



WOOLWORTHS
the difference

Retail Lunch

12 March 2007

Introducing Andrew Jennings

- 37 years of experience at various retailers including Harrods, House of Fraser, and SAKS 5th Avenue
- Natural affinity for South Africa; married to a South African with 2nd generation family settled here.
- Focus will be on fine-tuning and adjusting the Woolworths business with attention on availability, customer service and product development.
- Update the market at the August year-end results presentation

National Credit Act update

- All new customers post 1 June 2007 will be subject to the NCA. All pre-existing customers will remain subject to usury.
- For existing customers, the freeze on usury has been lifted and Woolworths will start charging an additional 3% interest (per the repo rate hikes) as of the forthcoming billing cycle.
- Slight deterioration in bad debts, but stable outlook

China import quota update

- Quota's have been implemented, and containers are strictly monitored
- Woolworth's quota has been mostly utilised for the current Winter buy. Summer season has been sourced via alternate avenues of supply. Expecting product inflation of approximately 5%.
- Very little sourcing has come back to South African textiles industry due to technology and capacity constraints within the local manufacturing industry.

Midrand Campus

- Gauteng distribution centre operational from February 2007.
- Have gone 'live' with frozen foods; perishables will be implemented after Easter due to the higher inherent risk in the product.
- No teething problems – progressing as expected.