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WOOLWORTHS HOLDINGS LIMITED **INTERIM RESULTS 2011**

ECONOMIC OVERVIEW

- South Africa
 - Growing but more competitive retail environment
 - Increasing inflation
 - Consumer confidence in target LSM 8-10 market still positive
 - Real growth in consumer income
 - Low interest rate environment
 - Appetite for consumer credit growing

- Australia
 - Tough and extremely competitive retail environment
 - Falling interest rate environment – 2 cuts, with the prospect of more to come

REVIEW OF THE PERIOD

- Strong SA **trading performance** in last 6 weeks
- Continued **GP margin** gain in Woolworths
- Woolworths **return on sales** up from 9.4% to 9.8%*
- Strong **profit** performance
- HEPS **+23.3%***
- ROE up to **50.8%***
- Strong **cash flow**
- Strong **balance sheet**

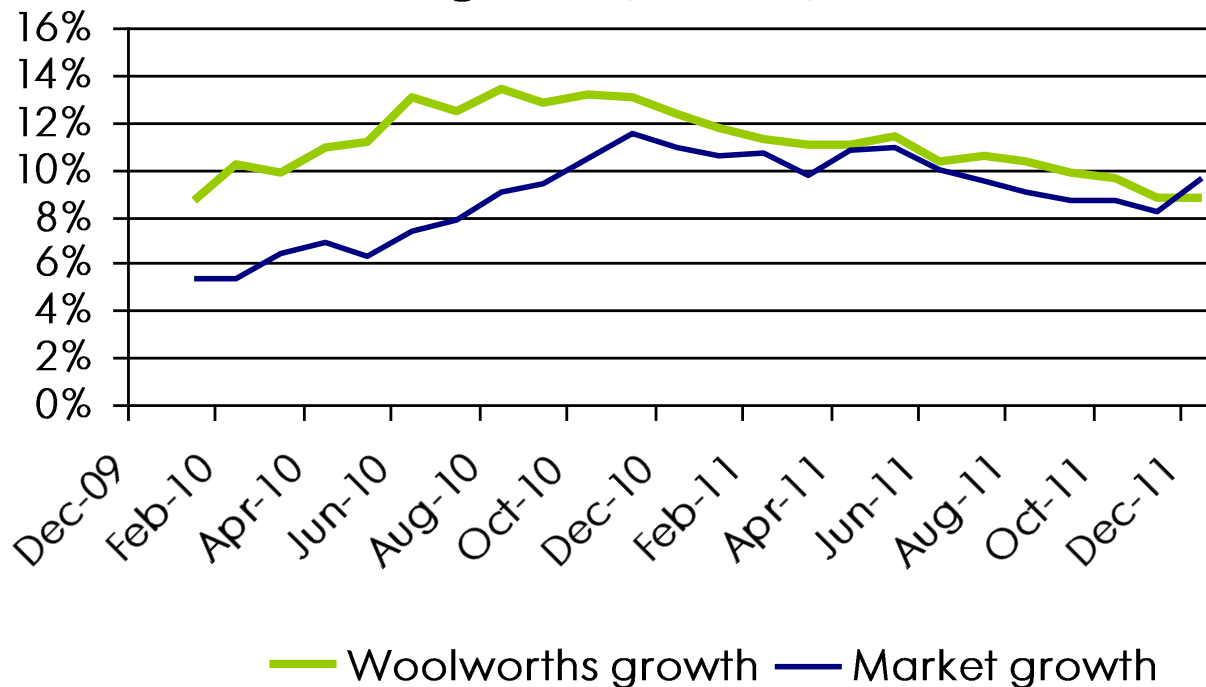
* Excluding unrealised forex gains/losses

WOOLWORTHS - CLOTHING & GM

- Clothing in South Africa (including Country Road) up 11.2%, with comparable sales up 5.9%
 - Price movement increased to 7.0%
- Inconsistent category performance
 - Womenswear disappointed
 - Menswear, Kidswear and Lingerie traded well
 - Home and Beauty had a strong festive season
- GP margin increased from 42.9% to 44.3%
- ROS up from 16.3% to 17.0% (excludes unrealised forex gains)
- Profit before tax up 15.1% (excludes unrealised forex gains)

CLOTHING & FOOTWEAR TURNOVER GROWTH

Clothing & footwear - Woolworths vs market growth (12mma)



