



unaudited condensed
group results

for the 26 weeks to 27 december 2009

analyst presentation - feb 2010

WOOLWORTHS HOLDINGS LIMITED **WHL**

overview

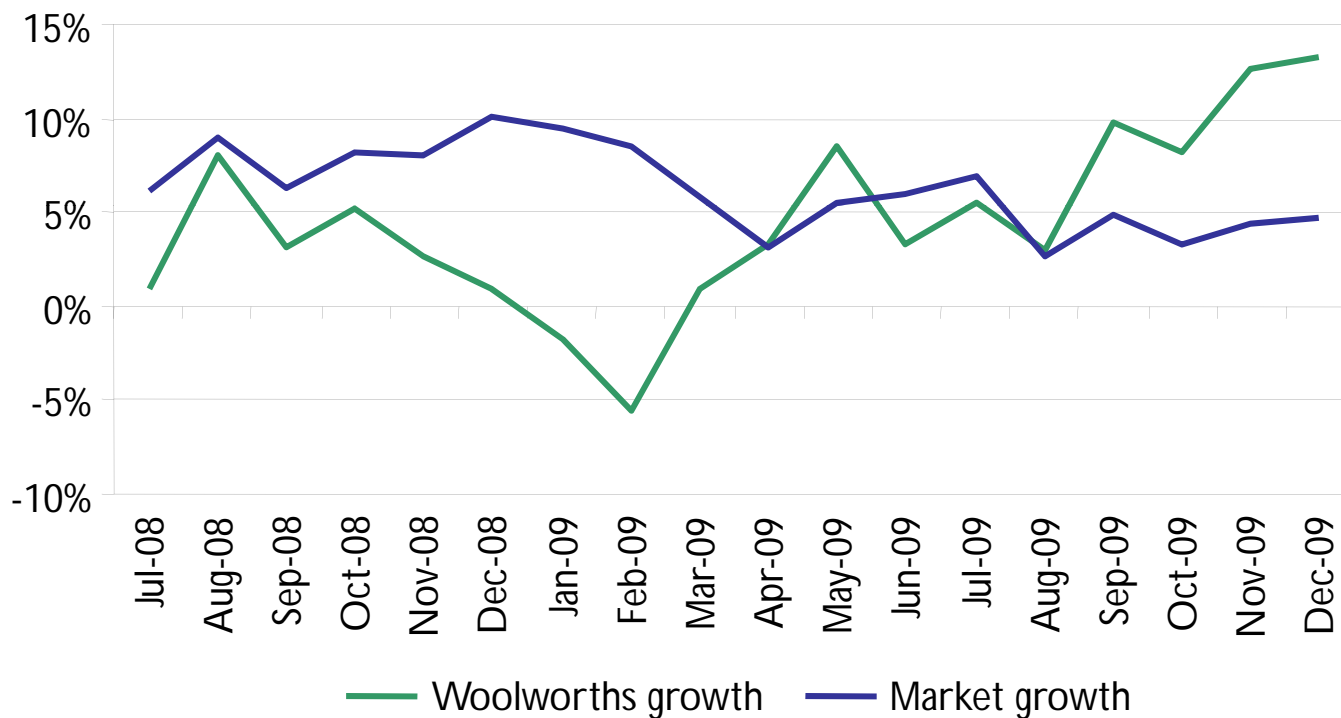
- South Africa
 - Tough economic conditions continued
 - Upper income customer seeing some relief
 - Consumers continuing to deleverage
 - Bad debt environment improving
 - Work in repositioning Woolworths paying off
- Australia
 - Tougher trading conditions
 - Interest rate increases
 - Impact of fiscal relief anniversaried

review of the period

- Group
 - Turnover growth ahead of market
 - Gross profit margins improved
 - Non-comparable results
- Woolworths Retail
 - Clothing and General merchandise
 - Market share gains in last 9 months
 - Strong margin improvement
 - Food
 - Market share gains in November/December
 - Improved price perception
 - Innovation

retail turnover growth

Clothing - Woolworths vs market growth (3mma)

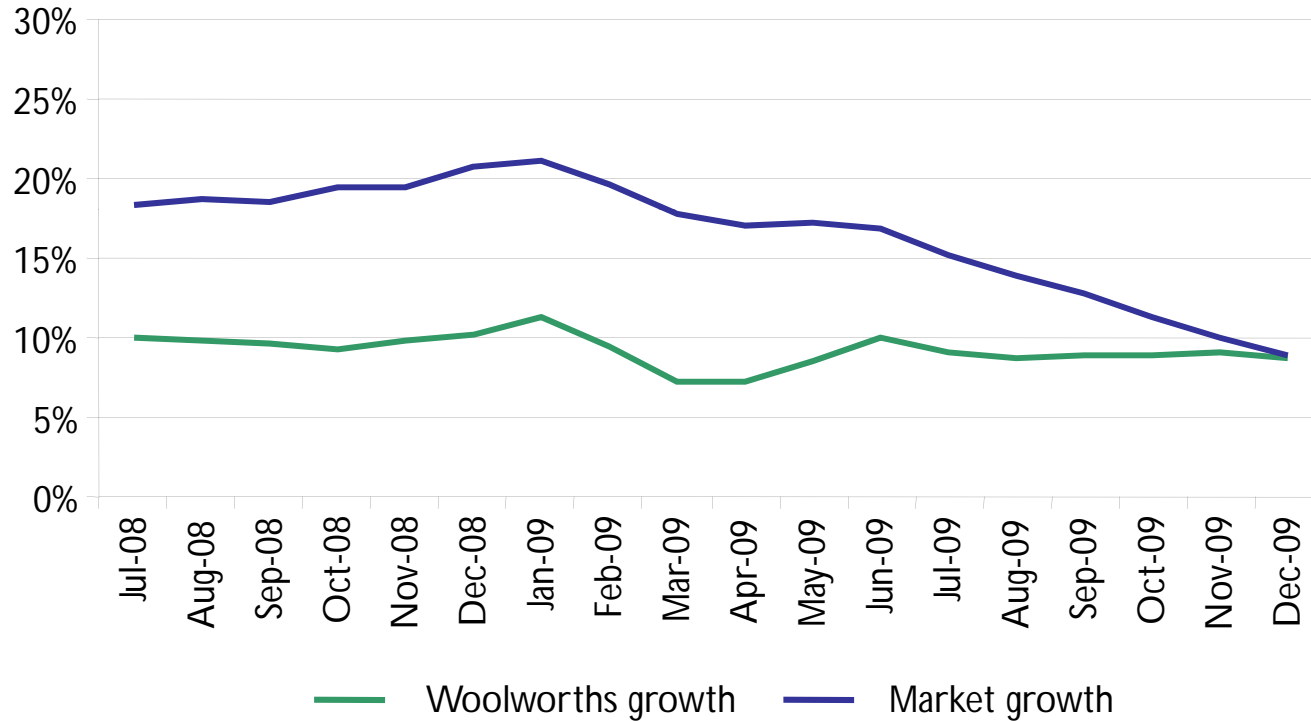


Clothing and footwear 12mma market share
at Dec 2009: 15.0%

Source: RLC

retail turnover growth *continued*

Food - Woolworths vs market growth (3mma)



Food 12mma market share at
Dec 2009: 8.4%

Source: Nielsen

review of the period *continued*

- Stores
 - Less aggressive expansion
 - Modernisation
- Country Road
 - Good sales growth in tough environment
 - More aggressive promotions
 - Successful Trenergy launch – start up costs
- Financial Services
 - Results not comparable
 - JV meeting expectations
 - Low growth in books
 - Improvement in impairments
 - Interest spread squeezed



financial review

norman
thomson



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financial overview

- Retail turnover up 9.3% to R11.5 billion
- Diluted headline earnings per share up 38.3% to 83.4 cps
- Adjusted headline earnings per share up 13.8%
- Interim distribution to shareholders up 20.6% to 38.0 cps
- ROE increased from 28.7% to 42.3%
- Non-comparability of results

