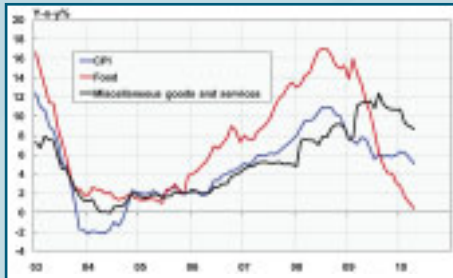


From the desk of the Managing Director...

Cape Consumers and its card holders have also been affected by the recession and the negative economic climate of the past twelve to eighteen months. Although interest rates are the lowest since 1981 and inflation (especially food inflation) also shows a considerable decline, consumer spending remains very low. The retail sector in particular is still suffering and various small and medium enterprises have not survived the recession.

Consumer Price Inflation



With more than 50 000 card holders, an annual turnover (purchases by card holders) of R930 million and more than 3.6 million transactions per year, we can provide you with the following indication of what is happening in retail sales, especially in the Western Cape:

Total purchases by card holders the past 12 months were disappointing – the total growth being lower than inflation – however, we have been experiencing a significant improvement since December 2009. (The total amount of purchases during December 2009/January 2010 has been the highest ever in our history, namely R87 million.)

Necessary food purchases by card holders at the national food chains accepting our card (inter alia

Shoprite/Checkers and Woolworths) as well as other food chains in the Western Cape (inter alia Pick n Pay Family Stores and the Spar Group) showed an increase of higher than food inflation up to July last year. Since August 2009 purchases have even been lower than inflation but nevertheless showed a clear improvement since December 2009.

The following figures clearly show that our card holders have a preference for certain store groups: Purchases at Checkers and Checkers Hyper have increased above food inflation, but have decreased at Shoprite stores. Purchases at Pick n Pay Family Stores in the Western Cape have increased by twice food inflation and at the Spar Group also significantly more than food inflation.

Further interesting statistics: Despite a decrease in the number of transactions per month, the value of the transactions has increased; so it seems that purchases are not made on a regular basis. Consumers have thus started to buy 'smartly'. Owners of certain shops also confirmed that consumers were more on the lookout for bargains. Specials get preference, which of course have a negative impact on the stores' profit margins.

The purchases in the semi- and luxury item sector (not so necessary purchases) have been decreasing year-on-year, e.g. furniture by more than 6%, shoes by more than 2%, clothing by more than 2%, hardware by more than 3%, restaurants by more than 10%, liquor stores by approximately 9% and jewellery by more than 10% per year. The categories above showed a marked improvement since December 2009 – this is definitely an indication that the recession has reached a turning point.

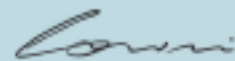
The demand for our short-term insurance, however, has risen by 10% year-on-year. Card holders therefore still regard insurance of their assets as a priority but the fact that they are receiving 5% of their premiums per year as a bonus also plays a role.

Demand for loans, motor financing and budget purchases have shown a marked decrease, even after the reduction of 5.5% percentage points in interest rates since December 2008, as well as the extremely competitive interest rates we are offering. Households will not or cannot afford further debt.

Outstanding debtors and bad debts: In contrast with most banks and other financial institutions, Cape Consumers' debtors and bad debts are lower than two years ago. This is mainly due to responsible purchases by our card holders, their loyalty, as well as the fact that card holders will forfeit their unique 5% bonus if they do not settle their accounts punctually. We also remain proud of our excellent credit and risk management.

At least we are now experiencing a turning point in the economy, but the recovery is definitely much slower than I have personally expected. The improved results will only really be visible during the second and even third term of 2010.

Once again thank you to all our loyal card holders for your support.



Gert du Plessis
MANAGING DIRECTOR



Gert du Plessis was appointed as the Chairman of the AHI Western Cape in November 2009 and recently visited Bellville Business Chamber as guest of honour. F.l.t.r. Tienie le Roux, Piet Badenhorst (Chairman: Bellville Business Chamber), Philip Krawitz (Managing Director: Cape Union Mart) and Gert du Plessis.

Another exciting new partnership with AHI



Cape Consumers and the AHI (Afrikaanse Handelsinstituut) successfully launched a new and exciting co-branded card, the **AHI/b-Smart card**, available exclusively to AHI and affiliated Business Chambers' members. The benefits of this card are the same as the standard b-Smart card, but in return the various Business Chambers and AHI receive much-needed financial support with commission for every successful AHI/b-Smart application approved. The uptake on this co-branded project has been great and gives the b-Smart brand national exposure.