Clothing and footwear 12mma market share at December 2011: 15.0%

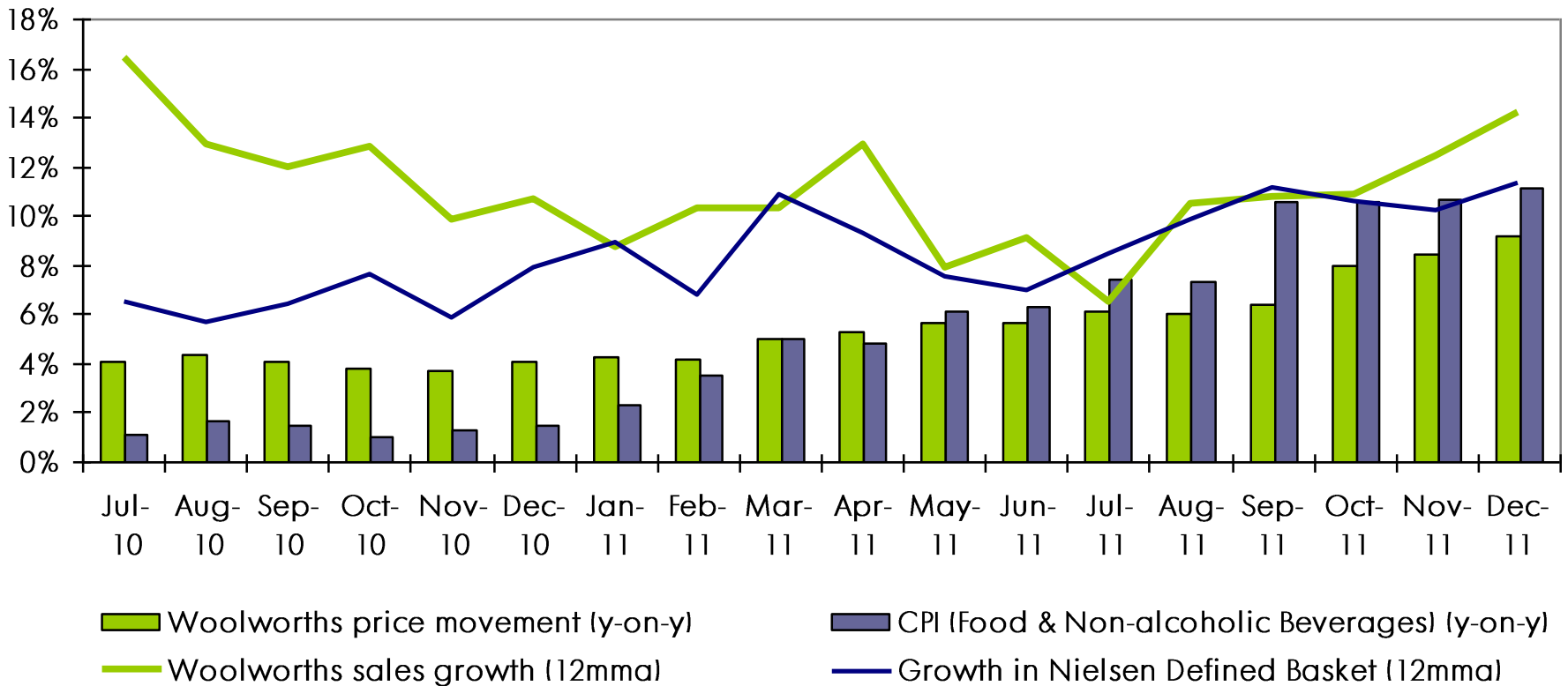
Source: RLC

WOOLWORTHS - FOOD

- Strong performance
 - Sales growth ahead of the market
 - Volume growth of 6.9%
 - Price movement of 4.8%
- Supermarket strategy working well
 - Very good growth in long-life
- Strong GP margin and improved operating margin
- ROS increased from 5.3% to 5.6%
- Profit before tax up 18.5%

FOOD TURNOVER GROWTH

Food - Woolworths vs market growth



Source for CPI: Stats SA

WOOLWORTHS - STORES

- Conversion of franchise stores very successful
 - 58 franchise stores
- More profitable stores
- Comparable store sales growth at 7.3%

COUNTRY ROAD

- Difficult trading in Australia
- Strong performance of brands in SA
- Total turnover down 2.7%, and comparable sales in Australia down 5.5% (A\$)
- Excellent control of costs and inventory
- ROS up from 5.8% to 6.4%
- Profit before tax up 7.7% (A\$)

FINANCIAL SERVICES

- Book growth of 6.7%, driven by personal loans
- Good quality of the book
 - Impairments at 1.7%
- Operating profit of the JV down 10.4%
 - Impacted by lower yields and investment in expansion
- ROE down from 23.4% to 20.5%

FR

NORMAN THOMSON
FINANCIAL
REVIEW



FINANCIAL OVERVIEW

- Group turnover up **11.4%** to R14.1 billion
- Profit before tax up **26.8%** to R1.5 billion
 - Positive impact from unrealised gains on FECs
- Headline earnings per share up **23.3%***
- ROE increased from 44.9%* to **50.8%***
 - Share buy back of R285 million
 - Uplift from franchise conversions
- Dividend delayed to take advantage of new tax legislation

* Excluding unrealised forex gains/losses

GROUP INCOME STATEMENT

	Dec 2011 Rm	Dec 2010 Rm	% change
Woolworths	1 289	1 008	27.9
Clothing & GM	873	657	32.9
Food	416	351	18.5
Country Road	117	92	27.2
Financial Services JV (after tax)	56	65	(13.8)
Treasury	18	2	>100
Profit before tax	1 480	1 167	26.8
Tax	431	384	12.2
Profit after tax	1 049	783	34.0
Effective tax rate	29.1%	32.9%	

GROUP INCOME STATEMENT COMMENTARY

- 1. Woolworths** – Good margin and cost performance in both Clothing & GM and Food, boosted by franchise conversions and foreign exchange gains.
- 2. Country Road** – Tough trading conditions in Australia continue, but profitability maintained and boosted by the exchange rate.
- 3. Financial Services** – Continued quality asset growth offset by contracting yields and investments in operating infrastructure.
- 4. Taxation** – Decrease in effective rate of 3.8% from the comparable period due to cash settlement of share schemes and Country Road effective tax rate.

WOOLWORTHS INCOME STATEMENT

	Dec 2011 Rm	Dec 2010 Rm	% change
Turnover	12 383	11 155	11.0
Cost of sales	8 382	7 668	9.3
Gross profit	4 001	3 487	14.7
Other revenue	38	41	(7.3)
Expenses	2 750	2 520	9.1
Store costs	1 808	1 559	16.0
Other operating costs	941	864	8.9
Unrealised forex (gains)/losses	(72)	39	(>100)
Amortisation of reacquired rights	20	-	
IFRS 2 charge	53	58	(8.6)
Profit before tax	1 289	1 008	27.9
Gross profit margin - on turnover	32.3%	31.3%	
Operating profit margin - on turnover*	9.8%	9.4%	
Return on equity	100.8%	97.5%	

* Operating profit margin excludes unrealised gains/losses on FECs in both periods

WOOLWORTHS INCOME STATEMENT COMMENTARY

1. Turnover

	Total stores	Comparable stores	Price movement
Clothing (incl CR SA)	11.2%	5.9%	7.2%
Clothing	10.7%	5.7%	7.0%
GM	6.2%	4.2%	2.2%
Food	11.7%	8.4%	4.8%
Woolworths SA	11.0%	7.3%	

- 2. Gross profit** – Continued margin improvement boosted by franchise conversions.
- 3. Store costs** – Includes impact of new Clothing & GM and Food corporate stores, mainly conversions.
- 4. Other operating costs** – Well controlled.
- 5. Unrealised forex gains/losses** – Unrealised gains/losses on the mark-to-market revaluation of FECs.
- 6. Profit before tax** – Increase driven by sales growth and margin improvement.
- 7. Return on equity** – Growth mainly due to increase in operating margin (excludes cash).

