 400	1 195
Share price – Low	cents		**2 540**	2 826	2 580	2 150	1 630	1 160	900	900	850	700
Share price – Year-end	cents	14.8%	**3 100**	3 100	3 286	3 030	2 310	1 760	1 245	985	1 205	1 075
Pick n Pay Holdings Limited (PIKWIK)												
Number of shares in issue	millions		**527.2**	527.2	527.2	527.2	527.2	527.2	527.2	527.2	522.6	516.3
Headline earnings per share	cents	18.4%	**104.1**	97.5	89.8	77.5	66.8	56.2	49.4	37.8	32.0	26.4
Dividend per share	cents	19.8%	**83.0**	72.8	65.5	55.0	47.1	39.1	33.7	25.3	20.9	17.0
PIKWIK ordinary shares												
Volume of shares traded (*)	millions		**85.7**	86.2	76.0	39.9	61.1	49.9	72.5	90.4	108.9	115.0
Percentage of shares traded	%		**16.3**	16.4	14.4	7.6	11.6	9.5	13.8	17.1	20.8	22.3
Share price – High	cents		**1 560**	1 603	1 570	1 420	1 135	814	610	540	580	445
Share price – Low	cents		**1 090**	1 205	1 170	1 040	760	490	385	381	335	260
Share price – Year-end	cents		**1 310**	1 290	1 484	1 355	1 125	800	520	420	490	400

*N ordinary shares were in issue during the 1997 – 2000 financial years and share volumes and number of shares include N ordinary shares in these years.

DEFINITIONS:

Headline earnings	Profit for the year adjusted for the after-tax effect of certain capital items
Return on shareholders' equity	Headline earnings expressed as a percentage of the average ordinary shareholders' equity for the year
Return on total assets	Headline earnings expressed as a percentage of the average total assets for the year
Headline earnings per share	Headline earnings divided by the weighted average number of shares in issue for the year
Dividend cover	Headline earnings per share divided by the dividends per share which relate to those earnings
Net asset value per share	Total value of net assets at year-end, adjusted for directors' valuations of property and investments, divided by the number of shares in issue at year-end, held outside the Group
Market capitalisation	The price per share at year-end multiplied by the number of shares in issue at year-end
Price-earnings ratio	The price per share at year-end divided by headline earnings per share
Dividends per share	The interim dividend declared during the current financial year and the final dividend declared after year-end, in respect of the current financial year

Corporate governance

The board of directors and senior management are committed to the highest standards of corporate governance and take pride in our high moral and ethical business standards. The Group is committed to sound and transparent business practices. The board is committed to complying, in all material respects, with the principles contained in the King Code of Corporate Practices and Conduct (King II), as well as to the additional requirements for good corporate governance stipulated in the JSE SRI Index. An overview of the Group's corporate governance framework is provided in this section.

A more comprehensive review – with details of all board and committee charters, and on the roles and responsibilities of the Chairman, CEO and Managing Directors – is available in the Investor Relations section of our website.

GROUP STRUCTURE

The Group has a flat organisational structure. Overall responsibility lies with the Pick n Pay Stores Limited board. Operational responsibility for the Group is vested in three divisions: the Retail Division, the Group Enterprises Division and Franklins Australia. Each division has its own management board, with each Managing Director of those boards reporting directly to the CEO. This flat Group structure enables local operations to take ownership of decision-making and to assume individual responsibility for their actions and success. The structure encourages personal growth and achievement, ensuring that initiative is enabled, identified and rewarded.

THE BOARD

The board comprises six non-executive directors and four executive directors. It is responsible for selecting a successful management team, approving corporate strategy, monitoring and assessing performance, and acting as a resource for management in matters of planning and policy. The board is responsible for setting the governance policy and practices for the Group, and for appointing the Chairman and CEO, whose roles are separate. The board meets four times a year to monitor the performance of the Group, its executive directors and senior management.

The board performs an annual self-assessment of its performance and the results of this review are made available to the external auditors.

