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WOOLWORTHS  
HOLDINGS LIMITED  
2012 INTEGRATED  
REPORT

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**IN AN INDEPENDENT SURVEY,  
WOOLWORTHS WAS RATED  
SOUTH AFRICA'S MOST REPUTABLE  
COMPANY AMONG THE TOP 20  
JSE-LISTED COMPANIES.**

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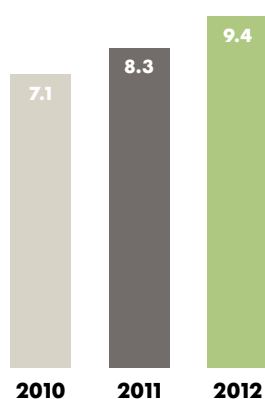
## GROUP FINANCIAL HIGHLIGHTS

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“WE ACHIEVED THE FINANCIAL RESULTS THAT WE SET OURSELVES”

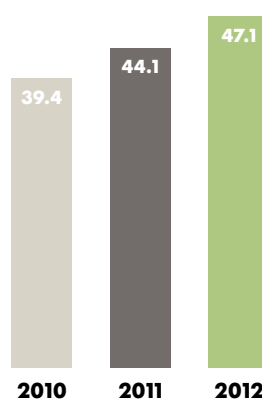
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### GROUP OPERATING MARGIN (%)



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### GROUP RETURN ON EQUITY (%)



Pages 44 to 59 for more detail on our financial results

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### HEADLINE EARNINGS PER SHARE 2012

+24.4%

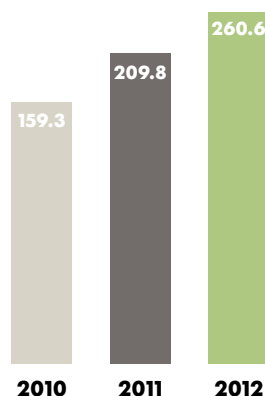
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### PROFIT BEFORE TAX 2012

+24.5%

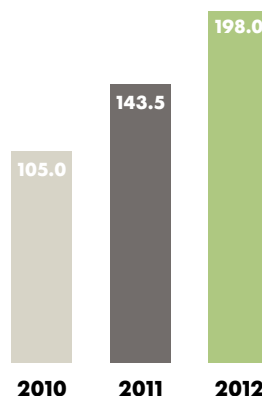
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### DILUTED HEADLINE EARNINGS PER SHARE (CENTS)



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### DIVIDENDS PER SHARE (CENTS)





\*Pages 62 to 73  
for more detail  
on our strategic  
focus areas

## STRATEGIC FOCUS AREAS HIGHLIGHTS

### OUR CUSTOMERS

▲  
Clothing market  
share gains made in  
the last six months

▲  
Food traded  
above the market  
throughout the year

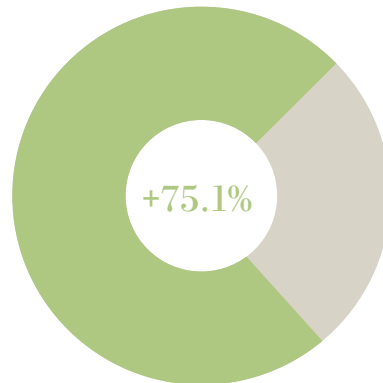
**61%** ▲11%  
Revenue tracked on WRewards

### OUR OPERATIONS

**35.6%**  
Gross profit margin improved ▲0.8%

**9.4%**  
Operating margin improved ▲1.1%

### OUR PEOPLE



Improvement in Let's Ask employee  
opinion survey ▲1%

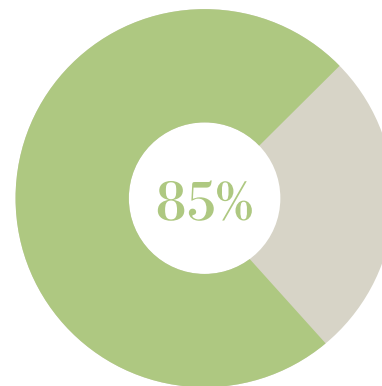
**12.32**

Employment equity score ▲1.01

### OUR GOOD BUSINESS JOURNEY

Level maintained  
**4**

Our BBBEE level maintained **72.93**



Delivery of 2012 Good Business Journey targets ▼1%



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## KEY HIGHLIGHTS

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**STRONG SALES PERFORMANCE IN FOOD, CLOTHING AND GENERAL MERCHANDISE**

**REINTEGRATING OF THE WOOLWORTHS SHARE WITH INCREASED FOREIGN OWNERSHIP **NOW AT** **35%** AND ENTRY INTO JSE TOP 40 SHARE INDEX**

**35%**



**BUY-BACK OF FRANCHISE COMPLETED AND HIGHLY PROFITABLE**

**GOOD PROGRESS ON CHANGE OF BUSINESS MODEL IN REST OF AFRICA**



**VOTED MOST REPUTABLE BUSINESS IN SOUTH AFRICA IN A CONSUMER-BASED SURVEY, RATED FIRST IN EVERY CATEGORY**

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**CHOSEN AS FINALIST FOR THE 2012  
INTERNATIONAL RETAILER OF THE YEAR,  
AN AWARD WE HAVE WON TWICE BEFORE**

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**SIGNIFICANT INVESTMENT IN DIGITAL STRATEGY WITH REAL IMPROVEMENT IN ON-LINE PRESENCE**



**CONTINUED SUCCESS OF WREWARDS WITH  
OF CUSTOMER SPEND NOW TRACKABLE**

**61%**



**IMPROVED FASHIONABILITY OF CLOTHING OFFER WITH FASTER MERCHANDISE CYCLE AND HIGHER MARGINS**



**OPENING OF THE FIRST WOOLIES SUPERMARKET IN NICOLWAY, JOHANNESBURG**

**INCREASED CATALOGUE, IMPROVED VALUES, AND STRICTER AND MORE EFFECTIVE DISCIPLINES IN FOODS**



**BBBEE LEVEL 4  
CONTRIBUTOR**

**MAINTAINED INCLUSION IN JSE SRI INDEX  
AS TOP PERFORMER**





OUR 2012 INTEGRATED REPORT AIMS TO DEMONSTRATE THE INTEGRATION OF OUR BUSINESS AND SUSTAINABILITY STRATEGIES AND OUR PLANS AND KEY PERFORMANCE INDICATORS FOR BOTH. IT FURTHER REFLECTS OUR HOLISTIC VIEW OF THE OPPORTUNITIES FACING THE COMPANY AND THE ASSOCIATED RISKS. THESE ARE INTEGRAL TO ACHIEVING BUSINESS OBJECTIVES.

SCOPE OF THE REPORT

The report provides a review of the operations of Woolworths Holdings Limited for the fifty-two week period ending 24 June 2012 in the context of the three-year vision and strategy of integrated financial and non-financial performance.

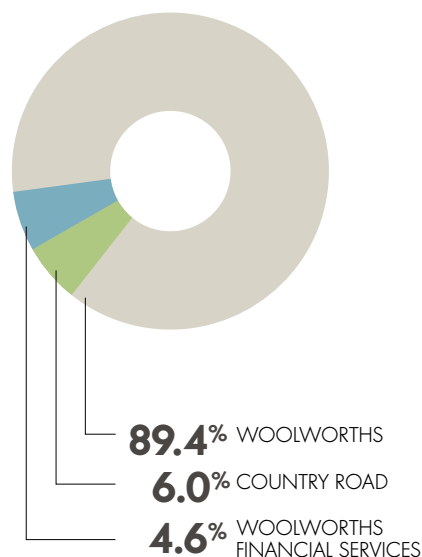
Woolworths Holdings Limited is an investment holding company, listed on the JSE Limited and operates through two subsidiaries, Woolworths (Proprietary) Limited and Country Road Limited and a joint venture, Woolworths Financial Services (Proprietary) Limited.

Woolworths (Proprietary) Limited is a chain of retail stores in South Africa and certain countries in Africa and the Middle East. It offers a range of clothing, food and general merchandise, mainly under its own brand name. Woolworths contributes 88.2% of the group turnover and 89.4% of the profit before tax.

Country Road Limited is a retail chain of stores and concession outlets in Australia, New Zealand and South Africa. It offers a range of clothing and homeware under its own brand name. It is listed on the Australian Stock Exchange. Country Road contributes 11.8% of the group turnover and 6.0% of the profit before tax. The annual report for Country Road Limited can be accessed on the website [www.countryroad.com.au](http://www.countryroad.com.au).

Woolworths Financial Services (Proprietary) Limited is operated jointly with the ABSA group. Woolworths (Proprietary) Limited owns 50% less one share and the profits are equity accounted in Woolworths Holdings. Woolworths Financial Services provides our Woolworths customers with a credit offering to assist them to purchase merchandise in our stores. It also offers a credit card, personal loans and insurance products. Woolworths Financial Services contributes 4.6% of profit before tax.

CONTRIBUTION TO PROFIT BEFORE TAX





## OUR INTEGRATED REPORTING IS MADE UP OF THREE REPORTS

### 2012 INTEGRATED REPORT

Our 2012 Integrated Report provides a holistic view of our business, our strategy, our performance for the year, our strategic focus areas for the future and our governance and remuneration reports. The notice and proxy for voting at the annual general meeting are also included.



### 2012 ANNUAL FINANCIAL STATEMENTS REPORT

Our 2012 Annual Financial Statements Report provides a more detailed understanding of the financial aspects of our business. The detailed Annual Financial Statements, prepared in terms of International Financial Reporting Standards (IFRS) are included, together with the report of the audit committee and the directors' report.



### 2012 GOOD BUSINESS JOURNEY REPORT

Our 2012 Good Business Journey Report provides the detail of our sustainability strategy, the governance of sustainability and a review of performance primarily against the non-financial targets.

## ACCESS TO REPORTS

A printed version of the 2012 Integrated Report has been sent to all shareholders registered in the company's share register at 7 September 2012.

All three reports are available from the website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za). This allows for easy and quick access to those stakeholders who wish to make use of the internet to obtain their information.

A printed version of any report can be obtained from the company secretary by calling +27 21 407 6326 or e-mailing [thobekasishuba-mashego@woolworths.co.za](mailto:thobekasishuba-mashego@woolworths.co.za).

## ASSURANCE

Our joint external auditors, Ernst and Young Inc. and NEXIA SAB&T, provide assurance over the abridged audited financial statements included in the Integrated Report and the \*2012 Annual Financial Statements Report. The abridged and detailed Annual Financial Statements have been prepared under the supervision of the group finance director, Mr Norman Thomson CA(SA).

In 2011 we engaged Ernst and Young Inc. to provide limited independent external assurance over certain metrics of the Good Business Journey programme. More metrics have been included in their scope for 2012.

\*Our BBBEE scorecard level has been verified and signed off by the verification agency, BEE Verification Agency cc.

We do make use of other external bodies to verify certain targets in our Good Business Journey programme. These are highlighted in the 2012 Good Business Journey Report.

## APPROVAL AND ASSURANCE OF REPORTS

### APPROVAL

The audit committee is responsible for reviewing and recommending the Integrated Report and Annual Financial Statements Report to the Board for approval.

The social and ethics committee and the sustainability committee reviews and recommends the Good Business Journey Report to the Board for approval.

The Board acknowledges its responsibility to ensure the integrity of the Integrated Report. The Board has applied its mind to the Integrated Report and believes that it addresses all material issues, and fairly presents the integrated performance of the group. The Board approved all three reports on 22 August 2012.

## GLOBAL REPORTING INITIATIVE

We continue to follow the G3.1 Global Reporting Initiative (GRI) guidelines in preparing our Good Business Journey Report. An analysis of our compliance to these guidelines can be found in the GRI index contained in the 2012 Good Business Journey Report and is accessible on the website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).



\*More information in the 2012 Annual Financial Statements Report



\*BBBEE certificate on-line







# REPORTS

CHAIRMAN'S REPORT

GROUP CHIEF EXECUTIVE  
OFFICER'S REPORT

## CHAIRMAN'S REPORT



# WOOLWORTHS DEEPLY BELIEVES IN DRIVING REAL SHAREHOLDER VALUE FROM ITS OWN STRONG VALUE SYSTEM.

Having served Woolworths continuously for thirty years, largely as an executive, I now feel highly privileged to chair the Board and the company in a non-executive capacity. I much look forward to working with the Board in guiding the executive team in its quest to build a deeply sustainable business and brand. I have no doubt that Woolies' value-based business model will continue to play a key role in the development of South Africa, and in a smaller but no less meaningful way of both Africa and Australia.

In particular I am privileged to inherit the position of chairman from Buddy Hawton who retired in November 2011. Buddy has been one of the giants of South African business and its boardrooms. In particular, he brought to Woolworths real discipline and process around our corporate governance journey. Buddy was a humorous, challenging and canny guide to both myself, and latterly to Ian Moir, as chief executives. He played the same role on the Board of Woolworths and drove it to its current high levels of professionalism and leadership. The Board, on behalf of all at Woolworths, joins me in expressing our gratitude to Buddy and wishing him and his wife, Marge, many happy and healthy years of retirement.

### GOVERNANCE

Woolworths deeply believes in driving real stakeholder value from its own strong value system. This system, together with our clear strategies, has guided us in striving always to do the right thing for our customers, our people, our shareholders, our suppliers and the community around us. Recent international focus on governance, reflected in the King III Report and its sister reports overseas, has added good structure and process in this field. This assures that ways of doing business comply with ever higher norms of transparency and accountability. We welcome their introduction and feel they are a rightful complement to our value system.

Accordingly, we have appropriately applied both the principles of King III as well as the practices of the Listings Requirements of the JSE. With King in particular, where we have not

applied its recommendations directly, we are careful to explain, elsewhere in this Integrated Report, both our reasons for not doing so and the mitigations and substitutions we have put in place. As always though, where issues of interpretation or practicality of these rules arise, it remains a great comfort to have our values to fall back on. They invariably give us a clarity of direction and conviction, where rules alone may be found wanting.

Following on from the changes precipitated by Buddy's retirement and my own appointment as non-executive, but non-independent chairman, we have made some changes to the Board. The position of deputy chairman which was created to enable me to understudy Buddy Hawton, for a period, has now fallen away. In line therefore with King III, Tom Boardman

has been appointed lead independent non-executive director and chairs the remuneration committee of the Board. We were delighted, that, following approval at our annual general meeting, Zarina Bassa joined our Board and became a member of our audit and risk committees. We have known Zarina for some years through her chairmanship of Woolworths Financial Services, our joint venture with ABSA. Zarina brings with her a wealth of experience from the financial sector and sits on a number of South Africa's most prominent boards.

We are also highly privileged to have added to our Board Andrew Higginson, who is retiring as one of the most senior executive directors of Tesco Plc. Apart from Andy's considerable supermarket and international experience, he has exposure to a number of Boards in the United Kingdom, both in the corporate and non-corporate worlds. Andy will be a huge asset to Woolworths, in particular, around our drive to build an ever more powerful South African food business.

We have one goodbye too. Sindi Zilwa, having served on our Board for eleven years with great passion and commitment, leaves us this year. Sindi always brought fresh dimensions which were steeped in the principles that she holds so dear and which in turn guided us to the right answers on many an occasion. We wish Sindi well in her future career and express our gratitude to her for her time at Woolies.

## STRATEGY AND PERFORMANCE

Following the year-end, we were able to announce Country Road's intention to acquire the Australian fashion brand, Witchery. This business brings scale and fire-power to our Australian presence. The ethos of Witchery is close to our own, the brands' positions are complementary and we look forward to leveraging this purchase well into the future.

Both the Woolies and Country Road strategies are now clear. They are well articulated by Ian and his team and most importantly, are being delivered on target.

All retailers – especially private brand businesses such as Woolworths, Country Road and now Witchery, are dependent on giving customers unique, compelling product, at great value. Our corporate values of quality, value for money and innovation express themselves primarily through the product on our shelves. The strategies around this have driven good sales growth through the year – in most cases in line with or well ahead of the market: this even in the tough conditions experienced in Australia and the tightening in South Africa.

Each of our brands, in each of our markets, reflect an aspirational, youthful, positive view of life. We believe our customers, whether in Australia, Africa or at home, hold to this attitude strongly.

During the year, higher margins through the Woolworths franchise buy-back, improved sourcing strategy and good cost control have helped deliver good profits from both companies.

It is appropriate here to express our gratitude to our South African franchise partners, particularly those who have sold their businesses back to us. They have been passionate about our brand and have served it well.

Our joint venture with ABSA is on a sound footing and bad debts remain stable. We are however falling behind the market in book size and the drive now is to deliver growth.

Given all of the above, the results for the year are most positive.

The group's turnover increased by 11.8% to R28.6 billion and profit before tax grew 24.5% to R2.87 billion. Headline earnings per share grew 24.4% to 267.3 cents per share. The group's return on equity increased from 44.1% to 47.1%.

A final dividend of 123 cents per share has been declared, taking the total distribution for the year to 198 cents; an increase of 38% on the prior year.

It is pleasing to note that over the past ten years, Woolworths has delivered compound annual growth rate to shareholders of 34%.

## GOOD BUSINESS JOURNEY

This consistent growth would not, we believe, have been delivered without our commitment to doing business in a truly "Triple Bottom Line" driven manner. I referred above to Woolies' value system. Ian Moir states, "Our values are the heart and soul of Woolworths." These values have given us not just a moral compass with which to build this brand, but have guided our relationships with all our stakeholders to ensure each derives the value they seek from the business. In particular, the values have challenged us to seek ways of doing business that ensure sustainable future growth that builds and strengthens our resources rather than deplete them. This is the thinking that has evolved into the Woolworths Good Business Journey – a way of doing business that delivers deep but sustainable value for all our stakeholders.



Our annual contributions to society around us range from R1 million for protecting rhinos through the sale of our rhino bags, R35 million to schools through our MySchool programme, to the almost R400 million worth of high-quality, but date-expired foods which our stores offer to their local NGOs. Our Farming for the Future programme is transforming methods of agriculture that save water and chemicals and enrich the soil in a completely natural manner. We are now firmly operating at Level 4 on the revised DTI Scorecard, with a major drive on enterprise development under way.

We are often challenged that our Good Business Journey is less relevant in tightening economic times. We could not disagree more strongly. Thinking sustainably preserves and strengthens our growth for the future benefit of all. This was indeed the philosophy that Triple Bottom Line or integrated reporting was intended to drive.

ECONOMIC ENVIRONMENT

Having been South Africa focused for much of our history, we are becoming a larger player in three separate regions: South Africa, Africa and now, with our acquisition of Witchery, more seriously in Australia.

At home, sound economic thinking effectively implemented through the past fifteen years has dramatically reduced levels of poverty as evidenced by the graph below. This has clearly, through a rapidly growing and economically empowered middle class, benefited the retail industry and Woolworths in particular. It has enabled us to open more stores, create more jobs and deliver higher taxes to the fiscus. We employ over 22 000 people directly and probably double that number indirectly throughout our South African supply chain, from which we purchase over 70% of our product. We paid, last year, over R2.4 billion of taxes to the South African fiscus.

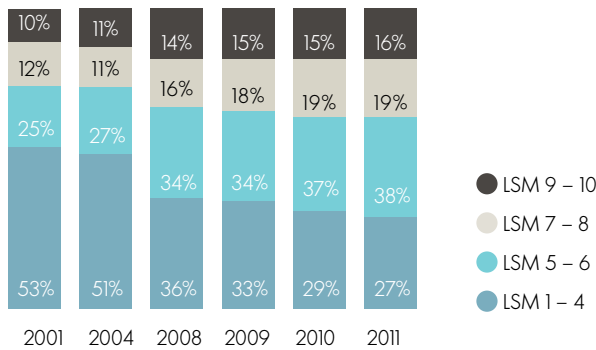
The predictability of future growth in South Africa is, however, fragile. As we move deeper into Africa and Australia, we see a growing contrast between their national economic philosophies and those of South Africa. We have high levels of youth and adult unemployment, and a declining manufacturing industry. Yet we insist on ever tightening and restrictive labour policies and business red tape. These actively discourage employment in both large and small companies and dramatically hinder start-ups across the business spectrum. Further, unsilenced talks of nationalisation and greater state involvement in the economy are still serious subjects of discussion. This despite clear evidence on our doorstep of their failure.

Africa and Australia have the same issues around job creation and improving education, but unlike South Africa are far clearer that supporting private entrepreneurs and business, large and small, is critical to the solution.

There seems to be in South Africa, therefore, a growing gap in the philosophies of business, which creates both jobs and taxes, and some increasingly vocal, more populist thinkers in government. Programmes like the NDP need to be strongly and formally endorsed and not drowned out by this populist voice. Business and government share the same aims: more sustainable jobs, less corruption and healthier, wealthier, better educated citizens – in our case, our future customers and suppliers.

We are already engaged on a number of constructive integrated forums with government, and are always encouraged by their outcomes. However, on core economic philosophy, we strongly believe that business and government should formally set up a far closer direct dialogue. Only by working together on this will we be able to create the real jobs and real tax growth we so urgently need.

