

WOOLWORTHS HOLDINGS LIMITED



audited group results for the year ended 30



financial highlights

revenue ▲ 23.1% to R18.6bn

operating profit ▲ 23.8% to R1.8bn

▲ 27.5%

commentary

Group results

The 23.1% increase in group revenue to R18.6bn

The gross margin was maintained at 34.4%. This is

Operating profit grew by 23.8% to R1.8bn, despite the last three months of the financial year.

Expenses increased by 25.1% through higher bad debt provision, a significant uplift due to the fluctuations in currency.

The operating margin improved to 9.9% (2006: 9.9%).

Interest paid increased by 55.3% due to higher borrowing, which resulted mainly from recognising a deferred tax asset.

Diluted headline earnings per share increased by 23.8%. Land in Midrand contributed to the higher increase.

A total dividend of 76.0 cents per share is declared.

operating review

Woolworths

Trading environment

Consumer spending was high but did slow towards the end of the year.

Retail

Clothing and general merchandise improved performance over the period. Good availability in core ranges, entrenching our market performance.

Food continued to perform well. Sales grew by 25.1% over the period. This division continues to be driven by quality and value.

Trading space

Trading space was expanded in clothing and general merchandise.

Financial services

Revenue increased by 35.4% as a result of high growth in credit cards.

The interest yield grew to 19.9% (2006: 19.0%).

The tougher collections environment resulted in a 27.5% increase in bad debt provision.

Country Road

Sales increased by 15.8% in Australian dollar terms. Better value offers were well received by customers.

WHL

30 June 2007

18.6bn reflected the improved growth in retail sales and increased interest earned from financial services products. This included one-off costs of R45m arising from the final phase of the implementation of the new stock system, despite being unable to pass on the higher interest rates to our credit customers as a result of a fixed usury rate until earlier bad debts and associated provisions arising from a tougher credit environment. Country Road expenses showed a currency and the change to the concession model. (2006: 9.8%).

higher borrowings through the growth in our books and the increasing interest rates. A reduction in the effective tax rate and tax asset due to asset timing differences in Country Road. increased by 21.8% from 103.0 cents per share to 125.5 cents per share. The pre-tax profit of R54.6m from the disposal of an increase in diluted earnings per share of 27.5%. Return on equity increased to 35.1% (2006: 34.8%). declared for the year; representing a 20.6% increase from the prior year.



WOOLWORTHS
the difference

towards the end of the period. and performance with sales growing by 16.2% in total and 12.8% in comparable stores. Inflation averaged 2.8% over the period. entrenched taste levels in menswear and an improved value range in childrenswear contributed to the improved sales by 25.6% in total and 15.1% in comparable stores. Inflation averaged approximately 8.3% over the period. Growth in variety and innovation and store roll-out, enabling customers to use us more conveniently as their main shop. increased general merchandise by 3.6% and 12.1% in food as at 30 June 2007.

high growth in our books of 25.3% and the increase in interest rates over the period. (2006: 5.5%) of the gross book. increased in net bad debt and related provision charges increasing to 6.9% (2006: 5.5%) of the gross book.

COUNTRY ROAD

in line with a strong performance in the second half. The fashionability of ranges and the continued drive to provide value for customers.

diluted earnings per share ▲ 27.5% to 131.5 cents

diluted HEPS ▲ 21.8% to 125.5 cents

dividend per share ▲ 20.6% to 76.0 cents



sales increased by 15.6% in Australian dollar terms. Better value were well received by customers.

Prospects

Higher interest rates, a slow down in credit and in the market and we expect to show acceptable real growth.

Empowerment

On 12 June 2007 shareholders approved a BEE 100% plan for employees. There are approximately 17 000 part-time employees after the financial year end.

Our people are the real drivers of the Woolworths success in making the 'Woolies difference'.

Changes to the board of directors

On 1 July 2007 Judy Dlamini was appointed to the board.

DA Hawton

Chairman

dividend payment

Notice is hereby given that the directors have decided to pay a dividend.

The salient dates for the dividend will be as follows:

Last day to trade to receive dividend

Shares commence trading "ex" dividend

Record date

Payment date

Share certificates may not be dematerialised or re-issued.

In accordance with the company's articles of association, cash dividends in the form of cheques will not be paid, unless otherwise requested in writing.

CL Lowe

Group secretary

directorate and statutory information

Non-executive directors: Buddy Hawton (Chairman), Chris Nissen, Sindi Zilwa

Executive directors: Simon Susman (CEO), Richard Munn

Group secretary: Cherrie Lowe **Share code:** WOL

Registered address (postal and physical): PO Box 100

Registration number: 1929/001986/06 **Auditors:** PricewaterhouseCoopers

Bankers: The Standard Bank of South Africa Limited

Transfer secretaries: Computershare Investor Services

WWW.