If you are an AHI or affiliated Business Chamber member and would like more information or want to apply for this card, please contact the Marketing Department on (021) 409 7600.



New suppliers accepting your card

Since October 2009 the following suppliers have joined our network and are now accepting your Cape Consumers b-Smart cards:

Andiamo Espresso, Cape Town
Autofix Fitment Centre, Bellville
Bella Roma, Wellington
BP Prince George Drive, Retreat
Build it, Table View
Country Road/Trenerij, V&A Waterfront, Cape Town
Engen Gants (petrol & convenience store), Strand
Exel Crossroads, Vereeniging
Novel, Goodwood
OK Grocer, Dana Bay, Mossel Bay
OK Grocer, Highbury, Kuils River
Panarottis, N1 City, Goodwood
Pick 'n Pay Family Supermarket, Hermanus
Pick 'n Pay Clothing, Hermanus
Pick 'n Pay Liquor, Steenberg, Tokai
RDC TV Repairs, Parow
Spar Cape Quarter Food, Green Point, Cape Town
Spar, Eastcliff, Hermanus
Spur Sioux, Glengarry Shopping Village, Brackenfell
Superspar, Grabouw
Superspar, Platteklouf, Parow
The Fat German, Meadowridge
Tops Bottle Store, Parow Valley
Woolworths Liquor Store, Benmore, Johannesburg



National & regional suppliers

The following suppliers accept Cape Consumers b-Smart cards at **all of their branches in South Africa**. Suppliers listed in bold accept the card in the Western and/or Eastern Cape.

Ackermans	Home Comforts	Prima Tyres
Aroma	House & Home	Prize Blitz
Bata	Hungry Lion	Ranch Meat
Brito's	Identity	Romens
Builders Express	Jay Jays	Russells
Builders Warehouse	Juta	Shoe City
Cape Union Mart	Lashies	Shoe Connection
Checkers	LCD Liquors	Shoerama
Checkers Hyper	Liquor Store*	Shoprite
Clothing City	Liquor Town	Ster Furnishers
Cube	Masterthreads	Tafelberg Furniture
Die Burger	Medi-Clinic	Tekkie Town
Dion	Medirite Pharmacies*	The Baby Company
Dischem	Next Step	Tiger Wheel & Tyre
Doves	OK Furniture	Trade Centre
Drop Inn	Old Khaki	Trentyre
Excelsior	Pep Stores**	Truworths
Factory Shoe Shop	Picardi	U-Save**
Game	PNA	Woolworths
Hang Ten	Poetry	WP Cellers

* Shoprite/Checkers
 ** Selected stores

"Not transferable" cheques

Please take note of the following when paying your account by cheque:

1. Cross cheque as **Not transferable**
2. When writing Cape Consumers, always include (Pty) Limited, i.e. **Cape Consumers (Pty) Limited**
3. **Or Bearer/of Toonder** must be crossed out
4. Write your **Cape Consumers member number** in the bottom left corner
5. Don't forget to **sign the cheque**
6. **No corrections** on cheques are allowed
7. **All amounts** written on the cheque **must be the same**



SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS • SNIPPETS

Refer a friend and earn R300

Successfully introduce a friend or family member to Cape Consumers and earn R300 credited to your account (applications subject to Cape Consumers' credit rating system). Contact Client Relations or visit our website at www.capeconsumers.co.za for an application form.

Supplier information

Access the supplier booklet information via your cell phone or computer. For easy access via your cell phone visit www.magicsms.co.za/buy. For access from your computer visit www.capeconsumers.co.za.

SMS balance enquiry

Get your Cape Consumers account balance directly on your cell phone. SMS "CC" followed by a space and then your member number to 35959. Each SMS costs R3 (subject to change).

Account payments

Remember to pay your monthly account on time to avoid losing your bonus and paying unnecessary interest. If you are not paying via debit order you can pay at any Shoprite Checkers Money Market or Post Office, or deposit directly into our FNB bank account or electronically via the internet, or at ATMs.

Online statements

Get free access to your daily account information via our website. Simply visit www.capeconsumers.co.za and click on the "Register" link under the "Online Statements" heading on the homepage and follow the instructions. Remember to keep your password safe!

Lost & stolen cards

Contact Client Relations on (021) 409 7600 during office hours (08:30 - 16:30) or Nedbank at Tollfree number 0800 110 929 after hours. For damaged cards contact Client Relations on 021 409 7600.