EVOLUTION OF LIVING STANDARD MEASURE ("LSM") CATEGORIES

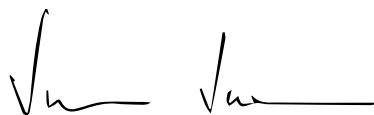


## OUR ROLE INTO THE FUTURE

In April of this year, Woolworths received a remarkable accolade. The Reputation Institute surveyed a broad base of South African respondents about their view of the reputation of South Africa's 20 most reputable companies. On every single criteria, Woolworths came first – the company is the most admired brand in South Africa! There is little doubt that the application of our values, the Good Business Journey and their consequent consistent profit growth, drove this result. No one, though, is more sensitive to the challenges of being top of the pile than Ian Moir, our Chief executive. He and his executive team are passionately committed to offering customers, staff and shareholders consistent value growth into the future. This will be based as ever, on great products which reflect our values, are delivered through the Good Business Journey philosophy, and are underpinned by sound governance.

I would like to take this opportunity of thanking the Board for both their support around my appointment and the guidance they have given me as chairman over these past few months. The Board, in turn, would like to express its gratitude to Ian and his executive team for delivering again, a highly credible set of results. We would also like to thank Howard Goldberg, of Country Road who, having turned 60, retires this year. He steered the business through one of Australia's toughest consumer markets and has left that company stronger than ever and ready to take on the exciting acquisition of Witchery.

Most importantly, we would like to thank all the Woolies and Country Road teams in our stores, our distribution centres and our supplier base, for the pride and passion which they bring to their work and to our brands.



**Simon Susman**

**THE REPUTATION INSTITUTE  
SURVEYED A BROAD BASE  
OF SOUTH AFRICAN  
RESPONDENTS ABOUT THEIR  
VIEW OF THE REPUTATION  
OF SOUTH AFRICA'S 20 MOST  
REPUTABLE COMPANIES.  
ON EVERY SINGLE CRITERIA,  
WOOLWORTHS CAME FIRST**

## GROUP CHIEF EXECUTIVE OFFICER'S REPORT



**AN ABSOLUTE FOCUS  
ON DELIVERING TO  
THE CUSTOMERS'  
NEEDS HAS BROUGHT  
CLARITY OF PURPOSE  
TO THE BUSINESS.**

### REVIEW OF THE YEAR

Following a strong 2011 we went into this financial year with a fair degree of concern. We expected tougher economic conditions, higher inflation and a more subdued consumer. Uncertainty over the European situation added to our concerns and led to us taking a cautious approach to the year.

The economy and the consumer proved more resilient, inflation was not as high or as sustained as we expected and the uncertainty over Europe remained just that. In short, it was a tougher year than 2011 but not appreciably so.

The year saw us grow our sales by 11.8%, profit before tax (PBT) by 24.5% and headline earnings per share (HEPS) by 24.4%. Return on sales (ROS) grew to 5.8% in Food (against our 2014 target of 6%) and in Clothing and General merchandise to 17.2% (against a 2014 target of 18%). Return on equity (ROE) for the group was 47.1%.

We have also seen a material increase in share price of 82% in the 12 months to 24 June 2012, our market capitalisation has risen to R42 billion and we entered the JSE Top 40 share index.

Foreign ownership has moved to 35% of our share register and we have done much to ensure a better understanding of our business model and investment case with overseas investors.

We have been clear that our business is focused fairly and squarely on the LSM 8 – 10 customer both in Food and Clothing and General merchandise. This single view of the customer and an absolute focus on delivering to their needs has brought clarity of purpose to the business.

We have completed the successful purchase of 59 franchise stores which has increased the control over our brand, improved profitability and simplified our business. We have also progressed well in our desire to move to a wholly-owned or joint venture model in the rest of Africa and we have experienced good growth in that part of our business.



**WE ARE SEEING  
MORE LOYAL  
CUSTOMERS**

Our WRewards programme continues to deliver good results at relatively low cost. We are seeing our loyal customers shopping more often, buying more items and increasing their spend with us. We are now able to track 61% of spend making us more informed about our customers than we have ever been.

Segmentation of our customer base and propensity modelling is allowing us to focus on driving cross-shop opportunity and increase the return on our direct marketing.

Our customers feel more recognised and valued and their relationship with us is stronger.

This year has also seen us make a material commitment to on-line retailing and a digital strategy. We have increased our resources, both people and systems, and we are well placed to benefit from what we believe will be a rapidly changing environment over the next three years.

The business is driven by a set of seven values that are the foundation and cornerstone of our business. They determine our direction, our behaviour and our choices and they make us who we are. They are: value, quality, service, innovation, integrity, energy and sustainability. Our commitment to these values throughout the year has allowed us to be clear on what we expect of each other and what our suppliers and customers can expect of us.

## WOOLWORTHS

### CLOTHING AND GENERAL MERCHANDISE

We continued to drive significant change in the way we plan, source and buy our goods. This is a process begun three years ago that has fundamentally and sustainably improved the profitability of our clothing business. In this year, we reduced our merchandise cycle by six weeks, increased the proportion of goods bought direct rather than through an agent or third party and increased the percentage of the goods we buy offshore. We have built fast response mechanisms both locally and overseas that will be enhanced and built upon in future years. Our profiling of stores, allocation of stock and availability have improved as we better utilise our systems, capitalising on our investment in this area over the past few years.



### CHANGES MADE TO LEAD TIMES

This has led to shorter lead times, more fashion right goods, more frequent newness in stores, improved margins and an increased return on sales. The changes to lead times and frequency of newness were not effected until November/December of 2011 and we have seen a marked improvement in our clothing sales since then.

Sales grew by 11.6%, gross margin increased to 44.5% from 43.7%, PBT grew to R1 647 million (25% on last year) and we achieved an ROS of 17.2% (just short of our 2014 target of 18%).

## FOOD

Our strategy in Food is simple. We wish to take more share of our existing customers' wallet and to acquire more customers with a similar profile. We will do this by expanding our offer, increasing the size of our stores allowing the customer to complete their shop with us, come in more often, buy more items and spend more money. We wish to see our customers shop with a trolley not a basket. In doing this we will not lose the aspiration, quality or innovation of our food.



### ALLOWING CUSTOMERS TO COMPLETE THEIR SHOP

Our progress towards this aim in the year has been good. We have increased our stockkeeping units by around 1 500 to a total of 7 500, our prices have sharpened and are now market competitive, we have introduced more bulk items in key commodities and we opened the first of our supermarkets in Nicolway, Johannesburg.

We have also focused on changing systems and processes to improve availability, reduce waste and shrinkage and increase the profitability of our Food business.

Sales were strong at 11.9% on last year and we traded above the market throughout the year. PBT grew by 35.5% and achieved a ROS of 5.8% vs 4.8% last year.

## WOOLWORTHS FINANCIAL SERVICES

Pleasingly, the Woolworths Financial Services book grew 8.3% with the impairment rate increasing by just 0.5% to a more than acceptable 1.9%. The average net yield contracted 10% basis points due to lower interest rates. Whilst these factors conspired to limit profit growth during the year, the growth of the book and the improved integration of the business within our core retail operations remains a priority, with key systems upgrades rolling out in the first half of the new financial year. The business is achieving its required return on equity of 22%. Our partnership with ABSA remains strong and we are aligned on our future growth objectives.

### COUNTRY ROAD

Australian retail trading conditions have arguably been the worst for over 20 years. Consumer confidence and spending was constrained and the market dominated by promotional activity. Competition from foreign brands increased both through on-line sales and some key brands taking a physical presence.

That said, Country Road has produced a very creditable result. Although sales declined 2.6% (6.6% on a comparable basis), we were pleased with the increase in on-line sales and profit was protected, dropping A\$2 million to A\$20.7 million as a result of good inventory control, lower mark-downs, and excellent cost management.

Post the year-end we announced that Country Road had agreed to acquire the Witchery group for an enterprise value of A\$172 million. The group comprises two brands, Witchery, a men's, women's and children's apparel chain and Mimco, an accessories chain. The purchase price represents approximately five times the 2011 normalised EBITDA. The acquisition allows Country Road to create a business of greater scale, diversified revenue streams and industry-leading margin. The acquisition is expected to deliver more than 20% earnings per share accretion pre-synergies for Country Road. Synergies are anticipated to be a minimum of A\$10 million. It is an exciting opportunity and will be funded by a five-year term facility of A\$92 million and a rights issue of up to A\$92 million.

### GOOD BUSINESS JOURNEY

Our Good Business Journey continues to ensure the business and its suppliers focus on ensuring we play our part in the key social and environmental issues facing the country. In doing this, we also enhance our brand and benefit from operational efficiencies and cost savings. We have saved over R105 million in the last five years through Good Business Journey initiatives. Customers are demanding more information about where products come from and expect products to have ethical and environmental attributes, generally without an increase in cost – a concept we call Value with Values. Sustainability is one of our seven values and we are tracking growing employee understanding and backing for our Good Business Journey programme through our annual Let's Ask survey.

Our consistent good performances on the JSE SRI index, inclusion in the Dow Jones Sustainability Index and other awards help build our sustainability track record for analysts and investors. The Good Business Journey has also helped us to enhance our partnerships with suppliers, NGOs and other corporates by sharing learnings and dealing with common challenges on programmes like Farming for the Future, EduPlant and customer recycling at Engen service stations.

Some of our highlights include the success of our Farming for the Future programme. This programme improves the soil and water quality and usage across most of our produce, horticulture and wine supplier base.





We have also reduced energy usage by almost 27% from our 2004 benchmark.

Continued focus on our BBBEE initiatives has resulted in the maintenance of our Level 4 contributor status. We have also consistently grown our social contribution. In the last financial year over R438 million was directed to a range of charity organisations as part of our commitment to community upliftment, addressing two of our country's key challenges – food security and education.

## OUTLOOK

We believe the economic environment in South Africa in the coming year will remain similar to the year we have just experienced. We do not expect any upward pressure on interest rates in the short to medium term and we anticipate that the LSM 8 – 10 consumer will be in a similar position as they have been for the last two years.

We will continue to pursue our current strategies in both Food and Clothing and General merchandise.

In Food we will drive the supermarket model harder and will expand existing stores and open more new stores that are larger in size and in line with our desire to increase our

share of our existing customers' food spend and encourage more new customers to shop at Woolworths. We will expand our offer and ensure the customer has the ability to complete their weekly shop at Woolies. Our prices will be market competitive and our commitment to quality and innovation will remain absolute.

In Clothing and General merchandise we will continue our pursuit of excellence in sourcing. We will seek to reduce our lead times yet further and have fast response mechanisms both locally and internationally. This will allow us to trade more of our business in season, allowing us the flexibility to respond to customer reaction. As we move to more direct supply and benefit from our sourcing facility in China, we will seek to improve our cost of goods, but will ensure that this is passed on to our customers in the form of lower prices and exceptional value.

Our focus in Australia will be on the acquisition of the Witchery group and integrating these businesses with Country Road, ensuring we deliver the synergies we believe are achievable.



**Ian Moir**







# GROUP OVERVIEW

OUR BUSINESS

OUR VISION

OUR VALUES

OUR INVESTMENT CASE

TRENDS INFLUENCING  
OUR STRATEGY

VALUE CREATED

STAKEHOLDERS

WOOLWORTHS HOLDINGS LIMITED  
– BOARD MEMBERS

WOOLWORTHS HOLDINGS LIMITED  
– EXECUTIVE COMMITTEE

### OUR BUSINESS

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WOOLWORTHS HOLDINGS LIMITED IS AN INVESTMENT HOLDING COMPANY, WHICH HAS BEEN LISTED ON THE JSE LIMITED SINCE 1997. IT OPERATES THROUGH TWO RETAIL BUSINESSES, WOOLWORTHS AND COUNTRY ROAD, AND A FINANCIAL SERVICES JOINT VENTURE AFFILIATED TO WOOLWORTHS, WOOLWORTHS FINANCIAL SERVICES.

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#### WOOLWORTHS



Founded in 1931, Woolworths is today recognised as one of South Africa's leading retailers of quality food, clothing, beauty and homeware with some 448 stores in South Africa, other African countries and the Middle East.

As Woolworths has grown, evolved and adapted to the changing world, it has always remained true to its core values of quality and style, service, integrity, value, innovation and sustainability, and has continually endeavoured to make a difference in the lives of its customers.

#### WOOLWORTHS CONTRIBUTES

88.2%

OF THE GROUP TURNOVER.

#### COUNTRY ROAD

Country Road began as a niche women's shirting business in 1974 and today is a significant market leader in the Australian retail and fashion industry. It was listed on the ASX in 1998.

An integrated lifestyle brand, it offers customers a range of womenswear, menswear, kidswear, accessories and homeware products. It trades through 167 retail or concession outlets in Australia and New Zealand. It is represented in 24 selected Woolworths and standalone stores in South Africa.

#### COUNTRY ROAD CONTRIBUTES

11.8%

OF THE GROUP TURNOVER.

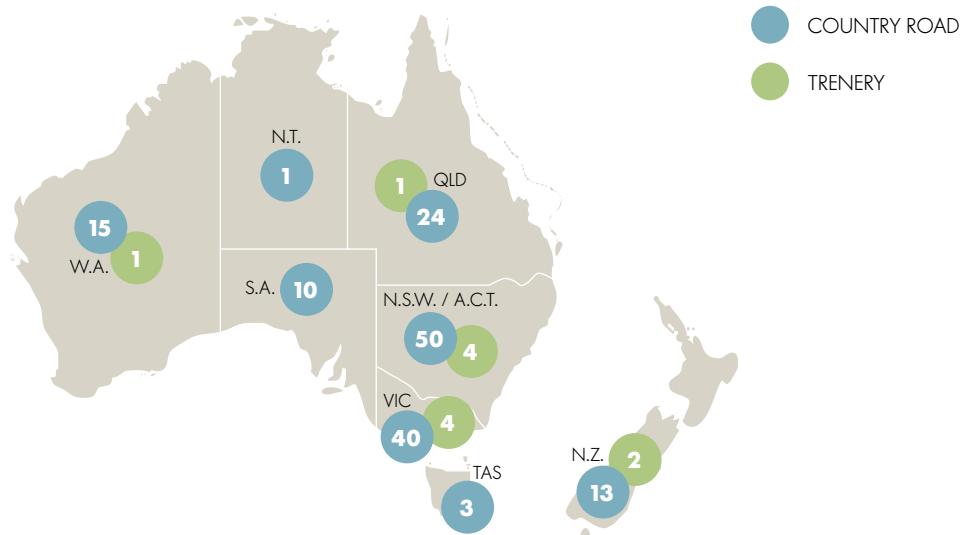
#### WOOLWORTHS FINANCIAL SERVICES



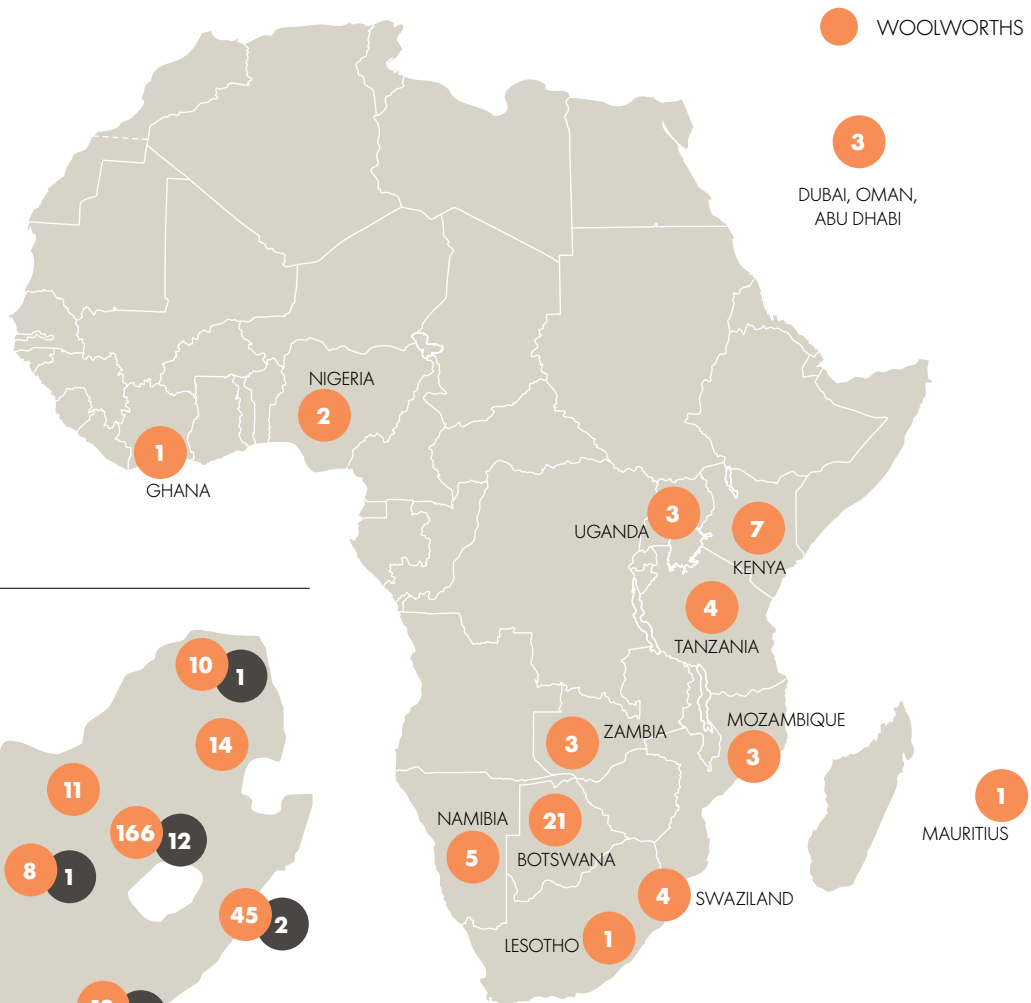
Woolworths Financial Services was launched in 1993 in order to provide Woolworths customers with an in-store card and access to credit facilities. Over the years its product range has grown and today it offers a suite of financial products including in-store credit, credit cards, personal loans and a range of insurance products. ABSA Bank acquired 50% plus one share and has effective control of the financial services business in 2008.

# STORE FOOTPRINT

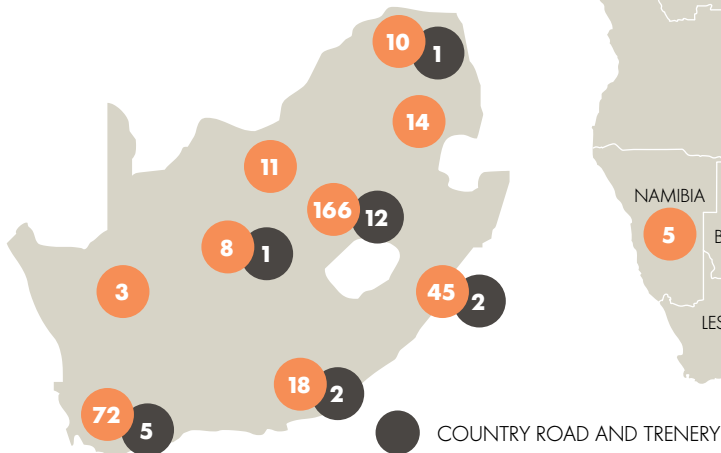
## AUSTRALIA AND NEW ZEALAND



## AFRICA



## SOUTH AFRICA



### OUR VISION

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WE WILL BE THE MOST LOVED RETAILER AMONGST UPPER INCOME AND **ASPIRATIONAL CUSTOMERS** IN SOUTH AFRICA, AUSTRALIA AND THE MARKETS WE CHOOSE TO PARTICIPATE IN.

WE WILL HAVE FURTHER ENTRENCHED OUR LEADERSHIP ON QUALITY AND STYLE, INNOVATION AND VALUE, DELIVERING “**VALUE WITH VALUES**” TO OUR CUSTOMERS.

WE WILL BE A **CUSTOMER-CENTRIC** ORGANISATION THAT HAS ALIGNED OUR PRODUCTS, SERVICES AND FORMATS TO MEET OUR CUSTOMERS’ NEEDS.

OUR BUSINESS WILL BE SIMPLER AND WE WILL OPERATE WITH AN **ENTERPRISE-WIDE MIND-SET**. WE WILL HAVE LOWERED THE COST OF DOING BUSINESS.

OUR WORKFORCE WILL FEEL MORE VALUED AND WE WILL BE SEEN AS AN **EMPLOYER OF CHOICE**.

WE WILL BE RECOGNISED AS LEADERS IN THE RETAIL INDUSTRY FOR OUR **SUSTAINABILITY INITIATIVES**.

WE WILL HAVE ACHIEVED **PROFITABLE MARKET SHARE** GROWTH AND HAVE DELIVERED CONSISTENT UPPER QUARTILE RETURNS TO OUR SHAREHOLDERS.

## OUR VALUES

OUR VALUES ARE IMPORTANT TO OUR BUSINESS. OUR VALUES ARE THE THINGS THAT WE BELIEVE IN, THEY'RE THE FOUNDATION AND CORNERSTONE OF OUR BUSINESS. THEY GIVE US DIRECTION AND GUIDE OUR BEHAVIOUR AND CHOICES. WHEN WE ARE TRUE TO OUR VALUES, WE KNOW THE RIGHT THING TO DO AND OUR EMPLOYEES, PARTNERS, SUPPLIERS AND CUSTOMERS KNOW WHAT TO EXPECT FROM US.

### QUALITY AND STYLE

We deliver the best in everything we sell or do.

### VALUE

Offering a simple and fair deal and putting quality within reach.

### SERVICE

We always think customer and put the customer first.

### INNOVATION

Innovation is about finding new ways to make things better or make customers' lives easier.

### INTEGRITY

Doing what we say we do is the foundation of the trust our customers have in us.

