Pick n Pay Holdings Limited ("PIKWIK")

Share Code: PWK ISIN code: ZAE000005724

Pikwik's only asset is its 54.34% (2009: 54.43%) effective holding in Pick n Pay Stores Limited (excluding treasury shares). The Pikwik Group earnings are directly related to those of this investment.

Headline earnings for the year amount to R549.9 million (2009: R539.3 million).

Headline earnings per share from continuing operations is 117.93 cents (2009: 116.92 cents).

Diluted headline earnings per share from continuing operations is 114.92 cents (2009: 114.59 cents).

Headline earnings per share is 106.72 cents (2009: 104.78 cents). Diluted headline earnings per share is 103.84 cents (2009: 102.58 cents).

The total number of shares in issue is 527.2 million (2009: 527.2 million) and the weighted average number of shares in issue during the year is 515.3 million (2009: 514.7 million). Pikwik's total dividend for the year is 84.93 cents per share (2009: 82.97 cents per share), an increase of 2.4%.

Dividend declarations

The directors have declared the following cash dividends:

Pick n Pay Stores Ltd (No. 84)	**134.75**	**cents per share**
Pick n Pay Holdings Ltd (No. 57)	**65.63**	**cents per share**

For both Companies, the last day of trade in order to participate in the dividend (CUM dividend) will be Friday, 4 June 2010. The shares will trade EX dividend from the commencement of business on Monday, 7 June 2010 and the record date will be Friday, 11 June 2010.

The dividends will be paid on Monday, 14 June 2010.

Share certificates may not be dematerialised or rematerialised between Monday, 7 June 2010 and Friday, 11 June 2010, both dates inclusive.

On behalf of the boards of directors

GF Lea – *Company Secretary*
20 April 2010

Directors of Pick n Pay Stores Limited

Executive: NP Badminton *(CEO)*, DG Cope *(CFO)*, SD Ackerman-Berman, JG Ackerman

Non-executive: GM Ackerman *(Chairman)*, D Robins (German)

Independent non-executive: HS Herman, C Nkosi, BJ van der Ross, RSJ van Rensburg, J van Rooyen

On 1 March 2010, RD Ackerman and W Ackerman retired as members of the Board and SD Ackerman-Berman and JG Ackerman were appointed as full Board members.

Directors of Pick n Pay Holdings Limited

Non-executive: RD Ackerman *(Chairman)*, GM Ackerman, W Ackerman

Independent non-executive: RP de Wet, HS Herman

Registered office: 101 Rosmead Avenue, Kenilworth, Cape Town, 7708
Sponsor: Investec Bank Limited, 100 Grayston Drive, Sandton, 2196
Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

(www.pnp.co.za)

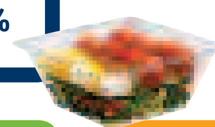
BASTION GRAPHICS

Pick n Pay

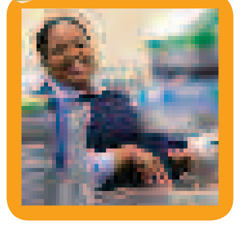
Reviewed condensed consolidated results for the year ended 28 February 2010

Financial highlights – continuing operations

Turnover ↑ 9.8%



Profit for the year ↑ 10.5%



EBITDA excluding capital profit on sale of properties and stores ↑ 3.3%

Headline earnings per share ↑ 1.1%

Total dividend per share ↑ 2.6%

Result overview – Continuing operations

As reported in October 2009, this financial year has been an exceptionally tough trading period with the recessionary climate biting especially hard during the second six months. We expect the 5.5% reduction in interest rates over the last 15 months and reduced food inflation to ease the strain on consumers' disposable income. However, the beginning of the 2011 financial year will continue to present a tough trading environment.