...ar terms with a strong performance in the second half. The rationality of ranges and the continued drive to provide
...ers.

and increasing food prices are expected to slow consumer spending. The brand though is well positioned for the evolving
...real growth in the year ahead.

a BEE transaction whereby 10% of the company's ordinary issued share capital was set aside for eligible Woolworths
...00 participants, 90% of whom are black. The scheme had no impact on the reported results as the shares were issued

Woolworths brand. We welcome them as part owners of our business. We know this will encourage them to keep on

Directors

...d to the board as a non-executive director:

SN Susman

Chief executive officer

Cape Town, 23 August 2007

...ave declared a final dividend of 46.5 cents per share for the six months ended 30 June 2007.

...s follows:

Friday, 7 September 2007

Monday, 10 September 2007

Friday, 14 September 2007

Monday, 17 September 2007

...d or rematerialised between Monday, 10 September 2007 and Friday, 14 September 2007, both days inclusive.

...of association, dividends amounting to less than R5.00 due to any one holder of the company's shares held in certificated
...vested in writing, but will be aggregated with other such amounts and be donated to a charity nominated by the directors.

Cape Town, 23 August 2007

Company information

...Chairman), Peter Bacon (British), Mair Barnes (British), Nigel Colne (British), Judy Dlamini, Brian Frost, Mike Leeming,

...), Richard Inskip, Andrew Jennings (British), Zyda Rylands, Norman Thomson

...ode: WHL ISIN: ZAE000063863

...PO Box 680, Cape Town 8000 • Woolworths House, 93 Longmarket Street, Cape Town 8001

...aditors: Ernst & Young Inc and SAB & T Inc

...za Limited Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

...or Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg 2001

visit our investor relations site:

www.woolworthsholdings.co.za



income statement

Year ended 30 June

	Note	2007 Rm	Restated 2006 Rm	% change
Revenue		18 641.9	15 144.8	23.1
Turnover		17 376.9	14 208.0	22.3
Cost of sales		11 399.9	9 340.4	22.0
Gross profit		5 977.0	4 867.6	22.8
Other revenue		1 265.0	936.8	35.0
Expenses		5 396.5	4 314.1	25.1
Depreciation		316.7	269.9	17.3
Occupancy cost		806.0	679.1	18.7
Employment cost		2 129.3	1 701.4	25.1
Other operating cost		2 144.5	1 663.7	28.9
Operating profit		1 845.5	1 490.3	23.8
Finance costs		378.7	243.9	55.3
Profit before exceptional item		1 466.8	1 246.4	17.7
Exceptional item	3	54.6	–	>100.0
Profit before tax		1 521.4	1 246.4	22.1
Tax	4	434.7	409.0	6.3
Profit after tax		1 086.7	837.4	29.8
Attributable to:				
Ordinary shareholders		1 074.4	835.6	28.6
Minority shareholders		12.3	1.8	>100.0
Reconciliation of headline earnings				
Attributable earnings		1 074.4	835.6	28.6
Profit on disposal of property, plant and equipment net of minority shareholders' interest		(48.0)	(0.6)	
Foreign exchange profit realised on repayment of loan by subsidiary		(1.1)	–	
Headline earnings		1 025.3	835.0	22.8
Headline earnings per share (cents)		127.8	105.0	21.7
Earnings per share (cents)		133.9	105.1	27.4
Diluted headline earnings per share (cents)		125.5	103.0	21.8
Diluted earnings per share (cents)		131.5	103.1	27.5
Distribution per share (cents)		76.0	63.0	20.6
Distribution cover (based on headline earnings per share)		1.7	1.7	
Number of shares in issue (millions)		809.3	797.2	1.5
Weighted average number of shares in issue (millions)		802.4	795.3	0.9
GROUP ANALYSIS				
Revenue				
Turnover		17 376.9	14 208.0	22.3
Woolworths		16 022.9	13 227.3	21.1
– Clothing and home		6 985.0	6 012.2	16.2
– Food		8 718.0	6 941.5	25.6
– Logistics services and other		319.9	273.6	16.9
Country Road		1 354.0	980.7	38.1
Interest		1 022.4	765.4	33.6
Other revenue		242.6	171.4	41.5
		18 641.9	15 144.8	23.1
Operating profit				
Woolworths		1 788.8	1 471.3	21.6
Country Road		56.7	19.0	>100.0
		1 845.5	1 490.3	23.8

balance sheet

As at 30 June

ASSETS

Non-current assets

Property, plant and equipment
Investment property
Loans to customers
Prepaid employment costs
Participation in export partnerships
Other loans and prepayments
Goodwill
Deferred tax