### ENERGY

We care about what we do and are determined to deliver the difference.

### SUSTAINABILITY

We're committed to doing things today to build a better tomorrow.

“OUR VALUES ARE THE HEART AND SOUL OF WOOLWORTHS”

### OUR INVESTMENT CASE

Woolworths Holdings Limited aims to generate sustainable growth and returns for shareholders.

The group's strategy is to be a dominant, premium apparel and food retailer in all markets within which we operate by offering exceptional quality and innovative products to our customers at great value and to operate in a socially and environmentally sustainable way.

This strategy is underpinned by the following strengths inherent in our business:

#### TRUSTED BRAND

- Key focus on quality and innovation
- Strong and well-defined premium private label brands under Woolworths and owned sub-brand labels
- Key focus on aspirational LSM 8 – 10 customers
- Strong and growing loyalty programme with 61% of customer spread tracked
- Leader in ethical, sustainable and environmentally aware sourcing
- Winner of Responsible Retailer of the Year Award in 2010 at the World Retail Conference

#### PRESENCE

- Well-located footprint with a combination of full-line stores in destination malls and convenient food-only stores in suburban centres
- All categories can be purchased on-line
- Roll-out programme of new and larger stores in South Africa, including supermarket concept for Food
- Focused expansion into Africa

#### OPERATIONS AND SUPPLY CHAIN

- Centralised business operating model
- Centralised distribution and supply chain
- Strong management teams with focus on talent management and succession planning
- Focus on food cold chain integrity
- Longstanding partnerships with suppliers
- Significant gross margin improvement achieved through sourcing strategy

#### WOOLWORTHS FINANCIAL SERVICES

- High-quality assets derived from world-class risk management and operating procedures
- Provision of revolving credit to customers
- Gearing of financial services assets undertaken by ABSA
- Profitable credit products focused on optimising return on investment

#### COUNTRY ROAD

- Market leader in the Australian premium retail apparel sector
- Internationally recognised brands across New Zealand, Asia and South Africa
- Opportunity to grow retail presence in South Africa and on-line

#### FINANCIAL PERFORMANCE DRIVING INCREASED RETURNS

- Focus on growth and profitable and sustainable returns on sales and assets
- Headline earnings per share 10-year compound growth rate of 44.5%
- 10-year compound annual total shareholder return of 34%
- Return on equity of 47.1%
- Strong cash flow generation
- Capital investment philosophy provides for maintenance and profitable growth
- Strong dividend payout: 10-year compound growth rate of 58.2%

### LEADER IN ETHICAL, SUSTAINABLE AND ENVIRONMENTALLY AWARE SOURCING



### SUSTAINABILITY

- Included in the JSE SRI Index as a top performer
- Included in the Dow Jones World Sustainability Index
- Committed to transformation:
  - Level 4 BEE organisation
  - Successful BEESOS scheme in place
  - Over 22 000 permanent employees
  - Procurement from local textile and apparel industry
- Focus on maintaining reputation as an “employer of choice” in retail sector
- Winner of retail category of the South African Carbon Leadership Awards in 2010 and 2011
- Driving efficiency in agriculture through our Farming for the Future programme

### GOVERNANCE

- Key focus on King III principles
- Deep experience at board level with strong sub-committees

- Consistently ranked in “Very Good” or “Excellent” categories of Ernst & Young “Excellence in Corporate Reporting” annual survey
- Recent winner of Reputation Institute South Africa’s 2012 RepTrack Study

### BUSINESS RESILIENCE

- Less reliant on credit than other mid/upper market apparel peers, with cash sales of 80.5%
- Key focus on value and customer loyalty rewards has strengthened customer offering against cyclical shocks
- Defensive food and clothing product mix
- Opportunity to increase penetration of existing customer demographic

OVER 22 000  
PERMANENT  
EMPLOYEES





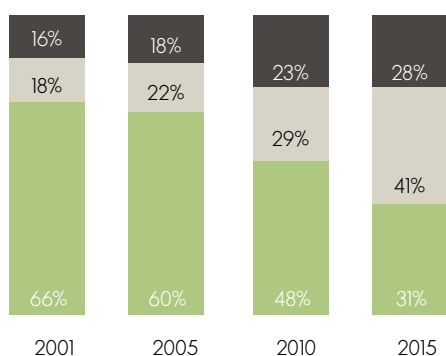
## TRENDS INFLUENCING OUR STRATEGY

## STRONG GROWTH IN HIGHER INCOME GROUPS IN SOUTH AFRICA

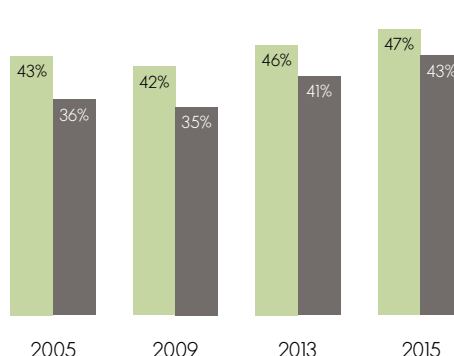
The compound annual growth rate from 2001 to 2015, for the South African population is 5.6% for LSM 8 – 10 compared to 1.3% for the total population. South Africa's emerging black middle class is continuing to drive a disproportionate growth in LSM bands 8 – 10. Between 2010 and 2015 a 26% growth is forecast in LSM bands 8 – 10, bringing these bands to 28% of the population. It is estimated that this will account for 43% of total spend of food and 47% of the clothing spend within South Africa in 2015.

Woolworths continues to focus on the LSM 8 – 10 customer in both these areas and is well placed to benefit from the growth in the number and spend of these customers.

## PEOPLE



## LSM 8 – 10 MARKET REVENUE



## PEOPLE

- LSM 8 – 10
- LSM 6 – 7
- LSM 1 – 5

## LSM 8 – 10 MARKET REVENUE

- Clothing
- Food

## IMPORTANCE OF OMNI-CHANNEL SHOPPING

A combination of internet, mobile phones and tablet devices are inexorably altering how consumers research purchases, shop and engage with their brands of choice. Technology is empowering customers who are becoming ever more demanding.

to take advantage of this trend. Our strategy is to focus on the customer experience, delivering a seamless and integrated omni-channel experience between our stores and on-line.



## TECHNOLOGY IS EMPOWERING CUSTOMERS

Mobile shopping – m-commerce – is gaining momentum. This is particularly important in South Africa with more than double the number of people accessing internet via their phones (12 million) rather than via computers.

Customers are more connected and informed than ever before and are looking for a seamless blending of on-line with the real world. New technologies and apps are enabling this multi-channel world.

Woolworths has recently invested significantly in its on-line experience and is well positioned

## GROWTH IN AFRICA

Africa represents a significant opportunity for retailers, and there are a number of trends that support developing a retail presence in these countries.



## AFRICA REPRESENTS A SIGNIFICANT OPPORTUNITY

Firstly, there has been a sustained change in the political environment in terms of more stable democracies. While many countries remain one-party democracies, there is an increasing emergence of opposition parties and in recent times we have seen more peaceful elections. This type of political stability provides confidence for investment. African countries are also starting to see sustainable economic growth. While this has been driven to a large extent by resources

and increases in resource prices, many of these economies are diversifying into other areas, such as agriculture, manufacturing or services. This is supported in the main by sound economic policies. Africa's GDP growth is expected to outstrip South Africa's significantly over the next five years.

Secondly, we are seeing growth in the consumer market within Africa. Most African countries have relatively young populations. In addition, many of them are experiencing increasing urbanisation, as well as the emergence of a middle class, driven not only by economic growth, but also by greater access to both primary and secondary education. This middle class has discretionary spending power, is looking for more choice and is expected to grow by more than 50% in the next decade.

Retail trade is beginning to formalise and Woolworths is actively evaluating all opportunities across our targeted countries and is well placed to take advantage of this growth opportunity.

### CUSTOMERS ARE DEMANDING "VALUE WITH VALUES"

Research across the globe has shown an increase in customer understanding of ethical, environmental and community issues. Customers are demanding more information about where products come from and expect products to have ethical and environmental attributes without an increase in cost.



### CUSTOMERS EXPECT PRODUCTS TO HAVE ETHICAL AND ENVIRONMENTAL ATTRIBUTES

South Africa has followed these trends. Growing numbers of local consumers, particularly Woolworths' target market of LSM 8 – 10, understand climate change, are concerned about water scarcity, and energy efficiency and the increasing cost of energy.

They are also aware of social and transformational issues facing our country, and want to see jobs being created and sustained by the companies they support.

The impact of this for a retail organisation extends far beyond their own operations, which means that life cycle management of our products becomes a key focus area.

Over 80% of the energy and water impacts of food products take place in the agricultural food chain; in textiles, over 80% of the energy and water impacts occur once the product is in a customer's hands. It is therefore key for us to work closely with both our suppliers and our customers in order to make real progress in sustainability.

### GLOBAL ECONOMIC TRENDS

Uncertainty and volatility is a recurrent theme in the global economy, with the ongoing threat of sovereign debt default in Europe. Growth in emerging markets has also started to show signs of slowing from the levels experienced in the last two years and we are starting to see a drop-off in commodity prices. Global growth is predicted to be around 3.5% in 2012 and is expected to be maintained at these muted levels for the next three years.

Woolworths will continue to focus on driving operational efficiencies and lowering the cost of doing business.

### COMPETITOR LANDSCAPE

Foreign retailers such as Walmart, Zara and Top Shop are finding South Africa an attractive investment opportunity, with a relatively high return and a gateway to the rest of Africa.



### COMPETITION IS EXPECTED TO INTENSIFY

Competition is expected to intensify, with more global entrants delivering more fashion relevance and choice at reasonable values. Local retailers all have sourcing and speed-to-market initiatives to balance margin and customer demand.

Woolworths has shifted and consolidated a significant percentage of its sourcing offshore, but still remains one of the largest local procurers.

Woolworths has also benefited from margin expansion over the last few years and will now need to focus on operational efficiency, thus increasing the need to grow operating margins by controlling costs.

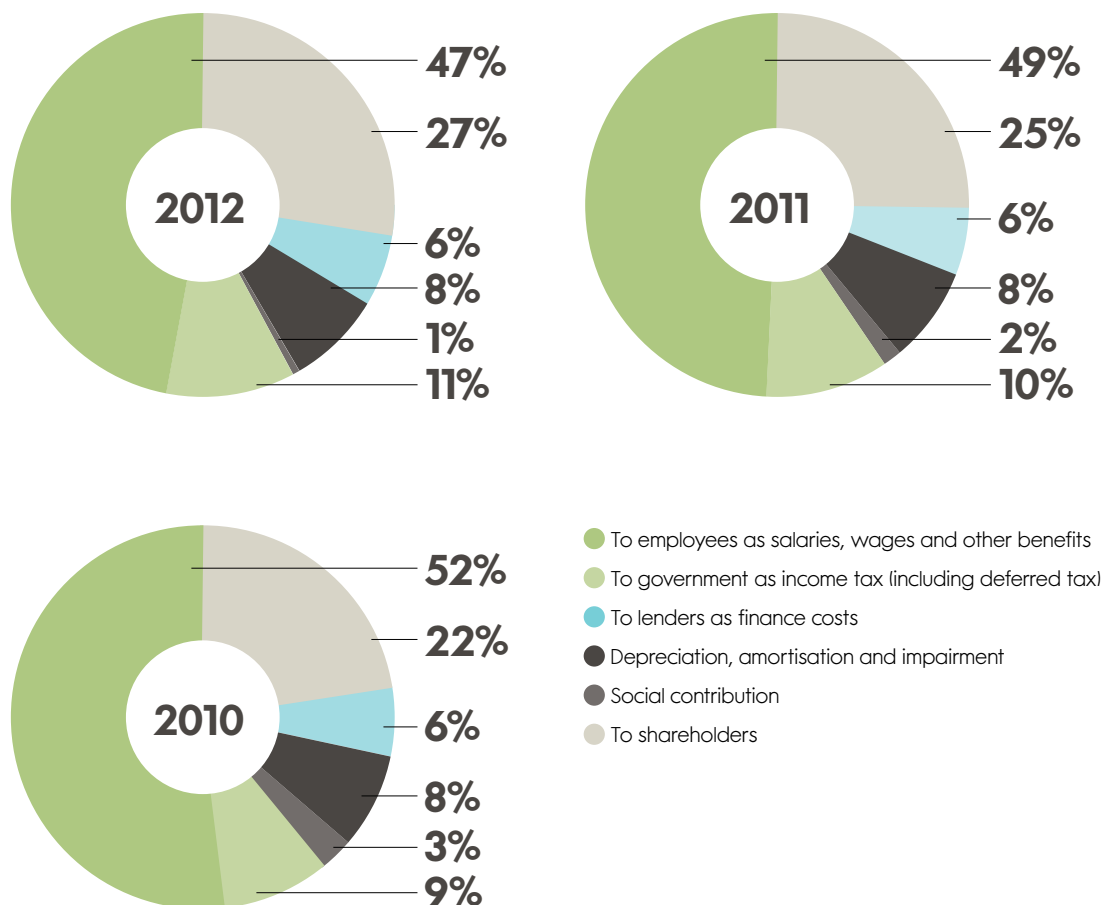
We will continue to focus on delivering better margins as well as improving our speed to market.

## VALUE CREATED

The value that we have created for our various stakeholder groups is a key measure of the positive impact that we have on the South African economy. The table below shows our value added over the last three years.

	2012 Rm	2011 Rm	2010 Rm
<b>VALUE ADDED</b>	<b>28 952</b>	25 977	23 744
Less: Cost of sales	<b>18 419</b>	16 683	15 619
Cost of services and other operating expenses	<b>3 114</b>	2 871	2 611
	<b>7 419</b>	6 423	5 514
<b>DISTRIBUTION OF WEALTH</b>			
To employees as salaries, wages and other benefits	<b>3 478</b>	3 166	2 858
To government as income tax (including deferred tax)	<b>811</b>	659	491
To lenders as finance costs	<b>38</b>	84	151
Depreciation, amortisation and impairment	<b>606</b>	513	442
Social contribution	<b>438</b>	370	314
To shareholders			
– Earnings retained	<b>749</b>	713	540
– Dividends	<b>1 299</b>	918	718
	<b>7 419</b>	6 423	5 514

### DISTRIBUTION OF WEALTH







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SHAREHOLDERS & INVESTORS  
PERFORMANCE • **EXPECTATIONS** • CONCERNS

---

BUSINESS PARTNERS  
PRODUCT **EXPANSION** • STRATEGY

---

CUSTOMERS  
VALUE • **REWARDS** • SERVICE • CHOICE

---

EMPLOYEES  
TRAINING • REWARD • **COMMUNICATION**

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GOVERNMENT & REGULATORS  
POLICIES • **STANDARDS** • CONSUMER PROTECTION

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MEDIA  
BUSINESS & CONSUMER  
ISSUES • **INFORMATION**

SUPPLIERS  
PAYMENT • INNOVATION  
SUSTAINABILITY • **BBBEE**

NON-PROFIT  
ORGANISATIONS  
& COMMUNITIES

THE **GOOD BUSINESS**  
JOURNEY • EDUCATION  
**HIV/AIDS** AWARENESS

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## STAKEHOLDERS

The legitimate interests of all stakeholders must be taken into account to drive a sustainable future. Understanding the interests and expectations of our stakeholders therefore plays an important role in deepening those relationships to support the creation of a sustainable value proposition.

Stakeholder engagement and building stakeholder relationships have always been integral to the way we do business. Some of our stakeholder relationships are more developed than others – customers, suppliers, employees and shareholders in particular. We have recognised that we should have a more consistent approach across all stakeholder groups and so we are reviewing and formalising our approach to stakeholder engagement.

We have set up a cross-functional team to develop a stakeholder engagement framework which shifts our stakeholder engagement to a more inclusive model. This builds on our brand, develops strong relationships, engenders trust and enhances our reputation. Critical to this process is a common and shared understanding of the degree to which a particular stakeholder or grouping is impacted upon by our activities and the degree to which it can influence the outcome or success of our activities. The stakeholder engagement framework will be rolled out across the business in 2013.



\*See further case studies in our Good Business Journey Report

A number of case studies highlighting our stakeholder relationships are explained in our 2012 Good Business Journey Report.



## CASE STUDY – WREWARDS

Our Loyalty Strategy remains a key business focus, with the WRewards programme continuing to outperform expectations. The aim of our WRewards loyalty programme is to build long-term mutually beneficial relationships with more customers, in particular our most loyal and valuable customers. In the last financial year we acquired 1.027 million new Woolworths cardholders, bringing our total base to over 3.5 million cardholders. Revenue tracking has also increased, with 61% of revenue including cash now being tracked against a Woolworths card (was 38% in 2010 and 50% in 2011).



The following spread illustrates our stakeholder engagement programme in more detail:

<b>STAKEHOLDER GROUP AND WHY WE ENGAGE</b>	<b>HOW WE ENGAGE</b>
<p><b>Customers:</b></p> <p>to understand our customer needs, enhance the Woolworths brand and thereby grow revenue.</p>	<p>Understanding customer needs is essential to providing the right product at the right time in the specific store where customers expect to find what they are looking for. Woolworths has over 7 million customers, and the insights from our customers enrich our segmentation model and drive new opportunities. The customer segmentation and shopping habit information informs our product, service and format strategies.</p> <p>A combination of internet and mobile phones have changed how customers research purchases, shop and engage with their brands of choice. We have invested significantly in upgrading our on-line experience to provide a broader product offering with a focus on the customer experience, delivering a seamless and integrated omni-channel experience between our stores and on-line.</p> <p>Woolworths is committed to meeting customers' needs at every level and we monitor customer satisfaction throughout the business using various mechanisms including focus groups, an on-line panel, social media and our customer service channels.</p>
<p><b>Employees:</b></p> <p>to share relevant information and get input and feedback, as well as to develop a high-performance organisation.</p>	<p>We passionately believe that communicating with and listening directly to our people delivers a high-performance business. The structured process of sharing information and receiving feedback is driven through our "Let's Talk" process.</p> <p>On an annual basis we ask all our employees to give us feedback on a range of topics through the "Let's Ask" employee opinion survey. The feedback from this shows us how well we are doing and where we need to do things better.</p> <p>All our employees participate in an incentive scheme that motivates them to deliver to our strategy and business targets.</p>
<p><b>Unions:</b></p> <p>to engage on collective employment issues.</p>	<p>We engage with representative unions on issues related to wages and conditions of employment where they have formal collective bargaining.</p>
<p><b>Suppliers:</b></p> <p>to deliver consistent quality and standards and drive new and innovative products.</p>	<p>Through supplier conferences and forums our supplier relationships are developed further. We have pursued a strong preferential procurement and enterprise development agenda with our suppliers in support of our transformation commitments. Adherence to the Woolworths supplier code of business principles is a prerequisite to ensure social and environmental responsibility across the supply chain.</p>



STAKEHOLDER GROUP AND WHY WE ENGAGE	HOW WE ENGAGE
<p><b>Franchisees:</b> to ensure a consistent customer experience.</p>	<p>We have bought back the majority of our South African franchise operations, but will continue to expand our Engen partnership. In our African operations we will continue to convert from a franchise to a corporate model with local partners where appropriate.</p>
<p><b>Shareholders and investors:</b> to create an informed perception of Woolworths, ensure more accurate expectations and create a positive investment environment.</p>	<p>Maintaining and growing our credibility among shareholders and the broader investment community is a key objective. This is done by providing relevant, timeous and transparent communication ensuring all our shareholders enjoy a thorough understanding of our performance and strategy going forward.</p>
<p><b>Media:</b> to influence stakeholder perceptions, build the Woolworths brand and market the business and products.</p>	<p>Ongoing engagement with the media has been an important aspect of managing the company's corporate reputation as well as raising awareness of key sustainability issues.</p> <p>With the growing number of social media users in South Africa, this area has become a key area for interaction with both customers and more traditional media.</p>
<p><b>Business partners:</b> to gain support and leverage on issues of common interest.</p>	<p>Experience has shown us that most sustainability challenges cannot be solved by one company acting alone. Our sustainability initiatives have often been a natural extension of the longstanding partnerships we share with our suppliers and corporate partners and have allowed us to formulate unique responses to biodiversity, transformation and other objectives.</p>
<p><b>Government and regulators:</b> to discuss issues of mutual concern, optimise opportunities and minimise risks of regulation, as well as to anticipate and assess potential policy and regulatory impact.</p>	<p>We support the efforts of government and the regulatory bodies established to implement and monitor the legislation supporting government's agenda. We provide input to new policy and legislation via our membership of business and retail-specific organisations. We have specific interactions with government departments around employment equity and transformation, sustainable agriculture, social development, and food safety, amongst others.</p>
<p><b>Non-profit organisations and communities:</b> to contribute to the society in which we trade, and get input into our strategic aims.</p>	<p>We partner with a broad range of non-profit organisations across a range of environmental, social and transformation issues. Through these relationships we support the good work being done by these partner organisations, but also gain the benefit of their experience and input into our strategy.</p>

## WOOLWORTHS HOLDINGS LIMITED

### BOARD MEMBERS



LEFT

**SIMON SUSMAN (62)**

Joined the board in 1995

- Non-executive director and Chairman
- Chairman of the nominations and sustainability committees
- Member of the, remuneration, risk and social and ethics committees

TOP RIGHT

**PETER BACON (65)**  
(BRITISH)

Joined the board in 2006

- Independent non-executive director
- Member of the audit and remuneration committees