Despite these challenges, we continue to make significant strides in transforming Pick n Pay with the following positive results during the year:

- A slight increase in market share for the year (from continuing operations);
- The completion of the closure of the Score retail trading operation with a total of 70 stores now converted to Pick n Pay and Boxer. After accounting for the closure costs and for the provision of doubtful debts, we have made a material improvement to the profits from the old Score business;
- The consolidation of our 3 northern regions into one team will be completed by August 2010;
- Strong double-digit growth in fresh and private label sales, both being primary areas of focus;
- We added a further 5 sites to our Express network in conjunction with BP. These continue to exceed expectations. We are planning an accelerated rollout of this format;
- The implementation of our supply chain strategy continues apace with the expansion of the Longmeadow distribution facility nearly complete and significantly improved operating efficiencies with cost per case down by 15%;
- Completion of our SAP implementation in all corporate stores with only franchise stores in the Northern part of the country to be converted by August 2010; and
- Continued commitment to sustainable practices within the business. Our focus is on energy saving, waste control, recycling and enterprise development.

This is only the start of our transformation as we embed all of our strategic initiatives.

Group turnover at R54.7 billion was 9.8% above last year; Pick n Pay and Boxer growing by 11.5% and Franklins Australia by 1.4%, in Australian Dollars.

Trading profit for the year decreased by 2.5% as a direct result of the reduction in gross profit margin from 19.0% last year to 18.6% this year. This reduction in margin is due to our continued investment in prices on basic foods. However, the overall decrease was counteracted by enhanced operating efficiencies, especially in our supply chain.

Headline earnings per share at 236.33 cents is 1.1% above last year.

The **total dividend** per share for the year of 174.50 cents for Pick n Pay Stores Limited and 84.93 cents for Pick n Pay Holdings Limited is 2.6% and 2.4% above last year, respectively.

Operational highlights

Pick n Pay and Boxer increased turnover by 11.5% for the year. The second half of the year saw growth rates drop substantially as food inflation abated and customers remained cautious. During the year we opened 5 new Pick n Pay corporate supermarkets, 20 new Boxer stores and 38 new Pick n Pay franchise stores (including 5 Express stores and Score conversions). In the year ahead we plan to open a further 27 supermarkets under the Pick n Pay and Boxer brands and are working on opening substantially more new stores for the years thereafter.

As economic conditions continued to tighten during the second half of the financial year, earnings growth was affected by the rapid decline in food inflation (off the previous year high base), continued investment in lower selling prices, escalating electricity costs, and further conservative provisions against debt. Notwithstanding the above, we did see a significant increase in the number of customer transactions during the year, demonstrating the resilience of the PnP brand.

Franklins Australia turnover at AUD861.1 million increased by 1.4% and before capital items produced a profit of R21.9 million which is on par with last year. The impact of the 3 year, AUD50 million store refurbishment program continues to be positive with completed stores achieving double-digit sales growth and improved profitability. The program saw 18 refurbishments this year and a further 8 are planned for the next financial year. Franklins' Loyalty Club achieved substantial membership growth with cardholders now exceeding 780 000.

Our expansion further into **Africa** is progressing well. We are due to open our first corporate store in Zambia midyear; we have signed up franchise partners in Mozambique; and we have identified sites for expansion into Mauritius.

General comments

The Competition Commission investigation into food pricing is ongoing and we continue to give the process our full co-operation.

We expect trading for the first six months of the 2011 financial year to remain difficult. However, we are confident that we will start to reap the benefits of our strategic initiatives by: expanding our store footprint, continuing to improve the shopping experience of our customers, driving operating efficiencies through supply chain, SAP and operating cost reductions. All of these initiatives position us well to benefit from the anticipated upturn in the economy.

As announced in October 2009 our Chairman, Raymond Ackerman, and Mrs Wendy Ackerman have now retired as members of the Board. Words alone cannot express the gratitude that all associates, suppliers, management and employees of Pick n Pay feel for their vision and unwavering commitment to grow and build the Pick n Pay business over the past 43 years. We wish Raymond Ackerman all the best in his new ambassadorial role at Pick n Pay.

