

# COMPANY FACT SHEET NO. 3: SHOPRITE CHECKERS

## WHO ARE THEY

The Shoprite Group of Companies, Africa's largest food retailer, operates 1246 corporate and 274 franchise outlets in 16 countries across Africa and the Indian Ocean Islands, and reported turnover of R72,298 billion for the 52 weeks ended June 2011. As of the year ended June 2011, it employed 93,500 people across its operations.

## WHERE ARE THEY

The group operates 169 corporate and 43 franchise stores in the 15 countries outside of South Africa- Angola, Botswana, Ghana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Its operations include Shoprite, Checkers, Checkers Hyper, Usave, OK Furniture, OK Power, Express, House & Home, Hungry Lion, OK Foods, OK Grocer, OK Minimark, OK Value, Megasave, Sentra, OK Enjoy, Shoprite LiquorShop, Checkers LiquorShop, Shoprite MediRite, Checkers MediRite

## TOP FIVE SHAREHOLDERS (JUNE 2011)

Shareholder	Percentage shares
Wiese, CH (Non-Executive Chairman)	16.54%
South African Government Employees Pension Fund	13.36%
Capital Group	11.5%
Shoprite Checkers (Pty) Ltd	6.87%
Lazard	3.37%

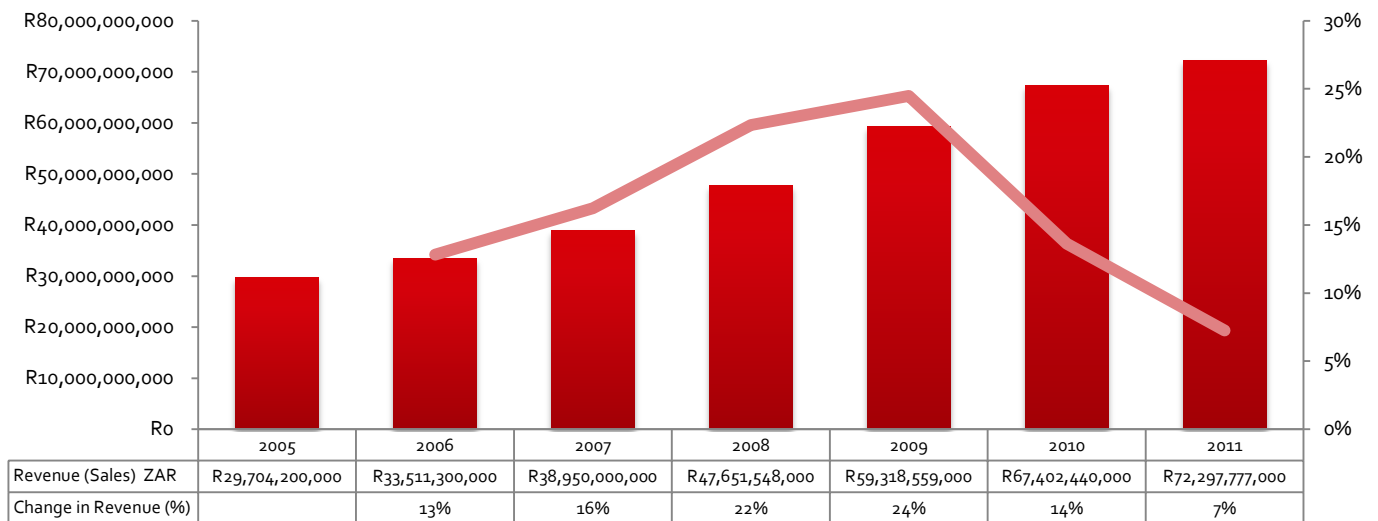
The major beneficial shareholder in Shoprite Checkers is the Chairman, Christo Wiese, holding over 16% of the shares (89 917 398). The CEO, James (Whitey) Basson holds slightly just under 2% of the company shares (10 110 084). As of October 2011, their shareholdings are worth R 10,340,500,770 and R 1,162,659,660 respectively.