WOOLWORTHS SEGMENTAL PERFORMANCE

	Gross profit margin		Operating profit margin	
	Dec 2011 %	Dec 2010 %	Dec 2011 %	Dec 2010 %
Clothing & GM*	44.3	42.9	17.0	16.3
Food	25.2	24.2	5.6	5.3
Woolworths*	32.3	31.3	9.8	9.4

- Gross profit margin gains due mainly to franchise conversions
- ROS gains are net of additional franchise store operating costs

* Operating profit margin excludes unrealised gains/losses on FECs in both periods

COUNTRY ROAD INCOME STATEMENT

	Dec 2011 A\$m	Dec 2010 A\$m	% change
Turnover	220	226	(2.7)
Cost of sales	89	97	(8.2)
Gross profit	131	129	1.6
Other revenue	1	1	-
Expenses	118	117	0.9
Store costs	92	91	1.1
Other operating costs	26	26	-
Profit before tax	14	13	7.7
Gross profit margin - on turnover	59.5%	57.1%	
Operating profit margin - on turnover	6.4%	5.8%	
Return on equity (A\$)	19.2%	22.6%	

COUNTRY ROAD INCOME STATEMENT COMMENTARY

- 1. Turnover** – Struggling Australian economy. Comparable sales in Australia contracted 5.5%.
- 2. Gross profit** – Improvement on comparable period, assisted by strong A\$, and good sourcing and excellent inventory control.
- 3. Store costs** – Decreased investment due to closure of 5 stores in Australasia and tight control of costs.
- 4. Other operating costs** – Also well controlled.
- 5. Operating margin** – Improvement due to increased margins and tight cost control.

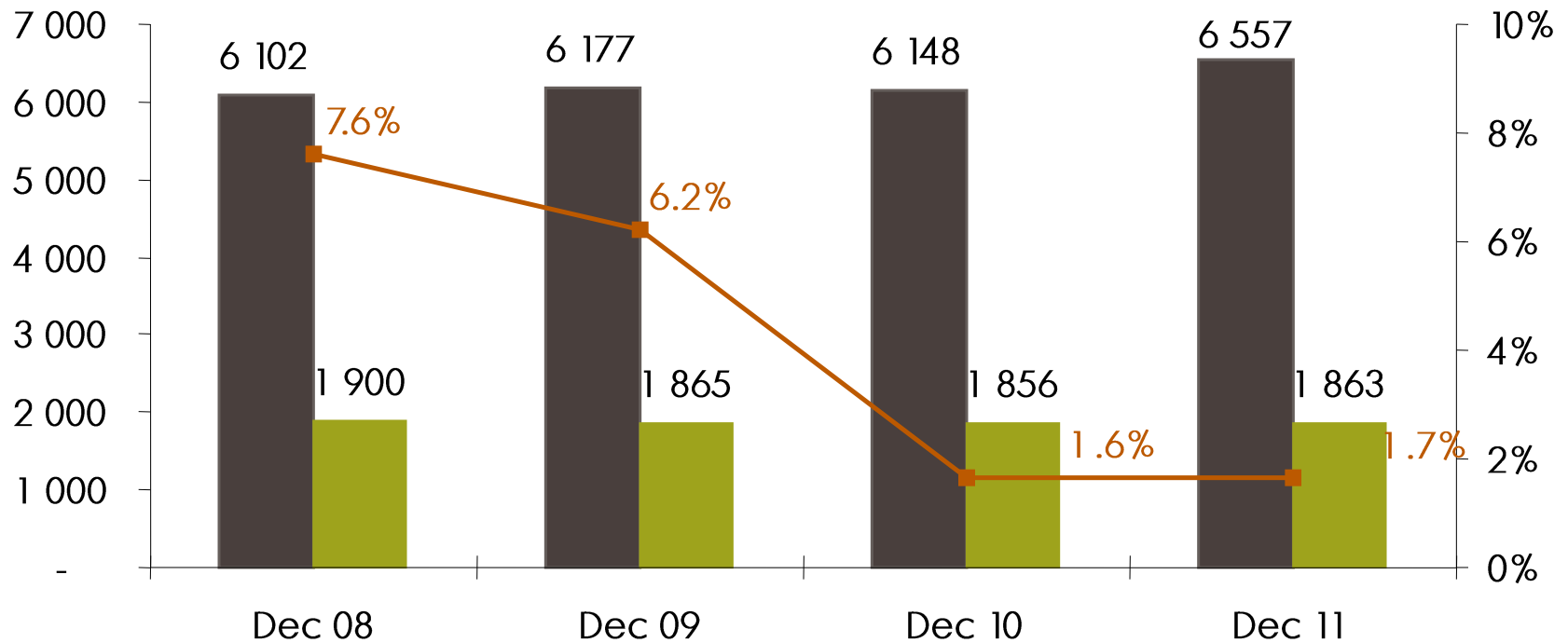
FINANCIAL SERVICES INCOME STATEMENT

Consolidated pro forma income statement	Dec 2011 Rm	% to book	Dec 2010 Rm	% to book	% change
Interest income	560	17.7	553	18.5	1.3
Interest paid	167	5.3	170	5.7	(1.8)
Net interest income	393	12.4	383	12.8	2.6
Impairment charge	52	1.7	49	1.6	6.1
Risk-adjusted margin	341	10.8	334	11.1	2.1
Non-interest revenue	222	7.0	211	7.0	5.2
Operating costs	390	12.3	352	11.7	10.8
Profit before tax (before deduction of ABSA share)	173	5.5	193	6.4	(10.4)
Average financial services assets	6 342		5 992		5.8
Return on equity	20.5%		23.4%		

FINANCIAL SERVICES INCOME STATEMENT COMMENTARY

- 1. Average financial services assets** – Pleasing book growth continues to gain momentum.
- 2. Net interest income** – Increase due to portfolio growth, offset by lower interest rates and higher customer repayment rates.
- 3. Impairment charge** – Remains low as a result of strong risk management and collections.
- 4. Non-interest revenue** – Benefits from the restructured insurance model and increased collection charges.
- 5. Operating costs** – Investment in collection capacity and growth activity.
- 6. Profit before tax and return on equity** – Remains above target, despite investment in expansion.