For and on behalf of the board

Gareth Ackerman	**Nick Badminton**
Chairman	*Chief Executive Officer*

20 April 2010

Pick n Pay Stores Limited – Share Code: PIK ISIN Code: ZAE000005443

Statement of comprehensive income

	Reviewed Year to Feb 2010 Rm	Growth %	Audited Year to Feb 2009* Rm
Continuing operations			
Revenue (note 5)	54 996.9		50 135.8
Turnover	54 734.5	9.8	49 862.1
Cost of merchandise sold	(44 576.4)		(40 404.7)
Gross profit	10 158.1		9 457.4
Other trading income	186.5		201.8
Trading expenses	(8 685.9)		(7 949.9)
Loss on sale of equipment and vehicles	(5.6)		(13.7)
Trading profit	1 653.1		1 695.6
Interest received	75.9		71.9
Interest paid	(91.6)		(107.5)
Profit on sale of property	190.9		68.7
Profit on sale of stores	—		15.1
Profit before tax	1 828.3		1 743.8
Tax	(531.9)		(570.5)
Profit for the period from continuing operations	1 296.4	10.5	1 173.3
Loss from discontinued operation (note 9)	(107.5)		(118.5)
Profit for the year	1 188.9		1 054.8
Other comprehensive income			
Exchange rate differences on translating foreign operations	73.8		(98.8)
Actuarial gains and losses	(34.3)		(6.5)
Total comprehensive income for the year	1 228.4		949.5
EBITDA, excluding capital profit on sale of properties and stores	2 388.4	3.3	2 311.4
Gross profit margin	18.6%		19.0%
Trading profit margin	3.0%		3.4%
Earnings per share – cents			
Basic	251.25	12.4	223.60
Continuing operations	273.97	10.2	248.72
Discontinued operation	(22.72)		(25.12)
Diluted	247.40	11.5	221.81
Continuing operations	269.76	9.3	246.73
Discontinued operation	(22.36)		(24.92)
Headline earnings reconciliation			
Profit for the year	1 188.9		1 054.8
Headline adjustments (net of tax):			
Loss on sale of equipment and vehicles	5.6		13.7
Loss on sale of equipment and vehicles – discontinued operation	1.3		3.9
Profit on sale of property	(183.7)		(68.7)
Profit on sale of stores	—		(15.1)
Headline earnings	1 012.1	2.4	988.6
Continuing operations	1 118.3	1.4	1 103.2
Discontinued operation	(106.2)		(114.6)
Headline earnings per share – cents			
Headline	213.90	2.1	209.57
Continuing operations	236.33	1.1	233.86
Discontinued operation	(22.43)		(24.29)
Diluted	210.62	1.3	207.89
Continuing operations	232.71	0.3	231.98
Discontinued operation	(22.09)		(24.09)
Interim dividend – No. 83 paid	39.75		35.75
Final dividend – No. 84 payable	134.75		134.25
Total dividend	174.50	2.6	170.00

*Restated – refer notes 2 & 3

Balance sheet

	Reviewed Feb 2010 Rm	Audited Feb 2009 Rm
Assets		
Non-current assets		
Intangible assets	1 126.7	1 093.6
Property, equipment and vehicles	3 415.5	2 937.0
Operating lease asset	33.5	19.3
Participation in export partnerships	50.6	57.9
Deferred tax	98.1	99.8
Loans	124.7	128.6
Investments	0.2	0.2
	4 849.3	4 336.4
Current assets		
Assets held for sale – discontinued operation	—	62.6
Inventory	3 326.2	3 334.5
Trade and other receivables	1 968.0	1 769.5
Cash and cash equivalents	1 055.3	1 072.8
	6 349.5	6 239.4
Total assets	11 198.8	10 575.8
Equity and liabilities		
Total shareholders' equity	2 144.6	1 695.5
Non-current liabilities		
Long-term debt	670.7	678.1
Retirement scheme obligations	24.7	8.2
Operating lease liability	695.9	658.5
	1 391.3	1 344.8
Current liabilities		
Short-term debt	38.8	38.3
Tax	230.7	181.4
Trade and other payables	7 393.4	7 315.8
	7 662.9	7 535.5
Total equity and liabilities	11 198.8	10 575.8
Shares in issue – millions (note 8)	480.4	506.1
Weighted average shares in issue – millions (note 6)	473.2	471.7
Net asset value – cents per share (property value based on directors' valuation)	512.5	441.7

