

WHL '15

WOOLWORTHS HOLDINGS LIMITED / 2015 ANNUAL RESULTS

PRESENTATION OUTLINE

OVERVIEW OF THE YEAR
FINANCIAL REVIEW
STRATEGIC FOCUS
OUTLOOK



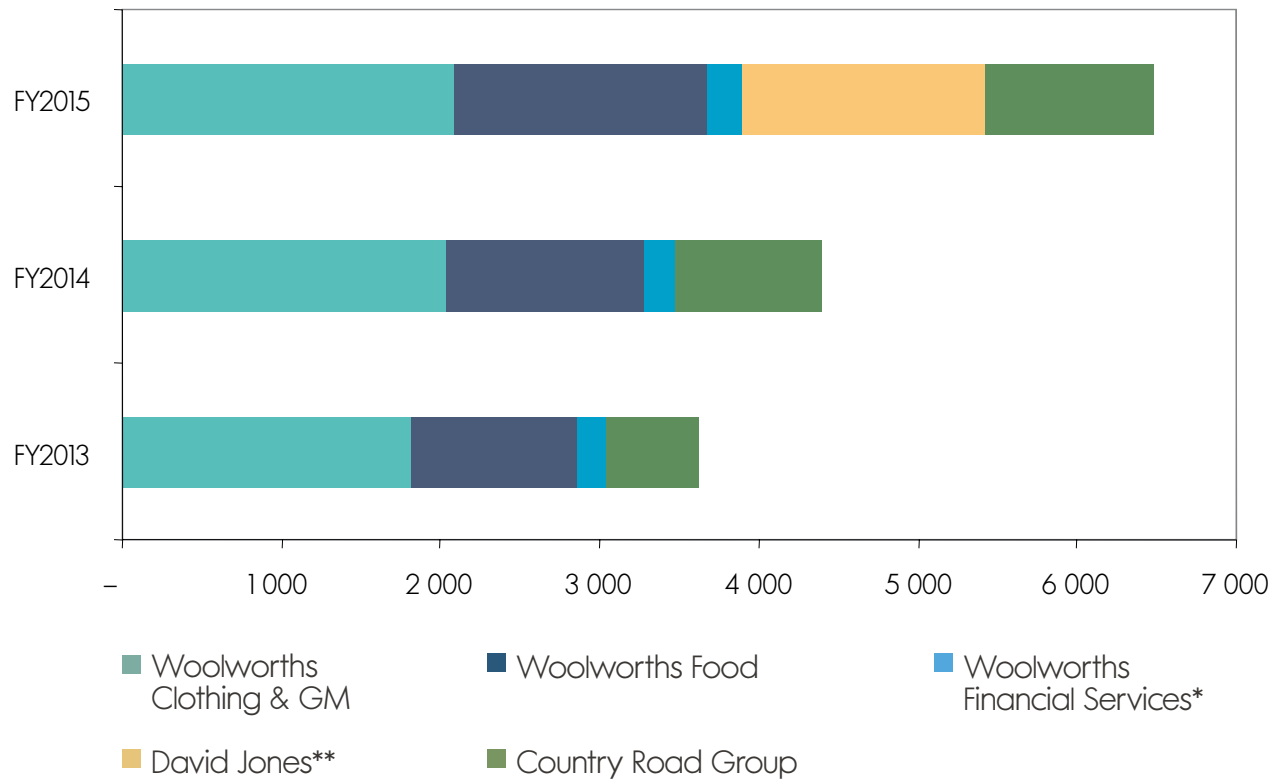
BUILDING A LEADING SOUTHERN HEMISPHERE RETAILER

With Woolworths, David Jones and Country Road Group, we have a strong defensive position across the southern hemisphere through

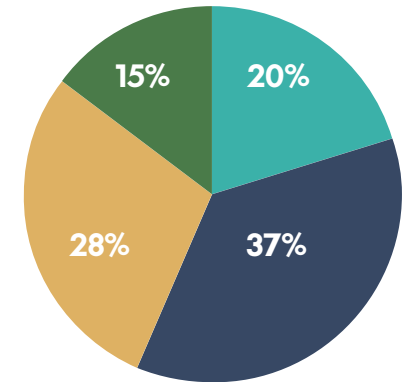
- Common seasonality
- Using scale and global sourcing opportunities to deliver more competitive pricing for our customers
- Building on the design and procurement capability established in Woolworths
- Leveraging systems, processes and structures to improve costs and productivity

DIVERSIFIED EARNINGS BASE

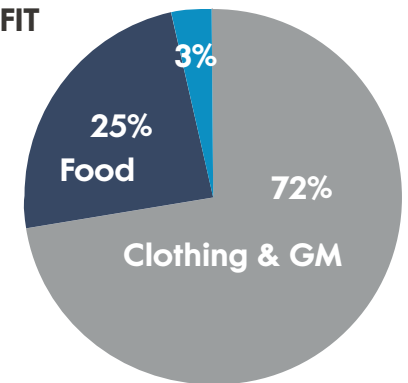
OPERATING PROFIT BY SEGMENT



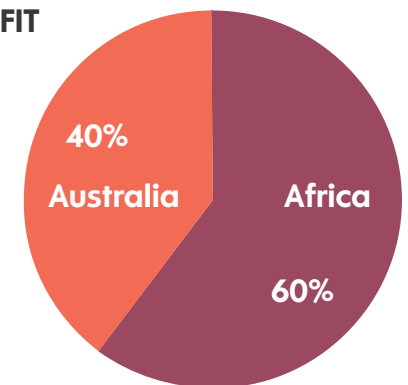
TURNOVER BY SEGMENT



OPERATING PROFIT BY CATEGORY



OPERATING PROFIT BY GEOGRAPHY



* 50% of PAT

** Turnover and concession sales for 11 months

REVIEW OF THE YEAR

- Another exceptional performance from **Food**
- Mixed performance in **Clothing**
- Strong performance from **WFS** continues
- Above market performance from **David Jones** with very strong H2
- **Country Road Group** continues to deliver
- Turnover up 54.9% (up **12.0%** excluding David Jones)
- Adjusted profit before tax up **20.5%**
- Woolworths BEE Employee Share Ownership Scheme created **R2.4 billion** in value for participants and paid out R332 million in dividends



WOOLWORTHS CLOTHING & GM

- Clothing sales in South Africa (including Country Road Group brands) up **9.6%**, with comparable sales up **4.0%**
 - Stronger second half, up 9.8% in total and 4.4% in comparable stores
 - Good performance by core mens and womens business
 - Poor performance in kids, footwear and accessories in H1 (impacted by pricing) but good improvement in H2
 - Late arrival of winter impacted sales significantly in May
- Gross profit margin increased from 46.7% to **47.4%**, due to impact of BNSG buyback
- Non-comparable store costs had material impact on operating margin (down from 17.6% to **16.8%**) and operating profit (up **3.3%**)
 - Better second half, with operating profit up 4.0%

CLOTHING & FOOTWEAR TURNOVER GROWTH

NOTE THAT RLC HAS SUSPENDED MARKET SHARE INFORMATION WITH EFFECT FROM FEBRUARY 2015

Woolworths vs market growth (12mma)



