Notes to the financial information

1. KPMG Inc., the Group's independent auditor, has reviewed the condensed consolidated results for the year to 29 February 2012 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. Other than disclosed in note 3, accounting policies are consistent with those of prior years.
2. During the year, certain companies within the Group entered into transactions with each other. These intra-group transactions are eliminated on consolidation. Related parties are unchanged from that reported at 28 February 2011. For further information, please refer to note 28 of the 2011 annual report.
3. Revenue comprises turnover, other trading income and interest received. The Group has reviewed the terms of its franchise agreements in Botswana, Lesotho and Swaziland, and the interpretation of its role in the supply of inventory to those franchisees. In the past, Pick n Pay purchased inventory on behalf of its franchisees and sold the inventory to the franchisees at no margin. As such, the accounting treatment of the transaction was to recognise the purchases as part of Group cost of merchandise sold and the sales as part of Group turnover, with no impact on gross profit. The substance of the relationship has changed over time, with the franchisees ordering and receiving directly from the suppliers, albeit facilitated through the Pick n Pay supply chain. We believe it more appropriate therefore to reflect Pick n Pay's role in the transaction as that of agent, earning a franchise fee only. Therefore we will no longer be recognising the turnover and the corresponding cost of merchandise sold in the Group statement of comprehensive income. Prior year disclosures have been adjusted accordingly as follows:

	As previously stated 2011 Rm	Prior year adjustment 2011 Rm	As restated 2011 Rm
Revenue	**52 216.7**	(760.8)	51 455.9
Turnover	**51 945.8**	(760.8)	51 185.0
Cost of merchandise sold	**(42 859.6)**	760.8	(42 098.8)
Gross profit	**9 086.2**	—	9 086.2

No restatement of the prior year statement of financial position is required as the prior year adjustment has had no impact on earnings.

4. 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.
5. In February 2012 the Group purchased a further 24% stake in TM Supermarkets in Zimbabwe for R102.5 million bringing its total investment to 49%. The business is currently incurring losses, our share being R1.9 million for the year. However, we are confident of its future prospects and are looking forward to playing a role in growing this business in Zimbabwe.
6. In September 2011, after a lengthy dispute with the Australian Competition and Consumer Commission, we sold our Australian business, Franklins, to Metcash Limited for R1.2 billion net of fees. The sale of Franklins has enabled us to focus entirely on our southern African operations with the cash proceeds being utilised directly in our core retail operations. Franklins is disclosed as a discontinued operation, with its results to 30 September 2011 and the profit on sale of the business being disclosed separately from continuing operations.

Results from the discontinued operation are as follows:

	Reviewed year to Feb 2012 Rm	Audited year to Feb 2011 Rm
Results of discontinued operation		
Revenue	**3 389.3**	5 617.4
Expenses	**(3 476.5)**	(5 740.8)
Results from operating activities	**(87.2)**	(123.4)
Tax	**—**	—
Results from operating activities, net of tax	**(87.2)**	(123.4)
Profit on sale of discontinued operation	**493.4**	—
Tax on sale transaction	**(55.0)**	—
Profit/(loss) for the year	**351.2**	(123.4)
Cash flows from/(utilised in) discontinued operation		
Net cash (utilised in)/from operating activities	**(330.4)**	13.9
Net cash from/(utilised in) investing activities	**1 459.6**	(151.4)
Net cash sale proceeds	**1 244.9**	
Cash and cash equivalents	**214.7**	
Net cash from financing activities	**—**	10.0
Net cash flows for the year	**1 129.2**	(127.5)
Effect of the disposal on the financial position of the Group		
Net cash proceeds received	**1 244.9**	
Foreign currency translation reserve – realised on sale	**539.8**	
Less: net assets sold	**(1 291.3)**	
Intangible assets	**(837.2)**	
Property, plant and equipment	**(697.2)**	
Deferred tax	**(22.9)**	
Inventory	**(570.1)**	
Trade and other receivables	**(67.4)**	
Cash and cash equivalents	**214.7**	
Short-term debt	**10.2**	
Trade and other payables	**678.6**	
Profit on sale of Franklins	**493.4**	
Tax on sale transaction	**(55.0)**	
	438.4	

Directors of Pick n Pay Stores Limited:

Executive: GM Ackerman (Chairman and acting CEO), NP Badminton (CEO – resigned 29 February 2012), RSJ van Rensburg (Deputy CEO-appointed 1 October 2011), DG Cope (CFO – retired 29 April 2011), A Jakoet (CFO – appointed 29 April 2011), JG Ackerman, SD Ackerman-Berman

Non-executive: D Robins (German)

Independent non-executive: HS Herman, A Mathole, L Phalatse, BJ van der Ross, J van Rooyen

Gareth Ackerman, previously the non-executive Chairman of Pick n Pay Stores Limited, has assumed an executive role on the resignation of CEO Nick Badminton effective 29 February 2012.