Current assets

Inventories
Woolworths card debtors
Credit card receivables
Accounts receivable
Loans to customers
Tax
Cash

Total assets

EQUITY AND LIABILITIES

Capital and reserves

Ordinary shareholders' interest
Minority shareholders' interest

Non-current liabilities

Interest-bearing borrowings
Operating lease accrual
Post-retirement medical aid liability
Deferred tax

Current liabilities

Accounts payable
Provisions
Tax
Interest-bearing borrowings

Total equity and liabilities

Net asset book value – per share (cents)

GROUP ANALYSIS

Total assets

Woolworths
Country Road

Inventories

Woolworths
Country Road

Approved commitments for capital expenditure

Woolworths
Country Road

cash flow statement



	2007 Rm	Restated 2006 Rm
	2 951.3	2 490.6
5	1 867.1	1 597.7
	105.9	109.0
	289.8	249.2
	61.4	39.5
	70.4	71.6
	190.4	144.7
	23.0	23.0
	343.3	255.9
	7 491.2	6 277.7
	1 202.6	841.4
	3 560.2	2 971.2
	904.8	593.7
	605.0	815.8
	781.2	640.9
	13.1	4.5
	424.3	410.2
	10 442.5	8 768.3
	3 289.4	2 634.2
	3 246.9	2 606.3
	42.5	27.9
	2 906.6	2 801.0
	2 179.0	2 100.0
	426.7	420.2
	227.2	202.7
	73.7	78.1
	4 246.5	3 333.1
	2 092.4	1 612.1
	156.3	131.0
	214.9	256.4
	1 782.9	1 333.6
	10 442.5	8 768.3
	401.2	326.9
	10 442.5	8 768.3
	9 881.1	8 368.1
	561.4	400.2
	1 202.6	841.4
	1 023.1	707.9
	179.5	133.5
	547.0	419.5
	396.0	366.2
	151.0	53.3



trading highlights

clothing and home turnover ▲ 16.2% to R6.9bn

food turnover ▲ 25.6% to R8.7bn

financial services revenue ▲ 35.4% to R1.2bn

Woolworths	1 788.8	1 471.3	21.6
Country Road	56.7	19.0	>100.0
	1 845.5	1 490.3	23.8

cash flow statement

Year ended 30 June

Cash flow from operating activities

Cash inflow from trading
Working capital movements
Cash applied to financial services assets

Cash generated by operating activities

Interest received
Finance costs paid
Tax paid

Cash generated by operations

Distributions to shareholders

Net cash outflow from operating activities

Cash outflow from investing activities

Cash flow from financing activities

Shares issued
Repurchase of shares
Notes issued
Notes redeemed
BEE transaction costs

Net cash inflow from financing activities

Increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Effect of foreign exchange rate changes

Cash and cash equivalents at the end of the year

GROUP ANALYSIS

Cash inflow from trading

Woolworths
Country Road

Gross capital expenditure

Woolworths
Country Road

statement of changes in equity

Year ended 30 June	Shareholders' interest before minorities Rm	Minority shareholders' interest Rm	Total 2007 Rm	Total 2006 Rm
Shareholders' interest at the beginning of the year	2 606.3	27.9	2 634.2	2 210.9
Movements for the period:				
Issue of shares	111.8	–	111.8	72.7
Share repurchase	(26.3)	–	(26.3)	(61.7)
Recognised gains and losses	555.1	14.6	569.7	412.3
Distributable reserves	515.6	10.5	526.1	412.6
Profit for the year	1 074.4	12.3	1 086.7	837.4
Distributions to shareholders	(550.4)	–	(550.4)	(474.2)
Net fair value adjustments on financial instruments	(29.2)	(1.8)	(31.0)	32.2
Share-based payments	27.0	–	27.0	18.0
Acquisition of former investment	–	–	–	(0.8)
BEE transaction costs	(6.2)	–	(6.2)	–
Non-distributable reserves				
Exchange differences on translation of foreign subsidiaries	39.5	4.1	43.6	(0.3)
Shareholders' interest at the end of the year	3 246.9	42.5	3 289.4	2 634.2

segmental analysis

Year ended 30 June

	2007 Rm	Restated 2006 Rm	% change
Revenue			
Retail			
Woolworths	16 099.5	13 288.7	21.2
Country Road	1 361.8	993.6	37.1
Financial services	1 274.4	941.4	35.4
Intragroup	(93.8)	(78.9)	
Total group	18 641.9	15 144.8	23.1
Profit before tax and exceptional item			
Retail			
Woolworths	1 252.8	1 069.1	17.2
Country Road	54.9	14.9	>100.0
Financial services	159.1	162.4	(2.0)
Total group	1 466.8	1 246.4	17.7
Return on equity			
Retail	%	%	
Woolworths	65.4	58.6	
Country Road	34.6	6.2	
Financial services	11.9	14.7	
Total group	35.1	34.8	

notes

1 Basis of preparation

The financial statements are prepared in accordance with Reporting Standards (IFRS) and the South African Companies Act going concern and historical cost bases as modified by requirements required to be recorded at fair value.