Source: RLC

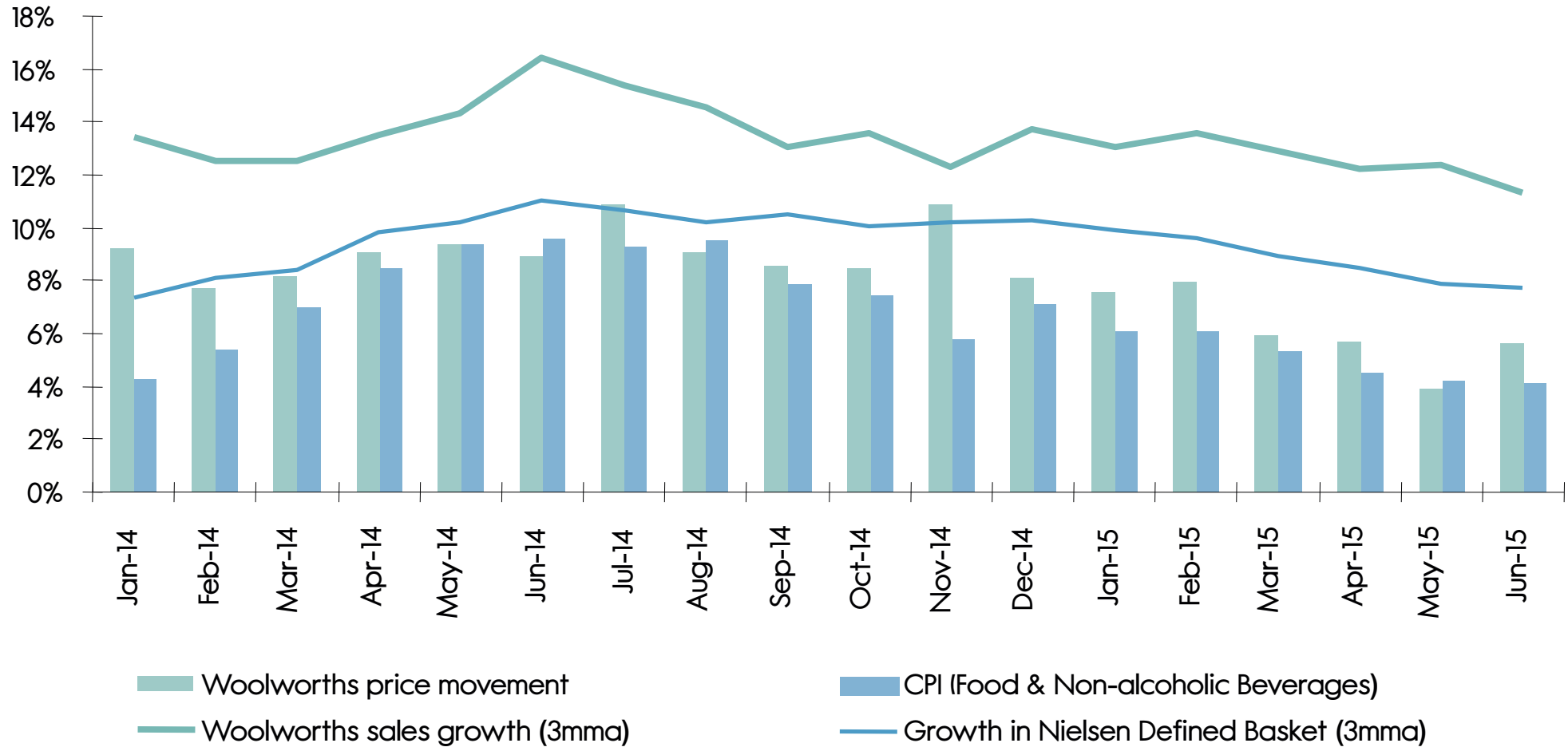
WOOLWORTHS FOOD

- Strong performance well ahead of the market, with total sales up **13.5%** and comparable sales up **6.6%**
- Supermarket strategy working well
- Growth ahead of the market every month since September 2011
- Gross profit margin up from 25.3% to **25.7%**
- Operating margin increased from 6.4% to **7.1%** and operating profit up **25.6%**



FOOD TURNOVER GROWTH

Woolworths vs market growth (3mma)



DAVID JONES

- Comparative sales growth* of **6.4%**, with comparable sales up **3.7%**
 - Strong second half, with sales up 10.7%
- Gross profit margin increased from 38.2% to **39.6%**
- Comparative operating profit up **28.8%**
- Business transformation initiatives well on track
 - Improved customer proposition
 - Improved trading of business
 - Reduction in aged inventory
 - New service model
 - Country Road Group brands launched across >300 pads

* Turnover and concession sales



COUNTRY ROAD GROUP

- Total turnover up **12.1%** in total, and **15.0%** in H2, well above the market
 - Comparable sales up **4.7%**
- Gross profit margin down from 62.0% to **60.9%**
 - Higher markdowns in Country Road womenswear
 - Impact of depreciating Australian Dollar
- Operating margin increased from 11.5% to **11.7%**, with operating profit up **13.3%**



FINANCIAL REVIEW

REEZA ISAACS



A BUSY YEAR

- David Jones acquired effective 1 August 2014 – included for 11 months
- Acquisition of Country Road Group minorities
- R10 billion rights offer successfully completed in October 2014
- Significant investment in supply chain and store footprint
- Black Employee Economic Empowerment (BEEE) scheme reached maturity in July 2015
- Prior year EPS and DPS metrics adjusted for bonus element of rights offer
- Headline earnings growth differs significantly from HEPS due to rights offer shares. Dividend based on closing shares in issue
- ROE lower due to purchased intangibles and goodwill now on balance sheet



FINANCIAL OVERVIEW

Group turnover and concession sales

Up **54.9%** to R62.0 billion

– excluding David Jones

Up **12.0%**

Adjusted profit before tax

Up **20.5%** to R5.3 billion

HEPS – Diluted*

Up **6.7%** to 367.1 cps

HEPS – Adjusted*

Up **10.4%** to 419.4 cps

HEPS – Adjusted Diluted*

Up **11.0%** to 416.4 cps

Total dividend

247.0 cps

ROE**

26.3%

* Prior year restated for bonus element of the rights offer

** Based on adjusted headline earnings and closing equity

GROUP INCOME STATEMENT

	Jun 2015 Rm	Jun 2014 Rm	% change
Woolworths Clothing & GM	2 095	2 029	3.3
Woolworths Food	1 580	1 259	25.5
WFS (50% of PAT)	221	181	22.1
Woolworths	3 896	3 469	12.3
David Jones	1 532	–	
Country Road Group	1 058	930	13.8
Profit before interest and tax	6 486	4 399	47.4
Treasury	(1 216)	(24)	>100
Adjusted profit before tax	5 270	4 375	20.5
Adjustments	(838)	(271)	>100
Profit before tax	4 432	4 104	8.0
Tax	(1 312)	(1 114)	17.8
Profit after tax	3 120	2 990	4.3
Effective tax rate	29.6%	27.1%	

* Post purchase price allocation (PPA) impairment

GROUP INCOME STATEMENT COMMENTARY

	2015 Rm	2014 Rm
DJS and CRG minorities transactions:	(867)	(182)
Transaction costs	(285)	(182)
Integration and restructuring costs	(67)	–
Non-recurring finance costs	(164)	–
Impairment of PPE*	(378)	–
Unrealised foreign exchange gains/(losses)	29	(139)
Disposal of property	–	50
Adjustments	(838)	(271)

EFFECTIVE TAX RATE – Impacted by non-deductible costs relating to the DJ and CRG minorities transactions.