ENDURING PRINCIPLES OF PICK N PAY

The board has a responsibility to ensure that the CEO and management do not depart from the following enduring principles that were applied by Raymond Ackerman while building the Group and which ensure that the spirit of Pick n Pay remains intact:

- Consumer sovereignty
- Striving for a flat organisational structure
- Where appropriate, maximising decentralisation of authority to enable local control
- Promoting from within, recruiting from outside only as an exception when specialist skills are required
- Maintaining a discount image
- Fighting collusion amongst suppliers, and rejecting collusion between retailers
- Maintaining strong cash balances for buying forward on a rising market

LEADERSHIP DEVELOPMENT

The Chairman evaluates the performance of the CEO annually, which is then discussed with the non-executive directors. The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and management development. The CEO reports to the board on succession planning, with a defined succession plan in place should the CEO, MDs or any of the senior management personnel need to be replaced. Succession planning is also performed across the Group to ensure continuity of the business. The CEO reports annually to the board on the Group's programme and performance in respect of management development and employment equity.

BOARD COMMITTEES

The board is assisted by the following specialised committees: Audit, Risk and Compliance; Remuneration; Nominations; and Corporate Governance. Each committee has a formal charter which is reviewed annually by the board. Detailed information on each of the committees is available for download from our website. A brief outline of the role and responsibility of each committee is provided below:

Audit, Risk and Compliance committee

This committee is chaired by and comprises only independent non-executive directors. In accordance with the requirements of the Corporate Laws Amendment Act 24 of 2006 we confirm:

Members of the committee are appointed annually by the board for the ensuing financial year.

The committee's responsibilities carried out during the year are varied and include:

- performing certain risk management responsibilities on behalf of the board;
- ensuring that necessary risk management strategies and internal controls are in place (through consultation with internal and external auditors);
- establishing that management is adhering to and continually improving these controls;
- acting as a liaison between the external auditors and the board;
- the annual nomination of the external auditor, who in the opinion of the committee, is independent of the Company, for approval at the AGM;
- the annual determination of the scope of audit and non-audit services which the external auditors may provide to the Company;
- the approval of the remuneration of the external auditors and assessment of their performance;
- an annual assessment of the independence of the external auditors. The committee confirms that it is satisfied with the independence of the Group's external auditors and the respective audit partners;
- receive and deal appropriately with any complaints relating to the accounting practices and internal audit of the company or to the content or auditing of its financial statements, or to any related matter; and
- perform other functions as determined by the board.

In respect of internal control and internal audit, the committee:

- reviews and approves the internal audit charter and audit plans and evaluates the independence, effectiveness and performance of the internal audit function and compliance with its mandate;
- reviews the Company's systems of internal control including financial controls;
- reviews significant issues raised by the internal audit process; and
- reviews policies and procedures for preventing and detecting fraud.

In respect of risk management, the committee:

- ensures that its processes and procedures are adequate to identify, assess, manage and monitor enterprise-wide risks; and
- reviews tax and technology risks, in particular how they are managed.

The committee discharges its board responsibilities by:

- meeting at least twice a year to review the Group's financial results, to receive and review reports from both the internal and external auditors, and to meet with management to review their progress on identifying and addressing key risk areas within the business;
- reporting its findings to the board at the next meeting, which is always held within a week of the respective committee meeting;
- meeting separately with the internal and external auditors to confirm that they are receiving the full cooperation of management; and
- the committee chairman meeting regularly with key executives to keep abreast of emerging issues.

The committee discharges all Audit committee responsibilities of all the subsidiary companies within the Group. To help it discharge this responsibility a financial review committee, chaired by the CFO, reviews in detail the results of all material operating subsidiary companies with the external auditors and management of the respective subsidiary. This review committee reports its findings to the Audit, Risk and Compliance committee.

The external and internal auditors have unrestricted access to the committee and all of its members throughout the year.

Per the JSE listing requirements, the committee must consider and be satisfied, on an annual basis, of the appropriateness of the expertise and experience of the Financial Director and the Company must confirm this by reporting to the shareholders in its annual report that the Audit committee has executed this responsibility.

In respect of the above, we believe that Dennis Cope, the CFO, possesses the appropriate expertise and experience to meet his responsibilities in that position.