Directors of Pick n Pay Holdings Limited:

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

Independent non-executive: RP de Wet, HS Herman, J van Rooyen (appointed 1 May 2011)

Alternate: JG Ackerman, SD Ackerman-Berman, D Robins *(German)*

Registered office: 101 Rosmead Avenue, Kenilworth, Cape Town, 7708

Sponsor: Investec Bank Limited, 100 Grayston Drive, Sandton, 2196

Transfer secretaries: Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001

www.picknpay.co.za

BASTION GRAPHICS

Pick n Pay

Reviewed condensed consolidated results for the year ended 29 February 2012

Financial highlights – continuing operations 6 months to February 2012

	Turnover R'billion	EBITDA R'million	Headline earnings cents per share	Final dividend cents per share
2012:	28.6	1 191.3	105.98	108.35
2011:	26.3	1 086.9	99.30	105.50

Financial highlights – continuing operations 12 months to February 2012

	Turnover R'billion	EBITDA R'million	Headline earnings cents per share	Total dividend cents per share
2012:	55.3	2 073.7	160.78	130.85
2011:	51.2	2 160.9	189.35	142.50

REVIEW OF OPERATIONS

We are encouraged by the Group's improved performance over the past six months, after a tough interim result, with the first clear indications that our investments are starting to yield real benefits.

Significant investment costs have had an impact on profit growth for the year, most notably the upfront launch costs of Smartshopper, the implementation of specialist category buying and the continued investment in our central distribution capability, all of which will improve future operating efficiencies and enable us to serve our customers better.

Strategic update

We remain focused on improving our customer offer and streamlining our operations. We are in the process of consolidating and upgrading our support functions so that we are better positioned to deliver outstanding products and services in world class stores.

The first steps in this consolidation are the set-up of a specialist category buying function and the centralisation of our supply chain. At the same time, our customer offer has been significantly enhanced by the launch of our Smartshopper loyalty programme. Looking ahead, we will be optimising our regional and store management structures and our administration functions.

Smartshopper – We launched our Smartshopper loyalty programme in March 2011. Customer acceptance of the programme has far exceeded our expectations and we currently have in excess of 5 million active card holders on the programme, against a first year target of 3 million. It will take a number of years before the benefits of the programme are fully realised, however we believe the encouraging growth in turnover this year is due in part to Smartshopper. Set-up costs have impacted the earnings of the Group, but we expect the programme to drive turnover growth now and into the future and generate additional value as we understand our customers better and can market more effectively to them.

Specialised category buying – We have successfully completed the transformation of our regional buying teams into a single, specialised category buying division. This is a complete overhaul of buying at Pick n Pay and marks a significant shift in the way in which we engage with suppliers. The division has already delivered improved performance through the reduced cost of goods and a scientific approach to ranging and pricing. With specialised category buying we will be better placed in negotiations with suppliers, will rationalise our product range and will optimise our product display. Our key focus is on delivering an improved selection of high quality products and better value to customers.

Central distribution – Operational improvements at Longmeadow, our central distribution centre in Gauteng, include reduced labour and distribution costs per case on last year. We continue to focus on this facility to ensure that the supply channel is fully optimised. We open our new Western Cape distribution centre in May 2012 which will benefit from our experience at Longmeadow.

Labour costs and expense control – General expense control remains a high priority and management is focused on eliminating inefficiencies, improving productivity and reducing controllable costs, especially in light of the extraordinary increases in property rates and electricity tariffs over the year. In December 2011 we negotiated a new agreement with the Union, which affords us much more flexibility and will enable us to staff our stores more efficiently. We expect the benefits of this agreement to start flowing in the 2013 financial year.

Franklins, Australia – In September 2011, after a lengthy dispute with the Australian Competition and Consumer Commission, we sold our Franklins business to Metcash Limited for R1.2 billion, net of fees. We are now able to focus our teams and capital entirely on our core southern African retail operations.

Franklins continues to be disclosed as a discontinued operation, with its results from operations for the 7 months to 30 September 2011 and the subsequent profit on sale of the business being disclosed separately from continuing operations.