## COMPANY PERFORMANCE

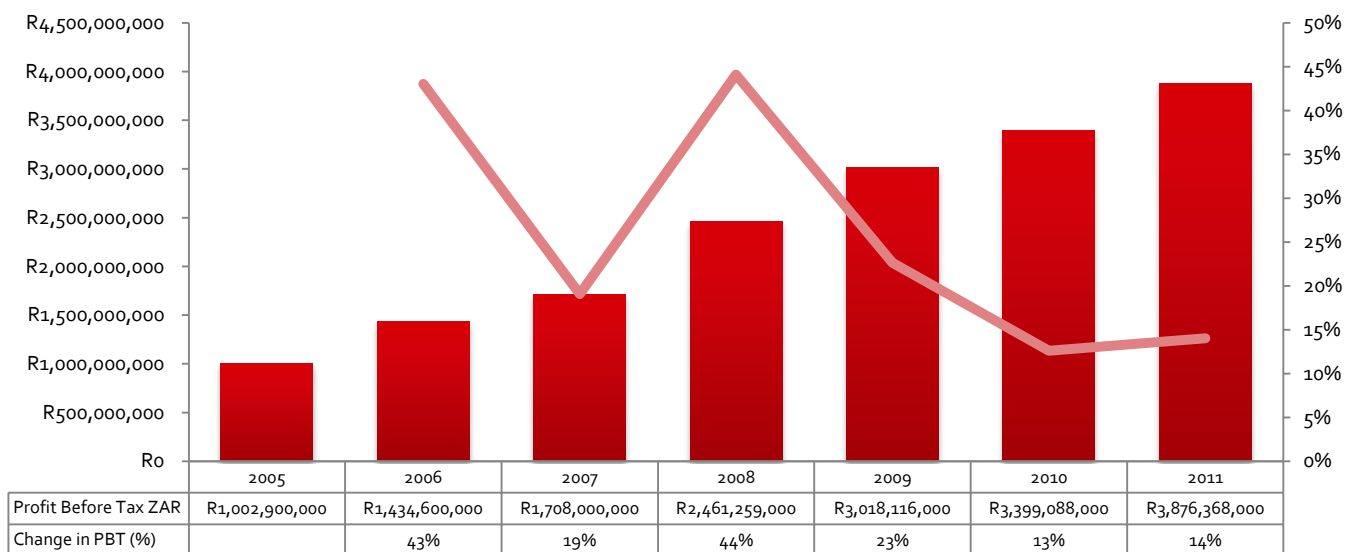
	Revenue (Sales) ZAR	Profit Before Tax ZAR	Change in Revenue (%)	Change in PBT (%)
2005	R 29,704,200,000	R 1,002,900,000		
2006	R 33,511,300,000	R 1,434,600,000	13%	43%
2007	R 38,950,000,000	R 1,708,000,000	16%	19%
2008	R 47,651,548,000	R 2,461,259,000	22%	44%
2009	R 59,318,559,000	R 3,018,116,000	24%	23%
2010	R 67,402,440,000	R 3,399,088,000	14%	13%
2011	R 72,297,777,000	R 3,876,368,000	7%	14%

Sales are still climbing, but slower than before, the rate halving annually over the last three years (24% increase in 2009, 14% in 2010, 7% in 2011). After slowing in 2010, profits have evened out at 14%, slightly more than before, but still well below the highs of a few years ago. Dividends continue to rise despite the slowdown in sales and profits.