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group income statement

	Dec 2009 Rm	Dec 2008 Rm	% change
SA Retail	769.1	640.4	20.1
Clothing and GM	541.8	452.7	19.7
Food	227.3	187.7	20.1
Abnormal forex profit	57.7	-	
Country Road	90.3	93.5	(3.4)
Financial Services	26.8	99.2	
100% subsidiary	-	71.8	
JV (after tax)	26.8	27.4	
Treasury	12.0	32.4	
Profit before exceptional item	955.9	865.5	10.4
Exceptional item	-	380.0	
Profit before tax	955.9	1 245.5	(23.3)
Tax	285.8	365.5	(21.8)
Profit after tax	670.1	880.0	(23.9)
Effective tax rate	29.9%	29.3%	

group income statement commentary

1. **SA Retail** – Profit growth experienced in both segments as a result of good gross margin performance.
2. **Country Road** – Profit impacted by Trenergy start-up costs.
3. **Financial Services** – Non-comparable, as prior year comprises equity-accounted profit after tax only for Q2 vs the full current period.
4. **Treasury** – Non-comparable, as a result of capital transactions in Q2 last year, including R750m special dividend and R152m share buyback.
5. **Profit before exceptional item and tax** – Non-comparable due to reasons above.
6. **Taxation** – Prior year effective tax rate reduced by non-taxable profit on WFS disposal; current year reduced by STC saving.

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SA retail income statement

	Dec 2009 Rm	Dec 2008 Rm	% change
Turnover	10 242.8	9 387.9	9.1
Cost of sales	7 218.2	6 823.3	5.8
Gross profit	3 024.6	2 564.6	17.9
Other revenue	55.0	46.9	17.3
Expenses	2 313.7	1 978.7	16.9
Store costs	1 442.2	1 255.0	14.9
Head office costs	871.5	723.7	20.4
Operating profit	765.9	632.8	21.0
Earnings from assoc and JV	3.2	7.6	
Profit before tax	769.1	640.4	20.1
Gross margin - on turnover	29.5%	27.3%	
Operating margin - on turnover	7.5%	6.7%	
Return on equity	51.1%	40.7%	

SA retail income statement commentary

1. Turnover

	Total	Comparable stores
Clothing and GM	9.7%	6.2%
Food	8.9%	4.7%
Total	9.1%	4.9%

2. **Gross profit** – Margins improved through better procurement and lower level of promotional activity.
3. **Other revenue** – Includes franchise and 3rd party rentals.
4. **Store costs** – Include impact of new stores (7.1% increase in footage).
5. **Head office costs** – Current period includes incentive provision and Trenergy operating costs. Prior year contains forex gains and timing differences. Normalised cost increase is 7.6%.
6. **Operating profit** – Improvement mainly due to gross margin improvement.
7. **Return on equity** – Increase mainly due to improvement in operating margin.

SA retail segmental performance

	Gross margin		Operating margin	
	Dec 2009 %	Dec 2008 %	Dec 2009 %	Dec 2008 %
Clothing and GM	39.4	35.4	13.1	12.0
Food	23.1	22.1	3.8	3.4
Total	29.5	27.3	7.5	6.7

- Operating and gross margins improve in both segments

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country road income statement

	Dec 2009 A\$m	Dec 2008 A\$m	% change
Turnover	196.8	174.8	12.6
Cost of sales	82.3	68.7	19.8
Gross profit	114.5	106.1	7.9
Other revenue	4.7	1.0	>100
Expenses	106.0	92.4	14.7
Store costs	76.0	66.3	14.6
Head office costs	30.0	26.1	14.9
Operating profit	13.2	14.7	(10.2)
Finance costs	0.2	-	
Profit before tax	13.0	14.7	(11.6)
Gross margin - on turnover	58.2%	60.7%	
Operating margin - on turnover	6.7%	8.4%	
Return on equity (A\$)	23.7%	25.4%	

country road commentary

1. Turnover

A\$	Dec 2009	Dec 2008	% change	Comparable stores
Retail	153.4	130.0	18.0%	4.5%
Concession	44.1	41.8	5.5%	5.1%

2. **Gross profit** – Reduction due to higher promotional activity and the impact of hedging.

3. **Store costs** – Driven by an increase of 13% in space growth (8% excluding Trenergy) and 10% in store growth (6% excluding Trenergy).

4. **Head office costs** – Includes Trenergy roll-out costs.

5. **Operating margin** – Reduction due to gross margin deterioration.

6. **Return on equity** – Remains satisfactory.

financial services income statement

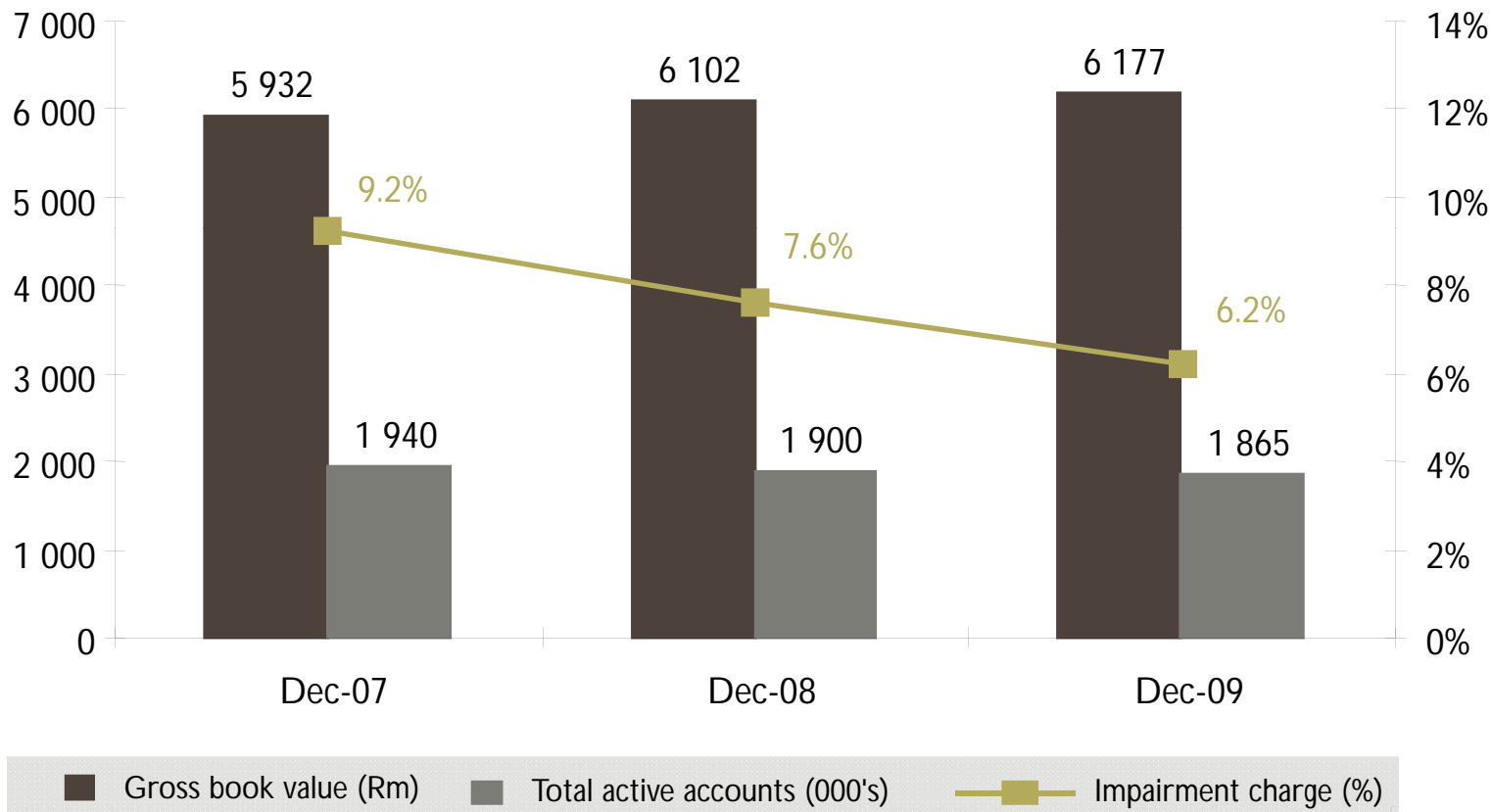
Consolidated pro forma income statement	Dec 2009 Rm	% to book	Dec 2008 Rm	% to book	% change
Interest income	601.3	20.1	749.7	26.1	(19.8)
Interest paid	202.4	6.8	308.1	10.7	(34.3)
Net interest income	398.9	13.3	441.6	15.4	(9.7)
Impairment charge	185.9	6.2	218.9	7.6	(15.1)
Risk-adjusted margin	213.0	7.1	222.7	7.8	(4.4)
Non-interest revenue	181.4	6.1	191.0	6.6	(5.0)
Operating costs	314.5	10.5	266.5	9.3	18.0
Profit before tax (before deduction of ABSA share)	79.9	2.7	147.2	5.1	(45.7)
Average financial services assets	5 991.8		5 746.9		4.3
Return on equity	10.4%		20.4%		