Financial highlights

Group turnover – at R55.3 billion for the year is 8.1% above last year (8.6% above last year for the six months ended 29 February 2012), with pleasing like-for-like growth. This turnover growth is encouraging in a highly competitive environment and is the result of a number of factors, including the positive effect of our Smartshopper programme. While our own internal selling price inflation remains below CPI, South African consumers are facing inflationary increases across the board, which, when combined with continued economic uncertainty, is leading them to exercise caution in their spending.

Gross profit margin for the year is 18.0% (2011: 17.8%). This improvement in margin is due to the initial benefits of specialised category buying, which more than offsets the cost of the Smartshopper points. We believe that we will be able to strengthen margins further over the coming years while maintaining our competitive price position through further category buying and supply chain improvements.

Trading profit growth in the 6 months to February 2012 is 11.2% on the same period last year, a marked improvement on the first half. Trading profit for the year of R1 267.5 million (2011: R1 417.7 million), at a margin of 2.3% (2011: 2.8%) is 10.6% down on last year, most significantly due to costs relating to our strategic transformation initiatives.

EBITDA (earnings before interest, tax, depreciation and amortisation) is up 9.6% for the second 6-month trading period, but is down 4.0% for the year to R2 073.7 million.

Net cash from operating activities at R1 558.8 million is up from R3.5 million last year, due to significant improvements in working capital management. We are focused, in particular, on reducing and managing optimum stock levels in store, and we are pleased with the progress made in this area, with like-for-like stock holdings reducing by 5.3% on last year.

Headline earnings per share for the 6 months to 29 February 2012 is up 6.7% on the same period last year to 105.98 cents per share. Headline earnings per share for the year is down 15.1% to 160.78 cents per share.

The final dividend per share of 108.35 cents for Pick n Pay Stores Limited and 52.57 cents for Pick n Pay Holdings Limited includes an additional amount to be paid to shareholders in respect of the 10% secondary tax on companies (STC) no longer payable by the Group. This brings the total dividend per share for the year to 130.85 cents for Pick n Pay Stores Limited (8.2% down on last year) and 63.48 cents for Pick n Pay Holdings Limited (8.4% down on last year).

The Group intends to maintain its dividend cover at 1.33, however with the additional dividend declared to shareholders referred to above; the dividend cover for the current year is 1.23 times.

Operational highlights

Turnover growth is encouraging, with the most significant growth coming from the LSM 4 – 7 market, with Boxer a strong competitor in this arena, and from our smaller format stores.

In addition, our private label, clothing, pharmacy and liquor divisions also delivered strong turnover growth.

Pick n Pay owned stores (corporate) – During the year we opened 9 new supermarkets, closed 3 and converted 5 franchise supermarkets to corporate stores. In addition, we opened 34 liquor stores and 15 clothing stores. We intend to open at least 9 new supermarkets next year, 20 liquor stores and 15 clothing stores.

Pick n Pay franchised stores – During the year we opened 9 new supermarkets, closed 5 supermarkets and converted 5 franchise supermarkets to corporate stores. In addition, we opened 19 liquor stores, 2 clothing stores and closed 2 mini markets during the year. We intend to open at least 7 new supermarkets and 15 liquor stores in South Africa next year.

Boxer – We opened 10 Boxer superstores during the year, closed 4 and opened 8 new Punch stores. Boxer also opened 4 liquor stores and 2 Boxer Builds. We intend to open 22 superstores, 9 Punch supermarkets, 4 Boxer Builds and 10 liquor stores next year.

Africa – we continue our steady growth outside of South Africa and at 29 February 2012, the total number of stores outside South Africa (both owned and franchised) was 94. We opened three new stores in Zambia during the year, all of which are trading well, and we continue to explore opportunities in the region. We also opened our first store in Mozambique and our first two stores in Mauritius. We have three openings planned for 2013 (excluding TM Supermarkets in Zimbabwe) in Mozambique, Zambia and Mauritius.

In February 2012 we purchased an additional 24% stake in our associate TM Supermarkets in Zimbabwe for R102.5 million (US$13 million), taking our total investment to 49%. The business is currently incurring losses, our share being R1.9 million for the year. However, we are confident of its future prospects and are looking forward to playing a part in growing the business in Zimbabwe.

GENERAL COMMENTS

We would like to thank Nick Badminton, our outgoing CEO, for the integral role he played in transforming the business and for the dedicated service he has given over the last 33 years. We wish him well for his future. We are currently looking both locally and internationally for the best candidate to replace him.