FINANCIAL SERVICES BOOK PERFORMANCE



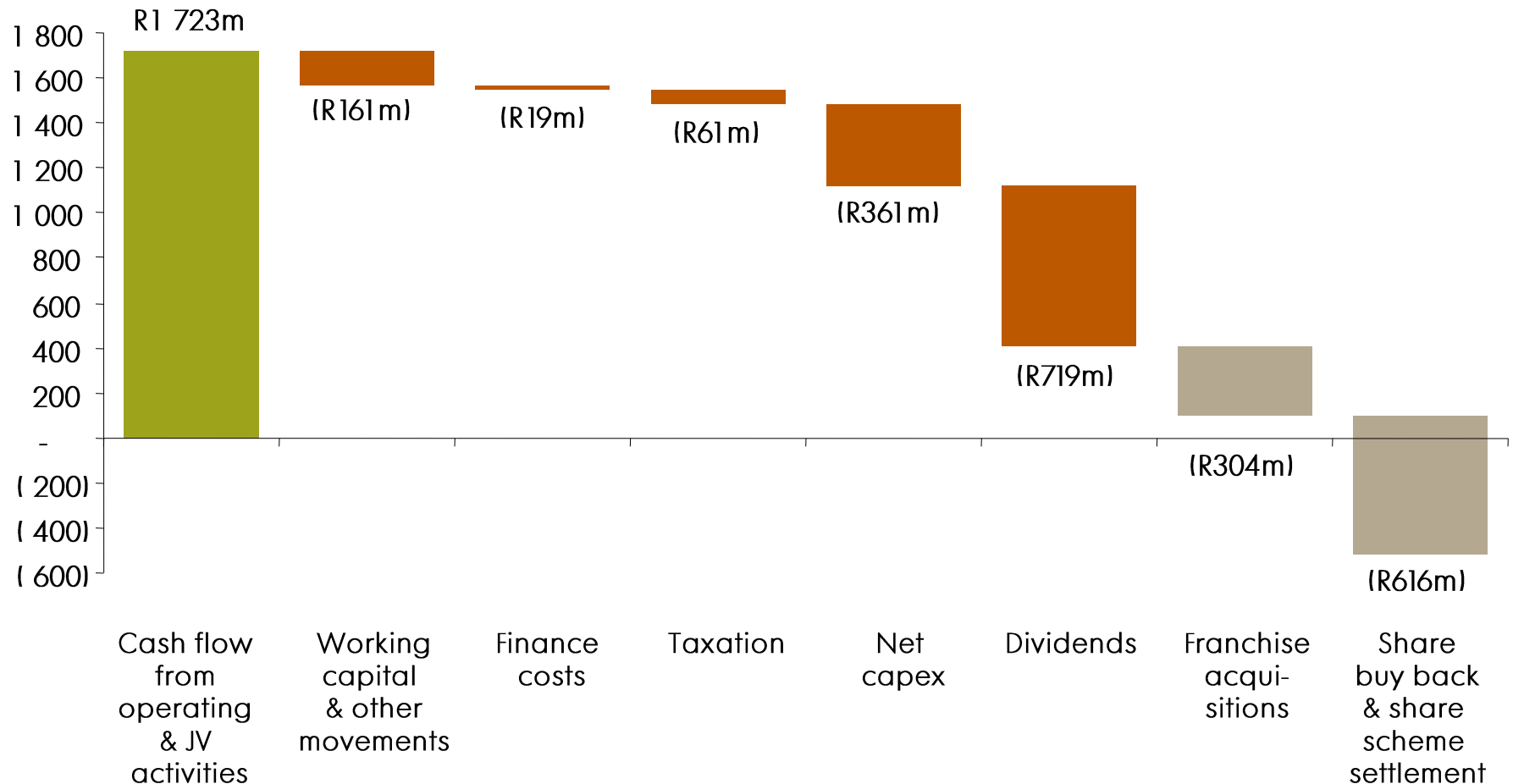
Gross book value (Rm)
 Total active accounts (000's)
 Impairment charge (%)

BALANCE SHEET

	Dec 2011 Rm	Dec 2010 Rm	% change
Assets			
Property, plant and equipment, intangible assets and loans	3 322	2 689	23.5
Investment in JVs and associate	625	628	(0.5)
Inventories	2 271	1 837	23.6
Accounts receivable and deferred tax	1 225	1 185	3.4
Net cash	1 275	1 913	(33.4)
	8 718	8 252	5.6
Equity and liabilities			
Shareholders' funds	4 003	3 726	7.4
Other non-current liabilities	919	800	14.9
Accounts payable	3 796	3 726	1.9
	8 718	8 252	5.6

- PPE and inventories impacted by franchise conversions
- Cash down due to share buy back and franchise acquisitions