BOTTOM RIGHT

**LINDIWE BAKORO (38)**

Joined the board in 2009

- Independent non-executive director
- Member of the audit, remuneration and risk committees

TOP LEFT

**ZARINA BASSA (48)**

Joined the board in 2011

- Independent non-executive director
- Member of the audit and risk committees



BOTTOM LEFT

**TOM BOARDMAN (62)**

Joined the board in 2010

- Independent non-executive director
- Lead independent director
- Chairman of the remuneration committee
- Member of the nominations, sustainability and social and ethics committees



TOP RIGHT

**ANDREW HIGGINSON (55) (BRITISH)**

Joined the board in 2012

- Independent non-executive director
- Member of the audit and risk committees

BOTTOM RIGHT

**MIKE LEEMING (68)**

Joined the board in 2004

- Independent non-executive director
- Chairman of the audit and risk committees
- Member of the nominations committee



Pages 110 to 112 for more information

## WOOLWORTHS HOLDINGS LIMITED

### BOARD MEMBERS (CONTINUED)



TOP LEFT

**CHRIS NISSEN (53)**

Joined the board in 2004

- Independent non-executive director
- Chairman of the social and ethics committee
- Member of the sustainability and nominations committees



BOTTOM LEFT

**STUART ROSE (SIR) (63)**

(BRITISH)

Joined the board in 2011

- Independent non-executive director
- Member of the remuneration, risk and sustainability committees



TOP RIGHT

**THINA SIWENDU (45)**

Joined the board in 2009

- Independent non-executive director
- Member of the risk and social and ethics committees



BOTTOM RIGHT

**SINDI ZILWA (45)**

Joined the board in 2002

- Independent non-executive director
- Member of the audit, risk and social and ethics committees

## WOOLWORTHS HOLDINGS LIMITED

### EXECUTIVE DIRECTORS AND GROUP SECRETARY

TOP LEFT

**IAN MOIR (53)**  
(AUSTRALIAN)

Joined the board in 2010

- Executive director and Group chief executive officer
- Member of the risk, sustainability and social and ethics committees
- Chairman of Country Road and Woolworths Financial Services



BOTTOM LEFT

**ZYDA RYLANDS (47)**

Joined the board in 2006

- Executive director
- Member of the risk and sustainability committees



TOP RIGHT

**THOBEKA SISHUBA-MASHEGO (40)**

Joined Woolworths in 2012

- Group secretary
- Trustee of the Woolworths Trust and Woolworths Employee Share Ownership Trust



BOTTOM RIGHT

**NORMAN THOMSON (61)**

Joined the board in 2001

- Executive director and group finance director
- Member of the risk committee
- Non-executive director of Country Road and Woolworths Financial Services





## WOOLWORTHS HOLDINGS LIMITED

### EXECUTIVE COMMITTEE



TOP LEFT  
**IAN MOIR**  
Group chief executive officer

BOTTOM LEFT  
**PAULA DISBERRY**  
Group director:  
Clothing and General  
merchandise planning

TOP RIGHT  
**CHARMAINE HUËT**  
Group director:  
Marketing and  
sustainability

MIDDLE RIGHT  
**BRETT KAPLAN**  
Group director:  
Clothing and General  
merchandise buying

BOTTOM RIGHT  
**MATT KEOGH**  
Group director:  
Retail operations



TOP LEFT  
**SAM NGUMENI**  
Group director:  
Human resources and  
Transformation, supply  
chain, logistics and IT

MIDDLE LEFT  
**ZYDA RYLANDS**  
Managing director:  
Food

BOTTOM LEFT  
**CAROL  
SCHONEGEVEL**  
Group director:  
Business Development  
and on-line

TOP RIGHT  
**THOBEKA SISHUBA-  
MASHEGO**  
Group secretary  
and Group director:  
governance

BOTTOM RIGHT  
**NORMAN THOMSON**  
Group finance director





# FINANCIAL PERFORMANCE

GROUP FINANCE DIRECTOR'S REPORT

SEVEN-YEAR REVIEW

ABRIDGED AUDITED GROUP RESULTS



## GROUP FINANCE DIRECTOR'S REPORT



# HEADLINE EARNINGS PER SHARE AND EARNINGS PER SHARE WERE 24.4% AND 26.9% HIGHER THAN LAST YEAR RESPECTIVELY.

Amidst another year of global economic uncertainty, the South African consumer was buoyed by real wage increases, reduced debt service costs and lower levels of headline inflation, which largely off-set the impact of the slightly weaker rand, and higher fuel and administered costs.

In Australia, despite a strong, resource-led economy, the retail sector continued to languish in a cyclical low, driven by negative offshore news and sensitivity to interest rates.

Considering these conditions, the group's results for the year were particularly pleasing, with turnover up 11.8% and profit before tax up 24.5% to R2 870 million.

As a result of improved operating leverage, the group's return on equity increased from 44.1% to 47.1%.

Headline earnings per share and earnings per share were 24.4% and 26.9% higher than last year respectively. Headline earnings exclude a R30 million gain on the sale of the former distribution centre in City Deep, Gauteng.

Diluted HEPS and diluted EPS were 24.2% and 26.6% higher respectively. Dilution arises from share options granted in terms of employee share option schemes.

The group's dividend policy has been adjusted from a dividend cover ratio of 1.50 times headline earnings per share to 1.45 times to provide for the complete distribution to shareholders of the STC the group previously paid. Shareholders are now obliged to pay Dividends Withholding Tax of 15%, which, unless the shareholder is exempt, will be deducted from the gross dividend and paid over to the South African Revenue Service.

The total dividend for the year has increased by 38% to 198 cents per share. This is in line with the revised dividend policy after normalising for the phasing out of STC.

<b>Earnings per share</b>	<b>52 weeks to 24 June 2012 cents</b>	52 weeks to 26 June 2011 cents	Change %
HEPS	<b>267.3</b>	214.9	24.4
EPS	<b>269.2</b>	212.2	26.9
Diluted HEPS	<b>260.6</b>	209.8	24.2
Diluted EPS	<b>262.4</b>	207.2	26.6



## SEGMENTAL PERFORMANCE

These group results are best explained on a segmental basis.

<b>Group results Divisional contribution</b>	<b>2012 Rm</b>	2011 Rm	Change %
Woolworths Retail	<b>2 524</b>	1 965	28.4
Country Road	<b>172</b>	162	6.2
WFS JV	<b>133</b>	129	3.1
Treasury	<b>41</b>	50	(18.0)
<b>Group PBTA</b>	<b>2 870</b>	2 306	24.5

## WOOLWORTHS RETAIL

Woolworths Retail, which includes both the Clothing and General merchandise and Food segments grew turnover by 11.6%, with comparable store sales (sales from all stores that were open at the beginning of the prior year) growing by 7%.

<b>Woolworths Retail Income Statement</b>	<b>2012 Rm</b>	2011 Rm	Change %
Sales	<b>25 231</b>	22 609	11.6
Cost of sales	<b>17 057</b>	15 475	10.2
Gross profit	<b>8 174</b>	7 134	14.6
Other revenue	<b>105</b>	103	1.9
Expenses	<b>5 761</b>	5 279	9.1
Store costs	<b>3 730</b>	3 193	16.8
Other operating costs	<b>2 031</b>	2 086	(2.6)
Operating profit	<b>2 518</b>	1 958	28.6
Earnings from associate and joint venture	<b>6</b>	7	(14.3)
<b>Profit before tax</b>	<b>2 524</b>	1 965	28.4

Gross margin improved from 31.6% to 32.4% as a result of the added retail margin deriving from the conversion of 34 former franchise stores.

Store operating costs, which include employment and occupancy costs as well as store depreciation, grew by 16.8%, impacted by 37 additional corporate stores, including the 34 former franchise stores. 25 stores were converted in the previous year, bringing the total number of local franchise stores converted to 59, at a cost of R583 million (R376 million in the current year). 16 franchise stores remain and will be converted to corporate as the contracts expire over the next seven years. Comparable store costs grew 7.6%.

The additional retail margin earned by all the conversions added R530 million to group turnover and R420 million to gross profit (taking commission into account), after accounting for mark-downs and other gross profit costs now borne by the business. Group operating profit has increased by R215 million after taking into account the cost of running the converted stores. As most stores were only converted in the first half of the year, the full annualised benefit of the acquisitions will only be recognised in 2013.

Costs not incurred in operating stores are included under the general heading "other operating costs". These costs include costs incurred in centralised product buying and planning activities, marketing, franchise operations, real estate development, and central support services such as HR, finance, IT and corporate governance.

"Other operating costs" also include:

- the non-cash IFRS 2 charge, which reflects the economic cost of the group's executive and black economic empowerment employee share incentive schemes. The charge was 27% lower this year due to vesting conditions attributable to the scheme;
- unrealised foreign exchange gains of R43 million (last year: unrealised foreign exchange loss of R28 million) arising from the mark to market of foreign exchange contracts open at year-end and inventory on hand relating to those contracts;
- staff and management short-term performance incentives, which vary according to overall profitability (incentives act as a natural hedge, with a lower charge in the current year due to the group's relative higher outperformance in the prior year); and
- R30 million gain on the sale of the former distribution centre in City Deep, Gauteng.

Excluding these specific items, underlying base non-store costs grew by 6.6%.

Overall, Woolworths Retail achieved an operating margin of 10%, up from 8.7% in 2011, well ahead of the three-year target of 8% set in June 2009. The focus on productivity to achieve positive operating margin leverage remains a key commitment.

Both the Clothing and General merchandise and Food segments enjoy high returns on equity from their low capital utilisation although store leases – the major operating asset – are not capitalised under current accounting standards. The ongoing focus on operating efficiencies and inventory levels ensures that the high return on equity – 88.5% at year-end – is maintained.

## CLOTHING AND GENERAL MERCHANDISE

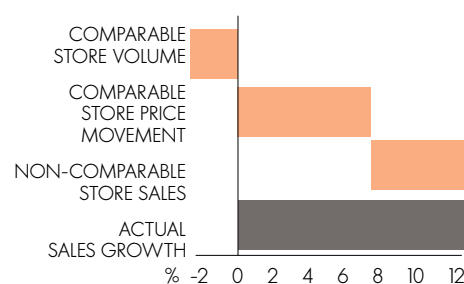
Clothing and General merchandise Income Statement	2012 Rm	2011 Rm	Change %
Sales	9 585	8 591	11.6
Cost of sales	5 321	4 840	9.9
Gross profit	4 264	3 751	13.7
Other revenue	21	25	(16.0)
Expenses	2 641	2 462	7.3
Operating profit	1 644	1 314	25.1
Earnings from associate and joint venture	3	4	(25.0)
<b>Profit before tax</b>	<b>1 647</b>	<b>1 318</b>	<b>25.0</b>

Segmental turnover grew 11.6%, with apparel sales up 12.3% driven mainly by strong performances in Lingerie, Footwear and Accessories, and Babywear. Performance in Womenswear was impacted in the first half of the year by item composition and supply issues, which were rectified in the second half.

Despite these shortcomings, total apparel sales (including Country Road's South African sales) grew 12.6%. Comparable store sales grew 5.9%, with price movement (our internal product inflation measured by the movement in the average unit price of the units we sell) of 6.5%.

General merchandise (GM) sales grew by 7%.

## CLOTHING AND GENERAL MERCHANDISE SALES GROWTH (% ON LAST YEAR)



New space added 5.8% to turnover growth and price movement added 6.8%.

Having acquired a controlling interest in the previously franchised operation in Zambia in May 2011, we continued to focus on the rest of sub-Saharan Africa, acquiring the Mozambique operation, and taking a controlling interest in the Tanzanian and Ugandan operation. We also established new operations in Mauritius and, together with a local partner, in Nigeria. In the current year we opened seven new stores in the region, in addition to the eight stores converted, taking the total to 16. Work remains in overcoming logistical, infrastructural and bureaucratic challenges but good returns are expected over time.

Expense growth of 7.3% saw Clothing and General merchandise achieve a 25% growth in profit before tax and an operating margin of 17.2%, up from 15.3% last year and just short of our revised medium-term target of 18%.

With comparable volumes turning positive in the second half of the year, we expect sales in comparable stores to continue to show modest growth during the next 12 months, and whilst new retail development in South Africa remains muted, we will continue to focus on growing space in existing stores where we find that catalogue and category expansion provides our existing customers with the opportunity to complete a larger proportion of their grocery shop in Woolworths.

We plan to add between 6% and 7% to Clothing and General merchandise trading space in each of the next three years.

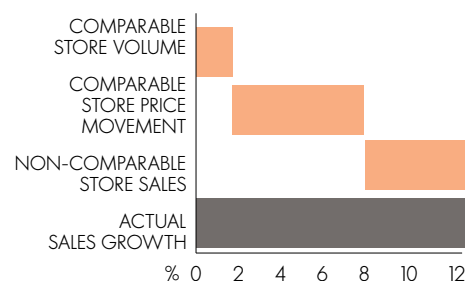


## FOOD

<b>Food Income Statement</b>	<b>2012 Rm</b>	2011 Rm	Change %
Sales	<b>15 140</b>	13 535	11.9
Cost of sales	<b>11 323</b>	10 237	10.6
Gross profit	<b>3 817</b>	3 298	15.7
Other revenue	<b>84</b>	78	7.7
Expenses	<b>3 027</b>	2 732	10.8
Operating profit	<b>874</b>	644	35.7
Earnings from associate and joint venture	<b>3</b>	3	–
<b>Profit before tax</b>	<b>877</b>	647	35.5

Food experienced strong growth for the year with sales up 11.9% in total and 7.8% in comparable stores. On average Woolworths outperformed the market by 1.3% for the 12-month period.

New space added 4.1% to turnover. Internal food inflation averaged 6.4% for the year. Woolworths' premium-branded product offering comprises a lower proportion of staple commodities than our competitors and, as such, our price movement tends to be less volatile through the cycle.

FOOD SALES GROWTH  
(% ON LAST YEAR)

Gross margins improved by 0.8% to 25.2% as a result of franchise conversions.

Expenses grew 10.8%. Our core expense growth was well managed and only impacted by new stores and non-comparable costs.

As a result, profit before tax grew 35.5% reaching 5.8% of sales, up from 4.8% in the previous year and just 0.2% short of the 6% target we have set ourselves to achieve by 2014.

We expect sales in comparable stores to continue to show consistent growth. We will open fewer but larger food stand-alone stores and expand the footprints of our existing portfolio.

We plan to increase trading space by 15 255 m<sup>2</sup> in 2013 and by a further 17 423 m<sup>2</sup> in 2014 and 10 278 m<sup>2</sup> in 2015.



### COUNTRY ROAD

Country Road Income Statement	2012 A\$m	2011 A\$m	Change %
Sales	419	428	(2.1)
Cost of sales	169	174	(2.9)
Gross profit	250	254	(1.6)
Other revenue	4	4	–
Expenses	232	234	(0.9)
Store costs	179	181	(1.1)
Other operating costs	53	53	–
Operating profit	22	24	(8.3)
Finance costs	1	1	–
<b>Profit before tax</b>	<b>21</b>	23	(8.7)

Sales were down 2.6% (in Australian Dollar terms) reflecting the very challenging trading conditions in Australia – comparable sales were down 6.6%. This was off-set by an increase in South African (Rand-denominated) sales of 18.2% (with comparable store sales up 3.6%) where the Country Road and Trener brands continue to perform well. Overall, the segment's sales declined 2.1% in Australian Dollar terms.

With continued pressure on top-line growth the ongoing focus on cost and inventory management ensured that the operating margin decline was limited to 0.3%, with profit before tax, excluding transaction costs relating to the acquisition of the Witchery group down 2.2% to A\$22 million.

The business continues to be run in a highly efficient manner, with return on sales targeted at 8% in the medium term, post some recovery in the Australian retail environment.

In addition to 1 904 m<sup>2</sup> of trading space opened in 2012, the business plans to expand further by 758 m<sup>2</sup> in 2013 and by 1 840 m<sup>2</sup> in 2014 and by 1 580 m<sup>2</sup> in 2015, excluding Witchery.

Return on equity declined from 23.1% to 18.5% in Australian Dollar terms due to the lower operating performance, although the business remains profitable in the tough conditions and the balance sheet remains strong.



**THE BUSINESS CONTINUES TO BE RUN IN A HIGHLY EFFICIENT MANNER, WITH RETURN ON SALES TARGETED AT 8% IN THE MEDIUM TERM.**

## WOOLWORTHS FINANCIAL SERVICES (WFS)

<b>Woolworths Financial Services Income Statement</b>	<b>2012 Rm</b>	<b>% to book</b>	<b>2011 Rm</b>	<b>% to book</b>	<b>Change %</b>
Interest income	<b>1 140</b>	17.6	1 092	18.0	4.4
Interest paid	<b>338</b>	5.2	333	5.5	1.5
Net interest income	<b>802</b>	12.4	759	12.5	5.7
Impairment	<b>123</b>	1.9	86	1.4	43.0
Risk-adjusted margin	<b>679</b>	10.5	673	11.1	0.9
Non-interest revenue	<b>462</b>	7.1	424	7.0	9.0
Operating costs	<b>757</b>	11.7	705	11.6	7.4
<b>Profit before tax</b>	<b>384</b>	5.9	392	6.5	(2.0)
Financial services assets (average)	<b>6 490</b>		6 072		
Return on equity	<b>23.1%</b>		23.5%		
Joint venture profit before tax	<b>384</b>		392		
Taxation	<b>118</b>		134		
Profit after tax	<b>266</b>		258		
Less: 50%	<b>133</b>		129		
<b>Equity accounted</b>	<b>133</b>		129		

The joint venture with ABSA showed modest but consistent growth throughout the year. The average book was 6.9% higher, and ended the year 8.3% ahead of the previous year. Whilst there is no constraint on the venture's appetite to grant credit, we have been limited by our retail point-of-sale and back-office systems in processing credit limit increases and new account applications. New systems and processes came on-stream in July 2012. These enhance the capacity to increase annual credit limits and, together with other initiatives coming on-stream during calendar 2013 that will further enhance customer-facing processes and make the products very competitive, we believe that growth in the book will pick up significantly.

The business operates three key products – the In-Store Card that can be used only for purchases in Woolworths stores, Woolworths Visa Credit Cards and Personal Loans. In addition to the yield on these assets, the business generates insurance and other non-interest revenues in line with the regulations of the National Credit Act.

Interest income increased 4.4% to R1 140 million although the gross yield on assets contracted from 18.0% to 17.6% due to the reduction in interest rates governed by the National Credit Regulator. However, borrowing costs also declined and with funding levels well managed, the net interest margin declined by just 0.1% to 12.4% yielding R802 million, an increase of 5.7% on last year.

The impairment charge (comprising bad debts written off during the year as well as the movement in the provision for doubtful debts)

## IMPAIRMENT CHARGE

# 1.9%

ticked up from 1.4% to 1.9% as the book grew. The business model is profitable and sustainable with an impairment rate of as much as 3.0% – 3.5% and we expect impairments to continue to increase as the book grows.

The yield on the book after the impairment charge is taken into account is the "risk-adjusted yield". The yield decreased from 11.1% to 10.5%, whilst still increasing the risk-adjusted margin by 0.9% to R679 million.

Non-interest revenue increased by 9.0% as a result of improved collections activity and the restructuring of the insurance business into a more profitable, cell-captive arrangement.

Expenses grew 7.4% as a result of further investment in collection effectiveness and book growth initiatives.

Profit before tax declined by 2%, with the profit-to-book ratio decreasing to 5.9%, from 6.5% a year earlier.

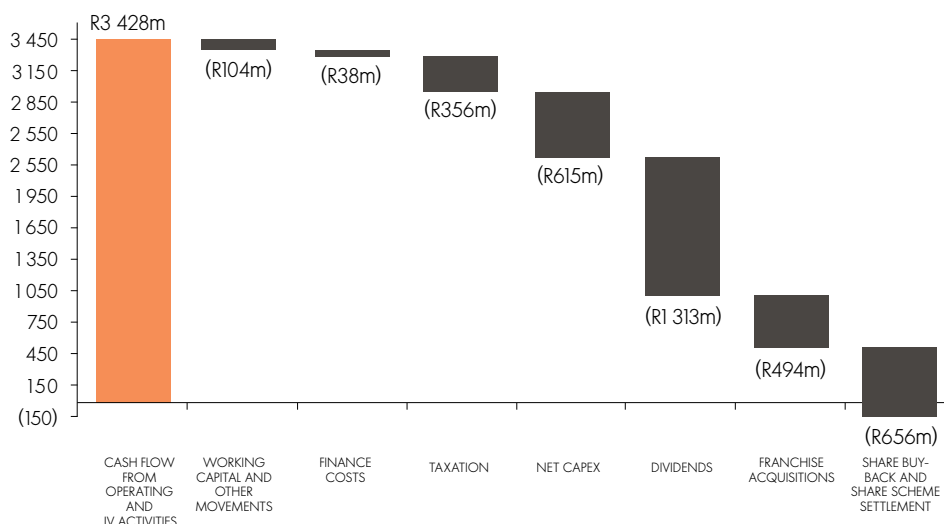
The book has a gearing ratio of 84% funded by ABSA at a three-month JIBAR-linked rate. This gearing leveraged the operating ratio to generate a return on equity of 23.1%, ahead of the joint venture's medium-term target of 22%.



## TREASURY OPERATIONS AND CASH POSITION

The Group maintained a net cash-positive position throughout the year, with net interest decreasing from R50 million in the previous year to R41 million.