financial services commentary

1. **Gross financial services assets** – Average used for % to book ratios, as opposed to actual book growth of 1.2%.
2. **Net interest income** – Margin squeeze resulting from rate declines, offset by larger average book.
3. **Impairment charge** – Reduction due to significant collection effort and despite prior year provision release.
4. **Non-interest revenue** – Lower merchant fee income due to lower card usage.
5. **Operating costs** – Impact of investment in collection capacity and implementation of bank-related controls.
6. **Profit before tax** – Net result is broadly level with the prior year, excluding the prior year's provision release.

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financial services book performance



financial services overview

- Transition of JV has gone well
- Transforming the business into a professional bank
- Credit risk aspects managed very well
- Challenge now is to grow the book, in particular growing card contribution to sales
- VISA platform successfully transferred – will relaunch VISA card

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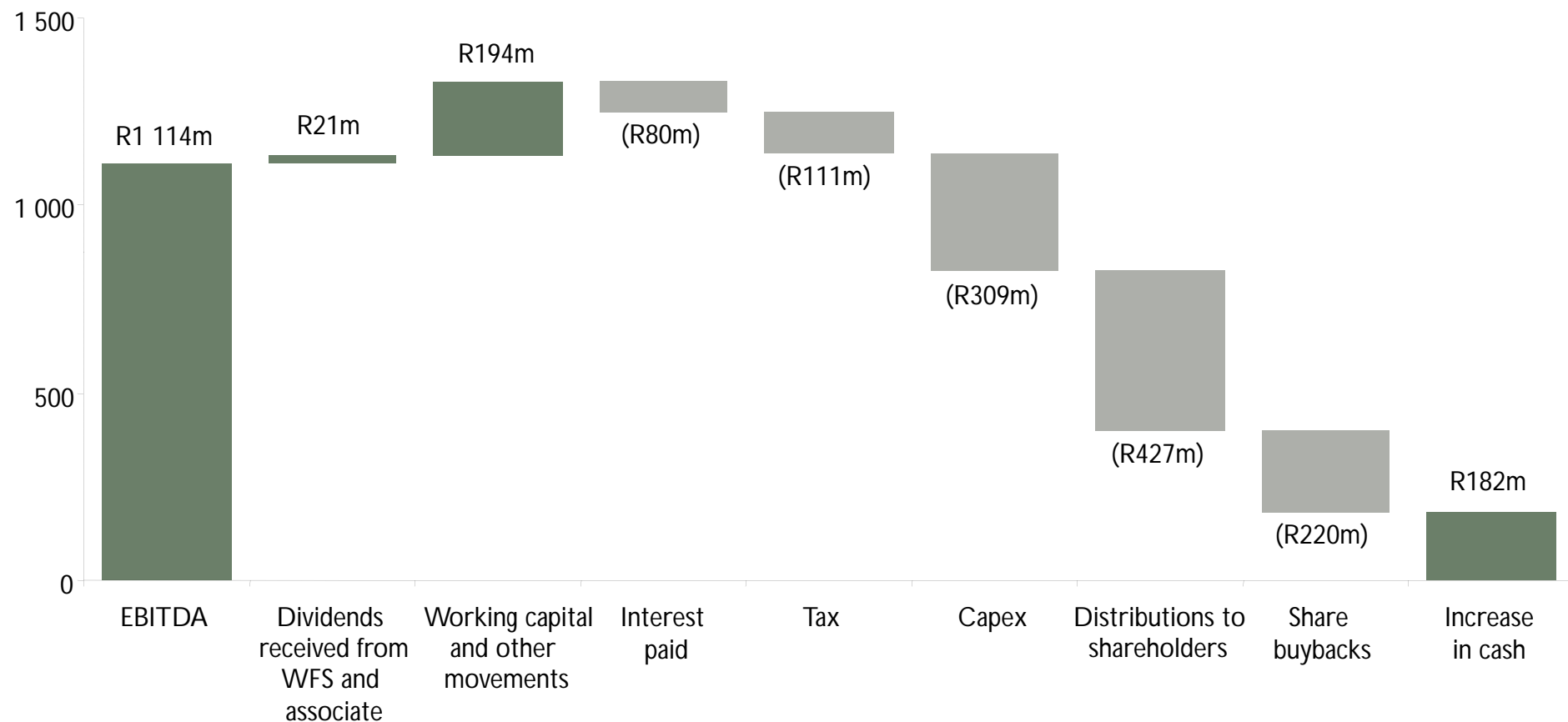
balance sheet

	Dec 2009 Rm	Dec 2008 Rm	% change
Assets			
Property, plant and equipment, intangible assets and loans	2 634.6	2 482.2	6.1
Investment in JVs and associates	578.5	535.9	7.9
Inventory	1 813.9	1 551.8	16.9
Accounts receivable and deferred tax	1 233.8	1 439.9	(14.3)
Cash	2 572.6	2 913.2	(11.7)
	8 833.4	8 923.0	(1.0)
Equity and liabilities			
Shareholders' funds	3 168.4	3 255.3	(2.7)
Borrowings	1 500.0	1 500.0	-
Other non-current liabilities	829.1	855.6	(3.1)
Accounts payable	3 335.9	3 312.1	0.7
	8 833.4	8 923.0	(1.0)