Despite a challenging year, our improved performance over the last 6 months gives us confidence in the work that we have done in repositioning the Group for the future, and gives us good momentum into the 2013 financial year.

A significant portion of our transformation strategy has been implemented. There is still much work to be done in seeing the strategy through to completion, however we have reached the point where the benefits of the changes to date are starting to be felt and are expected to accelerate in the year ahead.

For and on behalf of the board

Gareth Ackerman	**Richard van Rensburg**
Chairman and acting CEO	Deputy CEO

17 April 2012

Statement of comprehensive income

	Reviewed Year to Feb 2012 Rm	Growth %	Audited Year to Feb 2011 Rm
Continuing operations			
Revenue (note 3)	**55 634.4**		51 455.9
Turnover (note 3)	**55 330.5**	**8.1**	51 185.0
Cost of merchandise sold (note 3)	**(45 350.0)**		(42 098.8)
Gross profit	**9 980.5**		9 086.2
Other trading income	**264.4**		231.4
Trading expenses	**(8 969.8)**		(7 899.9)
Loss on sale of property, equipment and vehicles	**(7.6)**		—
Trading profit	**1 267.5**	**(10.6)**	1 417.7
Interest received	**39.5**		39.5
Interest paid	**(135.1)**		(111.0)
Gain on recognition of investment in associate	**—**		7.5
Share of associate's (loss)/income	**(1.9)**		2.4
Profit before tax	**1 170.0**		1 356.1
Tax	**(407.7)**		(447.8)
Profit for the year from continuing operations	**762.3**		908.3
Profit/(loss) for the year from discontinued operation	**351.2**		(123.4)
Profit on sale of discontinued operation (note 6)	**438.4**		—
Loss from discontinued operation (note 6)	**(87.2)**		(123.4)
Profit for the year	**1 113.5**		784.9
Other comprehensive loss (net of tax)	**(358.3)**		(14.6)
Exchange rate differences on translating foreign operations	**224.1**		50.1
Net loss on hedge of net investment in foreign operation	**(49.9)**		(52.2)
Foreign currency translation reserve realised on sale of discontinued operation (note 6)	**(539.8)**		—
Retirement benefit actuarial gain/(loss)	**7.3**		(12.5)
Total comprehensive income for the year	**755.2**		770.3
EBITDA	**2 073.7**	**(4.0)**	2 160.9
Gross profit margin (%)	**18.0**		17.8
Earnings per share – cents			
Basic	**233.21**	**41.3**	164.99
Continuing operations	**159.64**	**(16.4)**	190.92
Discontinued operation	**73.57**		(25.93)
Diluted	**228.69**	**41.0**	162.20
Continuing operations	**156.55**	**(16.6)**	187.68
Discontinued operation	**72.14**		(25.48)
Headline earnings reconciliation			
Profit for the year	**1 113.5**		784.9
Headline adjustments (net of tax):			
Continuing operations	**5.5**		(7.5)
Loss on sale of property, equipment and vehicles	**5.5**		—
Gain on recognition of investment in associate	**—**		(7.5)
Discontinued operation	**(437.6)**		7.0
Loss on sale of property, equipment and vehicles	**0.8**		7.0
Profit on sale of discontinued operation (note 6)	**(438.4)**		—
Headline earnings	**681.4**	**(13.1)**	784.4
Continuing operations	**767.8**	**(14.8)**	900.8
Discontinued operation	**(86.4)**		(116.4)
Headline earnings per share – cents	**142.69**	**(13.5)**	164.90
Continuing operations	**160.78**	**(15.1)**	189.35
Discontinued operation	**(18.09)**		(24.45)
Diluted headline earnings per share – cents	**139.92**	**(13.7)**	162.10
Continuing operations	**157.67**	**(15.3)**	186.14
Discontinued operation	**(17.75)**		(24.04)

Statement of changes in equity

	Reviewed Year to Feb 2012 Rm	Audited Year to Feb 2011 Rm
At 1 March	**2 158.8**	2 144.6
Total comprehensive income for the year	**755.2**	770.3
Dividends paid	**(605.4)**	(808.0)
Share repurchases	**(42.7)**	(90.2)
Net effect of settlement of employee share options	**42.5**	68.3
Share options expense	**95.7**	73.8
At 29 February	**2 404.1**	2 158.8

Pick n Pay Holdings Limited ("PIKWIK")

Reg. No. 1981/009610/06

Share Code: PWK ISIN code: ZAE000005724

Pikwik's only asset is its 53.85% (2011: 53.95%) 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 R365.5 million (2011: R423.4 million).