### CASH GENERATION (R MILLION)



The table above demonstrates how cash flow from operating activities is utilised.

The Woolworths Retail segment is extremely cash generative, demonstrated by the high level of cash generated by operating activities (including JV income) of R3 428 million.

The higher investment in working capital of R104 million was due to the ongoing conversion of former franchise stores.

Provisional tax and STC payments amounted to R356 million.

The net cash outflow on capital expenditure, which is explained in more detail below, amounted to R615 million.

The group's dividend policy has been changed to an annualised coverage ratio of 1.45 times headline earnings per share (equivalent to 1.5 times headline earnings per share under the previous STC regime), and is designed such that the group operates on a broadly "cash-neutral" basis.

The Board also considers the appropriateness of special dividends or share repurchases if no other opportunities present themselves for the utilisation of excess cash. During the year, shares to the value of R286 million were repurchased from the market.

### TAX

The group's effective tax rate decreased from 28.6% to 28.3%. The effective rate decreased due mainly to the STC saving on the interim dividend in April 2012.

### FINANCIAL POSITION

#### Capital expenditure

The group invested R652 million in property, plant and equipment. R336 million related to the South African store development programme, which added 37 new corporate stores (49 329 m<sup>2</sup>), as well as expenditure on refurbishments and modernisations across the existing real estate.

Country Road invested R100 million in its new store and concession locations, adding a net 3.5% to trading space.

A further R146 million was invested in merchandise planning, allocation and replenishment systems relating to both Food and Clothing and General merchandise.

## FINANCIAL RISK MANAGEMENT

Financial risks related to funding (liquidity and counterparty risks), interest rate risk and foreign exchange risk are managed by the treasury committee. The committee meets on a regular basis. Funding requirements are assessed in order to optimise funding structures.

Liquidity risk associated with borrowings is managed by staggering the timing of maturities of borrowings and maintaining appropriate short-term committed and uncommitted banking facilities. Unutilised banking facilities total R2 710 million at June 2012 (2011: R2 049 million).

Interest-bearing borrowings carry interest rate risk. As part of the process of managing the group's fixed and floating rate borrowings mix, the interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to expected movements in interest rates.

It is the group's policy to cover all foreign currency exposures arising from the acquisition of goods and services with forward exchange contracts.

Woolworths Retail uses a pool method to manage these exposures and to provide an effective economic hedge. However, due to the complexity in documenting the relationship between hedging instruments and hedged items required in terms of IAS 39, hedge accounting is not applied to these transactions.

Hedge accounting is applied by Country Road.

## ACCOUNTING STANDARDS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards.

Various IFRS, IFRIC interpretations and amendments were adopted during the current year. These standards and amendments had no impact on the group's reported results. Details can be found in note 1 on page 31 of the annual financial statements. All additional disclosures required by these standards have been provided for both the current and comparative period.

## PROSPECTS AND FINANCIAL TARGETS

We expect the upper end of the market to remain resilient whilst the economy as a whole remains subdued.

Whilst we continue to focus on ensuring competitive opening price points, we are committed to maintaining gross margins from continued improvements in sourcing. The key risks are the inflationary pressures emanating from China and the possibility of a weaker rand.

Attention will also continue to be given to improving underperforming stores by a critical analysis of costs and operational activities (especially those that impact availability and food waste). In head office, detailed cost-to-sell ratios have been set for all departments.

These margin and cost-reduction activities aim to help us to deliver to our medium-term operating margin targets set for Clothing and General merchandise of 18% (up from 17%), and 6% for Food.

The Australian economy has shown signs of recovery and we have seen an improvement in trading in recent months. The focus in Australia will be on the acquisition of the Witchery group and integrating these businesses with Country Road.

The Woolworths Financial Services joint venture is expected to continue to realise book growth as we implement new systems and processes for credit limit increases and new account activity. The In-Store Card continues to be an important driver of retail sales, currently comprising 19.5% of Woolworths' sales. Investment in store systems is expected to provide the platform for growth in the second half of 2013, whilst personal loans are planned to continue to outperform. The risk-adjusted margin will reduce as impairments edge up as provisioning for new growth is raised.

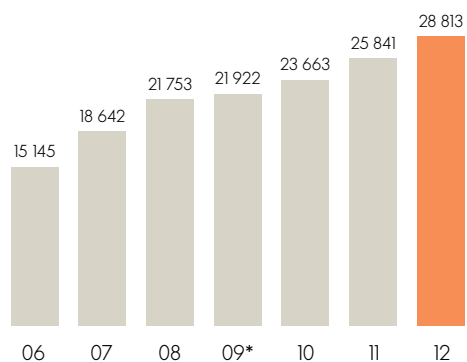
The group's effective tax rate will be slightly lower with the termination of STC.

Capital expenditure is expected to be approximately R1 billion in 2013, R1.1 billion in 2014 and R1.2 billion in 2015. We plan to add 148 527 m<sup>2</sup> in space over the next three years under our store development programme.

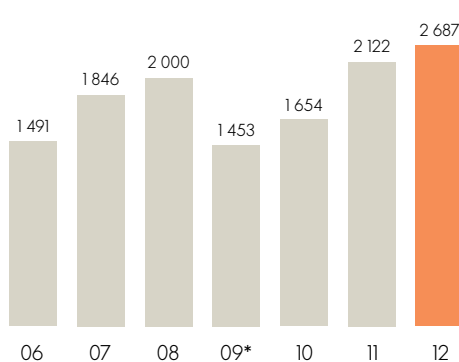
The capital expenditure programme, together with the group's revised dividend cover of 1.45 times HEPS, is expected to result in the maintenance of a broadly neutral cash position.

## SEVEN-YEAR REVIEW

**REVENUE  
(RMILLION)**

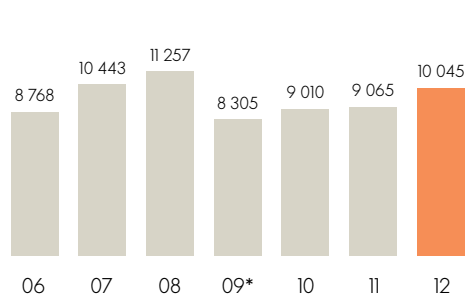


**OPERATING PROFIT  
(RMILLION)**

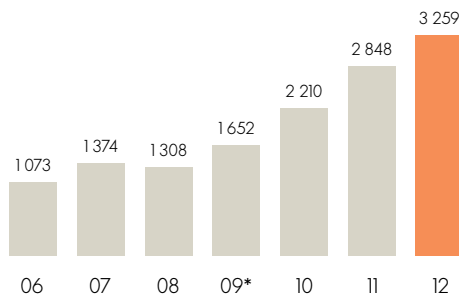


\*For more information, see our Annual Financial Statements Report

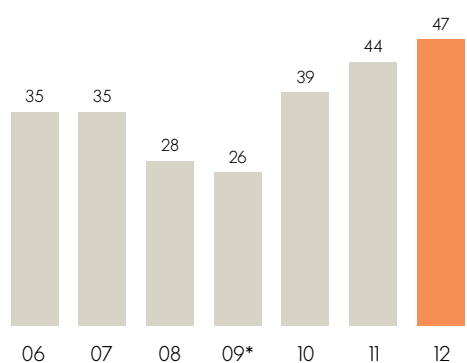
**TOTAL ASSETS  
(RMILLION)**



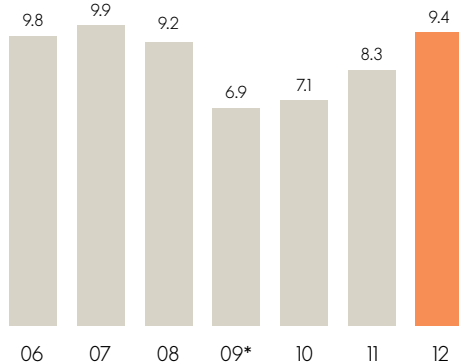
**CASH INFLOW FROM TRADING  
(RMILLION)**



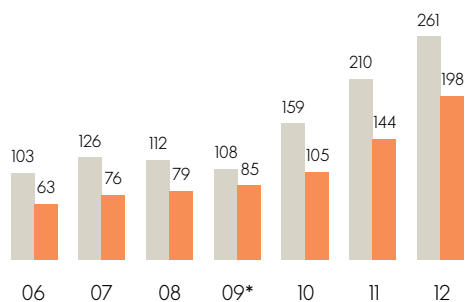
**RETURN ON EQUITY  
(%)**



**OPERATING MARGIN  
(%)**



**DILUTED HEPS AND DIVIDENDS DECLARED  
(CENTS PER SHARE)**



\*Years prior to 2009 includes Woolworths Financial Services



## ABRIDGED AUDITED GROUP RESULTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	52 weeks to 24 Jun 2012 Rm	52 weeks to 26 Jun 2011 Rm	% change
Revenue		<b>28 813</b>	25 841	11.5
Turnover		<b>28 604</b>	25 582	11.8
Cost of sales		<b>18 419</b>	16 683	10.4
Gross profit		<b>10 185</b>	8 899	14.5
Other revenue		<b>127</b>	127	–
Expenses		<b>7 625</b>	6 904	10.4
Store costs		<b>5 165</b>	4 448	16.1
Other operating costs		<b>2 460</b>	2 456	0.2
Operating profit		<b>2 687</b>	2 122	26.6
Investment income		<b>82</b>	132	(37.9)
Finance costs		<b>38</b>	84	(54.8)
Profit before earnings from joint ventures and associate		<b>2 731</b>	2 170	25.9
Earnings from joint ventures		<b>133</b>	129	3.1
Earnings from associate		<b>6</b>	7	(14.3)
Profit before tax		<b>2 870</b>	2 306	24.5
Tax		<b>811</b>	659	23.1
Profit after tax		<b>2 059</b>	1 647	25.0
Other comprehensive income:				
Net fair value adjustments on financial instruments, after tax		<b>21</b>	(17)	>(100)
Exchange differences on translation of foreign subsidiaries		<b>117</b>	37	>100
Other comprehensive income for the year		<b>138</b>	20	>100
Total comprehensive income for the year		<b>2 197</b>	1 667	31.8
Profit attributable to:		<b>2 059</b>	1 647	25.0
Shareholders of the parent		<b>2 048</b>	1 631	25.6
Non-controlling interest		<b>11</b>	16	(31.3)
Total comprehensive income attributable to:		<b>2 197</b>	1 667	31.8
Shareholders of the parent		<b>2 167</b>	1 651	31.3
Non-controlling interest		<b>30</b>	16	87.5
Reconciliation of headline earnings				
Earnings attributable to shareholders of the parent		<b>2 048</b>	1 631	25.6
BEE preference dividend		<b>38</b>	19	100.0
Basic earnings		<b>2 010</b>	1 612	24.7
(Profit)/loss on disposal of investment property, property, plant and equipment		<b>(15)</b>	4	<(100)
Impairment of property, plant and equipment		<b>1</b>	24	(95.8)
Tax impact of adjustments		<b>–</b>	(8)	(100.0)
Headline earnings		<b>1 996</b>	1 632	22.3
Headline earnings per share (cents)		<b>267.3</b>	214.9	24.4
Earnings per share (cents)	2	<b>269.2</b>	212.2	26.9
Diluted headline earnings per share (cents)		<b>260.6</b>	209.8	24.2
Diluted earnings per share (cents)	2	<b>262.4</b>	207.2	26.6
Number of shares in issue (millions)		<b>745.7</b>	755.2	(1.3)
Weighted average number of shares in issue (millions)		<b>746.6</b>	759.5	(1.7)



## ABRIDGED AUDITED GROUP RESULTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 24 Jun 2012 Rm	At 26 Jun 2011 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>5 011</b>	4 115
Property, plant and equipment	3	<b>2 225</b>	2 046
Investment properties		<b>106</b>	121
Intangible assets	3	<b>1 219</b>	693
Investment in associate		<b>51</b>	46
Investment in joint ventures		<b>616</b>	578
Prepaid employment costs		<b>13</b>	23
Participation in export partnerships		<b>49</b>	59
Other loans		<b>89</b>	84
Deferred tax		<b>643</b>	465
<b>Current assets</b>		<b>5 034</b>	4 950
Inventories		<b>2 216</b>	1 892
Trade and other receivables		<b>631</b>	733
Derivative financial instruments		<b>41</b>	10
Tax		<b>1</b>	22
Cash		<b>2 145</b>	2 293
<b>Total assets</b>		<b>10 045</b>	9 065
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>4 572</b>	4 093
Interest of shareholders of the parent		<b>4 465</b>	4 008
Non-controlling interest		<b>107</b>	85
<b>Non-current liabilities</b>		<b>1 177</b>	1 460
Interest-bearing borrowings		<b>25</b>	514
Operating lease accrual		<b>457</b>	455
Post-retirement medical benefit liability		<b>335</b>	315
Deferred tax		<b>360</b>	176
<b>Current liabilities</b>		<b>4 296</b>	3 512
Trade and other payables		<b>3 172</b>	3 148
Provisions		<b>230</b>	269
Derivative financial instruments		<b>16</b>	78
Tax		<b>368</b>	1
Interest-bearing borrowings		<b>510</b>	16
<b>Total equity and liabilities</b>		<b>10 045</b>	9 065
<b>Net asset book value – per share (cents)</b>		<b>599</b>	531
<b>GROUP ANALYSIS</b>			
<b>Total assets</b>		<b>10 045</b>	9 065
Woolworths Retail		<b>6 948</b>	5 719
Country Road		<b>1 156</b>	986
Treasury		<b>1 326</b>	1 783
Woolworths Financial Services		<b>615</b>	577
<b>Inventories</b>		<b>2 216</b>	1 892
Woolworths Retail		<b>1 835</b>	1 547
Country Road		<b>381</b>	345
<b>Approved commitment for capital expenditure</b>		<b>1 216</b>	934
Woolworths Retail		<b>1 043</b>	809
Country Road		<b>173</b>	125
<b>Approved commitment for franchise acquisitions</b>		<b>–</b>	384

# ABRIDGED AUDITED GROUP RESULTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	52 weeks to 24 Jun 2012 Rm	52 weeks to 26 Jun 2011 Rm
<b>Cash flow from operating activities</b>			
Cash inflow from trading		<b>3 259</b>	2 848
Working capital movements		<b>(131)</b>	377
<b>Cash generated by operating activities</b>		<b>3 128</b>	3 225
Interest income		<b>73</b>	123
Finance costs		<b>(38)</b>	(95)
Tax paid		<b>(356)</b>	(985)
<b>Cash generated by operations</b>		<b>2 807</b>	2 268
Dividends received from associate		<b>1</b>	1
Dividends received from joint venture		<b>95</b>	125
Dividends to ordinary shareholders		<b>(1 275)</b>	(904)
Dividends to preference shareholders		<b>(38)</b>	(19)
<b>Net cash inflow from operating activities</b>		<b>1 590</b>	1 471
<b>Cash flow from investing activities</b>			
Net investment in PPE and intangible assets		<b>(615)</b>	(585)
Acquisition of franchise operations	4	<b>(494)</b>	(207)
Other		<b>8</b>	21
<b>Net cash outflow from investing activities</b>		<b>(1 101)</b>	(771)
<b>Cash flow from financing activities</b>			
Shares issued		<b>–</b>	33
Shares repurchased		<b>(655)</b>	(339)
Share repurchase costs		<b>(1)</b>	(1)
Finance lease payments		<b>(25)</b>	(18)
Short-term borrowings repaid		<b>–</b>	(1 020)
Acquisitions – non-controlling interest contribution		<b>6</b>	17
<b>Net cash outflow from financing activities</b>		<b>(675)</b>	(1 328)
<b>Decrease in cash and cash equivalents</b>		<b>(186)</b>	(628)
Net cash and cash equivalents at the beginning of the year		<b>2 293</b>	2 917
Effect of foreign exchange rate changes		<b>38</b>	4
<b>Net cash and cash equivalents at the end of the year</b>		<b>2 145</b>	2 293
<b>GROUP ANALYSIS</b>			
<b>Cash inflow from trading</b>		<b>3 259</b>	2 848
Woolworths Retail		<b>2 975</b>	2 586
Country Road		<b>284</b>	262
<b>Gross capital expenditure</b>		<b>798</b>	624
Woolworths Retail		<b>697</b>	517
Country Road		<b>101</b>	107

## ABRIDGED AUDITED GROUP RESULTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share- holders of the parent Rm	Non- controlling interest Rm	Total 52 weeks to 24 Jun 2012 Rm	Total 52 weeks to 26 Jun 2011 Rm
Interest at the beginning of the year		<b>4 008</b>	<b>85</b>	<b>4 093</b>	3 453
Movements for the year:					
Issue of shares	5	–	–	–	33
Shares repurchased	5	<b>(655)</b>	–	<b>(655)</b>	(339)
Share repurchase costs		<b>(1)</b>	–	<b>(1)</b>	(1)
Dividends to shareholders		<b>(1 299)</b>	<b>(14)</b>	<b>(1 313)</b>	(923)
Share-based payments		<b>245</b>	–	<b>245</b>	186
Business acquisitions		–	<b>6</b>	<b>6</b>	17
Total comprehensive income for the year		<b>2 167</b>	<b>30</b>	<b>2 197</b>	1 667
Interest at the end of the year		<b>4 465</b>	<b>107</b>	<b>4 572</b>	4 093
Distribution per ordinary share (cents)				<b>198.0</b>	143.5
Distribution cover (based on headline earnings per share)				<b>1.4</b>	1.5
Distribution per preference share (cents)				<b>121.0</b>	61.4

## ABRIDGED AUDITED GROUP RESULTS

### SEGMENTAL ANALYSIS

	52 weeks to 24 Jun 2012 Rm	52 weeks to 26 Jun 2011 Rm	% change
<b>Revenue</b>			
Turnover	<b>28 604</b>	25 582	11.8
Woolworths Retail	<b>25 231</b>	22 609	11.6
Clothing and General merchandise	<b>9 585</b>	8 591	11.6
Food	<b>15 140</b>	13 535	11.9
Logistics	<b>506</b>	483	4.8
Country Road	<b>3 373</b>	2 973	13.5
Other revenue and investment income	<b>209</b>	259	(19.3)
Woolworths Retail	<b>105</b>	103	1.9
Clothing and General merchandise	<b>21</b>	25	(16.0)
Food	<b>84</b>	78	7.7
Country Road	<b>29</b>	27	7.4
Treasury	<b>75</b>	129	(41.9)
<b>Total group</b>	<b>28 813</b>	25 841	11.5
<b>Gross profit</b>			
Woolworths Retail	<b>8 174</b>	7 134	14.6
Clothing and General merchandise	<b>4 264</b>	3 751	13.7
Food	<b>3 817</b>	3 298	15.7
Intragroup	<b>93</b>	85	9.4
Country Road	<b>2 011</b>	1 765	13.9
<b>Total group</b>	<b>10 185</b>	8 899	14.5
<b>Profit before tax</b>			
Woolworths Retail	<b>2 524</b>	1 965	28.4
Clothing and General merchandise	<b>1 647</b>	1 318	25.0
Food	<b>877</b>	647	35.5
Country Road	<b>172</b>	162	6.2
Woolworths Financial Services	<b>133</b>	129	3.1
Treasury	<b>41</b>	50	(18.0)
<b>Total group</b>	<b>2 870</b>	2 306	24.5

### NOTES

#### 1 Basis of preparation

The abridged group financial statements comply with IAS 34 Interim Financial Reporting. These abridged group financial statements do not contain all the information and disclosures required in the annual financial statements. These summary financial statements have been prepared under the supervision of the group finance director, Norman Thomson CA(SA).

Accounting policies used in the abridged group financial statements are the same as those used to prepare the group annual financial statements, and consistent with the prior year, which have been prepared in compliance with International Financial Reporting Standards (IFRS) and the South African Companies Act (No. 71 of 2008, as amended).

#### 2 Earnings per share

The difference between earnings per share and diluted earnings per share is due to the impact of unexercised options under the group's share incentive schemes.

#### 3 Property, plant and equipment and intangible assets

During the financial year, the group acquired property, plant and equipment at a cost of R652 million (2011: R527 million) and acquired intangible assets (including goodwill and reacquired rights) at a cost of R657 million (2011: R377 million).

#### 4 Acquisition of franchise operations

The group continues to wind down its South African franchise operations, acquiring 34 (2011: 22) stores in the current year, as well as 10 (2011: 1) stores in Africa for a cash consideration of R451 million (2011: R250 million).

	2012	2011
Fair value of assets acquired at the date of acquisition	Rm	Rm
Property, plant and equipment	18	8
Reacquired rights	276	138
Deferred tax liability	(78)	(39)
Goodwill arising on acquisition	235	143
Consideration	451	250
Accrual – prior year	43	(43)
Cash outflow	494	207

The goodwill of R235 million represents growth and synergies expected to accrue from the acquisitions.

From the dates of acquisition, these acquisitions have contributed an additional revenue of R314 million and profit before tax of R66 million to the group.

The directors consider that, on a pro-forma basis, had the acquisitions been effective from the beginning of the year, group revenue for the year would have been R79 million higher, and profit before tax R28 million higher.

#### 5 Issue and repurchase of shares

223 938 (2011: 1 122 568) shares totalling R11 million (2011: R28 million) were repurchased from the market by Woolworths (Proprietary) Limited and held as treasury shares by the group. 9 298 259 (2011: 7 056 052) shares totalling R286 million (2011: R193 million) were repurchased from the market and cancelled.