- Balance sheet remains strong

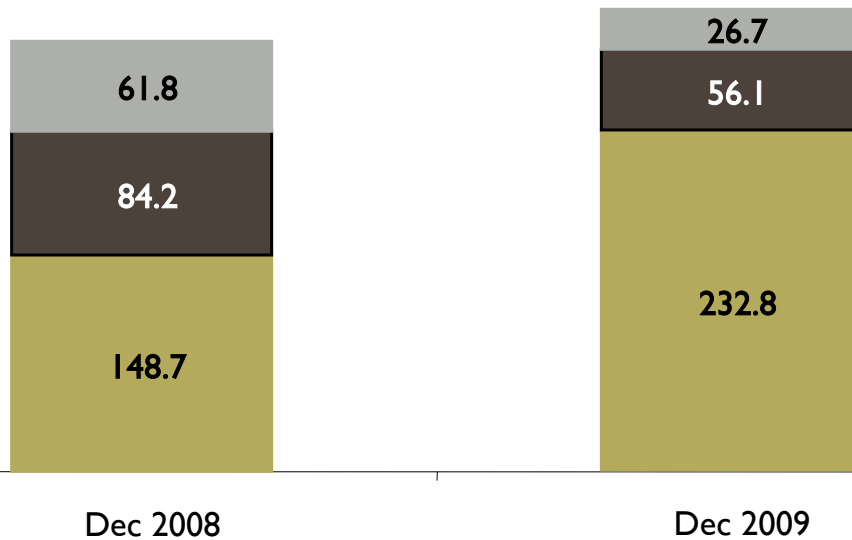
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cash generation



investment in the business

Capex (Rm)
R315.6m (Dec 08: R294.7m)



■ Retail ■ IT ■ Other (including property)

Depreciation	Dec 2009	Dec 2008
SA Retail	163.1	153.8
Country Road	35.3	27.4
WFS	-	1.3
Total group	198.4	182.5

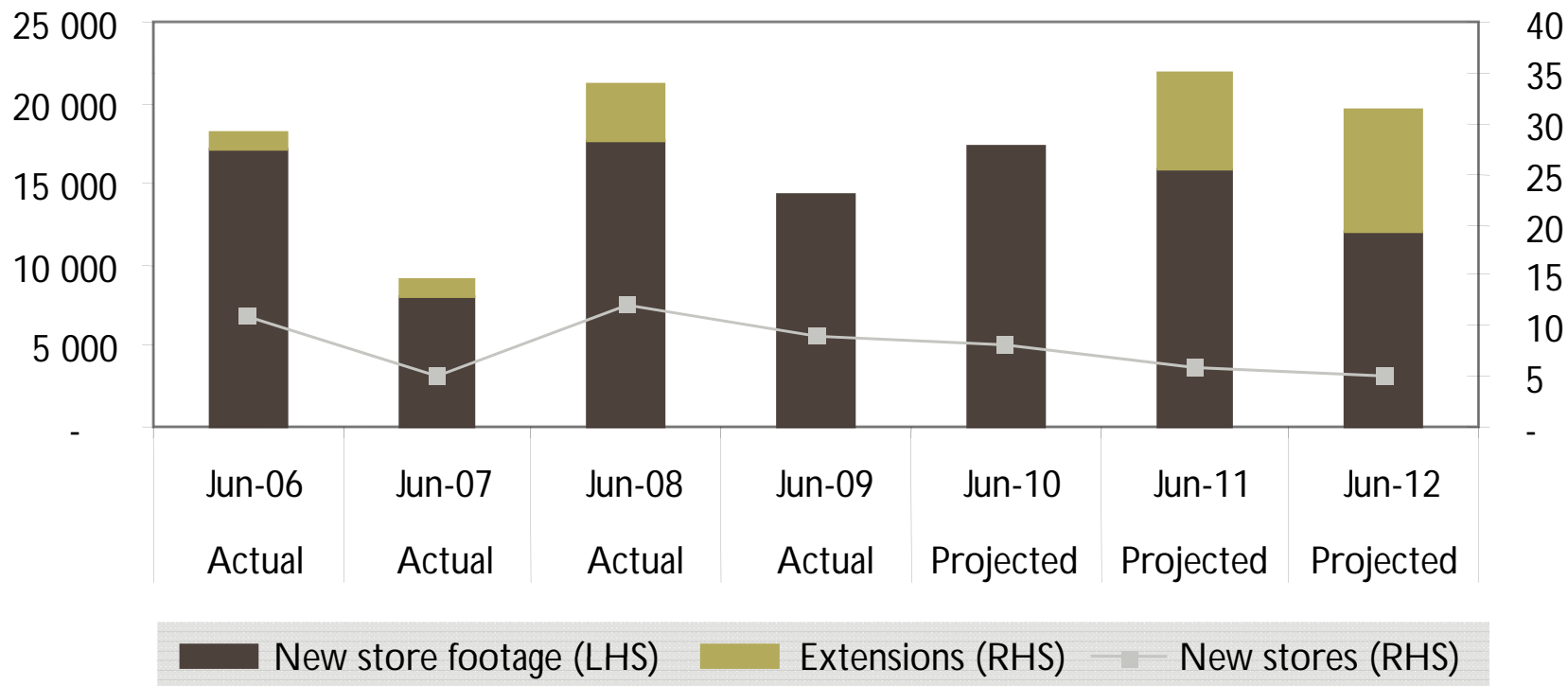
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space growth – Clothing and GM

- Slowdown in new store openings

Additional store
footage (m2)