* Post purchase price allocation (PPA) impairment

WOOLWORTHS CLOTHING & GM INCOME STATEMENT

	Jun 2015 Rm	Jun 2014 Rm	% change
Turnover	12 499	11 505	8.6
Cost of sales	6 574	6 132	7.2
Gross profit	5 925	5 373	10.3
Other revenue	19	18	5.6
Expenses	3 850	3 364	14.4
Store costs	2 544	2 128	19.5
Other operating costs	1 306	1 236	5.7
Operating profit	2 094	2 027	3.3
Gross profit margin – on turnover	47.4%	46.7%	
Operating profit margin – on turnover	16.8%	17.6%	

WOOLWORTHS CLOTHING & GM INCOME STATEMENT COMMENTARY

	Total	Comp stores
Clothing (incl CRG SA)	9.6%	4.0%
Clothing	8.8%	3.4%
GM	7.7%	5.6%
Clothing & GM	8.6%	3.7%

GROSS PROFIT – Due to BNSG conversion.

STORE COSTS – Impacted by new space and BNSG conversion (see Woolworths Expenses slide).

WOOLWORTHS FOOD INCOME STATEMENT

	Jun 2015 Rm	Jun 2014 Rm	% change
Turnover	22 352	19 694	13.5
Cost of sales	16 598	14 711	12.8
Gross profit	5 754	4 983	15.5
Other revenue	93	73	27.4
Expenses	4 268	3 799	12.3
Store costs	2 898	2 555	13.4
Other operating costs	1 370	1 244	10.1
Operating profit	1 579	1 257	25.6
Gross profit margin – on turnover	25.7%	25.3%	
Operating profit margin – on turnover	7.1%	6.4%	

WOOLWORTHS FOOD INCOME STATEMENT COMMENTARY

	Total	Comp stores	Price move
Food	13.5%	6.6%	7.7%

GROSS PROFIT – More effective promotions and efficiencies in supply chain.

STORE COSTS – Impacted by new space (see Woolworths Expenses slide).

WOOLWORTHS EXPENSES

	Jun 2015 Rm	Jun 2014 Rm	% change
Store costs	5 442	4 683	16.2
South Africa – base	4 905	4 500	9.0
South Africa – new stores	198	–	
South Africa	5 103	4 500	13.4
Rest of Africa	339	183	85.0
Other operating costs	2 676	2 480	7.9
Total expenses	8 118	7 163	13.3

WOOLWORTHS EXPENSES COMMENTARY

SOUTH AFRICA – BASE – Includes increased costs due to store extensions and modernisations. Comparable store costs up 5.6%.

REST OF AFRICA – Non-comparable due to the acquisition of BNSG stores.

WOOLWORTHS FINANCIAL SERVICES INCOME STATEMENT

Consolidated pro-forma income statement	Jun 2015 Rm	% to book	Jun 2014 Rm	% to book	% change
Interest income	1 718	18.6	1 473	17.7	16.6
Interest paid	497	5.4	416	5.0	19.5
Net interest income	1 221	13.2	1 057	12.7	15.5
Impairment charge	503	5.4	396	4.8	27.0
Risk-adjusted margin	718	7.8	661	7.9	8.6
Non-interest revenue	672	7.3	628	7.5	7.0
Operating costs	777	8.4	786	9.4	(1.1)
Profit before tax	613	6.6	503	6.0	21.9
Average financial services assets	9 232		8 339		10.7
Return on equity	26.6%		24.3%		

WOOLWORTHS FINANCIAL SERVICES INCOME STATEMENT COMMENTARY

NET INCOME INTEREST – Increase due to strong portfolio growth, together with margin gain from interest rate increases in 2014.

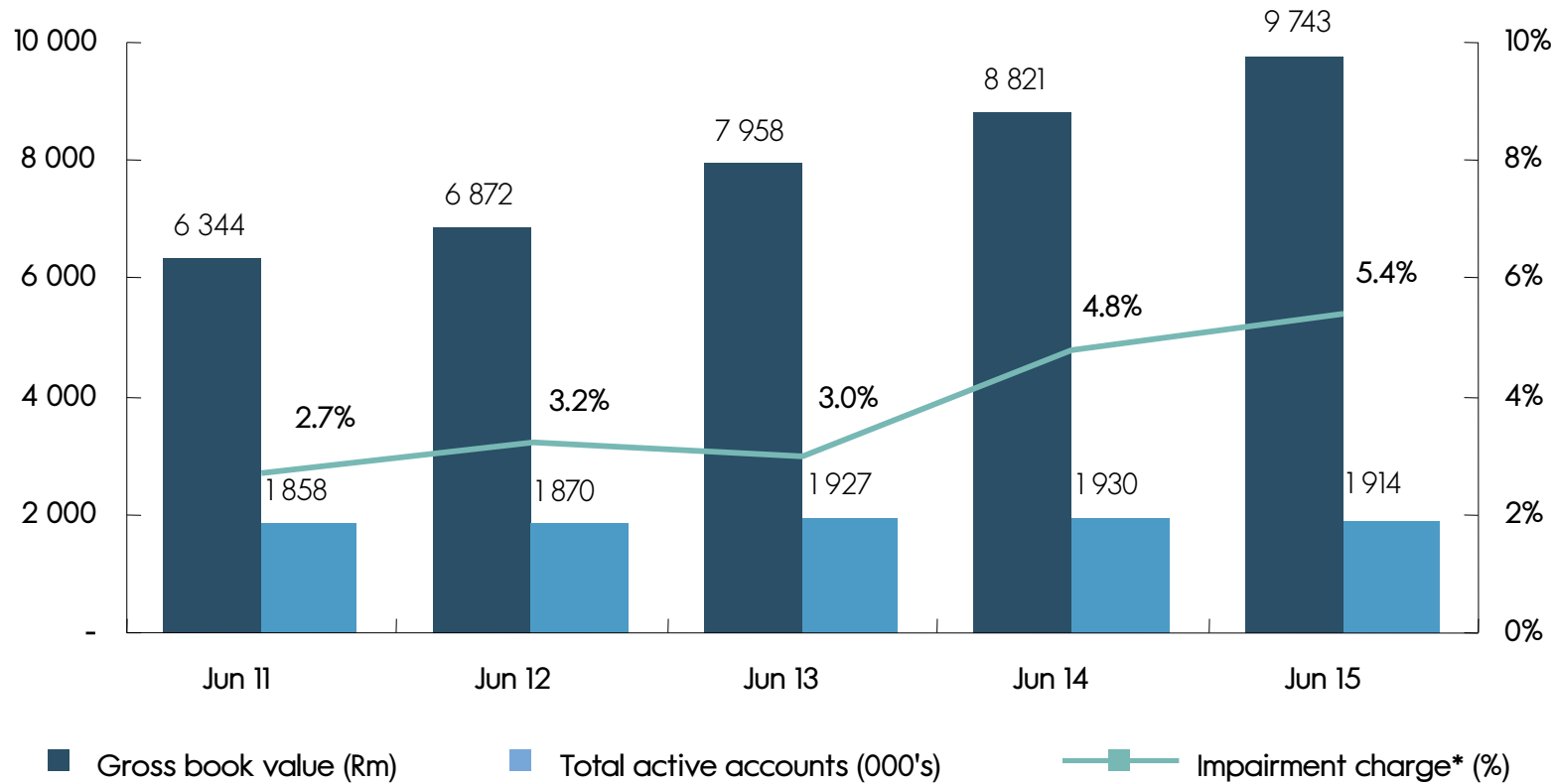
IMPAIRMENT CHARGE – Increase from debt counselling and lower recoveries resulting from tougher collections.