10 418 262 (2011: 3 998 422) shares totalling R358 million (2011: R118 million) were purchased from the market in the current year and allocated to employees in terms of the group's executive incentive schemes.

In the prior year, 3 945 838 ordinary shares totalling R33 million were issued in terms of the group's executive incentive schemes.

#### 6 Contingent liabilities

Group companies are party to legal disputes and investigations that have arisen in the ordinary course of business. Whilst the outcome of these matters cannot readily be foreseen, the directors do not expect them to have any material financial effect. Refer also to note 9.

#### 7 Borrowing facilities

Unutilised banking facilities amount to R2 710 million (2011: R2 049 million). There is no limit in the Memorandum of Incorporation on the group's authority to raise interest-bearing debt.

#### 8 Related party transactions

The group entered into related party transactions during the year, the substance of which are similar to those explained in the group's annual financial statements.

#### 9 Events subsequent to the reporting date

On 1 August 2012 the group's 88%-held Australian subsidiary, Country Road Limited, announced its intention to acquire 100% of the voting shares of unlisted Australian company, Witchery Australia (Pty) Limited ("Witchery group") at an enterprise value of R1 445 million (A\$172 million). The acquisition is on a cash-free, debt-free basis with a normalised level of working capital.

Based on the unaudited net asset values of the Witchery group as at 31 December 2011, goodwill of approximately of R765 million (A\$91 million) is expected to arise on acquisition, representing the value of the business in excess of the fair value of its net assets, subject to finalisation at completion.

#### 10 Approval of annual financial statements

The annual financial statements were approved by the Board of directors on 22 August 2012.

#### 11 Audit opinion

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







# STRATEGIC FOCUS AREAS

OUR STRATEGIC FOCUS AREAS

OUR CUSTOMERS

OUR OPERATIONS

OUR PEOPLE

OUR GOOD BUSINESS JOURNEY

OUR RISK FRAMEWORK AND PROCESSES

### OUR STRATEGIC FOCUS AREAS

## WE CONTINUE TO FOCUS ON DELIVERING LONG-TERM, SUSTAINABLE PERFORMANCE THROUGH OUR VALUE-DRIVEN WOOLWORTHS DIFFERENCE.

Our strategic intent considers four areas of focus:

### OUR CUSTOMERS, OUR OPERATIONS, OUR PEOPLE AND OUR GOOD BUSINESS JOURNEY

The group undertakes an integrated approach to strategy and business planning, which aligns the strategy, the medium-term plan, and the operating plan and ensures that key targets are cascaded to teams and individuals throughout the organisation.

Performance against strategy is formally reviewed by the Board on a quarterly basis.

The strategic framework incorporates risk assessment and sustainability. Risks are categorised and assessed for probability and impact. The risk committee undertakes a risk-status review on a quarterly basis and also considers plans to address out-of-tolerance risks. The sustainability and social and ethics committees have oversight of our Good Business Journey strategies.



## OUR CUSTOMERS

### OUR STRATEGIC OBJECTIVE

To improve our customer proposition and reach, while profitably growing our business by delighting our existing customers and attracting new customers.

### OUR PERFORMANCE

	2012	2011
<b>Clothing market share gains made in the last six months</b>		
<b>Food traded above the market throughout the year</b>		
Revenue tracked by WRewards	61.0%	50.0%
Number of stores in Africa	59	49
Woolworths Financial Services debtors' growth	8.3%	4.8%

### OUR RISKS

Risk	Mitigation plans
We are unable to sustain top-line sales ahead of the market growth.	<ul style="list-style-type: none"> <li>• Grow our product dominance in Clothing and General merchandise.</li> <li>• Grow our product dominance in Food</li> <li>• Deliver our real estate expansion.</li> </ul>
We do not become the retailer of choice of customers in our target market.	<ul style="list-style-type: none"> <li>• Build strong profitable customer relationships through the WRewards loyalty programme.</li> </ul>
Our Africa strategy does not achieve the targets we have set.	<ul style="list-style-type: none"> <li>• Expand our footprint in Africa.</li> <li>• Integrate the international business to deliver consistent customer experience.</li> </ul>
We do not enable an omni-channel world.	<ul style="list-style-type: none"> <li>• Expand on-line offering.</li> <li>• Integration of systems and business processes.</li> </ul>

### OUR PLANS

#### TO BUILD STRONG PROFITABLE CUSTOMER RELATIONSHIPS

We have enhanced our understanding of our LSM 8 – 10 customers to include our customer's mind-set, wants and needs. Our plan is to utilise our WRewards loyalty programme to build long-term mutually beneficial relationships with more customers and thereby improve our understanding of our customer.



IMPROVED  
UNDERSTANDING  
OF CUSTOMER

We will use the increasingly rich customer segmentation and shopping habit information to inform our product, service and format strategies.

#### TO GROW OUR PRODUCT DOMINANCE

##### Clothing and General merchandise

Great progress has been made in creating dominant headquarters assortments underpinned by "The Difference" and depth of buy. The focus on Women's Footwear and Accessories, Lingerie and Babyworld has resulted in significant market share gains. We have relaunched our Re: and Studio.W sub-brands, which are aimed at attracting a younger and more modern customer.





### DEVELOP PRODUCT LEADERSHIP

Our plans are to continue to deliver product leadership in terms of quality and innovation throughout our ranges. We will continue to build our headquarters extending them into Menswear and Home.

In Womenswear we will focus on the modern customer providing newness and fashion at value. We will become a credible fashion destination by developing an edited approach to seasonally relevant fabrics that are "a cut above the ordinary". We will also continue to build our Re: and Studio.VV sub-brands improving our product execution and ranging and extending our "shop within shop" to more stores.

#### Food

Our Food business is synonymous with quality and innovation and we have greatly improved our value perception. Our Value with Values has been well received by our customers and we have gained market share.



### ROLL-OUT OF LARGER FORMAT SUPERMARKETS

Our plans are to grow our business through offering a more complete shop to our targeted customers whilst still remaining true to our food values. Key to this strategy is the roll-out of larger format supermarkets and super-locales. This will enable our customers to complete their main shop, through expanded ranges, in larger pack sizes and new categories. Our branded Key Value Item range will also be extended.

### TO EXPAND OUR FOOTPRINT

#### Formats

We need to ensure that our products and stores best meet the needs of the potential Woolworths shopper. With the roll-out of additional categories there will be greater demand for space across all areas of the business. To address this demand we have defined a format strategy across both Food and Clothing and General merchandise that defines location, space, range and service principles, based on our target customer. This has been encapsulated in our format strategy from food convenience in Engen forecourts at 40 m<sup>2</sup> to flagship full-line stores

of over 9 000 m<sup>2</sup>. The most significant part of this intent is to enlarge existing stores to support our supermarket and regional centre concepts, making our full offer accessible to more of our targeted customers.

#### Africa

Our plans are to materially grow our presence in Africa. The focus will be on expanding our presence in existing countries and expanding into new countries where we can build critical mass. We will also continue to convert from a franchise to a corporate model with local partners where appropriate. We will integrate the international business into our existing processes to build a consistent customer experience across Africa.



### MATERIALLY GROW OUR PRESENCE IN AFRICA

### TO ENABLE AN OMNI-CHANNEL WORLD

We have invested significantly in upgrading our on-line experience, expanding our product offer and our information on-line. Our plans are to enhance our user experience, further expanding our on-line offering in terms of products, information, services and delivery options. We will become more customer-centric, integrating our systems to enable a seamless experience across stores and on-line, providing our customers with a true omni-channel experience.



### EXPANDED ON-LINE PRODUCT OFFER

### BUILD FOR GROWTH

Our Woolworths Financial Services customer experience needs to be aligned to the Woolworths brand values and it needs to be differentiated from banks and other retailers. Our plan is to put our customer first, offering our customers simplicity, convenience and a rewarding relationship. We will close the gap between our customer's credit eligibility and their actual credit limits. We will build world-class customer application processes and we will extend our sales and distribution capabilities in our top stores. We will clearly position our card offer and deliver a competitive market offer in terms of its rewards.





### OUR OPERATIONS

#### OUR STRATEGIC OBJECTIVE

To build our business, gaining competitive advantage by improving our customer proposition and delivering world-class operational efficiencies in a sustainable way.

#### OUR PERFORMANCE

	2012	2011
Group gross profit margin	35.6%	34.8%
Group operating profit margin	9.4%	8.3%
Number of weeks taken out of the merchandise cycle	6	4
Availability: Perishables	84%	82%
Availability: Clothing replenishment	85%	84%

#### OUR RISKS

Risk	Mitigation plans
We need to be more agile and flexible to reduce fashion risk and exploit trading opportunities.	<ul style="list-style-type: none"><li>• Optimisation of our value chain.</li><li>• Reduce the number of weeks in the merchandise cycle, thus increasing speed to market.</li><li>• Deliver efficiency targets in supply chain.</li></ul>
Our value chain does not deliver cost effective availability.	<ul style="list-style-type: none"><li>• Continue to invest in systems which deliver improved availability.</li><li>• Optimisation of store catalogues and replenishment processes.</li></ul>

## IN FOOD WE ARE FINE-TUNING OUR STORE CATALOGUES AND OPERATIONAL PROCESSES.

## OUR PLANS

### TO LOWER THE COST OF DOING BUSINESS

Our plan is to ensure that each business unit understands its “cost-to-sell ratio” and develops a sustainable plan to improve productivity. As part of these plans we will focus on addressing underperforming stores and improving the profitability of underperforming merchandise units. We will also extend best practices in non-trade procurement more widely in the company to drive further cost savings.

### TO OPTIMISE OUR VALUE CHAIN

#### Sourcing excellence

We have made significant progress in eliminating non-value adding costs in our value chain to drive higher margins. Our plans are to continue to improve our margin by moving more goods directly and through leveraging our offshore office and further supplier consolidation, while maintaining 20% local sourcing. We will continue to expand our offshore office to further streamline the imports process.

#### Speed to market

Our plans are to continue to focus on shortening our merchandise cycle by moving more products onto “fast response” timelines to enable in-season replenishment. We will also increase virtual vertical integration with key suppliers to further reduce lead times.

We will also deliver our speed-to-market targets by enabling preallocations with a flowthrough supply chain model. We will also reduce our lead times through improved inventory flow, trunking efficiencies and productivity improvements.

#### Supply chain

Our plans are to continue to set new benchmarks of efficiency in both our Food and Clothing and General merchandise supply chains whilst improving service levels. We will continue to invest in enhancing our network to cost-effectively support our Africa expansion, supermarket and on-line strategies.

#### Availability

We will continue to invest in improved systems and processes to improve availability. In Food we are fine-tuning our store catalogues and operational processes and in Clothing and General merchandise we are improving our stock accuracy, sales floor replenishment and speed of inventory movement through the supply chain.



MOVING MORE  
PRODUCTS ONTO  
FAST RESPONSE  
TIMELINES





## OUR PEOPLE

### OUR STRATEGIC OBJECTIVE

To establish a leading Employee Value Proposition that supports transformation and ensures that we have the best talent who are inspired and committed to the company vision and strategic plan.

### OUR PERFORMANCE

	2012	2011
Let's Ask employee opinion survey	75%	74%
Management labour turnover	9%	7%
Employment equity score on BBBEE scorecard	12.32	11.22
Training spend	R75.1m	R58.2m

### OUR RISKS

Risk	Mitigation plans
We are unable to attract, retain and develop talent.	<ul style="list-style-type: none"> <li>• Continue to build on the Employee Value Proposition.</li> <li>• Utilise retention mechanisms for key and scarce skills.</li> </ul>

### OUR PLANS



\*More information in the Good Business Journey Report

#### ESTABLISH A MARKET-LEADING EMPLOYMENT PROPOSITION

We have reviewed our reward framework and increased the focus on fixed and variable pay, ensuring reward practices are market competitive. We have delivered above inflation salary increases.

We have also improved our employment brand, both externally and internally to attract outstanding talent with a strong cultural and values fit. This has clearly been reflected in our climate survey.

Our plans are to continue to entrench a culture where both performance and adherence to our values are recognised and rewarded. We will continue to build a culture of accountability and recognise and reward performance aligned to the delivery of the strategic plan.

#### INCREASE COMMITMENT TO EMPLOYMENT EQUITY TRANSFORMATION

We have focused on establishing and developing an employment equity talent pipeline, by identifying key talent, promoting skills development budget and implementing retentions.

Our plans are to further increase our commitment to transformation by sourcing and retention, talent identification and promotion of a culture of delivering on employment equity targets.

#### DEVELOP CAPABILITY AND SUCCESSION

We have made considerable progress with our key people initiatives including increasing the number of full-time employees in stores, revising the succession planning processes, increasing the numbers of learners participating in formalised learnerships, creating skills and trainee programmes, and rolling out value-based leadership.

Our plans are to increase our ratios of permanent staff and to develop our workforce and structures to support the delivery of our strategic plans.



## OUR GOOD BUSINESS JOURNEY

### OUR STRATEGIC OBJECTIVE

To play a leading role across the value chain driving sustainability initiatives that accelerate our Good Business Journey programme and that result in innovation and operational efficiencies in our business.



More information in the Good Business Journey Report

### OUR PERFORMANCE

Sustainability is recognised as a vital part of the Woolworths Difference by our people, our suppliers, our customers and other stakeholders. Our sustainability initiatives are embodied under the Good Business Journey programme, and we have set and communicated our targets. We have substantially achieved our original 2012 objectives and have set updated targets through to 2015.

	2012	2011
Inclusion in the JSE SRI index	✓ <b>Top performer</b>	✓ Top performer
GBJ index overall score	<b>85%</b>	86%
BBBEE score	<b>Level 4 72.9</b>	Level 4 72.1
Produce suppliers qualifying for the Farming for the Future programme	<b>95%</b>	70%
Energy saving (reduction to date)	<b>27%</b>	22.5%
Total water usage (kl)*	<b>650 752</b>	732 742
Green stores	<b>24</b>	18
Corporate social investment contribution	<b>R438m</b>	R370m

\* Comprises water usage in stores 512 147 kilolitres, head office complex 27 888 kilolitres and distribution centres 110 717 kilolitres.

### OUR RISKS

Risk	Mitigation plans
Water scarcity could negatively affect our operations.	<ul style="list-style-type: none"> <li>• Our Farming for the Future programme assists us to manage water consumption in the farming operations of our Food suppliers.</li> <li>• We have installed water measuring systems in most stores to help us reduce water consumption.</li> </ul>
We are unable to achieve our transformation targets.	<ul style="list-style-type: none"> <li>• Targets are fully integrated into management team scorecards and line managers' performance plans.</li> <li>• We engage with and assist suppliers to increase their BBBEE level contributor status.</li> <li>• We provide enterprise development loans.</li> <li>• Drive non-negotiable commitment to employment equity.</li> </ul>

### OUR PLANS

We have made good progress in addressing the sustainability impacts of our own operations. We are now focusing on the life cycle of our products to ensure that we centre our attention on the impacts of food production on farms and the use of textiles products by customers – the areas that have the biggest energy and water impacts in our

value chain. Our progress has resulted in us being chosen as a finalist for the International Responsible Retailer of the Year award at the 2012 World retail awards – an award we have won twice since the inception of the Good Business Journey programme. We have been included on the local JSE SRI Index and Dow Jones World Sustainability Index.

The Good Business Journey focuses on six key areas that we believe are priorities for a retailer operating in South Africa: sustainable farming, water, energy, waste, social development and transformation.

We aim to increase communication to customers, staff and other stakeholders around sustainability issues to create a deeper understanding of these important issues.

### SUSTAINABLE FARMING

Our Farming for the Future programme is externally audited by Enviroscentific and assists farmers to grow quality produce while protecting the environment. Farming for the Future focuses on soil health, water efficiency and the protection of biodiversity – crucial issues for agriculture in South Africa. We will be extending our Farming for the Future programme to 50% of the Food business by 2015, thereby reducing pesticide, chemical and fertiliser usage further and building soil quality. We will continue to appropriately manage the impacts of farming and fishing on biodiversity. Our Fishing for the Future initiative is a guarantee to customers that all seafood sold at Woolworths is responsibly sourced, and encompasses partnerships with the Marine Stewardship Council (MSC) and South African Sustainable Seafood Initiative (SASSI).

### WATER

South Africa is a water-scarce country and we will continue to focus on water reductions and the management of waste water in our food supply chain. We have invested in WWF's water balance programme to off-set our operational water use, and have installed water measuring systems in most stores. We have invested in a water treatment plant in our head office to significantly reduce municipal water usage. We will also reduce relative water usage in stores by 50% by 2015.

### ENERGY

We have reduced relative energy usage by almost 27% from our benchmark year. We will continue to focus on energy efficiency in our own operations with a target to reduce relative energy usage by 40% from our benchmark year. We will implement more efficient lighting, refrigeration and air-conditioning systems in our stores, and roll out our green store model to more stores, including all new stores.

We are designing our textile products to assist customers to save energy and water in their use of these products.

### WASTE

Woolworths has made a commitment that all packaging will be recyclable from 2015 and 50% of food packaging will contain recycled content. In addition to this, customers will be able to make use of recycling facilities at every Engen/WW site and over 120 locations, with over 60 locations already in place. We are also focusing on reducing plastic bag usage and instead promoting the use of our reusable bags, made by two of our enterprise development programmes.

### SOCIAL DEVELOPMENT

Our social development focus is on food security, child safety and education. Our EduPlant programme teaches children about growing food and provides them with food so that they can learn. Our efforts through the Making the Difference programme and MySchool further support the education focus. Our contributions to the MySchool programme are expected to exceed R50 million per year by 2015.

Our donations of surplus food (past Sell By date) and clothing to a range of charities at store level amounted to R382 million and R11 million respectively during the year at cost price.

### TRANSFORMATION

We have maintained our Level 4 BBBEE classification. We continue to work hard to improve our score as we progress towards our medium-term target, focusing on employment equity targets, preferential pricing policy and enterprise development loans.

We aim to increase communication to customers, staff and other stakeholders around sustainability to create a deeper understanding of these important issues using in-store channels, as well as social media, publications and TV.



**WE HAVE  
REDUCED  
RELATIVE ENERGY  
USAGE BY  
ALMOST 27%**

### OUR RISK FRAMEWORK AND PROCESSES

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#### MANAGING RISK HAS BECOME AN INTEGRAL PART OF OUR STRATEGY IN PROTECTING THE GROUP'S ASSETS AND ENHANCING SHAREHOLDER VALUE IN A SUSTAINABLE WAY.

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The Board is responsible for the governance of risk and is assisted by the risk committee, which reviews and monitors the effectiveness of the risk management processes. The executive committee is accountable and responsible for managing risk within their business units. We have established and implemented the three lines of defence methodology to provide assurance over the risks.

We follow a robust risk assessment approach to determine our risks. Risk registers are developed for key business areas to ensure that all identified risks are documented, weighted according to the agreed risk assessment method and action plans are identified to mitigate the risk. Tolerance levels are agreed upon and metrics are identified to manage the effectiveness of the mitigating controls in keeping the risks within those levels. The metrics are aligned to the business units scorecard metrics, which drives the integration and accountability within the business units.

Risks are categorised as strategic, financial, operational and reputational. Emerging risks are identified on an ongoing basis and formally discussed each quarter to determine whether they should be included in the overall risk monitoring.

Status updates of the risks are reported on a quarterly basis at executive committee meetings and at the quarterly risk committee meetings. The key risk report, which monitors all material risks, is tabled both at the risk committee and the relevant Board committee to which the risk relates. For example, sustainability risks are discussed at the sustainability committee. The inherent operational risks of the business are tabled by way of the quarterly operational risk report and the specific information technology (IT) risks are included in the IT governance report. Both these reports are reviewed by the risk committee.

The table alongside highlights some of our inherent operational risks, whilst the material risks that relate to the execution of our strategic focus areas are explained together with the strategic focus areas on pages 62 to 71.

The Board is of the opinion that the risk process is effective in continuously identifying and evaluating risks and ensuring that these risks are managed in line with business strategy.

To help us assess that our risk management processes follow best practice, we have engaged an external assurance provider to perform an independent assessment of our risk framework and processes. The output from this review will provide management with opportunities to continuously improve its risk framework and processes.



Pages 62 to 71 for more information

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#### WE HAVE ESTABLISHED AND IMPLEMENTED THE THREE LINES OF DEFENCE METHODOLOGY TO PROVIDE ASSURANCE OVER THE RISKS.

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## INHERENT OPERATIONAL RISKS

These risks are inherent to our retail business and therefore our focus is to maintain them within the accepted levels of tolerance.