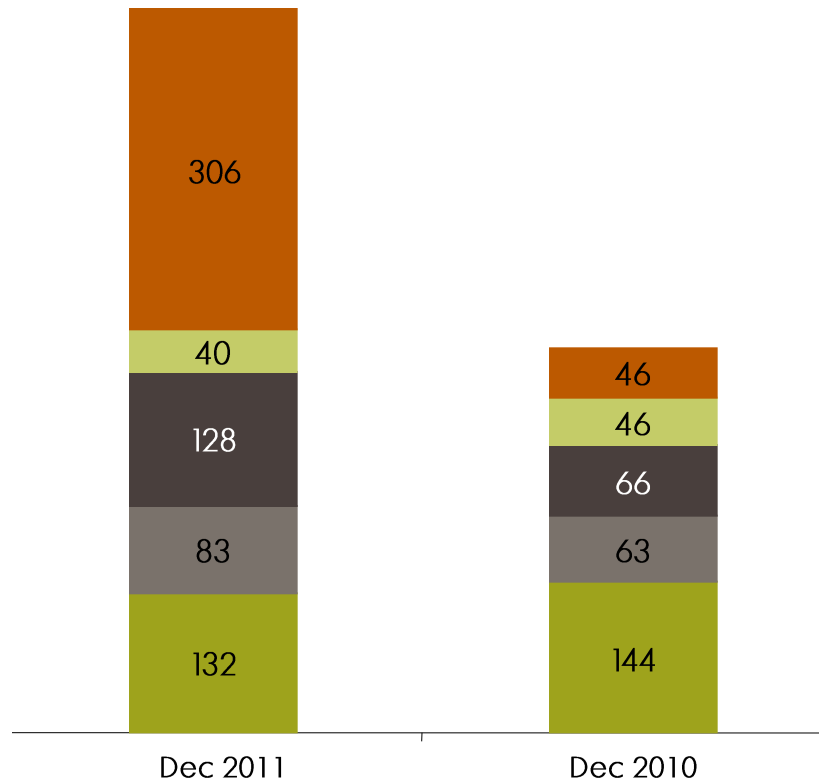
CASH GENERATION



CAPITAL EXPENDITURE

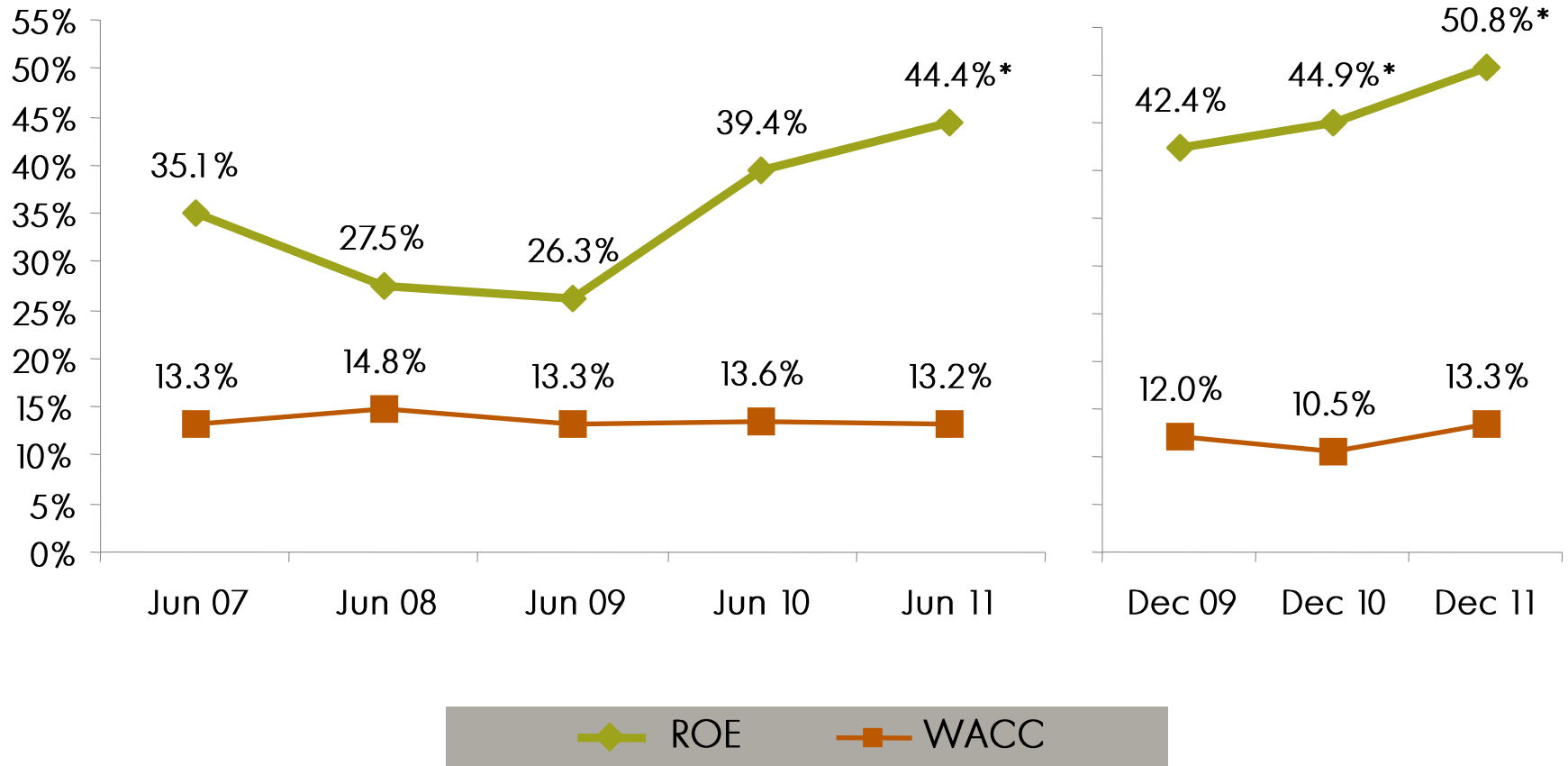
Capex (Rm)

R689m (Dec 2010: R365m)