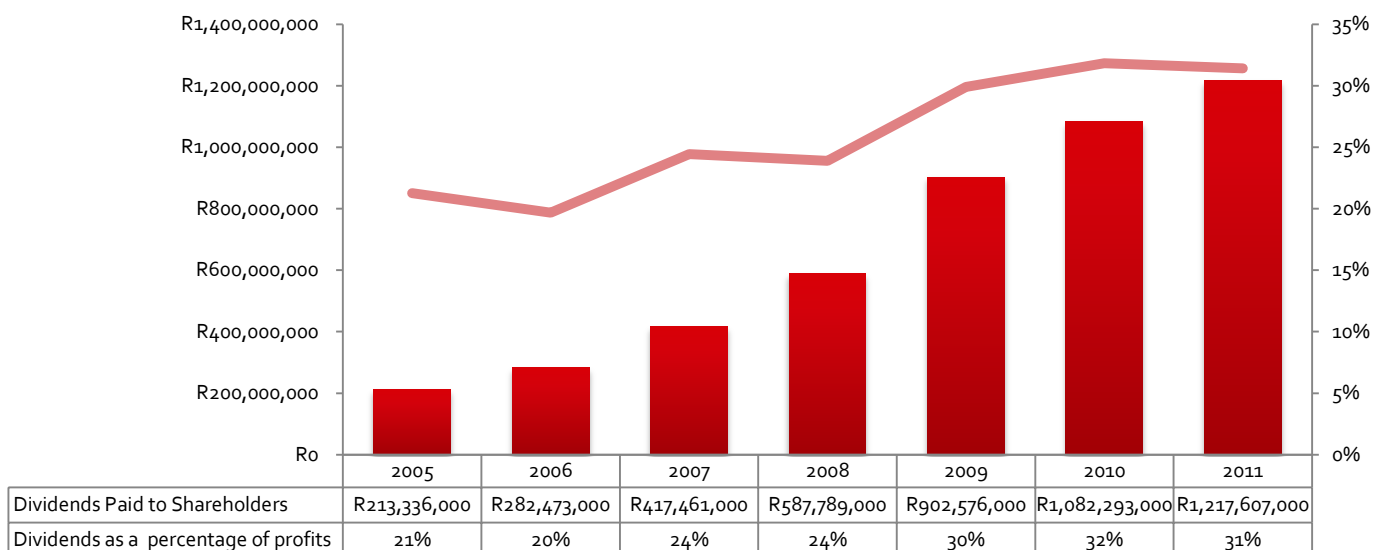
## REVENUE 2005 – 2011



## PROFIT 2005 – 2011



## SHOPRITE TOTAL DIVIDEND PAYOUT AS A PERCENTAGE OF PROFIT BEFORE TAX FOR THE YEAR 2005 - 2011



## DIRECTOR FEES

**Chief executive officer:** James Wellwood (Whitey) Basson (65) Appointed as Chief Executive Officer of Shoprite Holdings in 1979.

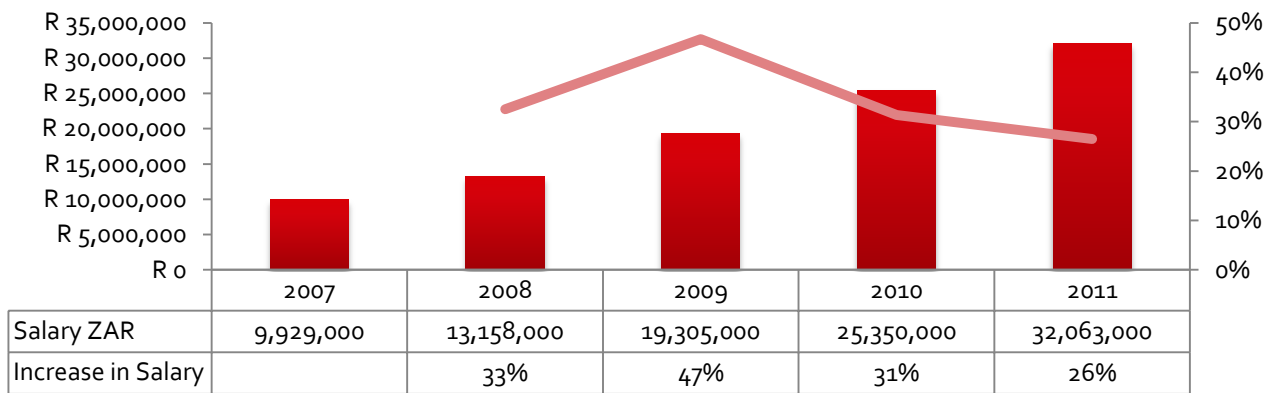
**Non-Executive Chairman** Dr Christo H Wiese (69) Appointed as Chairman of Shoprite Holdings in 1991.

POSITION	SALARY 2010	TOTAL PAY 2010**	SALARY 2011	TOTAL PAY 2011**
<b>Chief Executive Officer</b>	R25,350,000	R627,526,000	R32,063,000	R36,475,000
<b>Executive Director Average Fees</b>	R5,936,167	R9,199,000	R6,245,143	R15,828,167

\*\*Total Pay includes salary, allowances, benefits, bonuses and long-term incentive payments

Note that the CEO - Whitey Basson - cashed in share options of R594.5 million in 2010 which why his income in 2011 is lower than that of 2010 – although still over R35 million. However, his salary in that time increased by 26% from 2010 to 2011.

### CHIEF EXECUTIVE OFFICER SALARY INCREASE 2008 – 2011



## THE INCREASING WAGE GAP

In 2007 the wage for a general worker in Shoprite in South Africa was R22,800 per annum in 2007 and it would have taken 554 years for that worker to earn what the CEO took home that year. In 2009, the CEO's remuneration had increased to R24,128,000, while the minimum wage had increased by less than 10% to R24,000. A worker in South Africa had to work 1,005 years to earn what the CEO earned in 2009.

## LATEST COMPANY NEWS

**Industrial Action:** October 2011 – At Shoprite Supermarket in Maseru workers downed tools demanding a salary increment. The workers were joined by employees from Usave Supermarket and OK Furniture, subsidiaries of Shoprite Group. General workers at Shoprite are paid M610 per month against a minimum wage of M1300 gazetted by the law. The employees complained that the pay was not enough to meet their daily expenditures. A shop steward for the National Union of Commerce, Catering and Allied Workers in Shoprite, Pheello Thite, told the Lesotho Times that they wanted the company to hike their wages by just M250 a month. Shoprite management had however refused.

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