Statement of changes in equity

	Reviewed Year to Feb 2010 Rm	Audited Year to Feb 2009 Rm
At 1 March	1 695.5	1 340.9
Total comprehensive income for the period	1 228.4	949.5
Dividends paid	(814.6)	(717.8)
Share repurchases	(80.1)	(21.6)
Net effect of settlement of employee share options	52.1	85.4
Net effect of cancellation of treasury shares (note 8)	(2.7)	—
Share options expense	66.0	59.1
At 28 February	2 144.6	1 695.5

Reviewed operating segment report

	Pick n Pay and Boxer		Franklins		Insurance		Unallocated Head Office costs and revenues		Total continuing operations		Discontinued operation Score		Total operations	
	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm	Feb 2010 Rm	Feb 2009 Rm
External revenue	49 320.4	44 250.9	5 673.3	5 879.6	3.2	5.3	—	—	54 996.9	50 135.8	580.9	2 073.0	55 577.8	52 208.8
Inter-segment revenue	(14.4)	(9.1)	—	—	14.4	9.1	—	—	—	—	—	—	—	—
External turnover	49 068.5	43 991.1	5 666.0	5 871.0	—	—	—	—	54 734.5	49 862.1	579.8	2 070.8	55 314.3	51 932.9
– Australian dollars (millions)			861.1	849.5										
Profit/(loss) before tax (note 7)	1 603.2	1 637.6	16.3	23.3	17.9	14.5	190.9	68.4	1 828.3	1 743.8	(106.0)	(123.0)	1 722.3	1 620.8
– Australian dollars (millions)			2.5	3.7										
Total assets	9 009.5	8 389.6	2 055.5	1 815.4	47.7	54.8	—	—	11 112.7	10 259.8	86.1	316.0	11 198.8	10 575.8

The basis for reporting segmental financial information has been changed to accord with IFRS 8: Operating Segments. Previously, segmental information was provided on a geographic basis, reflecting only the southern African operations and the Australian operation. With the implementation of IFRS 8, operating segments were identified based on financial information regularly reviewed by the Pick n Pay Stores Limited Board (identified as the Chief Operating Decision Maker of the Group for IFRS 8 reporting purposes) for performance assessments and resource allocation. As the Pick n Pay and Boxer operating segments have demonstrated similar economic characteristics they have been aggregated in terms of IFRS 8.