Remuneration committee

The Remuneration committee, which meets at least twice a year, is chaired by an independent non-executive director and comprises only non-executive directors. The committee is responsible for reviewing and approving the remuneration of executive and non-executive directors and senior management. The Group's philosophy is to remunerate its employees fairly in relation to the nature of the services they provide. The Group aims to remunerate all its employees in the upper quartile of their peer group in the retail industry and, for senior executives, to ensure that an appropriate proportion of their total package is performance related. In addition to cash remuneration, employees are afforded the opportunity to participate in Group share schemes, which align the interests of management to that of shareholders.

Nominations committee

The Nominations committee is chaired by the Chairman and members are only non-executive directors. The committee identifies and evaluates potential candidates for appointment to the board and has strict guidelines on the qualities required of directors. These qualities include being tough-minded, independent and objective, as well as being loyal to the principles and values upon which the Group is built. Non-executive directors should also have the necessary skills and experience to provide judgement independent of management on material board issues.

Corporate Governance committee

The Corporate Governance committee is chaired by the Chairman and members comprise non-executive directors and the Company Secretary. The committee ensures that corporate governance structures are in line with national and international standards, and are both appropriate and effective.

ACCOUNTABILITY

The CEO is responsible and accountable to the board for all Group operations. He has a formal role description (with limits of authority) from the board, which is reviewed annually. The CEO, who manages the Retail Management board, has appointed a Managing Director (MD) of Franklins and Group Enterprises to assist in discharging this responsibility. The duties and responsibilities of the MDs are also detailed in a formal role description, together with limits of authority, and these are approved and reviewed annually by the CEO.

The Chairman's Executive Committee (Exco), which comprises top management, helps the board assess strategic opportunities and guides the management boards on principles of strategy and policy.

The Company's policy of decentralisation and flat organisational structure means that each region is managed autonomously. Each region has its own management team that manages operational, marketing

and social responsibility budgets. Each store is responsible for its own results and responds individually to customer needs and in its choice of social responsibility programmes.

RISK MANAGEMENT

Efficient and effective risk management is a requirement of the King II report, which all listed JSE companies have to comply with. The board has recognised the importance of an effective risk management process and has adopted an enterprise-wide approach to risk management. This has resulted in the Company investing in an Enterprise Risk Management (ERM) software package. Risks identified are captured and rated in the ERM package, which houses the Company's risk register.

The board is responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks. The board is assisted in its responsibilities by the Audit, Risk and Compliance committee, whose objective is to monitor, develop and communicate the process for managing risk across all divisions in the Company. The day-to-day responsibility for identifying, evaluating and managing risk resides with management. The risk management process, which is regularly assessed by the Audit, Risk and Compliance committee, involves a formalised system to identify and assess risk, both at a strategic and operational level. The process includes the evaluation of the mitigating controls and other assurances in identifying and assessing the risks.

Risks are continually being identified and mitigated in terms of a process that involves allocating responsibility, developing action plans, and monitoring compliance with these action plans. Every employee has a role to play in this endeavour and in achieving the Company's goals and objectives.

Risks are monitored and reported upon at quarterly management meetings, and in the Audit, Risk and Compliance committee meetings. The Group's annual internal audit plan incorporates the outcomes of the risk management process. Group Risk and Assurance Services (internal audit) provides a risk identification facilitation role. Management is responsible for managing risks on a daily and operational basis. The Group has developed a culture of identifying and managing risk. The internal audit plan is based on a risk-based audit approach.

The Group's assets are insured against loss, with cover being taken out above predetermined self-insurance levels. In a disaster recovery circumstance, business continuity plans will ensure the business continues with the least amount of disruption, both from an information technology and operational viewpoint. These plans are reviewed and updated regularly.

CODE OF CONDUCT

The Group has endorsed a comprehensive code of conduct founded on the highest levels of honesty, integrity and respect. All employees are expected to comply with the code at all times. The board confirms that systems and procedures have been implemented to entrench the values and ethics laid down in the code of conduct, and to monitor compliance with the code.