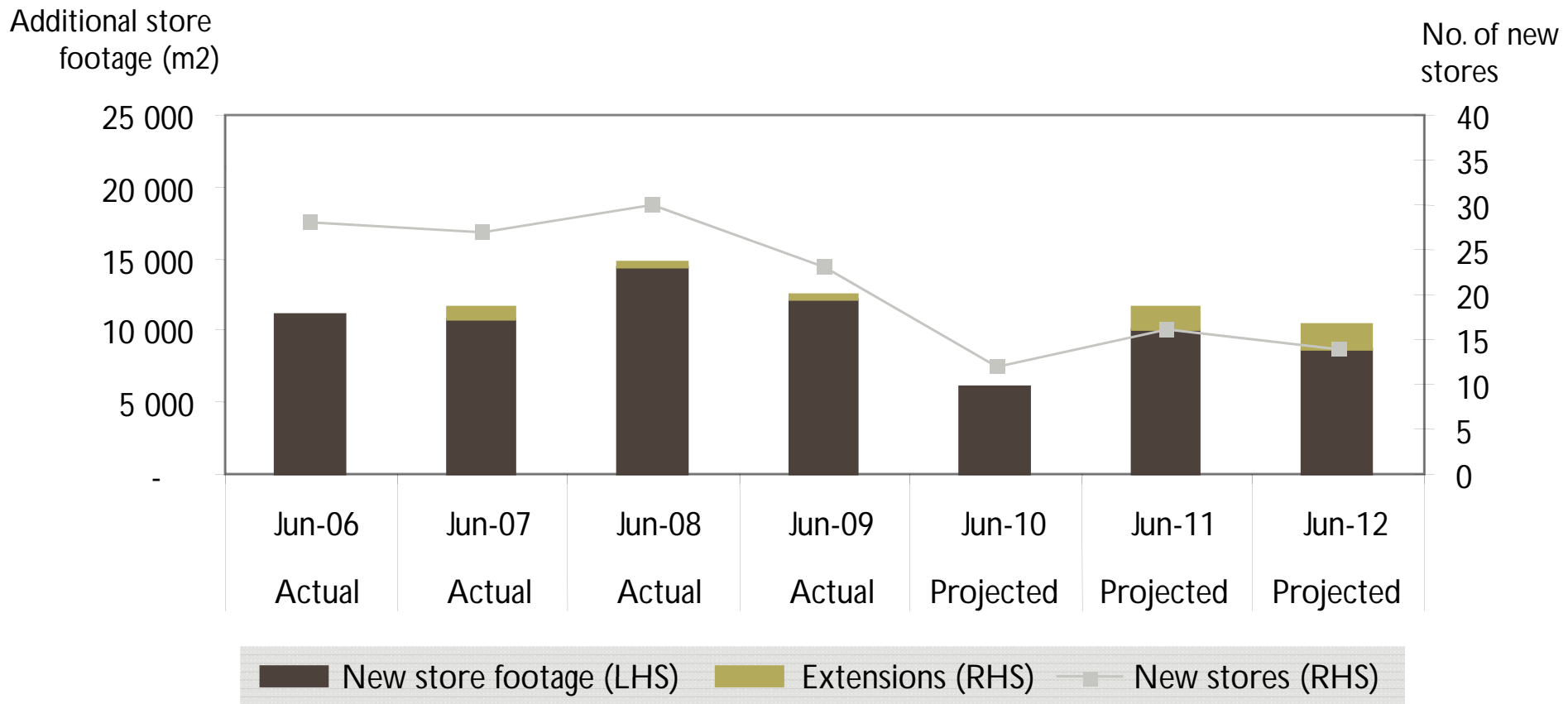
No. of new
stores



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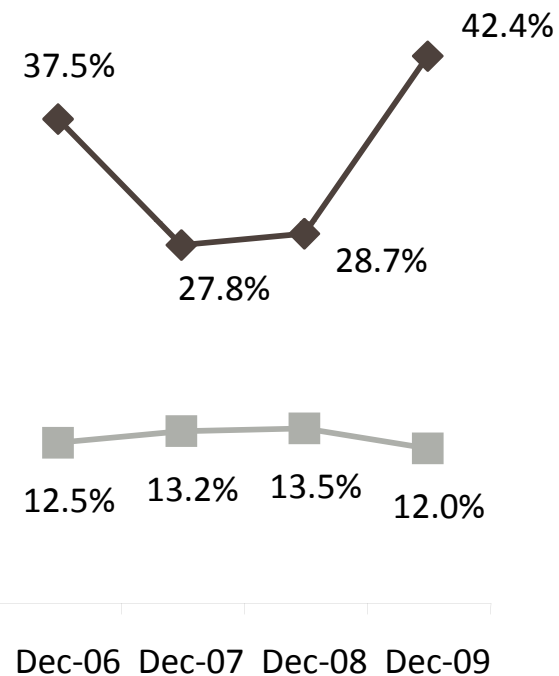
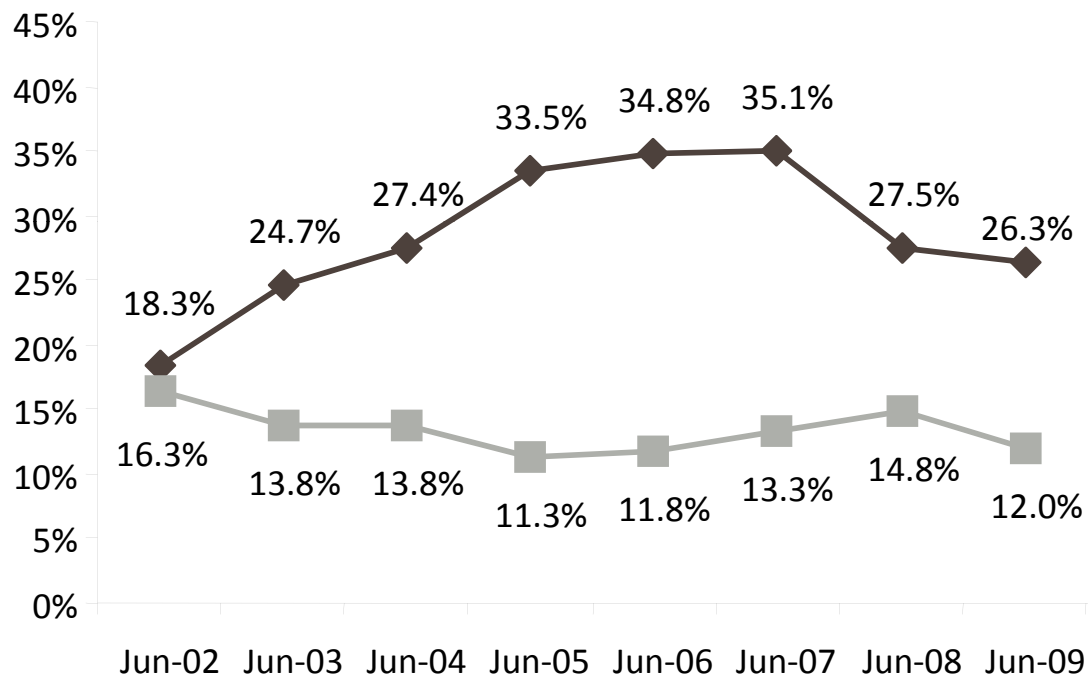
space growth – Food

- Focus on bigger Food stores



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return on equity



◆ ROE ■ WACC

outlook

- SA Retail
 - Sales growth expected to be close to H1 in both Clothing and GM, and Food (although price movement expected to reduce)
 - Gross margin performance in H2 expected to continue to outperform the prior year
 - Continued focus on expenses
- Country Road
 - Sales growth will come under pressure without prior year's fiscal stimulus, and as interest rates increase
 - Gross margin will continue to be impacted by hard promotional market
 - Continued focus on expenses

outlook continued

- Financial Services
 - Book growth will remain challenging in H2
 - Growth strategies to bear fruit in longer term
 - Impairment expected to continue to improve

- Capex

	SA Retail	Country Road
- FY2010	R575m	R150m
- FY2011	R575m	R175m
- FY2012	R600m	R200m



retail review








simon susman



continuing the retail strategy

- Build Woolworths Headquarters Assortments, Brands and Sub-brands
- **Value, quality and innovation** at heart of Customer proposition
- Execute **Woolworths Merchandise Cycle** for Clothing and Home
- Implement **new store format strategy** – ensure store catalogue in line with Customers
- Implement new **sourcing strategy** to increase Clothing and Home margin
- Deliver **superior Customer service** – selectively aligned to product offer
- Update food strategy – **mind of supermarket; soul of a deli**
- Improve **space performance** and **reduce supply chain costs**
- **Availability, availability, availability**

retail – priorities

	Timelines	Progress
1. Leverage customer insights	ongoing	
2. Innovation – differentiation	ongoing	
3. Value/volume	ongoing	
4. Availability	ongoing	
5. Execute the service proposition	ongoing	
6. Trading mindset	ongoing	
7. Productivity	ongoing	

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leverage customer insights – the relationship journey

Loyalty relationship



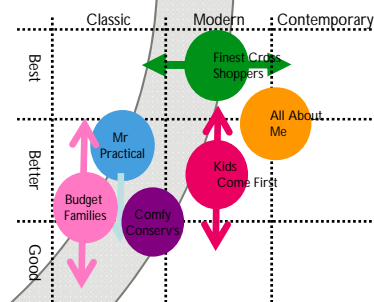
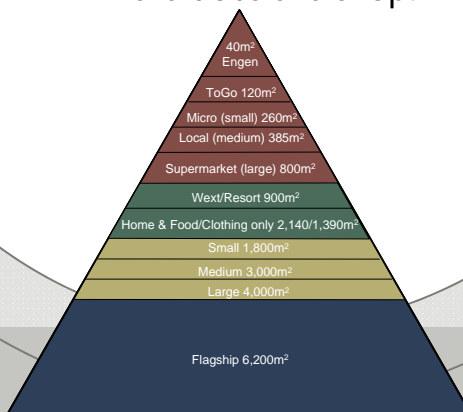
Lifestyle segmentation

Retail strategy



Store clustering

Store format – where does she shop?