NON-INTERES REVENUE – Growth from higher fee income and insurance revenue.

OPERATING COSTS – Continued focus on operational efficiencies and good progress in converting customers to electronic statements.

AVERAGE FINANCIAL SERVICES ASSETS – Closing book up 10.5% from June 2014, with strong growth in personal loans and credit card portfolio, despite a tougher credit environment.

WOOLWORTHS FINANCIAL SERVICES BOOK PERFORMANCE



* Includes collection costs

DAVID JONES INCOME STATEMENT

	11 months Jun 2015 A\$m	Comparative* 11 months Jun 2014 A\$m	% change
Turnover and concession sales	1 885	1 772	6.4
Concession sales	(609)	(536)	13.6
Turnover – own buy	1 276	1 236	3.2
Cost of sales	670	679	(1.3)
Gross profit – own buy	606	557	8.8
Concession revenue	141	120	17.5
Gross profit	747	677	10.3
Expenses	603	574	5.1
Store costs	506	493	2.6
Other operating costs	97	81	19.8
Department store operating profit	144	103	39.8
Financial services operating profit	17	22	(22.7)
Operating profit	161	125	28.8
Gross profit margin – on turnover and concession sales	39.6%	38.2%	
Operating profit margin**	7.6%	5.8%	
Return on capital employed*** (A\$)	13.1%	9.8%	

* Comparable pre-acquisition 11 month period to June 2015.

** Department store operating profit as a percentage of turnover and concession sales.

*** Excluding purchased goodwill and revalued intangibles, and based on adjusted headline earnings

DAVID JONES INCOME STATEMENT COMMENTARY

TURNOVER AND CONCESSION SALES – Sales in comparable stores +3.7%.

GROSS PROFIT MARGIN – Gross profit margin normalised.

STORE COSTS – Reallocation/PPA lease adjustment of A\$10 million.

FINANCIAL SERVICES OPERATING PROFIT – Impacted by Amex guarantee in prior year.

* Comparable pre-acquisition 11 month period to June 2015.

** Department store operating profit as a percentage of turnover and concession sales.

*** Excluding purchased goodwill and revalued intangibles, and based on adjusted headline earnings

COUNTRY ROAD GROUP INCOME STATEMENT

	Jun 2015 A\$m	Jun 2014 A\$m	% change
Turnover	952	849	12.1
Cost of sales	372	323	15.2
Gross profit	580	526	10.3
Other revenue	4	4	–
Expenses	473	432	9.5
Store costs	340	308	10.4
Other operating costs	133	124	7.3
Operating profit	111	98	13.3
Gross profit margin – on turnover	60.9%	62.0%	
Operating profit margin – on turnover	11.7%	11.5%	
Return on capital employed* (A\$)	53.2%	47.5%	

* Excluding purchased goodwill and revalued intangibles, and based on adjusted headline earnings

COUNTRY ROAD GROUP INCOME STATEMENT COMMENTARY

TURNOVER – Comparable sales growth of 4.7% in Australasia.

GROSS PROFIT – Increased markdowns in Country Road womenswear.

STORE COSTS – Good store cost control despite 19.4% new space.

OTHER OPERATING COSTS – Good other operating cost control despite material costs for initiatives launched during the year.

* Excluding purchased goodwill and revalued intangibles, and based on adjusted headline earnings

TREASURY

	Capital	Rate**	Jun 2015 Rm	Jun 2014 Rm
ZAR senior debt*	R10 bn	8.84%	806	--
AUD senior debt*	\$609 m	4.71%	220	-
Equity bridge			134	-
Short-term facilities			218	24
Total net interest paid			1 378	24
Less non-recurring finance charges			(164)	-
Treasury costs			2	-
			1 216	24

* Includes amortised costs. Drawn down 1 August 2014.

** Partially hedged all-in rate including amortisation of upfront costs.

BALANCE SHEET

	Group Jun 2015 Rm	DJ +consol Jun 2015 Rm	Group ex DJ Jun 2015 Rm	Jun 2014 Rm	% change ex DJ
Assets					
Property, plant and equipment and investment properties	14 538	9 752	4 786	3 519	36.0
Intangible assets	15 700	12 901	2 799	2 946	(5.0)
Investment in JVs and associate	894	–	894	801	11.6
Investment in David Jones (DJ)	–	(21 400)	21 400	–	
Inventories	5 881	1 864	4 017	3 436	16.9
Accounts receivable, tax, deferred tax and loans	3 551	1 459	2 092	2 025	3.3
Cash	891	186	705	1 666	(57.7)
	41 455	4 762	36 693	14 393	>100
Equity and liabilities					
Shareholders' funds	14 297	(467)	14 764	6 952	>100
Borrowings	14 879	–	14 879	584	>100
Other non-current liabilities and deferred tax	3 193	1 590	1 603	1 334	20.2
Accounts payable, provisions and tax	9 086	3 639	5 447	5 523	(1.4)
	41 455	4 762	36 693	14 393	>100