Risk	Mitigation plans
Fraud or theft.	<ul style="list-style-type: none"> <li>• We have sound processes that support our anti-fraud, theft and corruption policy.</li> <li>• We take disciplinary action in terms of our disciplinary code.</li> <li>• We actively promote the Tip-offs Anonymous hot line run by Deloitte.</li> </ul>
Food safety and/or quality.	<ul style="list-style-type: none"> <li>• We have a food technology team who are actively involved in product development to ensure compliance with food quality standards.</li> <li>• We have a defined public recall process, which is tested annually, to remove and, where required, destroy product from our stores and distribution centres.</li> </ul>
Interruption of business.	<ul style="list-style-type: none"> <li>• We have focused plans that deal with the unavailability of food distribution centres, stores, and key information systems as well as power outages.</li> <li>• We are developing plans for head office in the event of a business interruption.</li> <li>• We have generators and uninterrupted power supply capacity to reduce the impact of power outages on our stores, distribution centres and head office.</li> <li>• We have a disaster recovery plan for our key information technology systems, which is reviewed, updated and tested on an annual basis.</li> <li>• We have a comprehensive insurance programme in place.</li> </ul>
Occupational health and safety.	<ul style="list-style-type: none"> <li>• We have a comprehensive health and safety framework that sets out the required policies and standards for suppliers, distribution centres and stores.</li> <li>• We have occupational health practitioners who manage a comprehensive health and wellness programme throughout the business.</li> <li>• We have an HIV/AIDS awareness and treatment programme that is offered to our employees.</li> </ul>
Amendments to the regulatory and legislative landscape.	<ul style="list-style-type: none"> <li>• We have a compliance monitoring framework in place that ensures compliance with all relevant legislation and regulations.</li> <li>• We lobby drafting of new legislation through relevant retail and consumer bodies to put forward business views.</li> </ul>





A large, stylized teal letter 'G' serves as the background for the page. It is positioned on the left side, with its vertical stroke extending from the top to the bottom of the page. The curve of the 'G' starts near the top right and sweeps down towards the bottom right.

# GOVERNANCE

GOVERNANCE REPORT

OUR REMUNERATION REPORT

## GOVERNANCE REPORT

### OUR GOVERNANCE PROCESSES

Woolworths deeply believes in having a strong value system which over 80 years has guided us in seeking to do the right thing for our stakeholders. Our values have developed and codified elements of this value system into modern governance structures and processes.

These align well with the King III principles and the Listings Requirements of the JSE. Whenever there are issues of interpretation, it is always a comfort to have our deep value system to fall back on. They invariably give us a clarity of direction and conviction where rules alone cannot.

Good values and embedded sound governance benefit long-term equity performance and enhance sustainable value for all stakeholders. We have implemented robust governance practices, procedures and processes to safeguard the company's assets and protect the value for all our stakeholders.

The Board is the custodian of corporate governance and ethical leadership. It aims to have governance structures and operational practices and processes in place which ensures a balance with a need to create shareholder value and the social, transformational and environmental challenges within which it operates.

The group executive committee monitors the implementation of best practice which creates a viable and sustainable business proposition.

Governance processes are reviewed to take into account changing regulations and legislation and best practice.

### REGULATIONS AND LEGISLATION

The South African regulatory environment continues to change and evolve. The group has identified the full regulatory universe that impacts it and is relevant to the retail industry. The group follows an integrated approach to effectively manage compliance risk. The compliance monitoring plan has not revealed any contravention that could expose the company to any actual or contingent risk of liability. Compliance risk management is well entrenched within the organisation.

The Board is of the opinion that the group has applied all significant governance principles in King III and that the company is fully compliant with all significant requirements of the Listings Requirements of the JSE. The company has not breached any regulatory requirements and has not failed any statutory obligation.

Our business processes have been reviewed to ensure they comply with the Companies Act 2008, as amended. The Board has approved the Memorandum of Incorporation for the company which is tabled for approval by shareholders at the Annual general meeting. Memorandums of Incorporation for its South African operating subsidiaries will be reviewed and approved prior to 30 April 2013.

### BOARD

#### STRUCTURE

The group has a unitary Board with ten independent non-executive directors, a non-independent chairman and three executive directors. The chairman, Simon Susman, is classified as a non-independent non-executive director by virtue of the fact that he held the position of group chief executive officer within the previous three years. In addition, he holds a number of Woolworths Holdings Limited shares which are material to his wealth. Tom Boardman was appointed as the lead independent director on 17 November 2011 to oversee matters discussed by the Board when the chairman may, or is seen to, have a conflict of interest.

The directors bring a wide range of skills to the Board. These skills span international and local retail experience, accounting, legal and banking experience. In support of succession planning and to further strengthen the skills and provide effective oversight for the strategic direction of the company, two directors were appointed in the year. Zarina Bassa was appointed on 17 November 2011 and Andy Higginson on 1 June 2012. Sindi Zilwa will retire from the Board on 15 November 2012.

## GOVERNANCE FRAMEWORK



## GOVERNANCE FRAMEWORK

The Board is the custodian of corporate governance and has structured itself to carry out this function. It has a number of committees to help it carry out its oversight duties.

1. The nominations committee assists with the appointments of directors and guided by the company secretary, ensures a transparent process to determine Board and committee composition. It also ensures timely succession for the chairman, directors and senior management.
2. The audit committee assists the Board in monitoring the integrity of the financial statements and overseeing the Integrated Report. It oversees the effectiveness of the internal financial controls and the external and internal audit functions. It also acts as the audit committee for all the company's South African subsidiaries.
3. The remuneration committee ensures the adoption of remuneration policies that attract and retain top talent, are aligned to the company's strategy, are market related and drive performance in the short and long term.
4. The risk committee ensures that there is an effective risk management process that identifies and monitors the management of the key risks of the company. An appropriate Board committee also monitors specific risks.
5. The sustainability committee ensures that the sustainability strategy enhances the Brand, looks to long-term sustainability and positions the company as a leader in retail.
6. The social and ethics committee assists the Board to ensure that the transformation strategy is appropriately ambitious and that it is effectively integrated into the business. It performs the social and ethics functions required by the Companies Act, 2008, as amended.
7. The BEE Employee Share Ownership Share Trust ensures the proper governance of the BEE Employee Share Ownership Scheme.
8. The Woolworths Trust ensures that the corporate and social investments are aligned with the business strategy and are managed effectively.
9. Country Road is a subsidiary listed on the Australian Securities Exchange. Its governance complies with ASX requirements and in addition the Woolworths Holdings Board has oversight over its governance.
10. Woolworths Financial Services is a joint venture company. Certain members of the company's Board are represented on its Board.
11. The Woolworths executive management committee is responsible for the day-to-day management of the operations of the group.
12. The governance division, which comprises legal, risk, compliance and company secretarial, provides support and guidance to the committees.
13. Assurance providers provide a level of assurance on integrated reporting, including the Annual Financial Statements, the BBBEE score and certain sustainability metrics.

### SEGREGATION OF DUTIES

The Board is responsible for the strategy of the group.

The responsibilities of the chairman and group chief executive officer have been clearly defined by the Board and are separate. No individual has unfettered powers of decision-making.

The chairman is responsible for providing overall leadership of the Board and ensuring that the Board receives accurate, timely and clear information so as to ensure that the directors can perform effectively.

The group chief executive officer is responsible for the execution of the strategic direction, which is approved by the Board, through the delegation of authority.

The Board is cognisant of the duties of the group secretary and has created an environment in which the group secretary is able to ensure that Board procedures and relevant regulations are fully adhered to. The group secretary is not a director of the company. The directors have unlimited access to the advice and services of the group secretary. The Board is satisfied that the group secretary is competent and has the appropriate qualifications and experience required by the group. The group secretary also acts as secretary for the committees of the Board.

The Board is guided by a charter which is reviewed annually. The charter includes a delegation of authority which states the matters to be dealt with and the delegation of matters by the Board to its committees.

There are a number of governance policies that complement the delegation of authority. These policies are reviewed on an annual basis and the Board approves all amendments. The Board is guided by a charter which is reviewed annually.

\*The charter and key governance policies are available on our website:  
[www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

### INDEPENDENCE AND TENURE

The independence of directors is reviewed annually. A formal test of independence is performed by the chairman on those directors due to retire by rotation at the annual general meeting. The chairman reviewed the independence of all directors standing for re-election. The nominations committee considered the review by the chairman and gave guidance to the Board. All the non-executive directors standing for re-election at the annual general meeting in November can be classified as independent.

It is company policy that non-executive directors may serve for up to a nine-year period subject to rotation. Extensions to this period will only be granted under specific circumstances. In these cases formal performance and independence reviews will take place annually.

### DIRECTORS' PERSONAL FINANCIAL INTERESTS

A full list of directors' personal financial interests is tabled annually at the August Board meeting and any amendments are formally tabled on a quarterly basis. Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

### INDUCTION AND ONGOING DEVELOPMENT OF DIRECTORS

The chairman and the group secretary ensure an appropriate induction programme is in place for new directors and ensure the ongoing understanding of the existing directors. Directors are provided with all the necessary documentation in order to familiarise themselves with the company and issues affecting the Board. An ongoing attachment programme with all the executive directors and senior management, including site visits to stores, suppliers and distribution centres, is built into the quarterly Board meeting weeks.

We are currently reviewing the induction programme for new and existing directors to keep abreast of business and governance development in the retail industry.



\*The charter and key governance policies are available on-line

## PERFORMANCE EVALUATION

King III recommends that an evaluation of the Board and the committees should be done on an annual basis either in-house or by making use of independent external service providers. It also recommends that the performance of the directors is reviewed annually.

Due to the significant amount of time that is committed to the Board and committee evaluations and the need to then follow up on recommendations, the Board has considered it more appropriate for evaluations to be conducted every two years.

The in-house Board and committee evaluation, carried out in April 2011, did not identify any significant matters requiring attention. The next evaluation process will be performed in 2013 by an independent service provider.

An informal performance evaluation of individual directors takes place on an ongoing basis. A formal review, conducted by the chairman, takes place for all directors prior to their standing for re-election at the annual general meeting. The nominations committee considered the review by the chairman and gave guidance to the Board. The performance of all directors standing for re-election at the annual general meeting in November has taken place and their re-election is supported.

## BOARD AND COMMITTEE MEETINGS

The Board meets six times a year with two meetings devoted particularly to approving the strategic direction of the company. Teleconference meetings are held between formal Board meetings.

The non-executive directors meet on an informal basis each quarter to discuss points of interest and matters of concern in a forum that does not include the executive directors.

Agendas are set by the chairman, in consultation with the group chief executive officer and group secretary. The Board committee chairmen review the agendas against the approved committee work plans. Meetings are scheduled well in advance and management ensures that the Board members are timeously provided with all the relevant information and facts to enable the Board to reach objective and well-informed decisions.

The chairman of each committee reports back to the Board on material matters and matters requiring approval by the Board discussed in the committee after every meeting. The minutes of all committee meetings are circulated to all the directors.

The transformation committee assumed the group's social and ethics responsibilities with effect from 1 May 2012.

The following table outlines the attendance at Board and committee meetings held during the year:

Meetings	Board	Strategy	Audit	Risk	Nomi- nations	Remuner- ation	Sustain- ability	Social and ethics	Transfor- mation
Buddy Hawton <sup>1</sup>	2/2	0/1	–	–	2/2	2/2	–	–	–
Simon Susman <sup>2</sup>	4/4	2/2	–	4/4	4/4	4/4	4/4	1/1	3/3
Ian Moir	4/4	2/2	–	4/4	–	–	4/4	1/1	3/3
Peter Bacon	4/4	2/2	4/4	2/2	–	4/4	–	–	–
Lindiwe Bakoro	4/4	2/2	4/4	4/4	–	2/2	–	–	–
Zarina Bassa <sup>3</sup>	2/2	1/1	2/2	2/2	–	–	–	–	–
Tom Boardman	4/4	2/2	–	–	1/2	4/4	4/4	1/1	2/3
Andrew Higginson <sup>4</sup>	–	–	–	–	–	–	–	–	–
Mike Leeming	4/4	2/2	4/4	4/4	4/4	–	–	–	–
Chris Nissen	4/4	2/2	–	–	4/4	–	4/4	1/1	3/3
Stuart Rose	4/4	2/2	–	3/4	–	4/4	4/4	–	–
Zyda Rylands	4/4	2/2	–	3/4	–	–	4/4	–	–
Thina Siwendu	4/4	2/2	–	3/4	–	–	–	1/1	3/3
Norman Thomson	4/4	2/2	–	4/4	–	–	–	–	–
Sindi Zilwa	3/4	2/2	4/4	4/4	–	–	–	1/1	3/3

a/b = number of meetings attended/maximum number of meetings could attend

<sup>1</sup> = Resigned as chairman on 17 November 2011

<sup>2</sup> = Appointed as chairman on 17 November 2011

<sup>3</sup> = Appointed to the Board on 17 November 2011

<sup>4</sup> = Appointed to the Board on 1 June 2012

Apologies tendered and accepted when absent from meetings



### BOARD COMMITTEES

A number of Board committees assist the Board in fulfilling its objectives.

The role and responsibilities of each committee are set out in terms of references which are reviewed on an annual basis and approved by the Board. \*The full terms of reference of each committee can be found on our website: [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

All committees reviewed their responsibilities relating to their terms of reference and are satisfied that they have carried out those responsibilities appropriately.

The main activities performed by each Board committee during the year are explained below.

### NOMINATIONS COMMITTEE

During the year, the committee reviewed the composition of the Board and recommended the appointment of two additional independent non-executive directors, Zarina Bassa and Andrew Higginson. It also reviewed the composition of the committees and recommended a number of changes that were implemented with effect from the February meetings.

The committee recommended that the transformation committee should take on the statutory social and ethics committee functions as required by the Companies Act. The Board constituted the committee with effect from 1 May 2012.

The nominations committee reviewed the succession planning for the executive committee, the goals and performance of the Group chief executive officer and his senior team. In addition, it assessed the competence and expertise of the group secretary.

The committee reviewed the definition of prescribed officers in the Companies Act 2008, as amended. It is satisfied that three members of the executive committee are considered to be prescribed officers. Their remuneration is disclosed accordingly.

### RISK COMMITTEE

The key risk profile was reviewed by the committee to ensure that it is appropriate to the group and the retail industry. The strategic risks were reviewed to ensure that they are in line with the group performance objectives.

The committee reviews and approves the combined assurance model on an annual basis each May. The company has considered that, because the model covers all the risks of the business, it would be appropriate for the risk committee to be the custodian of the combined assurance model. The model was tabled at all of the sub-committees to ensure that they were satisfied that all of their risks have been adequately covered.

Given the high levels of dependence of the business on information technology (IT) systems, a report on IT governance was tabled and discussed at each meeting. The IT strategy was specifically reviewed by the committee in conjunction with the overall company strategy which the Board approves at its November meeting.

All executive directors and key executives are members of the committee. This provides the committee with the assurance that management is active in monitoring the risk management framework and processes, ensuring the integration of risk in the strategic and business planning processes and in the day-to-day operations of the company.

The compliance monitoring plan was reviewed and updated annually as part of the combined assurance process. The plan covers the full regulatory universe that impacts the group. It further highlights the impact of new legislation. The compliance officer reported on a quarterly basis to the committee on the monitoring against the plan. The monitoring ensures that the company is complying with the regulations and legislative framework within which it operates.



\*Full terms and reference of each committee can be found on-line



More information  
in the Annual  
Financial  
Statements Report

## AUDIT COMMITTEE

The audit committee, in addition to performing the function for Woolworths Holdings Limited, accepted and performed the role of the audit committee for all its subsidiaries in South Africa.

The committee reviewed and recommended half-year and year-end results to the Board for approval. It also reviewed the 2012 Integrated Report and the 2012 Annual Financial Statements Report recommending them to the Board for their approval on 22 August 2012.

The combined assurance model was tabled at the May meeting. The audit committee was satisfied that the financial risks were appropriately identified and that the level of assurance provided was appropriate.

The internal audit department tabled their annual audit coverage plan at the May meeting. The plan is risk-based and integrated with the combined assurance model. The committee approved the plan and confirmed that the department had sufficient resources to achieve the plan.

Internal audit provided a written assessment on the design, implementation and effectiveness of the company's system of internal financial controls. Based on the results of this assessment, the committee is of the opinion that the internal financial controls form a sound basis for the preparation of reliable financial statements.

The statutory report from the audit committee is included in the Annual Financial Statements Report and can be found on our website: [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).



\*More information in  
the Good Business  
Journey Report

## SOCIAL AND ETHICS COMMITTEE

The Board approved the appointment of a social and ethics committee with effect from 1 May 2012 to perform the functions prescribed by Regulation 43 of the Companies Act, 2008, as amended. This committee also assisted the Board in ensuring that the transformation strategy and objectives are effectively integrated into the business.

The committee, in addition to performing the function for Woolworths Holdings Limited, accepted the role of the social and ethics committee for all South African subsidiaries who have a public interest score of 500 or more in the past two years.

During the year, the committee recommended the targeted Level BBBEE contributor status and reviewed the strategy, plans and progress made towards achieving the BBBEE target. Each meeting focused on a specific component of the BBBEE scorecard with in-depth reviews tabled by the executive team on the components.

The committee approved the reappointment of BEE Verification Agency CC (BEEVA) as the verification agent of the company and its South African subsidiaries for the 2012 financial year. It reviewed the assurance provided by BEEVA which indicates that we have maintained a Level 4 BBBEE contributor status.

\*A copy of our BBBEE certificate and more details of our transformational efforts are available in the Good Business Journey Report and our website: [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).



## SUSTAINABILITY COMMITTEE

The committee reviewed the execution of the sustainability strategy through the formalised Good Business Journey programme. The programme integrates the key economic, social, transformational and environmental issues that face the business into our business operations.

The committee reviewed the progress comparing achievements against agreed targets at the interim and year-end. Progress has been good, with an achievement of 85% against our 2012 targets and 65% against our 2015 targets.

We have continued to build on the number of key metrics in the Good Business Journey programme which are externally assured by Ernst & Young Inc. The metrics that have been externally assured are included in this report on page 70 and the limited assurance statement can be found on page 107.

\*The sustainability reporting has been reviewed against the guidelines of the G3.1 Global Reporting Initiative. We have received external assurance confirming our self-declared application Level B+.

\*More detailed reporting can be found in the Good Business Journey Report and our website: [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

## THE COMMITTEE HAS ENSURED THE REMUNERATION OF EXECUTIVE DIRECTORS IS IN ACCORDANCE WITH THE REMUNERATION POLICY

## REMUNERATION COMMITTEE

The main purpose of the remuneration committee is to ensure the adoption of remuneration policies which will attract and retain top talent, which are aligned with the company's strategy and which drive both long- and short-term performance. The 2011 remuneration policy was put to a non-binding advisory vote by shareholders on 17 November 2011. The advisory vote was approved by 93.99%.

In line with the recommendations of King III the chairman of the Board is not the chairman of the remuneration committee. Tom Boardman was appointed as the committee chairman on 17 November 2011.

The committee has ensured that the remuneration of executive directors is in accordance with the remuneration policy. The committee reviewed and approved the short- and long-term incentive scheme designs and performance conditions and targets for the 2012 financial year allocations. It confirmed that the performance conditions for the August 2008 grants of share appreciation rights (SARS) and the long-term incentive plan (LTIP) had been met and that vesting had occurred during the year. It approved the matching award of the deferred bonus plan (DBP) shares for the August 2008 grant to executive directors and the chairman. The chairman received the DBP shares whilst he was the group chief executive officer and was, therefore, entitled to the matching award.

The committee reviewed the number of shares available for allocation in terms of the share schemes. The maximum number of shares available for allocation is 85 000 000. This amounts to approximately 10% of the issued capital, which is in line with industry trends.

The committee made use of the services of the following external consultants:

- DG Capital for executive remuneration and the testing of performance conditions as it relates to our peer group;
- Remchannel for the provision of salary benchmarking services; and
- PricewaterhouseCoopers for testing performance conditions and advice on current share plans.



\*G3.1 index available on-line



\*More detailed reporting in the Good Business Journey Report

## NON-EXECUTIVE DIRECTORS' REMUNERATION AND SHAREHOLDING

Non-executive directors receive fees for services on Board and Board committees. These fees recognise the responsibilities of non-executive directors to provide input on an ongoing basis throughout the year. This input is not just confined to attendance at meetings. Therefore we are recommending an annual fee structure.

Non-executive directors do not receive short-term incentives and do not participate in any long-term incentive share scheme.

The fees for the non-executive directors have been recommended by the remuneration committee to the Board for approval, after considering input from the executive directors.

The proposed fees for 2013 are for the calendar year effective 1 January 2013 to 31 December 2013. The fees have been based on benchmarking with other retailers (our peer group, consisting of direct and indirect competitors) and other listed JSE companies.

The proposed fees tabled for shareholder approval at the annual general meeting are set out below:

	Approved fees (eighteen months 1 July 2011 to 31 December 2012)	Equivalent for calendar year 1 January 2012 to 31 December 2012	<b>Proposed for calendar year 1 January 2013 to 31 December 2013</b>
Chairman	R1 287 500	R862 500	<b>R910 000</b>
Lead independent NED	R363 500	R243 500	<b>R275 000</b>
UK director	£57 225	£38 225	<b>£40 300</b>
SA director	R281 000	R188 500	<b>R220 000</b>
Chairman Audit	R287 500	R192 500	<b>R203 000</b>
Member Audit	R144 000	R96 500	<b>R101 500</b>
Chairman Remuneration	R248 000	R166 000	<b>R175 000</b>
Member Remuneration	R124 000	R83 000	<b>R87 500</b>
Chairman Risk	R193 500	R129 500	<b>R136 000</b>
Member Risk	R97 000	R65 000	<b>R68 500</b>
Chairman Social and ethics	R193 500	R129 500	<b>R136 000</b>
Member Social and ethics	R97 000	R65 000	<b>R68 500</b>
Chairman Nominations	R121 000	R81 000	<b>R85 500</b>
Member Nominations	R72 500	R48 500	<b>R51 000</b>
Chairman Sustainability	R193 500	R129 500	<b>R136 000</b>
Member Sustainability	R97 000	R65 000	<b>R68 500</b>
Hourly rate for additional service	R3 200	R3 200	<b>R3 400</b>

The 2012 remuneration policy will be tabled at the November 2012 annual general meeting for a non-binding advisory vote by shareholders. The policy is tabled on pages 84 to 90 of the Integrated Report.