9 box grid – what do we buy?

leverage customer insights

- Reinforced by feedback from our customers:
 - Clothing
 - Our advertising is appealing and makes them want to buy our products
 - Customers are commenting positively about:
 - Shop within shop layouts / segmentation
 - Our quality and fit
 - Affordability
 - Food
 - Steadily making progress in affordability perception
 - Availability is improving – more customers say they always find what they want
 - Woolworths seen as innovative and trendy

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innovation – differentiation in Clothing

(Spring/Summer 09 adultwear)

Classic (55%)

Modern (36%)

Contemporary (9%)

Best
(10%)

T R E N E R Y

COUNTRY ROAD

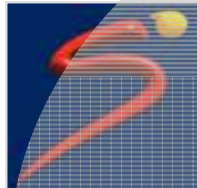


Better
(38%)

classic collection

studio.w

Suga♥Suga



activ.

re_



twist

jt one

Good
(52%)

classic collection

studio.w

Suga♥Suga

activ.

re_



jt one

80%

Innovation – Clothing: Magic



look slimmer instantly!

secret support

magic jeans
look up to 3cm slimmer instantly

Ever looked in the mirror, wishing to be slimmer instantly? Wish granted! Our range of magic clothing, made to take centimetres off the waist, tummy, hips, bum and thighs, has grown to include body-shaping lingerie, pantihose and leggings in addition to jeans and camis. The secret behind the range is its specially designed panels and innovative, light fabric that holds you in place firmly but gently. And with no leg bands and flat seams, it's virtually invisible under clothes. Let them work their magic for you.
magic wide leg jeans from 180.00

secret support

magic opaque pantihose from 79.95

magic regular waist shaper from 69.95

magic high-waisted shaper from 79.95

world MAGIC

Slip into magic targeted control underwear for a slimmer silhouette and the confidence to carry off the coolest outfit

17

Innovation – Clothing: Trenergy



Innovation – Clothing: Early Learning Centre



Innovation – Home: studio.w



innovation – Food

- Four clear pillars

Everyday
the difference



Health



Gastronomic
Adventure



Reasons to
celebrate



- Innovation key to Woolworths difference
 - 892 new lines launched from Jul – Dec 09 (LY: 824)
 - 90 lines upgraded from Jul – Dec 09 (LY: 444)

value/volume – Clothing

Clothing pricing

% price movement	FY2010	FY2009
1 st half	11.8%	0.0%
2 nd half		5.1 %

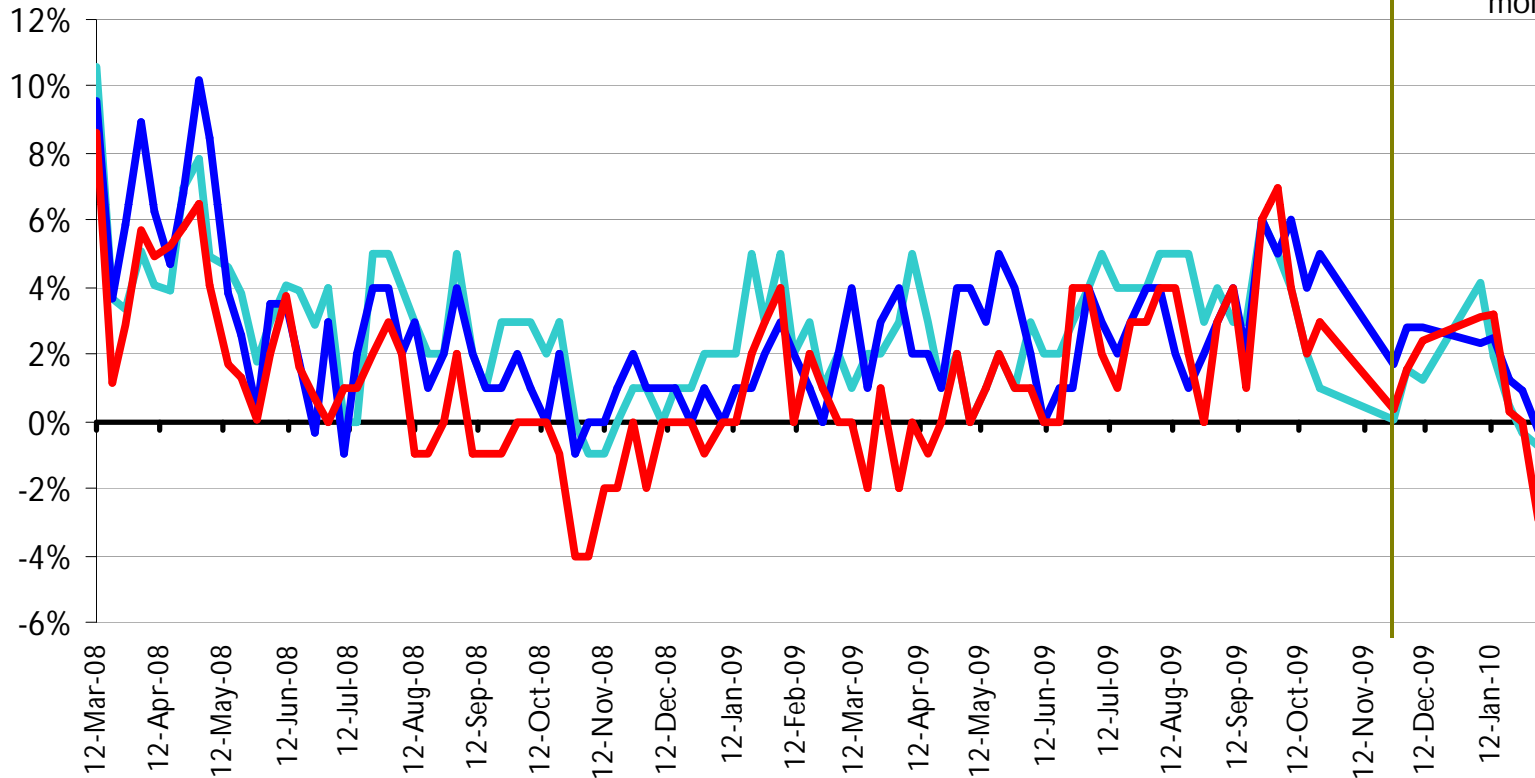
- Inflation not as high as price movement
 - Impact of bulkpicks and prior year discounting
- This summer's purchases made when Rand was weak
- Inflation to reduce this winter and further next summer