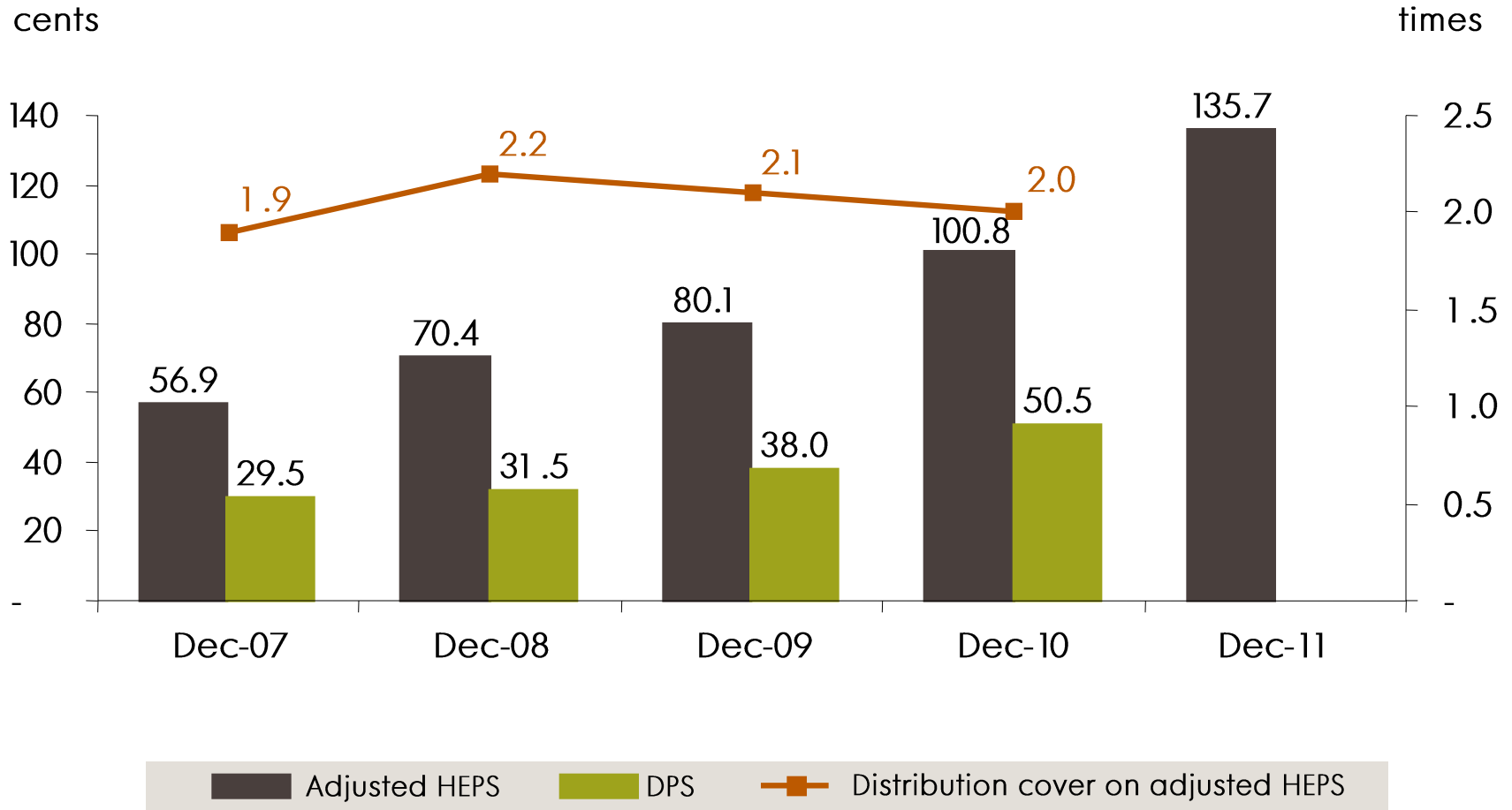
Depreciation	Dec 2011 Rm	Dec 2010 Rm
Woolworths	238	192
Country Road	55	44
Total group	293	236

RETURN ON EQUITY



* December 2011 excludes unrealised gains/losses on FECs

EARNINGS AND DISTRIBUTION



GUIDANCE

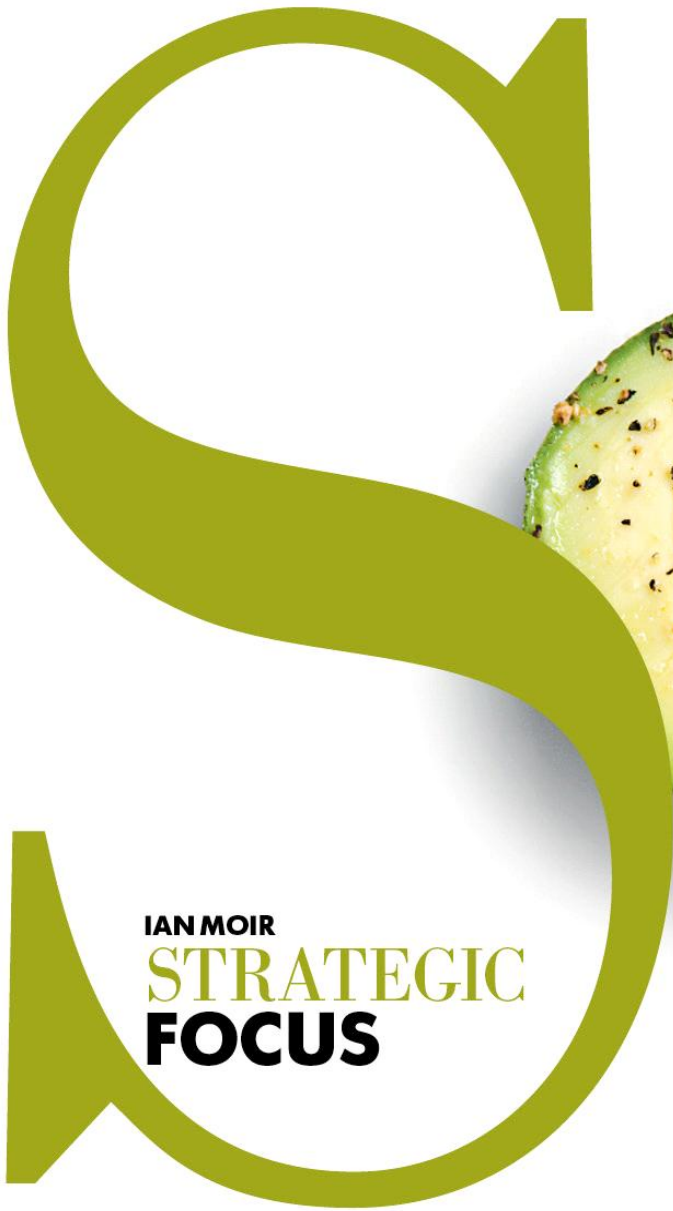
- Woolworths sales growth expected to be broadly in line with H1
- Woolworths space growth planned for FY2012
 - 4.0% growth in Clothing space
 - 5.1% growth in Food space
- Food inflation to increase
- Gross profit margins to be maintained
- Continued focus on expenses
- Converted franchise stores will deliver projected profitability
- Unrealised foreign exchange gains of R57m in H1 will reverse in H2