Cash flow statement

	Reviewed Year to Feb 2010 Rm	Audited Year to Feb 2009* Rm
Cash flows from operating activities		
Trading profit	1 653.1	1 695.6
Loss on sale of equipment and vehicles	5.6	13.7
Depreciation and amortisation	735.3	615.8
Share options expense	65.2	59.1
Actuarial loss in equity	(47.7)	(9.0)
Net operating lease obligations	36.5	33.4
Cash generated before movements in working capital	2 448.0	2 408.6
Movements in working capital:	0.7	221.0
Increase in trade and other payables	316.2	1 157.8
Increase in inventory	(148.9)	(415.2)
Increase in trade and other receivables	(166.6)	(521.6)
Cash generated by trading activities	2 448.7	2 629.6
Interest received	75.9	71.9
Interest paid	(91.6)	(107.5)
Cash generated by operations	2 433.0	2 594.0
Dividends paid	(814.6)	(717.8)
Tax paid	(456.6)	(567.7)
Net cash from operating activities – continuing operations	1 161.8	1 308.5
Net cash used in operating activities – discontinued operation	(212.7)	(56.1)
Total net cash from operating activities	949.1	1 252.4
Cash flows from investing activities		
Intangible asset additions	(51.5)	(66.1)
Property, equipment and vehicle additions	(1 142.0)	(936.4)
Proceeds on sale of property, equipment and vehicles	209.4	99.8
Loans advanced	3.9	(7.9)
Net cash used in investing activities – continuing operations	(980.2)	(910.6)
Net cash from investing activities – discontinued operation	56.8	68.9
Total net cash used in investing activities	(923.4)	(841.7)
Cash flows from financing activities		
Debt repaid	(6.9)	(1.3)
Share repurchases	(80.1)	(21.6)
Proceeds from employees on settlement of share options	36.4	31.3
Net cash (used in)/from financing activities – continuing operations	(50.6)	8.4
Net (decrease)/increase in cash and cash equivalents	(24.9)	419.1
Cash and cash equivalents at 1 March	1 072.8	663.2
Effect of exchange rate fluctuations on cash and cash equivalents	7.4	(9.5)
Cash and cash equivalents at 28 February	1 055.3	1 072.8

*Restated – refer note 3

Notes to the financial information

1. KPMG Inc, the Group's independent auditor, has reviewed the condensed consolidated results contained in this preliminary report, and has expressed an unmodified conclusion on the preliminary financial statements. Their review report is available for inspection at the Company's registered office. These preliminary financial statements are prepared in accordance with the recognition and measurement requirements of IFRS and the disclosure requirements of IAS 34. Except as presented below in notes 2 and 3, accounting policies are consistent with those of prior years.
2. The Group adopted the revised IAS 1, IFRS 8 and Circular 3/2009 (the revised Headline Earnings per Share circular) during the year. The presentation of the financial statements (IAS 1) and operating segment disclosures (IFRS 8) are changed accordingly, with no adjustment necessary on the adoption of Circular 3/2009.
3. The Group has revised its treatment of actuarial gains and losses in terms of IAS 19. Previously, all actuarial gains and losses on defined retirement benefit plans were recognised in operating profit. The Group now recognises these gains and losses in other comprehensive income. Comparative figures have been restated increasing profit before tax by R9.0 million (R6.5 million after tax), with no effect on total equity or retirement scheme obligations.
4. During the year, certain companies within the Group entered into transactions with each other. These intra-group transact ions are eliminated on consolidation. Related party information is unchanged from that reported at 28 February 2009. For further information, please refer to note 28 of the 2009 annual report.
5. Revenue comprises turnover, other trading income and interest received.
6. The weighted average number of shares is lower than that in issue due to the treasury shares held by the Group being treated as cancelled for this calculation.
7. Profit before tax in Australia includes a net R5.6 million loss on sale of assets (2009: R1.4 million profit).
8. On 25 February 2010, the Company re-purchased and cancelled 25 736 561 ordinary shares, which were held as treasury shares by a subsidiary company. The cancellation of these shares had no financial impact, other than R2.7 million paid in Securities Transfer Tax.
9. The Group has now completed the closure of the store operations of its subsidiary, Score Supermarkets Operating Limited, which results are disclosed as a discontinued operation. Disclosed below is salient information on this operation.

	Reviewed Feb 2010 Rm	Audited Feb 2009 Rm
Statement of comprehensive income		
Revenue	580.9	2 073.0
Turnover	579.8	2 070.8
Trading expenses	238.1	512.4
Loss on sale of equipment and vehicles	1.3	3.9
Trading loss	107.1	123.0
Loss for the year (after tax)	107.5	118.5
Balance Sheet		
Total assets	86.1	316.0
Total liabilities	174.4	328.9
Cash flow statement		
Net cash used in operating activities	(212.7)	(56.1)
Net cash from investing activities	56.8	68.9
Net cash from financing activities	—	—