2 Significant accounting policies

The accounting policies applied are consistent with consolidated annual financial statements for the year ended 30 June 2006. The following IFRS, IFRIC interpretations and amendments were issued during the reporting period and had no impact on the reported results:

- IFRIC 4 Determining whether an Arrangement Contains a Lease
- IFRIC 8 Scope of IFRS 2;
- IFRIC 9 Reassessment of Embedded Derivatives;
- AC 502 Substantially enacted Tax Rates and Tax Law
- AC 503 Accounting for Black Economic Empowerment Investments
- IAS 19 Amendment – Employee Benefits and Actuarial Gains and Losses
- IAS 39 Amendment – The Fair Value Option; and
- IAS 39 Amendment – Financial Guarantee Contract

3 Exceptional item

During the year, the group disposed of property with a carrying amount of R54.6m for a profit on disposal of R54.6m. This profit is treated as an exceptional item and falls outside the scope of the group's operations.

4 Tax

The effective tax rate of 28.6% (2006: 32.8%) is lower than the statutory rate of 28% as a result of the recognition of a deferred tax asset relating to the group's operations.

financial services revenue ▲ 35.4% to R1.3bn

	2007 Rm	Restated 2006 Rm
	1 373.7	1 072.5
	183.6	185.4
	(1 182.4)	(882.2)
	374.9	375.7
	1 018.3	760.3
	(366.6)	(244.6)
	(565.0)	(483.4)
	461.6	408.0
	(550.4)	(474.2)
	(88.8)	(66.2)
	(527.2)	(598.5)
	111.8	72.7
	(26.3)	(61.7)
	1 015.0	-
	(300.0)	-
	(6.2)	-
	794.3	11.0
	178.3	(653.7)
for the year	(623.4)	23.3
	22.5	7.0
for the year	(422.6)	(623.4)
	1 373.7	1 072.5
	1 275.5	1 019.0
	98.2	53.5
	649.1	637.9
	591.1	599.8
	58.0	38.1



accordance with, and comply with International Financial African Companies Act of 1973. They are prepared on modified by the revaluation of certain financial instruments

istent with those followed in the preparation of the he year ended 30 June 2006, except for the adoption of amendments that became effective during the current results:

ment Contains a Lease;

atives;

d Tax Laws;

mpowerment (BEE) Transactions;

d Actuarial Gains and Losses, Group Plans and Disclosures;

on; and

Contracts.

erty with a net book value of R27.9m. The full pre-tax exceptional item as the transaction is non-recurring in up's operational activities.

s lower than the standard rate of normal tax primarily as a relating to asset timing differences in a subsidiary company.

5 Property, plant and equipment

During the year, the group acquired assets with a cost of R652.1m (2006: R607.4m).

Assets with a net book value of R90.1m (2006: R49.5m) were disposed of by the group during the same period, resulting in a profit before tax of R56.1m (2006: R0.2m), including the disposal of property referred to in note 3.

6 Issue of shares

During the year, 13 368 429 (2006: 14 539 120) ordinary shares were issued in terms of the group's share incentive scheme. 1 268 051 (2006: 4 523 045) shares were repurchased during the year.

7 Contingent liabilities

The holding company provides sureties for the banking facilities and lease obligations of certain subsidiaries. In the opinion of the directors, the possibility of loss arising therefrom is remote.

8 Borrowing facilities

Unutilised banking facilities amount to R2 530.0m (2006: R1 716.0m). In terms of the articles of association, there is no limit on the group's authority to raise interest-bearing debt.

9 Comparative figures

Comparative figures have been restated to recognise the notional interest earned on loans to employees granted in terms of the group's share purchase scheme and the corresponding amortisation of prepaid employment costs. There is no impact on reported profits.

An amount of R8m has been reallocated from tax payable to trade and other payables as at 30 June 2006.

10 Audit opinion

These abridged financial statements have been extracted from the audited financial statements on which Ernst & Young Inc and SAB & T Inc have issued an unqualified report. This report is available for inspection at the company's registered office.