All new staff members receive training on the code of conduct at induction. These values are continuously instilled through ongoing communication and training. A function of Human Resources is to monitor compliance with the code across the Group, to follow up complaints, to review disciplinary measures and the outcomes thereof, and to ensure the consistent application of disciplinary measures.

Further information on our code is available from our website.

DEALING IN GROUP COMPANY SHARES

All dealings in Pick n Pay Holdings Limited and Pick n Pay Stores Limited shares by both company and subsidiary company directors (where required by the JSE) and the Company Secretary are reported on the JSE Limited Securities Exchange News Service (SENS) within 48 hours of the trade having been made. Before these

trades are entered into they must be pre-approved by duly authorised directors of the Company concerned.

In addition to the above JSE-regulated approval process, all sales of Pick n Pay Group shares must be approved internally as follows:

- The Chairman by an independent non-executive director.
- The CEO and other directors of the board by the Chairman.
- Exco members by the Chairman and the CEO.
- Management board members and other senior executives by the CEO.

All employees and Group entities are not permitted to trade in the Group's shares during "closed periods" which start on the day after the interim and final stock counts (occurring in mid-August and mid-February, respectively) and end with the publication of the respective result on SENS.

PARTY POLITICAL SUPPORT

While it is our policy to support social initiatives across party lines, we do not support any individual political party, financially or otherwise.

DIRECTORS' ATTENDANCE AT MEETINGS

Pick n Pay Stores Limited board meetings

Director	21 April 2008	11 June 2008	20 Oct 2008	20 Feb 2009	AGM 11 June 2008
R D Ackerman *(Chairman)*	P	P	P	P	P
N Badminton *(CEO)*	P	P	P	P	P
G M Ackerman	P	P	P	P	P
W Ackerman	P	P	P	P	P
D G Cope *(CFO)*	P	P	P	P	P
R P de Wet	P	R	R	R	R
H S Herman	P	P	P	P	P
D M Nurek	P	R	R	R	R
C Nkosi	P	P	P	P	P
D Robins	P	P	P	P	P
B J van der Ross	P	P	P	P	P
J van Rooyen	P	P	P	P	P

Pick n Pay Holdings Limited board meetings

Director	21 April 2008	20 Oct 2008	20 Feb 2009	AGM 11 June 2008
G M Ackerman *(Chairman)*	P	P	P	P
R D Ackerman	P	P	P	P
W Ackerman	P	P	P	P
R P de Wet	P	P	P	A
H S Herman	P	P	P	P

P = Present A = Apology R = Retired

Pick n Pay Stores Limited – Audit Risk and Compliance committee meetings

Director	19 April 2008	17 Oct 2008
J van Rooyen *(Chairman)*	P	P
D M Nurek	P	R
B J van der Ross	P	P

Pick n Pay Stores Limited – Remuneration committee meetings

Director	25 April 2008	16 Oct 2008
D M Nurek *(Chairman – retired 30 April 2008)*	P	R
H S Herman *(Chairman – appointed 30 April 2008)*	P	P
G M Ackerman	P	P
R P de Wet	P	R

Pick n Pay Holdings Limited – Audit, Risk and Compliance committee meetings

Director	20 Oct 2008
R P de Wet *(Chairman)*	P
H S Herman	P

P = Present A = Apology R = Retired

DIRECTOR REMUNERATION

Directors are remunerated for various services rendered on behalf of the board, as indicated in the table below:

Pick n Pay Stores Limited – Director remuneration	Proposed 2010 R	2009 R
Chairman of the board	**1 500**	**1 500**
Lead non-executive director	**88 000**	**80 000**
Member of the board	**265 000**	**240 000**
Chairman of the Audit, Risk and Compliance committee	**220 000**	**200 000**
Member of the Audit, Risk and Compliance committee	**88 000**	**80 000**
Chairman of the Remuneration committee	**110 000**	**100 000**
Member of the Remuneration committee	**55 000**	**50 000**
Member of the Nominations committee	**50 000**	**50 000**

Pick n Pay Holdings Limited – Director remuneration	Proposed 2010 R	2009 R
Member of the board not serving on the Pick n Pay Stores Limited board	**50 000**	—