BALANCE SHEET COMMENTARY

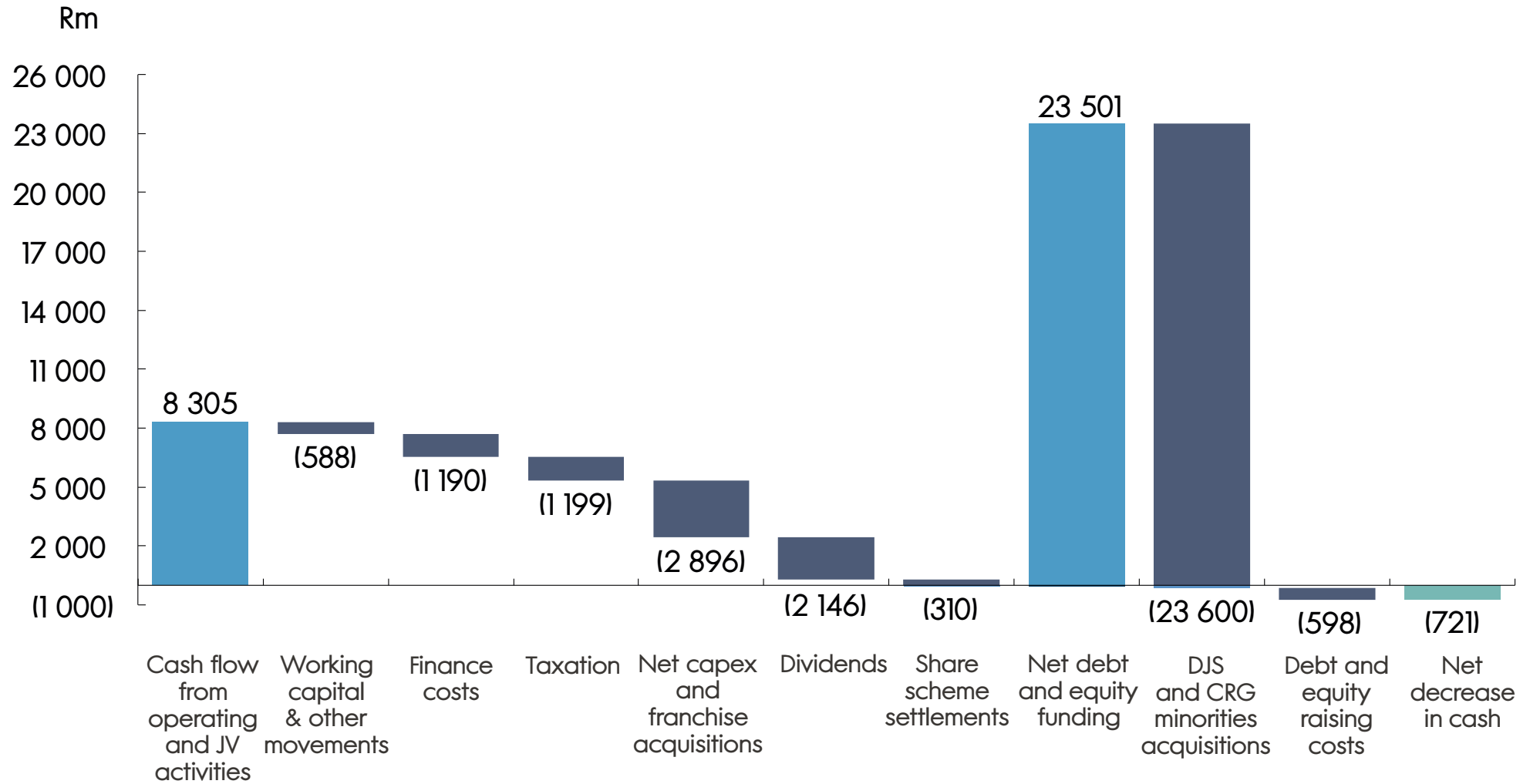
PPE AND INVESTMENT PROPERTIES – Store development plans, Woolworths Food DC land acquisition and Country Road Group OFC.

INVENTORIES – Investment in C&GM availability, rollout of Witchery and Mimco in South Africa, long-life catalogue additions in Food and impact of BNSG conversion.

SHAREHOLDERS' FUNDS – R10 billion rights offer, offset by R2.2 billion acquisition of Country Road Group minorities (IFRS 10).

BORROWINGS – See Treasury slide.

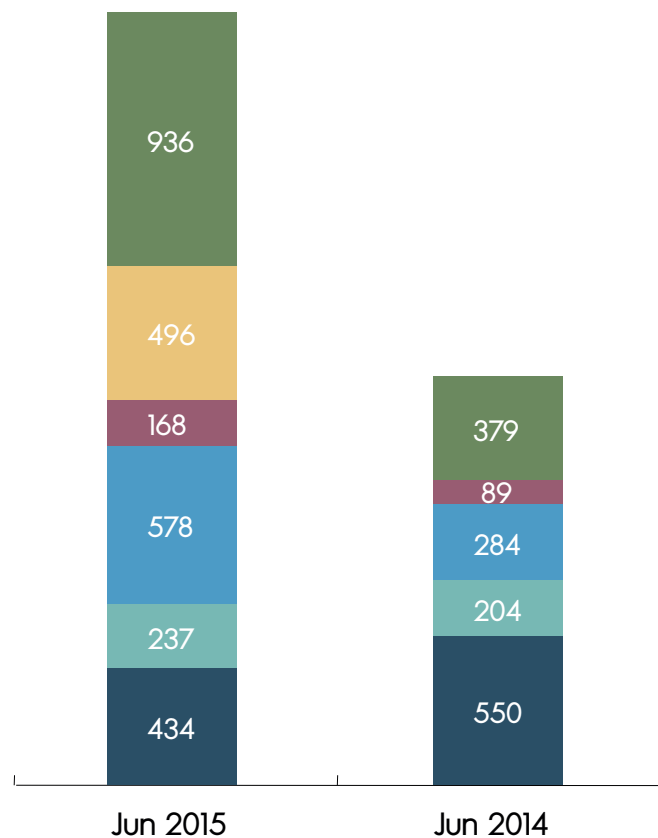
CASH GENERATION



CAPITAL EXPENDITURE

Capex (Rm)

R2 849 m (Jun 2014: R1 506 m)



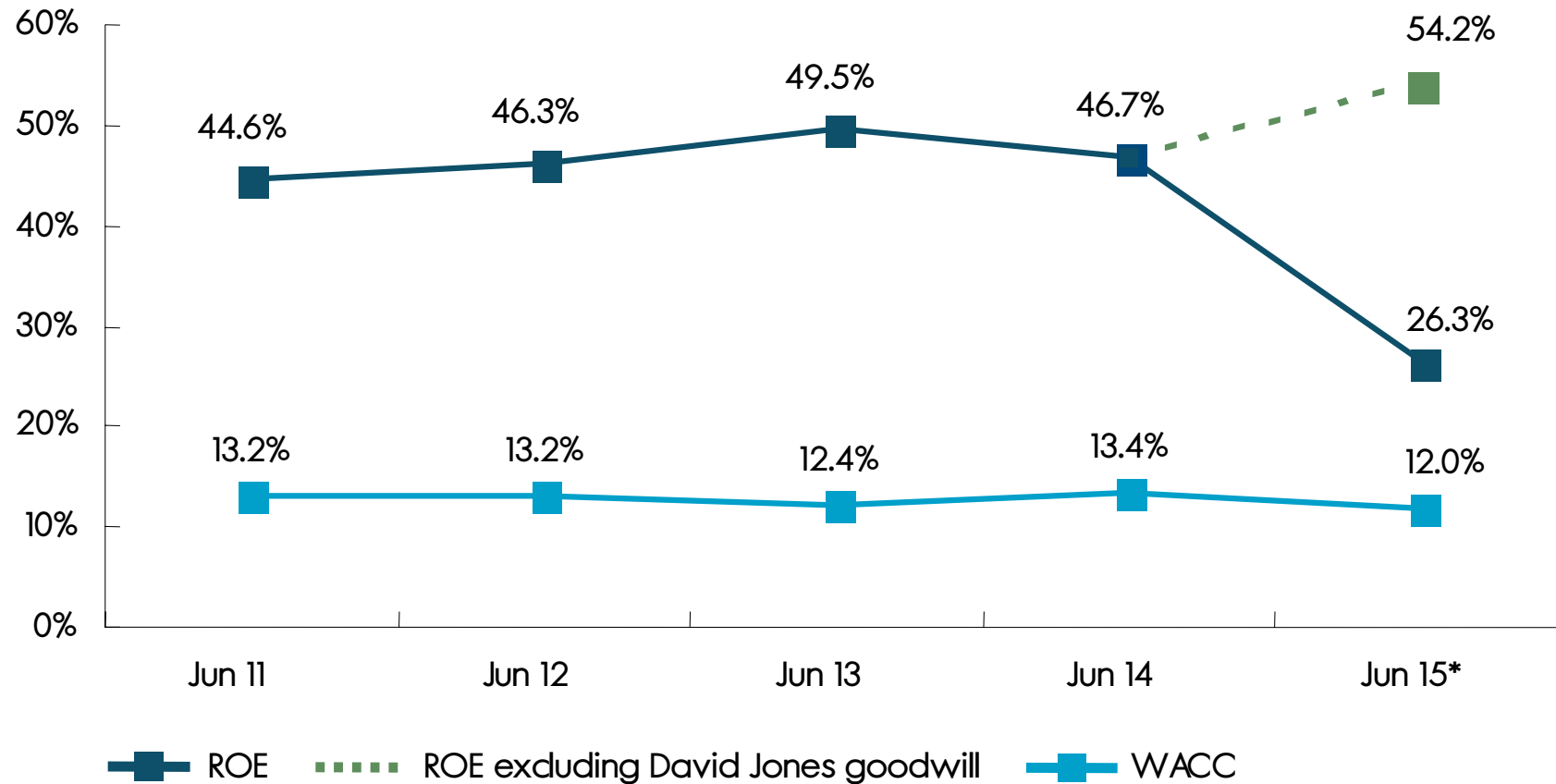
■ Woolworths Retail ■ Woolworths IT
■ Woolworths Supply Chain ■ Woolworths Other
■ David Jones ■ Country Road Group