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 CONTINUED

- Financial Services
 - Expect book growth to continue
 - Impairments will start to increase as book grows
- Taxation
 - Change in dividends tax will reduce effective tax rate to 27%
 - STC saving to be distributed to shareholders, leading to lower dividend cover
- Capex (group)
 - FY2012 – R850m + R400m franchise conversions (balance)
 - FY2013 – R1.0bn
 - FY2014 – R1.2bn

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IAN MOIR
STRATEGIC
FOCUS

STRATEGIC FOCUS

- Food
- Clothing & GM
- Simplify the business
- Loyalty
- Africa



FOOD

- More share of the wallet
- More often
- More items
- Trolley not a basket
- Supermarket with a difference
 - bigger pack sizes
 - new categories
 - more dominant long life and grocery range
 - Clothing and Home into Food
 - bigger stores



FOOD continued

Total space 2 450m²



FOOD continued

7 500 SKUs



FOOD continued

Key differentiators:

- Grocery & household categories
- Liquor
- Increase of 1 000 SKUs in Food



CLOTHING & GM

- Further roll out of successful initiatives
- Capitalise on key sub brands Re & Studio.w
- Shorten merchandise cycle get closer to market derisk the business
- More newness more often where we need it



CLOTHING & GM continued

- Optimise the supply chain
- Better sourcing – more direct, more fast response in season, scale up China office
- Better availability

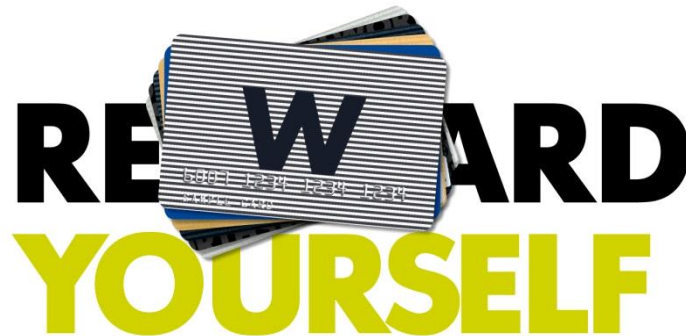


SIMPLIFY THE BUSINESS

- Franchise buy back effective and profitable and driving simplification
- More focus on cost of doing business and commitment to get it down
- Merchandise cycle, removal of processes, reduction of time
- More to be done

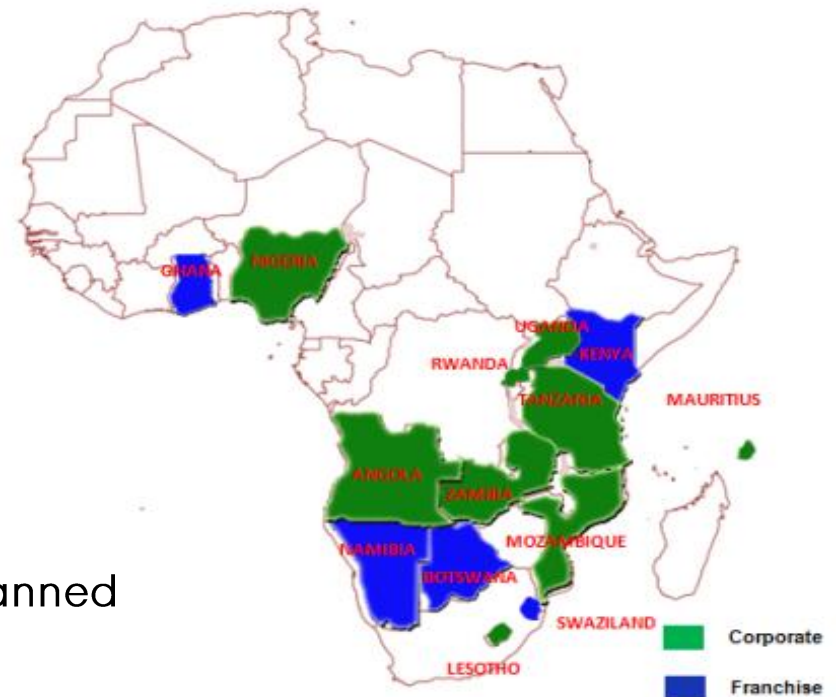
LOYALTY

- Successful combination of instant rewards and tiered benefits
- More Woolies cardholders
- Tracking 66% of revenue (was 49% at launch)
- Customers spending more, visiting us more often and buying bigger baskets
- We are more informed



AFRICA

- Over 1 billion people on the continent
- Good real GDP growth
- Consumer spend is 60% of GDP
- Retail is beginning to formalise – more shopping malls
- 104 stores by June 2014
- Currently in 12 countries with 2 more planned
- R1.8 billion retail sales
- Profit after tax of R167 million



JVs
Corporate

Zambia, Tanzania, Uganda and Nigeria
Mauritius, Mozambique and Lesotho



IAN MOIR
OUTLOOK

OUTLOOK

- SA trading environment unchanged
- Second half sales broadly in line with first half

- Country Road trading environment to remain tough
- Second half performance in line with first half

MEDIUM-TERM TARGETS

	Achieved in FY2010	Achieved in FY2011	Medium- term target
Woolworths			
Clothing & GM			
Return on sales	12.3%	15.3%	17%
Food			
Return on sales	3.8%	4.8%	6%
Country Road			
Return on sales	5.2%	5.6%	8%
Financial Services			
ROE	13.9%	23.5%	22%