Analysis of shareholders

as at 28 February 2009

Pick n Pay Stores Limited

SHAREHOLDER SPREAD No. of shares held	No. of share-holders	%	No. of shares millions	%
1 – 1 000	4 609	52.7	1.9	0.4
1 001 – 10 000	3 169	36.2	10.4	2.1
10 001 – 100 000	747	8.5	23.0	4.6
100 001 – 1 000 000	197	2.3	57.6	11.4
1 000 001 and over	26	0.3	413.2	81.5
	8 748	**100.0**	**506.1**	**100.0**
DISTRIBUTION OF SHAREHOLDERS				
Holding company	1	—	257.3	50.8
Banks	71	0.8	7.0	1.4
Brokers	35	0.4	2.5	0.5
Close corporations	84	1.0	0.4	0.1
Endowment funds	50	0.6	1.2	0.2
Individuals	6 600	75.4	23.7	4.7
Insurance companies	45	0.5	7.2	1.4
Investment companies	22	0.3	84.8	16.8
Medical aid schemes	13	0.1	0.7	0.1
Mutual funds	199	2.3	37.8	7.5
Nominees and trusts	1 186	13.6	21.7	4.2
Other corporations	79	0.9	0.4	0.1
Pick n Pay Retailers (Pty) Limited	1	—	25.7	5.1
Pension funds	202	2.3	25.3	5.0
Pick n Pay Employee Share Trust	1	—	7.6	1.5
Private companies	151	1.7	2.3	0.5
Public companies	8	0.1	0.5	0.1
	8 748	**100.0**	**506.1**	**100.0**
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	9	0.1	293.0	57.8
Directors and associates	6	0.1	2.2	0.4
Pick n Pay Holdings Limited	1	—	257.3	50.8
Pick n Pay Retailers (Pty) Limited	1	—	25.7	5.1
Pick n Pay Stores Share Trust	1	—	7.8	1.5
Public shareholders	8 739	99.9	213.1	42.2
	8 748	**100.0**	**506.1**	**100.0**
Beneficial shareholders holding 1% or more				
Pick n Pay Holdings Limited			257.3	50.8
Public Investment Corporation			44.3	8.8
Liberty Life Assurance of Africa Limited			25.9	5.1
Pick n Pay Retailers (Pty) Limited			25.7	5.1
Sanlam			9.9	2.0
RMB Hip Trust			8.8	1.7
Pick n Pay Employee Share Trust			7.8	1.5
Brait Plato Fund			5.1	1.0

Pick n Pay Holdings Limited

SHAREHOLDER SPREAD No. of shares held	No. of share-holders	%	No. of shares millions	%
1 – 1 000	2 714	22.8	1.6	0.3
1 001 – 10 000	7 038	59.0	28.5	5.4
10 001 – 100 000	1 894	15.9	52.9	10.0
100 001 – 1 000 000	233	2.0	69.0	13.1
1 000 001 and over	42	0.3	375.2	71.2
	11 921	**100.0**	**527.2**	**100.0**
DISTRIBUTION OF SHAREHOLDERS				
Banks	13	0.1	1.7	0.3
Brokers	18	0.2	2.5	0.5
Close corporations	97	0.8	1.2	0.2
Endowment funds	78	0.7	3.5	0.7
Individuals	8 327	69.8	65.4	12.4
Insurance companies	12	0.1	18.6	3.5
Investment companies	38	0.3	5.4	1.0
Medical aid schemes	5	—	0.2	0.1
Mutual funds	118	1.0	70.4	13.4
Nominees and trusts	2 578	21.6	305.3	57.9
Other corporations	65	0.5	0.3	0.1
Pension funds	328	2.8	32.9	6.2
Pick n Pay Employee Share Trust	1	—	10.4	2.0
Private companies	225	1.9	8.6	1.6
Public companies	18	0.2	0.8	0.1
	11 921	**100.0**	**527.2**	**100.0**
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	11	0.1	278.6	52.8
Directors and associates	7	0.1	11.2	2.1
Ackerman Family Trust	1	—	254.9	48.3
Group Pension Scheme	1	—	0.4	0.1
Pick n Pay Employee Share Trust	1	—	10.4	2.0
The Blue Ribbon Meat Corporation (Pty) Limited	1	—	1.7	0.3
Public shareholders	11 910	99.9	248.6	47.2
	11 921	**100.0**	**527.2**	**100.0**
Beneficial shareholders holding 1% or more				
Ackerman Family Trust			254.9	48.3
Liberty Group			14.3	2.7
Investec Opportunity Fund			11.5	2.2
Pick n Pay Employee Share Trust			10.4	2.0
Investment Solutions			9.1	1.7