Customer perception, driven by aggressive KVI pricing, is improving

value/volume – Food

Premium to competitors of basket of 63 KVI's, monitored by Adcheck Research

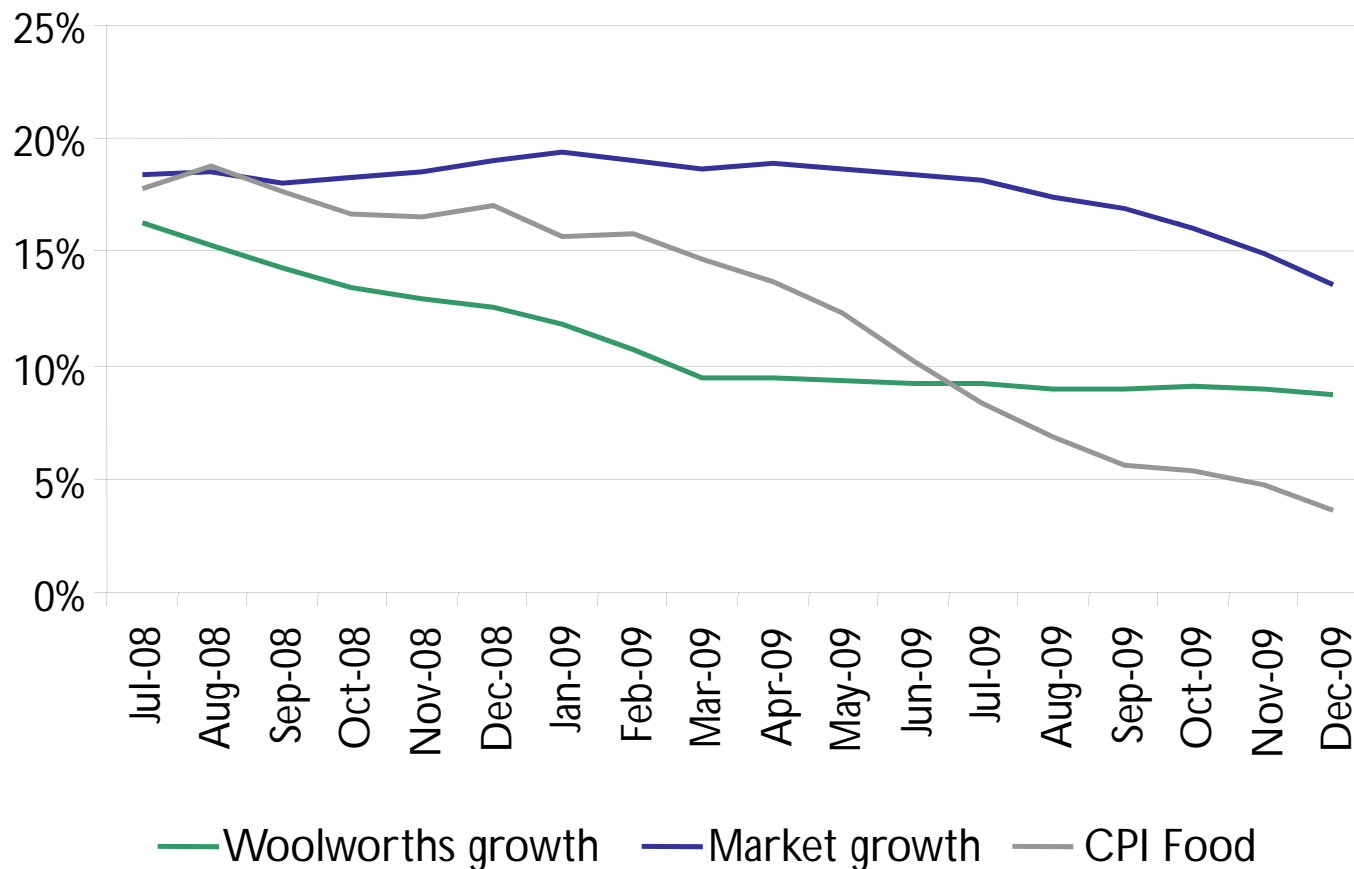
Premium to competitors of basket of 150 KVI's, monitored by BMI



— Premium to Store A — Premium to Store B — Premium to Store C

value/volume – Food

Food - Woolworths vs market growth (12mma)



Source: Nielsen

availability – Clothing and GM

- Clothing, Home and Beauty availability improved as a result of:
 - Store clustering
 - Buying and planning split leading to greater focus
 - Merchandise cycle introduced more science to the business

availability – Food

Type	EOD Perishables	
Period	2 nd quarter	1 st quarter
Actual 2010	80.4%	82.6%
Actual 2009	80.6%	81.7%
Target 2010	84.0%	

Availability focus

- Long term trend holding
- Location planners introduced from Jan 2010
- Improved waste at slight cost of availability




execute the service proposition

- Specialised service paying dividends
- Increasing full time staffing component from 4% to 30%
- Employee engagement programme through “Lets Talk”
- Flexi healthcare
- Reduction of administrative load

trading mindset

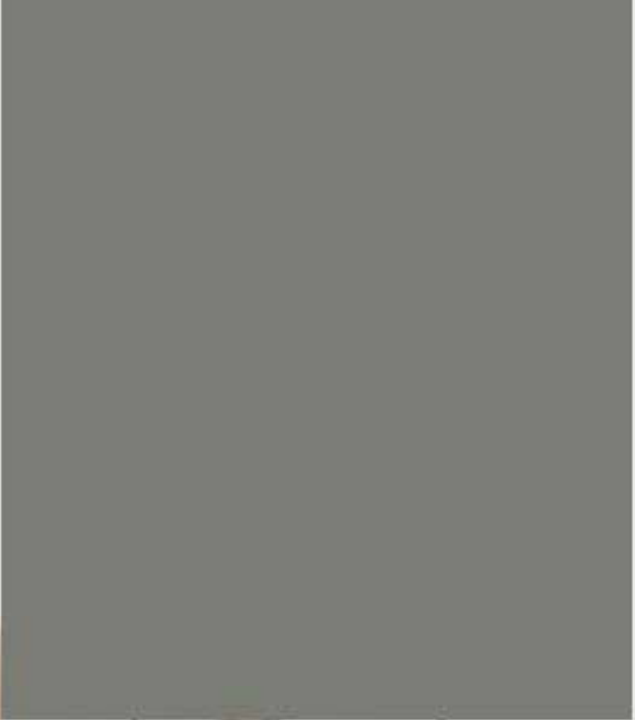
- Cluster management implemented
- Parallel planning with stores implemented
- Woolworths merchandise cycle embedded
- Academies implemented

improved productivity

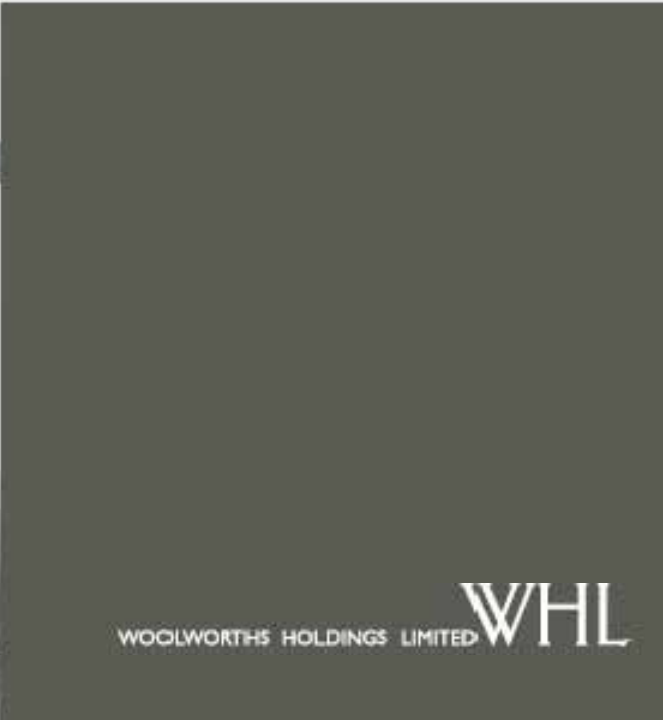
- Driving the following:
 - GP margin % 
 - Head office costs 
 - Stores productivity  - impacted by new footage

highlights

- Improved gross profit margin % by 2.2%
 - Clothing and GM up 4.0%
 - Food up 1.0%
- Market share growth in Clothing, Home and Beauty – Food turned in November and December
- Customer value perception improved
- Clearer segmentation of 9 box grid in stores



country
road
ian moir



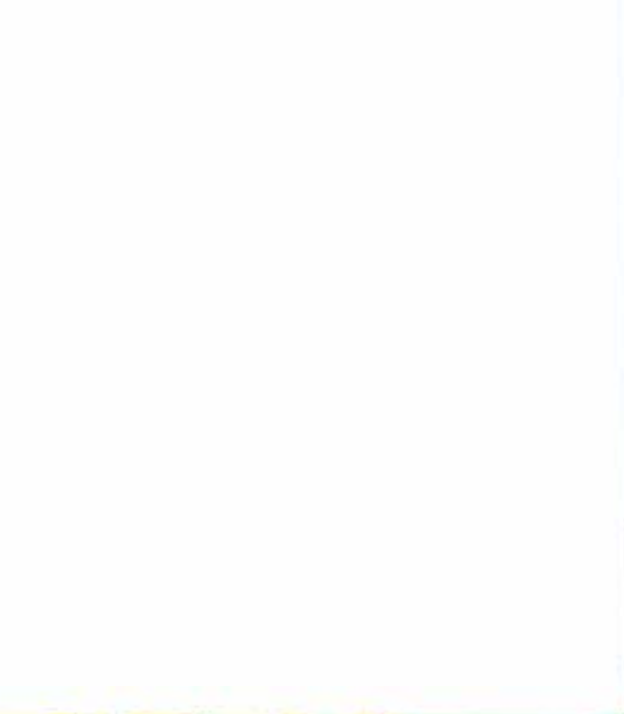
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country road – review