DEPRECIATION

	Jun 2015 Rm	Jun 2014 Rm	% change
Woolworths	772	645	19.7
David Jones	529	-	
Country Road Group	225	227	(0.9)
Total Group	1 526	872	75.0

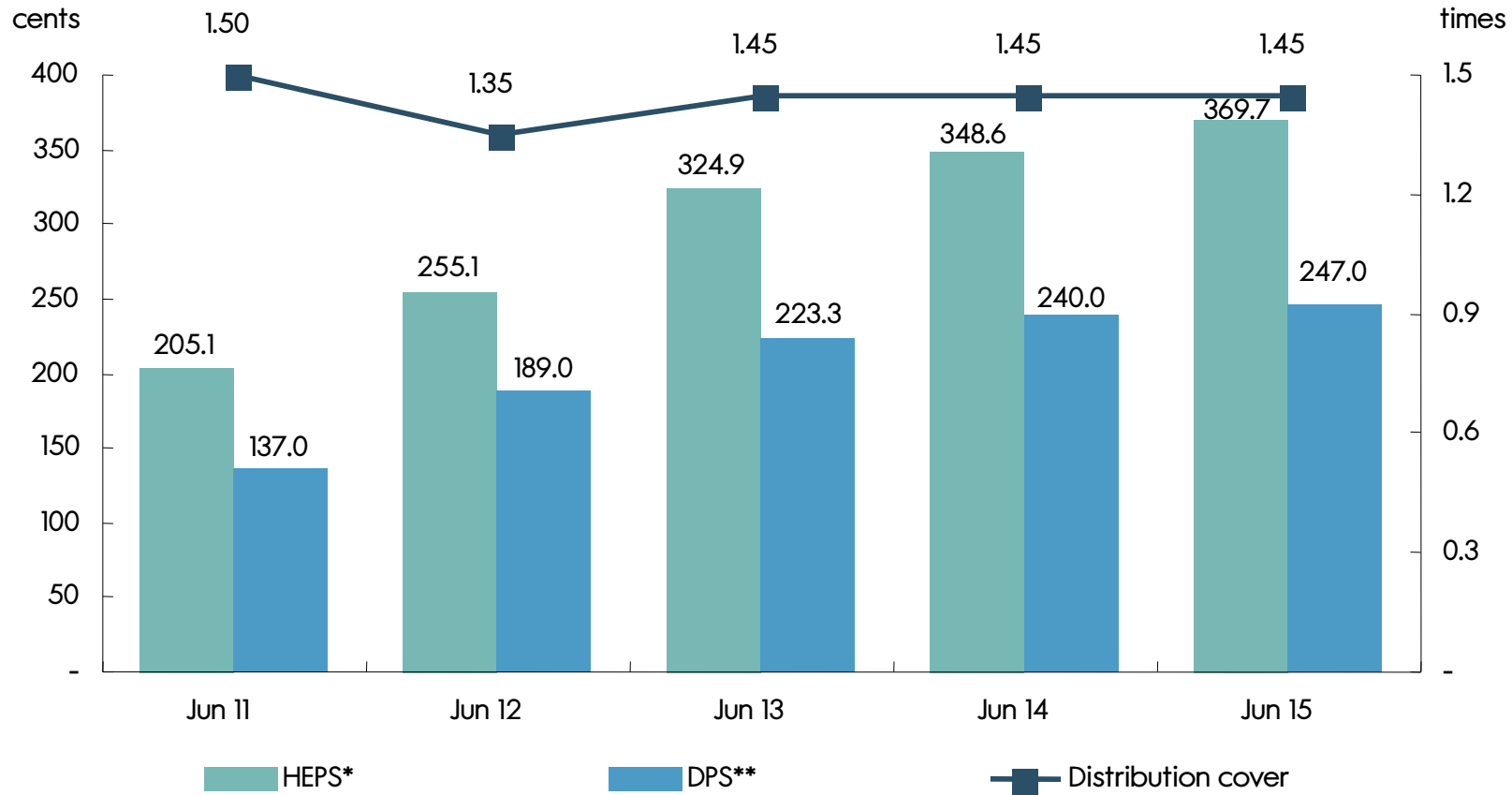
- Woolworths Food supply chain capacity in Cape Town (acquisition of land)
- Country Road Group omni-channel fulfilment centre and store expansion into David Jones
- David Jones now included

RETURN ON EQUITY



* Based on adjusted headline earnings and closing equity

EARNINGS AND DISTRIBUTION



* HEPS based on weighted average number of shares

** DPS based on closing number of shares

GUIDANCE

WOOLWORTHS

- Clothing & GM price movement expected to be in single digits
- Food inflation to track above CPI due to our product mix, drought and import cost pressures
- Full year space growth: **6.1%** in Clothing & GM; **8.8%** in Food
- Gross profit margins to be broadly maintained in Clothing; some price investment in Food
- Store cost growth expected to normalise
- WFS book growth and impairments expected to be in line with FY2015
- WFS to be impacted in FY2016 by changes to NCA and investment in **WREWARDS** initiative

Shareholders are advised that this information has not been reviewed and reported on by the Group's external auditors and it does not constitute a profit forecast.

GUIDANCE

DAVID JONES

- Above market sales growth expected to continue
- Transformation initiatives to gain traction and improve profitability across the Group

COUNTRY ROAD GROUP

- Above market sales growth expected to continue
- Continued focus on cost management and unlocking efficiencies

Shareholders are advised that this information has not been reviewed and reported on by the Group's external auditors and it does not constitute a profit forecast.