Shareholders' information

ANNUAL GENERAL MEETINGS ("AGMS") – 12 JUNE 2009

Registration commences at 09h00 for the AGMs of Pick n Pay Stores Limited and Pick n Pay Holdings Limited, to be held at 09h30 and 10h00, respectively. The venue for the AGMs will be the conference centre at the registered office, Pick n Pay Office Park, 101 Rosmead Avenue, Kenilworth, Cape Town.

The minutes of the previous year's AGMs held on 11 June 2008 are available on our website.

DIVIDENDS

	Pick n Pay Stores Limited		Pick n Pay Holdings Limited			
	Share code: PIK		Share code: PWK			
	ISIN code: ZAE000005443		ISIN code: ZAE000005724			
	Number	Amount (cents)	Number	Amount (cents)	Last date of trade	Date of payment
Interim	79	31.10	52	15.18	7 Dec 2007	18 Dec 2007
Final	80	118.00	53	57.65	6 June 2008	17 June 2008
Interim	81	35.75	54	17.45	5 Dec 2008	15 Dec 2008
Final	82	134.25	55	65.52	5 June 2009	15 June 2009
Interim	83		56		4 Dec 2009	14 Dec 2009
Final	84		57		4 June 2010	14 June 2010

PRELIMINARY PROFIT ANNOUNCEMENTS

Interim to 31 August 2009: about 21 October 2009
Final to 28 February 2010: about 21 April 2010

PUBLICATION OF 2010 ANNUAL REPORT

Mid-May 2010

REGISTERED OFFICE

Pick n Pay Office Park, 101 Rosmead Avenue
Kenilworth, Cape Town, 7708

COMPANY SECRETARY

Gary Lea

Business address

Pick n Pay Office Park, 101 Rosmead Avenue
Kenilworth, Cape Town, 7708

Postal address

PO Box 23087, Claremont, 7735
Tel +27(0)21 658-1000. Fax +27(0)21 797-0314
E-mail address: glea@pnp.co.za

PROMOTION OF ACCESS TO INFORMATION ACT

Information Officer – Penny Hinde

E-mail address: phinde@pnp.co.za

WEBSITE ADDRESS

www.pnp.co.za

WEB EDITOR

Thrisha Harrilall
E-mail address: tharrilall@pnp.co.za

REGISTRAR

Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel +27(0)11 370-5000. Fax +27(0)11 688-5248

AUDITORS

KPMG Inc. – Group and southern African operations

Ernst & Young – Australia

ATTORNEYS

Edward Nathan Sonnenbergs Inc.

PRINCIPAL BANKERS

ABSA Limited
First National Bank

JSE LIMITED SPONSOR

Investec Bank Limited, 100 Grayston Drive, Sandton, 2196



Score store conversions

The conversion of the Meadowlands Score store in Soweto, to a new Pick n Pay franchise store being opened here by Morgan and Mapule Makhubela, the franchisee, is just one of the many success stories in this exciting initiative.



Longmeadow distribution centre

Longmeadow now distributes to all 263 inland stores. Phase II of its development will accommodate central distribution, automated replenishment and strategic buy-ins.



Franklins

We are extremely pleased with the turnaround in profitability of our Franklins operation and congratulate the entire team for this achievement.


SAVE
SAVE



1.



2.



1. Boxer

Even in tough economic times Boxer continues to deliver outstanding results by offering great value to our lower income bracket customers.

2. Pick n Pay Express

Our forecourt venture with BP has been very successful giving us the confidence to trial further stores in the year ahead.