Headline earnings per share is 70.79 cents (2011: 82.08 cents).

Headline earnings per share from continuing operations is 79.81 cents (2011: 94.29 cents).

Diluted headline earnings per share from continuing operations is 77.63 cents (2011: 91.78 cents).

The total number of shares in issue is 527.2 million (2011: 527.2 million) and the weighted average number of shares in issue during the year is 516.4 million (2011: 515.9 million).

Statement of financial position

	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm
Assets		
Non-current assets		
Intangible assets	**799.6**	404.5
Property, equipment and vehicles	**3 863.9**	3 401.8
Operating lease asset	**84.8**	37.7
Participation in export partnerships	**41.5**	48.2
Deferred tax	**116.5**	85.8
Investment in associate (note 5)	**110.5**	9.9
Loans	**80.8**	90.2
Investments	**0.2**	0.2
	5 097.8	4 078.3
Current assets		
Assets held for sale – discontinued operation	**—**	2 120.1
Inventory	**3 334.9**	3 162.7
Trade and other receivables	**2 113.9**	1 739.2
Cash and other equivalents	**1 271.7**	—
	6 720.5	7 022.0
Total assets	**11 818.3**	11 100.3
Equity and liabilities		
Total shareholders' equity	**2 404.1**	2 158.8
Non-current liabilities		
Long-term debt	**771.2**	626.9
Retirement scheme obligations	**9.0**	27.1
Operating lease liability	**829.1**	729.3
	1 609.3	1 383.3
Current liabilities		
Liabilities held for sale – discontinued operation	**—**	826.6
Short-term debt	**693.3**	50.2
Cash and cash equivalents	**—**	547.4
Tax	**99.6**	96.2
Trade and other payables	**7 012.0**	6 037.8
	7 804.9	7 558.2
Total equity and liabilities	**11 818.3**	11 100.3
Number of shares in issue – millions	**480.4**	480.4
Weighted average number of shares in issue – millions (note 4)	**477.4**	475.7
Net asset value – cents per share (property value based on directors' valuation)	**548.0**	503.0

Cash flow statement

	Reviewed Year to Feb 2012 Rm	Audited Year to Feb 2011 Rm
Cash flows from operating activities		
Trading profit	**1 267.5**	1 417.7
Loss on sale of property, equipment and vehicles	**7.6**	—
Depreciation and amortisation	**808.1**	733.3
Share options expense	**95.7**	73.8
Net operating lease obligations	**52.6**	29.3
Cash generated before movements in working capital	**2 231.5**	2 254.1
Movements in working capital	**490.3**	(844.8)
Increase/(decrease) in trade and other payables	**1 030.4**	(678.1)
Increase in inventory	**(172.2)**	(349.1)
(Increase)/decrease in trade and other receivables	**(367.9)**	182.4
Cash generated by trading activities	**2 721.8**	1 409.3
Interest received	**39.5**	39.5
Interest paid	**(135.1)**	(111.0)
Cash generated by operations	**2 626.2**	1 337.8
Dividends paid	**(605.4)**	(808.0)
Tax paid	**(462.0)**	(526.3)
Total net cash from operating activities – continuing operations	**1 558.8**	3.5
Net cash (utilised in)/ from operating activities – discontinued operation	**(330.4)**	13.9
Total net cash from operating activities	**1 228.4**	17.4
Cash flows from investing activities		
Intangible asset additions	**(271.7)**	(82.5)
Property, equipment and vehicle additions	**(1 339.3)**	(1 163.2)
Proceeds on sale of property, equipment and vehicles	**44.5**	21.9
Purchase of operations	**(106.4)**	—
Increase in investment in associate (note 5)	**(102.5)**	—
Loans repaid	**9.4**	34.5
Net cash utilised in investing activities – continuing operations	**(1 766.0)**	(1 189.3)
Net cash from/(utilised in) investing activities – discontinued operation (note 6)	**1 459.6**	(151.4)
Total net cash utilised in investing activities	**(306.4)**	(1 340.7)
Cash flows from financing activities		
Debt raised/(repaid)	**787.5**	(32.5)
Share repurchases	**(42.7)**	(90.2)
Proceeds from employees on settlement of share options	**31.1**	25.1
Total net cash from/(utilised in) financing activities – continuing operations	**775.9**	(97.6)
Total net cash from financing activities – discontinued operation	**—**	10.0
Total net cash from/(utilised in) financing activities	**775.9**	(87.6)
Net increase/(decrease) in cash and cash equivalents	**1 697.9**	(1 410.9)
Cash and cash equivalents at 1 March	**(431.8)**	1 055.3
Effect of exchange rate fluctuations on cash and cash equivalents	**5.6**	(76.2)
Cash and cash equivalents at 29 February	**1 271.7**	(431.8)
Continuing operations	**1 271.7**	(547.4)
Discontinued operation	**—**	115.6