GUIDANCE

GROUP

- Taxation – effective tax rate of 28% in South Africa and 30% in Australia
- Capex – R3.6 billion planned for 2016: R2.0 billion in Woolworths, R1.0 billion in David Jones and R0.6 billion in Country Road Group.



Shareholders are advised that this information has not been reviewed and reported on by the Group's external auditors and it does not constitute a profit forecast.



STRATEGIC FOCUS

IAN MOIR

STRATEGIC FOCUS

- 1 BUILD STRONGER, MORE PROFITABLE, **CUSTOMER** RELATIONSHIPS
- 2 BE A **LEADING FASHION RETAILER** IN THE SOUTHERN HEMISPHERE
- 3 BECOME A **BIG FOOD** BUSINESS WITH A DIFFERENCE
- 4 BECOME AN **OMNI-CHANNEL** BUSINESS
- 5 EXPAND INTO **AFRICA**
- 6 SIMPLE, CONVENIENT AND REWARDING **FINANCIAL SERVICES**
- 7 DRIVE **SYNERGIES AND EFFICIENCIES** ACROSS THE GROUP
- 8 EMBED **SUSTAINABILITY** THROUGHOUT THE BUSINESS

1 BUILD STRONGER, MORE PROFITABLE CUSTOMER RELATIONSHIPS

Customer insights and data will drive and inform all our business decisions

- **WOOLWORTHS** tracking **74%** of sales
- **COUNTRY ROAD GROUP** tracking **77%** of sales
- **DAVID JONES** tracking **18%** of sales
 - Now collecting customer data at point of sale
 - First phase of new CRM system to be delivered in FY2016
 - Phase 2 will deliver full regional scheme



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

WOOLWORTHS

- Attract **younger, more modern, black** customers
- Own the **Classic** category
- Lead the market in **quality and range**
 - Deliver superior product through fabric innovation, quality, fit and our credentials in sustainability
 - Space and catalogue tailored to accommodate local customer demands
 - Ongoing improvements made in availability
- Strengthen **value perception**
 - Meet the market on pricing on our Key Value Lines
 - WRewards to be an important lever in driving value perceptions

2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

WOOLWORTHS (CONTINUED)

- Improve customers' awareness and understanding of our **"Difference"** by more effectively communicating our quality differential, innovation and sustainability
 - Our Difference underpins our value proposition
- Continue to build **fashion credibility**
 - Design-led collections
 - Create a portfolio of distinctive, private brands that deliver consistency across South Africa and Australia
 - In-store experience to reflect the characteristics of our brands



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

DAVID JONES

- Focus on our **customer**
 - Use of customer insights to inform decisions
 - Deliver an improved service proposition
 - Introduce theatre and experience in all stores
 - Develop a new look David Jones store concept (Eastlands)
- Improvement in **merchandise**
 - Optimise brand assortment
 - Drive space productivity and profit with new space management model
 - Rollout of CRG brands and WHL brands
 - David Jones private label relaunch in February 2016
 - Implement a world class merchandise and planning system
- Introduction of **new CRM** programme
- Optimise **store portfolio** with new stores and new formats
 - e.g. Wellington, Barangaroo (1 400m²)
- Grow **online** sales to >10% of total sales and transform profitability

2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

COUNTRY ROAD GROUP

- Drive and grow **four clearly differentiated brands**
- Increased **focus on customer** using insights to drive all aspects of our business
- Increase focus on **design**
- Growth of **David Jones concession business**
 - >300 apparel pads have been rolled out/expanded
 - Additional 50 apparel, footwear, home and Mimco pads planned for completion by February 2016
- Transition to the new Melbourne-based omni-channel fulfilment centre



3 BECOME A BIG FOOD BUSINESS WITH A DIFFERENCE

WOOLWORTHS COMPLETE THE SHOP

- Offer a **comprehensive but edited range**
 - Total SKUs now at **11 000** from 4 000 five years ago
 - To grow to **13 500** to enhance depth and breadth of range
- Continue to **build big stores** and make stores bigger through the ongoing rollout of our Market Format (e.g. Waterstone)
- Grow our **convenience format**

PRICE AND VALUE

- Improve our **value perception** by investing in price

MAINTAIN OUR FOOD AUTHORITY CREDENTIALS

- Maintain **market leading position** in food quality and innovation
- Enhance the store **experience** through ongoing rollouts of interactive food counters
- Maintain our **competitive advantage** in fresh

DAVID JONES

- Enhance the food offer and in-store experience to become the destination of choice for premium food customers

4 BECOME AN OMNI-CHANNEL BUSINESS

- Move to a **total retail experience**
- Building a **single view of customer**, enabling customers to be recognised and rewarded in real time, with delivery of personalised, seamless service across channels
- **Digitally transform stores**, improving connectivity to enable staff and customers to engage differently
- Increased focus on **mobile** commerce
- Investigate potential for **single e-commerce platform** across the Group

WOOLWORTHS

- Fashion, Home and Beauty shift to national delivery/returns, and store collection enabled
- Launch new channels (transactional app, social commerce)

4 BECOME AN OMNI-CHANNEL BUSINESS

DAVID JONES

- Introduction of new CRM programme
- Continue to enhance the online performance to $> 10\%$ of total sales

COUNTRY ROAD

- Further refinement of the customer experience
- Transition to omni-channel fulfilment centre
- Continue to drive online sales to $>10\%$ of total sales



5 EXPAND INTO AFRICA

- **Double digit growth** in sales and profits
- WREWARDS live in **all countries**, except Ghana
- Tailoring offer to local customers and **improving availability**
- Capturing regional synergies now franchise conversion complete
- Step change in “cost to sell” ratios and supply chain efficiencies enabling delivery of better value proposition
- Strong management capability built regionally and in market



6 SIMPLE, CONVENIENT & REWARDING FINANCIAL SERVICES

TRANSFORMING THE WFS CUSTOMER EXPERIENCE

- Instant credit and card issuance now available within **15 minutes** in **31** stores
- A total of **120k** new in-store cards and **42k** new credit cards activated in the year
- **63%** of the account base now on electronic statements and **192k** customers actively using the mobile app
- WFS offer to be enhanced by alignment with WREWARDS programme in October 2015



7 DRIVE SYNERGIES AND EFFICIENCIES ACROSS THE GROUP

DRIVE SCALE BENEFITS ACROSS THE SOUTHERN HEMISPHERE

- **Single sourcing approach** with combined volumes to drive improved product development, price accessibility and margins
- Develop a roadmap to consolidate infrastructure and systems across the entire Group

DISTRIBUTION CAPACITY

- **New distribution centres** for Woolworths in South Africa and Country Road Group in Australia
- David Jones supply chain to utilise Country Road Group omni-channel fulfilment centre capacity and capability

REAL ESTATE – AUSTRALIA

- **Rental benefit** from regional bargaining power
- Consolidation of David Jones CBD flagship stores



CRG OMNI-CHANNEL FULFILMENT CENTRE



CRG OMNI-CHANNEL FULFILMENT CENTRE



8 EMBED SUSTAINABILITY THROUGHOUT THE BUSINESS

Driving a consistent, group-wide Good Business Journey strategy with the objective of being the most sustainable retailer in the southern hemisphere