- Tougher, more competitive environment:
 - 3 consecutive interest rate rises
 - Cycling stimulus incentives of last year
 - Highly promotional environment
- Sales still strong and ahead of market (12.6% v 6.7%)
- Margin pressure due to promotions and forex movement
- Nov and Dec particularly tough in womenswear through lack of newness and fashion
- Trenerly successfully launched in Australia and South Africa but material set-up and initial opex costs incurred

country road – outlook

- Tougher retail conditions to continue
- Product ranges more fashion right with good initial reaction
- Value strong
- Trenerly trading well in both markets



outlook

ian moir &
simon susman



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outlook

- Business is in a good place with clear strategies
- Completely aligned to the strategies
- Focus on execution
- Reduce complexity, streamline structure and decision making process
- Focus on deliverables

outlook *continued*

- Good first half
- Strategy is delivering
- Continue driving strategy
- South African and Australian economies remain tough, but improving
- Businesses well repositioned to benefit in a moderate spending environment



additional
information



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woolworths holdings limited

group income statement

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Turnover	11 549.8	10 562.9	9.3
Cost of sales	7 705.5	7 274.1	5.9
Gross profit	3 844.3	3 288.8	16.9
Other revenue	146.2	584.2	(75.0)
Expenses	2 989.6	2 847.3	5.0
Operating profit	1 000.9	1 025.7	(2.4)
Finance costs	75.0	195.2	(61.6)
Profit before earnings from JVs and assoc	925.9	830.5	11.5
Earnings from WFS	26.8	27.4	
Earnings from JVs and associates	3.2	7.6	(>100)
Profit before exceptional item	955.9	865.5	10.4
Exceptional item	-	380.0	
Profit before tax	955.9	1 245.5	(23.3)
Tax	285.8	365.5	(21.8)
Profit after tax	670.1	880.0	(23.9)
Gross margin - on turnover	33.3%	31.1%	
Operating margin - on revenue	8.6%	9.2%	
Effective tax rate	29.9%	29.3%	

SA retail – balance sheet

	Dec 2009 Rm	Dec 2008 Rm	% change
Assets			
Property, plant and equipment, investments, deferred tax, loans and goodwill	2 211.8	2 053.9	7.7
Inventory	1 533.0	1 323.8	15.8
Accounts receivable	1 167.9	1 433.8	(18.5)
Cash	308.3	367.6	(16.1)
	5 221.0	5 179.1	0.8
Equity and liabilities			
Shareholders' funds	1 519.9	1 379.2	10.2
Accounts payable, provisions and tax	3 701.1	3 799.9	(2.6)
	5 221.0	5 179.1	0.8

SA retail – revenue analysis

	Dec 2009 Rm	Dec 2008 Rm	% change	% price movement
Clothing and General merchandise	4 104.1	3 742.3	9.7	11.8
Corporate (retail)	3 605.0	3 278.8	9.9	
Franchise (wholesale) – local	389.5	358.5	8.6	
Franchise (wholesale) – international	109.6	105.0	4.4	
Food	5 937.4	5 449.8	8.9	6.3
Corporate (retail)	5 433.7	4 996.7	8.7	
Franchise (wholesale) – local	469.2	418.7	12.1	
Franchise (wholesale) – international	34.5	34.4	0.3	
Logistics	201.3	196.8	2.3	
Other revenue	55.0	46.9	17.3	
	10 297.8	9 435.8	9.1	

SA retail – trading space and stores

	Dec 2009 m2	Dec 2008 m2	% change/ growth	Projected Jun 2010 m2	% change (6 mths)	Projected Jun 2011 m2	% change/ growth	Projected Jun 2012 m2	% change/ growth
Trading space	528 415	499 888	5.7	537 474	1.7	570 219	6.1	603 464	5.8
Clothing & GM	378 100	359 321	5.2	384 357	1.7	405 433	5.5	427 933	5.5
Corporate	289 969	270 752	7.1	293 580	1.2	311 656	6.2	331 156	6.3
Franchise	88 131	88 569	(0.5)	90 777	3.0	93 777	3.3	96 777	3.2
Food	150 315	140 567	6.9	153 117	1.9	164 786	7.6	175 531	6.5
Corporate	137 429	128 248	7.2	139 288	1.4	150 447	8.0	160 752	6.8
Franchise	12 886	12 319	4.6	13 829	7.3	14 339	3.7	14 779	3.1
No. of stores	420	407	13	431	11	458	27	479	21
Clothing & GM	236	227	9	240	4	251	11	261	10
Corporate	128	118	10	129	1	135	6	140	5
Franchise	108	109	(1)	111	3	116	5	121	5
Food	350	334	16	360	10	383	23	401	18
Corporate	253	239	14	255	2	270	15	282	12
Franchise	97	95	2	105	8	113	8	119	6

financial services – contribution to sales

% of sales spent on Woolworths cards

Clothing and General merchandise

Food

Total

Dec 2009

31.6%

15.7%

22.4%

Dec 2008

35.7%

18.4%

25.6%

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country road – balance sheet

	Dec 2009 A\$m	Dec 2008 A\$m	% change
Assets			
Property, plant and equipment	55.0	42.3	30.0
Trademarks *	11.3	11.2	0.9
Inventory	42.0	34.1	23.2
Accounts receivable	23.9	27.5	(13.1)
Cash	15.8	31.6	(50.0)
	148.0	146.7	0.9
Equity and liabilities			
Shareholders' funds	78.6	91.7	(14.3)
Accounts payable and provisions	69.4	55.0	26.2
	148.0	146.7	0.9
Year-end exchange rate (R/A\$)	6.7	6.7	

* Eliminates on consolidation

country road – income statement (in rands)

	Dec 2009 Rm	Dec 2008 Rm	% change
Turnover	1 307.0	1 170.0	11.7
Cost of sales	545.0	449.8	21.2
Gross profit	762.0	720.2	5.8
Other revenue	31.5	6.6	>100
Expenses	701.8	633.0	10.9
Store costs	503.1	453.8	10.9
Head office costs	198.7	179.2	10.9
Operating profit	91.7	93.8	(2.2)
Finance costs	1.4	0.3	>100
Profit before tax	90.3	93.5	(3.4)

woolworths holdings limited

country road – trading space and stores

	Dec 2009 m2	Dec 2008 m2	% change	Projected Dec 2010 m2	% change	Projected Dec 2011 m2	% change
Trading space	40 704	35 948	13	44 704	10	48 704	9
Retail	30 347	27 265	11	32 347	7	34 347	6
Concession	8 603	8 683	(1)	8 603	-	8 603	-
Trenery	1 754	-	>100	3 754	114	5 754	53
Number of stores	160	146	10	170	6	180	6
Retail	72	64	13	77	7	82	6
Concession	82	82	-	82	-	82	-
Trenery	6	-	>100	11	83	16	45