Operating segment report

	Pick n Pay and Boxer		Insurance Cell Captive		Total continuing operations		Discontinued operation – Franklins		Total operations	
	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm	Reviewed Feb 2012 Rm	Audited Feb 2011 Rm
External revenue	**55 631.5**	51 453.2	**2.9**	2.7	**55 634.4**	51 455.9	**3 389.3**	5 617.4	**59 023.7**	57 073.3
Inter-segment revenue	**—**	—	**14.7**	12.9	**14.7**	12.9	**—**	—	**14.7**	12.9
External turnover	**55 330.5**	51 185.0	**—**	—	**55 330.5**	51 185.0	**3 389.2**	5 613.0	**58 719.7**	56 798.0
Profit/(loss) before tax	**1 152.4**	1 340.5	**17.6**	15.6	**1 170.0**	1 356.1	**(87.2)**	(123.4)	**1 082.8**	1 232.7
Profit on sale of discontinued operation, after tax	**—**	—	**—**	—	**—**	—	**438.4**	—	**438.4**	—
Total assets	**11 744.5**	8 922.2	**73.8**	58.0	**11 818.3**	8 980.2	**—**	2 120.1	**11 818.3**	11 100.3

Dividend declarations

The directors have declared the following cash dividends during the year:

	Pick n Pay Stores Limited 2012 Cents per share	2011 Cents per share	Growth %	Pick n Pay Holdings Limited 2012 Cents per share	2011 Cents per share	Growth %
Interim dividend	**22.50**	37.00	(39.2)	**10.91**	17.94	(39.2)
Final dividend	**108.35**	105.50	2.7	**52.57**	51.34	2.4
Normal dividend	**98.50**	105.50	(6.6)	**47.79**	51.34	(6.9)
Additional dividend in respect of STC no longer payable	**9.85**	—		**4.78**	—	
Total dividend	**130.85**	142.50	(8.2)	**63.48**	69.28	(8.4)
Normal dividend	**121.00**	142.50	(15.1)	**58.70**	69.28	(15.3)
Additional dividend in respect of STC no longer payable	**9.85**	—		**4.78**	—	

Pick n Pay Stores Limited

Notice is hereby given that the directors have declared a final gross dividend (number 88) of 108.35 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 15%.

The total Secondary Tax on Companies ("STC") utilised as part of this declaration amounts to R216 474. The amount of ordinary shares in issue at the date of this declaration is 480 397 321 and consequently the STC credits utilised per share amount to 0.05 cents per share.

In determining the dividend tax to withhold, STC credits must be taken into account. Accordingly, the dividend to use for determining the dividends tax is 108.30 cents per share. The tax payable is 16.25 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 92.10 cents per share. Pick n Pay Stores Limited's tax reference number is 9275/141/71/2.

Pick n Pay Holdings Limited

Notice is hereby given that the directors have declared a final gross dividend (number 61) of 52.57 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 15%.

The total Secondary Tax on Companies ("STC") utilised as part of this declaration amounts to R14 525 753.The amount of ordinary shares in issue at the date of this declaration is 527 249 082 and consequently the STC credits utilised per share amount to 2.76 cents per share.

In determining the dividends tax to withhold, STC credits must be taken into account. Accordingly, the dividend to use for determining the dividends tax is 49.81 cents per share. The tax payable is 7.47 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 45.10 cents per share. Pick n Pay Holdings Limited's tax reference number is 9050/141/71/3.

For both Companies, the last day of trade in order to participate in the dividend (CUM dividend) will be Friday, 1 June 2012. The shares will trade EX dividend from the commencement of business on Monday, 4 June 2012 and the record date will be Friday, 8 June 2012.

The dividends will be paid on Monday, 11 June 2012.

Share certificates may not be dematerialised or rematerialised between Monday, 4 June 2012 and Friday, 8 June 2012, both dates inclusive.

On behalf of the boards of directors

DE Muller – Company Secretary

17 April 2012