KEY FOCUS AREAS

- **Ethical trade**
- **Sustainable farming** and sourcing of raw materials
- Scarce **water** resources
- **Energy** reduction
- Reducing **waste** across our business and helping customers do the same
- Contributing to **social development priorities** wherever we operate
- **BEE Transformation** of our business and supply chain – Woolworths BEEESOS created R2.4 billion in value for participants and paid out R332 million in dividends
- **Health and wellness** for our customers and colleagues

Collaboration with Pharrell Williams to highlight key focus on sustainability and raise more than R100 million for education



OUTLOOK

IAN MOIR

OUTLOOK

- The South African and Australian commodity-based economies will continue to be constrained
- Impact of load shedding on consumer confidence in South Africa
- The upper income consumer in both regions should remain relatively resilient, our target demographic will continue to grow and we will gain market share
- First 8 weeks of sales are strong in both South Africa and Australia
- Medium-term targets:

	Achieved in FY2015	Medium-term target FY2018
Operating profit margin		
Woolworths Clothing & GM	16.8%	19%
Woolworths Food	7.1%	7%
David Jones*	7.6%	>10%
Country Road Group	11.7%	14%
ROE		
Woolworths Financial Services	26.6%	22%

* Department store operating profit as a percentage of turnover and concession sales.

QUESTIONS?

THANK YOU



ADDITIONAL INFO



TRADING SPACE

	Jun 2015 000m ²	Jun 2014 000m ²	% change	Projected Jun 2016 000m ²	% change	Projected Jun 2017 000m ²	% change	Projected Jun 2018 000m ²	% change
Woolworths Clothing & GM	440	414	6.3	467	6.1	492	5.4	510	3.7
South Africa	397	376	5.6	419	5.5	442	5.5	457	3.4
Rest of Africa	43	38	13.2	48	11.6	50	4.2	53	6.0
Woolworths Food	205	186	10.2	223	8.8	240	7.6	258	7.5
South Africa	198	180	10.0	216	9.1	232	7.4	250	7.8
Engen	2	2	-	2	-	3	50.0	3	-
Rest of Africa	5	4	25.0	5	-	5	-	5	-
David Jones	455	450	1.1	469	3.1	481	2.6	510	6.0
Country Road Group*	111	93	19.4	118	6.3	118	-	122	3.4
Australasia	98	79	24.1	102	4.1	101	(1.0)	104	3.0
South Africa	13	14	(7.1)	16	23.1	17	6.3	18	5.9

* Includes 21 209 m² CRG brand concessions within David Jones stores

STORE LOCATIONS

	Jun 2015	Jun 2014	Growth	Projected Jun 2016	Growth	Projected Jun 2017	Growth	Projected Jun 2018	Growth
Woolworths Clothing & GM	279	259	20	292	13	302	10	315	13
South Africa	214	199	15	220	6	226	6	232	6
Rest of Africa	65	60	5	72	7	76	4	83	7
Woolworths Food	397	374	23	417	20	441	24	461	20
South Africa*	311	297	14	317	6	327	10	333	6
Engen	62	55	7	75	13	86	11	99	13
Rest of Africa	24	22	2	25	1	28	3	29	1
David Jones	38	37	1	40	2	43	3	49	6
Country Road Group**	609	529	80	637	28	650	13	659	9
Australasia	531	459	72	546	15	551	5	556	5
South Africa	78	70	8	91	13	99	8	103	4

* Of which 160 are standalone Food stores

** Includes 147 CRG brand concessions within David Jones stores. CRG brand concessions may extend over multiple category pads

WOOLWORTHS FINANCIAL SERVICES CONTRIBUTION TO SALES

% of sales spent on Woolworths cards	Jun 2015	Jun 2014
Clothing & GM	23.2%	25.9%
Food	11.0%	12.3%
Aggregate Woolworths card contribution	15.5%	17.5%
Credit card	1.3%	1.3%
Aggregate Woolworths and credit card contribution	16.8%	18.8%

DAVID JONES INCOME STATEMENT (IN RANDS)

	11 months Jun 2015 Rm	Comparative 11 months Jun 2014 Rm	% change
Turnover and concession sales	17 918	16 887	6.1
Concession sales	(5 788)	(5 108)	13.3
Turnover – own buy	12 130	11 779	3.0
Cost of sales	6 357	6 471	(1.8)
Gross profit – own buy	5 773	5 308	8.8
Concession revenue	1 337	1 144	16.9
Gross profit	7 110	6 452	10.2
Expenses	5 734	5 470	4.8
Store costs	4 804	4 698	2.3
Other operating costs	930	772	20.5
Department store operating profit	1 376	982	40.1
Financial services operating profit	156	210	(25.7)
Operating profit	1 532	1 192	28.5

DAVID JONES BALANCE SHEET

	Jun 2015 A\$m
Assets	
Property, plant and equipment	1 043
Goodwill and brands	1 344
Intangible assets	13
Inventories	199
Accounts receivable, tax and deferred tax	143
Cash	20
Total assets	2 762
Non-current and current non-interest bearing-liabilities	(555)
Capital employed	2 207
Year-end exchange rate (R/A\$)	9.3

COUNTRY ROAD GROUP INCOME STATEMENT (IN RANDS)

	Jun 2015 Rm	Jun 2014 Rm	% change
Turnover	9 081	8 090	12.2
Cost of sales	3 544	3 081	15.0
Gross profit	5 537	5 009	10.5
Other revenue	34	34	–
Expenses	4 513	4 113	9.7
Store costs	3 243	2 931	10.6
Other operating costs	1 270	1 182	7.4
Operating profit	1 058	930	13.8

COUNTRY ROAD GROUP GROUP BALANCE SHEET

	Jun 2015 A\$m	Jun 2014 A\$m	% change
Assets			
Property, plant and equipment	157	91	72.5
Intangible assets	147	148	(0.7)
Inventories	118	101	16.8
Accounts receivable, tax and deferred tax	68	33	>100
Cash	12	84	(85.7)
Total assets	502	457	9.8
Non-current and current interest-bearing liabilities	(177)	(158)	12.0
Capital employed	325	299	8.7
Year-end exchange rate (R/A\$)	9.3	10.0	

BEEESOS UNWIND

Impact of Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS) unwind		Jun 2015
Headline earnings – pre BEEESOS unwind	Rm	3 307
Preference dividend saving	Rm	99
IFRS 2 charge relating to BEEESOS	Rm	18
Pro-forma headline earnings – post BEEESOS unwind	Rm	3 424
Pro-forma HEPS – post BEEESOS unwind	cps	372.9
HEPS – pre BEEESOS unwind	cps	(369.7)
Accretion due to BEEESOS unwind	cps	3.2
Reconciliation:		
HEPS dilution due to increase in WANOS	cps	(9.5)
HEPS accretion due to increase in headline earnings	cps	12.7
Accretion due to BEEESOS unwind	cps	3.2

INDEX RECOGNITION

- Woolworths was again included in the **JSE Socially Responsible Investment** (SRI) Index for 2014/2015
- Woolworths was included in the **Dow Jones Sustainability Index** (DJSI), the world's most respected sustainability index for 2014/15
- Woolworths was included in the **Euronext Vigeo Index**: Euronext Vigeo – Emerging 70
- David Jones included in **CDP ASX 200 Climate Disclosure Leadership Index**