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ADDITIONAL
INFORMATION



GROUP INCOME STATEMENT

	Dec 2011 Rm	Dec 2010 Rm	% change
Turnover	14 137	12 687	11.4
Cost of sales	9 090	8 327	9.2
Gross profit	5 047	4 360	15.8
Other revenue	42	46	(8.7)
Expenses	3 681	3 304	11.4
Operating profit	1 408	1 102	27.8
Investment income	35	64	(45.3)
Finance costs	19	64	(70.3)
Profit before earnings from JVs and assoc	1 424	1 102	29.2
Earnings from WFS	56	65	(13.8)
Earnings from JVs and associate	-	-	
Profit before tax	1 480	1 167	26.8
Tax	431	384	12.2
Profit after tax	1 049	783	34.0
Gross profit margin - on turnover	35.7%	34.4%	
Operating profit margin - on turnover	10.0%	8.7%	
Effective tax rate	29.1%	32.9%	

WOOLWORTHS REVENUE ANALYSIS

	Dec 2011 Rm	Dec 2010 Rm	% change	% price movement
Clothing & GM	4 713	4 282	10.1	6.5
Corporate (retail)	4 417	3 778	16.9	
Franchise (wholesale) – local	159	373	(57.4)	
Franchise (wholesale) – international	137	131	4.6	
Food	7 415	6 635	11.7	4.8
Corporate (retail)	7 013	6 086	15.2	
Franchise (wholesale) – local	352	510	(31.0)	
Franchise (wholesale) – international	50	39	28.2	
Logistics	255	238	7.1	
Other revenue	38	41	(7.3)	
	12 421	11 196	10.9	

TRADING SPACE

	Dec 2011 m2	Dec 2010 m2	% change	Projected Jun 2012 m2	% change*	Projected Jun 2013 m2	% change	Projected Jun 2014 m2	% change
Woolworths	541 984	529 819	2.3	555 422	4.3	593 253	6.8	638 087	7.6
Clothing & GM	381 593	374 395	1.9	389 656	4.0	412 983	6.0	444 618	7.7
Opening balance	291 969	284 330	2.7	327 746	16.7	331 333	1.1	348 762	5.3
New stores & extensions	1 594	571	>100	(2 060)	(>100)	16 519	(>100)	20 049	21.4
Franchise conversions	34 183	7 068	>100	5 647	(72.4)	910	(83.9)	-	(100.0)
Woolworths SA	327 746	291 969	12.3	331 333	9.1	348 762	5.3	368 811	5.7
Franchise SA	19 336	53 519	(63.9)	17 188	(57.1)	16 278	(5.3)	16 278	-
International	34 511	28 907	19.4	41 135	33.7	47 943	16.6	59 529	24.2
Food	160 391	155 424	3.2	165 766	5.1	180 270	8.7	193 469	7.3
Opening balance	135 552	130 278	4.0	145 868	12.1	150 659	3.3	164 170	9.0
New stores & extensions	4 648	4 307	7.9	3 923	(37.4)	14 531	>100	11 849	(18.5)
Franchise conversions	5 668	967	>100	868	(66.2)	(1 020)	(>100)	-	(100.0)
Woolworths SA	145 868	135 552	7.6	150 659	8.4	164 170	9.0	176 019	7.2
Franchise SA (incl Engen & Café)	14 523	19 872	(26.9)	15 107	(19.0)	16 100	6.6	17 450	8.4
Country Road	53 510	52 948	1.1	53 765	1.6	55 200	2.7	55 700	0.9
Australasia	44 565	44 891	(0.7)	44 565	(1.1)	45 200	1.4	45 200	-
South Africa	8 945	8 057	11.0	9 200	17.3	10 000	8.7	10 500	5.0

* From June 2011

STORE NUMBERS

	Dec 2011	Dec 2010	Growth	Projected Jun 2012	Growth*	Projected Jun 2013	Growth	Projected Jun 2014	Growth
Woolworths	446	435	11	456	18	480	24	508	28
Corporate	320	278	42	323	30	331	8	341	10
Franchise – SA	26	67	(41)	23	(29)	22	(1)	22	-
Franchise – Engen	43	43	-	44	1	51	7	56	5
Franchise – International	57	47	10	66	16	76	10	89	13
	446	435	11	456	18	480	24	508	28
Full line	173	171	2	167	(6)	170	3	175	5
Clothing	79	73	6	93	21	104	11	117	13
Food	151	148	3	152	2	155	3	160	5
Engen	43	43	-	44	1	51	7	56	5
Country Road	194	196	(2)	196	(3)	198	2	200	2
Australasia	171	176	(5)	171	(8)	171	-	171	-
South Africa	23	20	3	25	5	27	2	29	2

* From June 2011

FINANCIAL SERVICES CONTRIBUTION TO SALES

% of sales spent on Woolworths cards	Dec 2011	Dec 2010
Clothing & GM	28.7%	29.7%
Food	14.1%	14.5%
Aggregate	20.0%	20.8%

COUNTRY ROAD BALANCE SHEET

	Dec 2011 A\$m	Dec 2010 A\$m	% change
Assets			
Property, plant and equipment	51	56	(8.9)
Trademarks *	11	11	-
Inventories	41	47	(12.8)
Accounts receivable and deferred tax	17	23	(26.1)
Cash	27	26	3.8
	147	163	(9.8)
Equity and liabilities			
Shareholders' funds	94	83	13.3
Accounts payable and provisions	53	80	(33.8)
	147	163	(9.8)
Period-end exchange rate (R/A\$)	8.3	6.7	

* Eliminates on consolidation

COUNTRY ROAD INCOME STATEMENT (IN RANDS)

	Dec 2011 Rm	Dec 2010 Rm	% change
Turnover	1 754	1 532	14.5
Cost of sales	708	659	7.4
Gross profit	1 046	873	19.8
Other revenue	3	5	(40.0)
Expenses	930	783	18.8
Store costs	725	612	18.5
Other operating costs	205	171	19.9
Operating profit	119	95	25.3
Net finance costs	2	3	(33.3)
Profit before tax	117	92	27.2