Pages 84 to 90  
for the  
remuneration policy

## OUR REMUNERATION REPORT

### ALIGNMENT WITH GROUP STRATEGY

The remuneration committee seeks to implement remuneration policies that achieve alignment between Woolworths Holdings Limited strategy and the total reward package of the Group chief executive officer, executive directors, EXCO and senior management. The policies endeavour to achieve an appropriate balance between guaranteed package, short-term incentives, long-term incentives and retention schemes.

To achieve this alignment, the total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance (IPM) and employee behaviour. This is explained as follows:

- annual review of salaries takes into account both financial and non-financial individual performance against agreed goals, individual behaviour against company values and market competitiveness;
- short-term incentives will only be paid if the incentive trigger has been met. An on-target percentage payout is linked to the incentive trigger and the achievement of stretched company targets are rewarded appropriately. Final payouts are modified against the delivery of agreed business unit targets and achievement of individual performance;
- vesting of any grant of share appreciation rights (SARS) depends on whether headline earnings per share (HEPS) growth targets are met; and
- vesting of any long-term incentive plan (LTIP) grant depends on whether HEPS growth and total shareholder return (TSR) targets are met. Vesting of the LTIP is equally dependent on the achievement of these performance conditions:
  - for the achievement of on-target HEPS growth a threshold percentage of shares vests and for the achievement of stretched HEPS growth targets 100% of 50% of the grant vests;
  - for the achievement of on-target TSR performance a threshold percentage of shares vests and for the achievement of stretched TSR targeted performance 100% of 50% of the grant vests.

Woolworths strategic focus areas are set out in this Integrated Report and the composition of the group chief executive officer, executive directors, EXCO and senior management's total remuneration packages reflect and reward the achievement of these focus areas.

### REMUNERATION PRINCIPLES FOR EXECUTIVE DIRECTORS

The remuneration policy has been designed and implemented to attract, retain and reward top executives and scarce skills.

The principles applied in the integrated remuneration policy are:

- supporting the delivery of group strategy;
- the guaranteed pay (TCoE) is benchmarked against major South African retail and non-retail companies to ensure competitiveness;
- TCoE also recognises and rewards individual responsibility, performance and behaviour;
- top retail executives are attracted, retained and appropriately rewarded; and
- a balance is created between short- and long-term incentive schemes.

Executive pay is made up of three elements:

- TCoE: market related and tailored to individual performance and behaviour;
- short-term incentives: paid as an incentive on achievement of annual profit before tax and exceptional items (PBTAI) targets; and
- long-term incentives: paid if performance conditions are met on the vesting date and designed to incentivise the long-term delivery of strategic goals and financial performance.

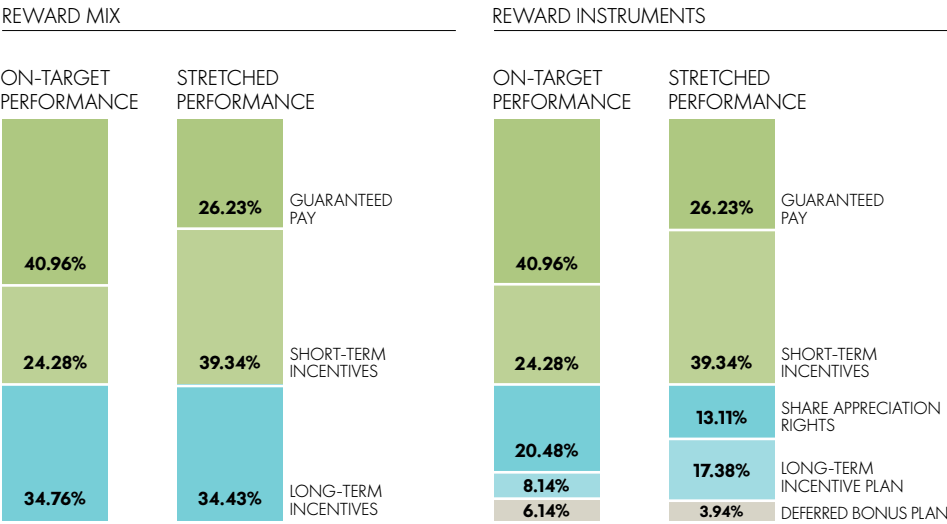
### EXECUTIVE PAY IS MADE UP OF THREE ELEMENTS



The three elements are explained in more detail as follows:

Graph 1 below shows how the group’s integrated reward strategy translates in the composition of the group chief executive officer and executive directors’ remuneration packages (the aggregate of both):

GRAPH 1: COMPOSITION OF TOTAL REMUNERATION PACKAGE FOR GROUP CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS – 2012



GUARANTEED PAY (TCOE)

Pages 92 to 95 for details of the directors’ and prescribed officers’ remuneration schedules

TCoE is reviewed annually against retail peer companies in South Africa. Market conditions, company performance, internal comparability, individual performance and responsibility are taken into consideration.

TCoE includes compulsory contributions to the Woolworths Group Retirement Fund and the Wooltru Healthcare Fund. In addition senior management can elect certain structuring options within TCoE.

Optional items include:

- additional voluntary pension contributions to the Investment Solutions Pension Fund;
- car allowance;
- car leasing options;
- additional discount structuring on Woolworths purchases; and
- overseas subsistence allowance.

On average, the group chief executive officer and executive directors’ TCoE for the financial year increased by 5.05%. The budgeted management increase (including executives) for the 2013 financial year is 6.5%.

Increases awarded for other categories of employees were:

- EXCO (excluding executive directors): 7.30%;
- management: 5.70%; and
- staff: 8.10%.

No other material, ex-gratia payments were paid to the group chief executive officer and executive directors.

SHORT-TERM INCENTIVE SCHEME

Senior executives participate in an annual short-term incentive scheme. It is designed to motivate executives to achieve the short-term strategic, financial, operational and environmental objectives in the annual business plan.

The bonus pool is created (inclusive of the on-target cost of the incentive) after achieving a predefined PBTAE growth target. No bonuses are paid in the event that the minimum target “trigger” is not attained.

Profit sharing between shareholders and employees is explained in graph 2.

The PBTAE target was exceeded for the 2012 financial year and performance bonuses were paid out, details of which can be found on page 92.

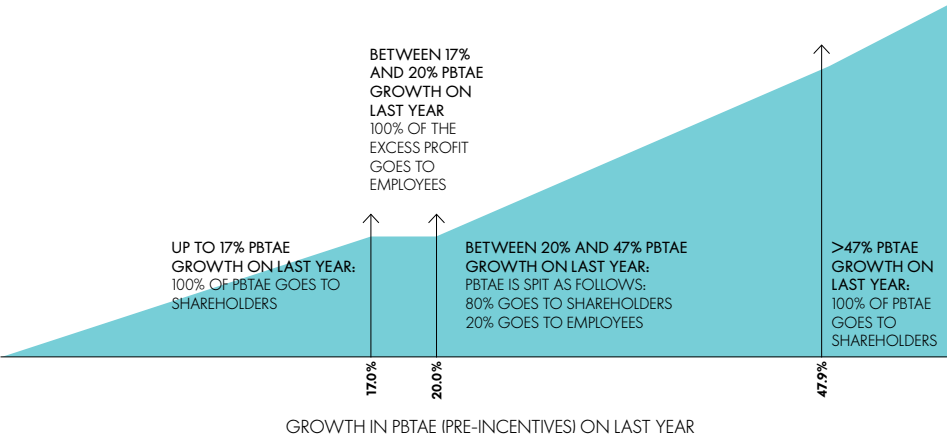
Bonus payments were modified according to the scheme rules and achievement against individual goals, which are measured through the integrated performance management process.

Payouts according to the scheme rules are further modified:

- Group chief executive officer, group finance director, chief operating officer, group director: marketing and group director: company secretariat:
  - IPM 30% and group PBTAE 70%; and
- Executive director: food, group director: retail operations group, group director: clothing and general merchandise, group director: merchandise planning and group director: new business development and on-line:
  - IPM 30%, business unit performance targets 30% and group PBTAE 40%.

Page 92 for details on performance bonus pay-outs

GRAPH 2: PROFIT SHARING BETWEEN SHAREHOLDERS AND EMPLOYEES



## LONG-TERM INCENTIVE SCHEMES

The long-term incentive schemes aim to drive both long-term shareholders' growth and talent retention.

The company uses the Woolworths Holdings Share Trust to hold shares for the purposes of its long-term incentive share schemes.

Amendments to the Trust deed were approved by shareholders in November 2010 to bring it into line with Schedule 14 of the JSE Limited Listings Requirements. At the 2011 annual general meeting shareholders approved that the maximum number of shares available for allocation in terms of the share schemes is 85 million. This maximum represents approximately 10% of the current issued share capital and is more in line with current market trends.

Shares allocated to participants under the long-term incentive scheme may be purchased on the open market or new shares may be issued.

The long-term incentive schemes make use of three instruments, namely:

- share appreciation rights scheme (SARS);
- long-term incentive plan (LTIP); and
- deferred bonus plan (DBP).

In any one financial year, the maximum market value of grants and/or offers in terms of the long-term incentive schemes may not exceed 250% (face value) of an individual's TCoE.

The maximum number of shares awarded to a participant in terms of the long-term incentive scheme may not exceed 12.7 million.

The previous share options and share purchase schemes are still in existence. However, since the introduction of the new share schemes (SARS, LTIP, DBP) in July 2007 no new grants have been made.

## SHARE APPRECIATION RIGHTS (SARS)

Participants are awarded a conditional right to receive shares equal to the value of the difference between the share price at the time that the rights were granted and the share price when the rights are exercised (should the share appreciate in value). The plan rules provide that SARS are not awarded during closed periods.

<b>Grant limits</b>	Group chief executive officer, executive directors and EXCO: face value allocation of 50% of TCoE calculated at the grant date.
<b>Vesting period</b>	Not less than three years. The Woolworths strategic planning cycle is three to five years and therefore in order to align shareholder and executive interests, the financial plan and targets that underpin the vesting period are agreed for a three-year period.
<b>Performance conditions</b>	Headline earnings per share (HEPS) growth of consumer price index (CPIX) plus 6% over a three-year performance period.
<b>Retesting if performance not met</b>	Not permitted. Awards lapse.
<b>Other</b>	SARS not exercised within a period of seven years lapse.
<b>Number of participants</b>	350

## LONG-TERM INCENTIVE PLAN (LTIP)

The LTIP provides for the delivery of conditional awards in shares after three years from date of grant provided that certain conditions are met.

<b>Grant limits</b>	<ul style="list-style-type: none"> <li>• Group chief executive officer: face value allocation of 85% of TCoE calculated at the grant date.</li> <li>• Executive directors and EXCO: face value allocation of 50% of TCoE calculated at the grant date.</li> </ul>
<b>Vesting period</b>	<ul style="list-style-type: none"> <li>• Three years, subject to achievement of performance conditions over a three-year performance period.</li> <li>• The Woolworths strategic planning cycle is three to five years and therefore, in order to align shareholder and executive interests, the financial plan and targets which underpin the vesting period are agreed for a three-year period.</li> </ul>
<b>Performance conditions</b>	<ul style="list-style-type: none"> <li>• Equally weighted between HEPS growth and TSR of the company relative to the TSR of a selected peer group index for the same period.</li> <li>• The HEPS condition has a minimum threshold for 30% vesting and a target for 100% vesting.</li> <li>• TSR condition: <ul style="list-style-type: none"> <li>– if the TSR performance of Woolworths falls below the lower quartile (i.e. if 75% of our peers perform better than Woolworths), then this portion of the LTIP does not vest.</li> <li>– if the TSR performance of Woolworths exceeds the upper quartile (or 75% of our peers) performance, then 100% of the award vests.</li> </ul> </li> </ul>
<b>Peer group for TSR evaluation</b>	Our peer group consists of Woolworths direct and indirect competitors, namely: Foschini, JD Group, Lewis Group, Massmart, Mr Price, Clicks Group, Pick 'n Pay, Shoprite and Truworths.
<b>Retesting if performance not met</b>	<ul style="list-style-type: none"> <li>• Not permitted.</li> <li>• Awards lapse.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Vesting occurs on a linear scale in accordance with an agreed threshold and target.</li> <li>• Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the vested shares during the vesting period.</li> </ul>
<b>Number of participants</b>	19

## DEFERRED BONUS PLAN (DBP)

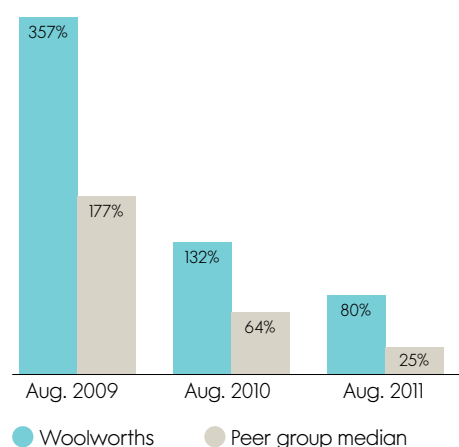
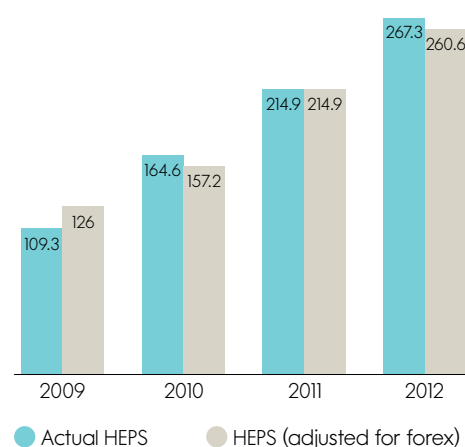
The remuneration committee of the Board decided that from 1 July 2012 the deferred bonus plan will be discontinued.

On receipt of a short-term performance bonus, participants are able to elect to use part of this after-tax bonus to purchase deferred bonus shares with a matching award on the vesting date.

<b>Grant limits</b>	<ul style="list-style-type: none"> <li>• Group chief executive officer: face value calculation up to 18.5% of TCoE to grant date, purchased with individual after-tax bonus.</li> <li>• Executive directors and EXCO: face value calculation up to 15% of TCoE at grant date, purchased with individual after-tax bonus.</li> <li>• No DBP shares granted if the company does not pay an incentive bonus in a particular financial year.</li> </ul>
<b>Vesting period</b>	<ul style="list-style-type: none"> <li>• Three years.</li> </ul>
<b>Retention conditions</b>	<ul style="list-style-type: none"> <li>• Shares will be matched at the end of the three-year period.</li> <li>• Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the DBP shares during the vesting period.</li> <li>• Forfeited on cessation of employment with a three-year period.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Bonus shares are held by a third party in escrow until the vesting date.</li> </ul>
<b>Number of participants</b>	12



Pages 96 to 101 for details of the long-term incentive awards made to executive directors and prescribed officers

**GRAPH 3: TSR GROWTH AGAINST PEER GROUP COMPANIES****GRAPH 4: HEPS PERFORMANCE (CENTS)**

### PERFORMANCE GRAPHS

Graph 3 above compares the TSR performance of the company for the August 2009, August 2010 and August 2011 grants of SARS and LTIP. Graph 4 above shows the growth of actual HEPS and HEPS (adjusted for forex) from 2009 onwards.

### IMPACT OF OUR SHARE SCHEMES ON EARNINGS PER SHARE (DILUTED EPS)

Eligible employees are incentivised through issuing LTIPs (conditional awards) and SARS (conditional rights) to receive shares in the future. They do not hold the shares yet and will only hold them when these are converted after performance conditions have been met and vesting occurred. As a result the number of shares in issue increases in the future with the effect that the company's earnings per share (EPS) are negatively impacted (diluted).



Annual Financial  
Statements Report

The Annual Financial Statements demonstrate the effect of issuing these shares in the future (dilution) upon EPS. The calculation of diluted EPS is covered on page 47 of the 2012 Annual Financial Statements Report.

### FUTURE DESIGN OF LONG-TERM INCENTIVE SCHEMES

The remuneration committee of the Board mandated management to review the current share instruments (SARS and LTIP).

The objectives of this exercise are to:

- continue satisfying shareholder expectations by rewarding senior employees through stretched performance;
- continue the alignment of our reward strategy with our group strategy; and
- simplify our current share instruments.

It is the intention of management to disclose the details of the new design prior to the 2013 annual rolling allocation through proper stakeholder engagement.



### RETENTION SCHEME

The restricted share plan (RSP) was implemented in November 2009. The scheme is designed to retain executive directors, EXCO and employees who are key to the delivery of the company's long-term strategy and our financial performance. It may also be used for once-off awards for the recruitment of key executives, which invariably requires compensation to address value forfeited on resignation from a previous employer.

No RSP allocations were made to the group chief executive officer or executive directors in the 2012 financial year. Four EXCO members received an allocation of RSP.

<b>Grant limits</b>	• Limits between 100% and 300% of TCoE.
<b>Vesting conditions</b>	• Staggered vesting between three and five years. • 100% vesting on condition that the participant is still in the employ of the group on the expiry of the agreed vesting period.
<b>Eligibility</b>	Limited to the group chief executive officer, executive directors, EXCO and selective core and scarce employees.
<b>Other</b>	• Shares are purchased on the open market and held by a third party in escrow.
<b>Number of participants</b>	48

### EMPLOYMENT AGREEMENTS

Ian Moir, the group chief executive officer, has a three-year service contract. It expires on 31 December 2012, with the company having the option to renew for an additional two years. In August 2011 the Board agreed to extend his contract for a further two years until December 2014. His contract includes a restraint of trade agreement. The restraint is for a period of two years after the termination date.

The average notice period for the executive directors and EXCO is three months, which is in line with industry.

Our expatriate EXCO members are on fixed-term contracts, which are on average signed for a three-year period renewable for a further two years.

These contracts are all subject to obtaining and maintaining the applicable work permits entitling them to work in South Africa.

Rules governing cessation of employment are included in the corporate short- and long-term incentive scheme policies and all decisions made are within the rules of these schemes.



**DIRECTORS' AND PRESCRIBED OFFICERS' FEES AND EMOLUMENTS**

Emoluments paid to directors and prescribed officers of Woolworths Holdings Limited in connection with the affairs of the company and its subsidiaries during the year ended 24 June 2012 and comparatives for 26 June 2011 are set out below:

<b>2012</b>		Guaranteed pay				Short-term performance bonus	Long-term benefits		Retention	
		Remuneration (1) R000's	Retirement, healthcare and related benefits R000's	Other benefits (2) R000's	Total guaranteed pay R000's	Performance bonus R000's	Interest-free loan benefit (3) R000's	Fair value of shares, options, SARS, LTIP and DBP granted (4) R000's	Fair value of restricted shares (5) R000's	Total remuneration R000's
<b>Executive directors</b>	Notes									
Ian Moir	(6)	5 761	25	17	5 803	5 346	–	3 183	5 210	19 542
Norman Thomson		2 817	276	47	3 140	2 462	877	1 209	703	8 391
Zyda Rylands		2 894	613	26	3 533	3 262	913	2 604	1 208	11 520
		<b>11 472</b>	<b>914</b>	<b>90</b>	<b>12 476</b>	<b>11 070</b>	<b>1 790</b>	<b>6 996</b>	<b>7 121</b>	<b>39 453</b>
<b>Prescribed officers</b>										
Paula Disberry	(7)	2 389	439	29	2 857	1 696	–	1 288	1 787	7 628
Brett Kaplan		2 444	272	26	2 742	1 552	310	1 227	1 710	7 541
Sam Ngumeni		1 989	414	19	2 422	2 135	337	561	1 535	6 990
		<b>6 822</b>	<b>1 125</b>	<b>74</b>	<b>8 021</b>	<b>5 383</b>	<b>647</b>	<b>3 076</b>	<b>5 032</b>	<b>22 159</b>
		<b>18 294</b>	<b>2 039</b>	<b>164</b>	<b>20 497</b>	<b>16 453</b>	<b>2 437</b>	<b>10 072</b>	<b>12 153</b>	<b>61 612</b>

<b>Non-executive directors</b>	Notes	Directors' fees R000's	Audit committee member R000's	Remuneration committee member R000's	Risk committee member R000's	Nominations committee member R000's	Sustainability committee member R000's	Social and ethics committee member (16) R000's	Other benefits R000's	Total non-executive directors' benefits R000's
Simon Susman	(8)	596		82	64	64	128	64	3 898	4 896
Buddy Hawton	(9)	296		82		40			1	419
Peter Bacon	(10)	185	95	82	32				14	408
Lindiwe Bakoro	(11)	185	95	41	64				12	397
Zarina Bassa	(12)	114	48		32				5	199
Tom Boardman	(13)	219		123		24	64	64	11	505
Andrew Higginson	(14)	42								42
Mike Leeming		185	190		128	48			14	565
Chris Nissen		185				48	64	128	22	447
Stuart Rose	(15)	473		82	64		64			683
Thina Siwendu		185			64			64	11	324
Sindi Zilwa		185	95		64			64	32	440
		<b>2 850</b>	<b>523</b>	<b>492</b>	<b>512</b>	<b>224</b>	<b>320</b>	<b>384</b>	<b>4 020</b>	<b>9 325</b>

**NOTES**

- Remuneration includes fees paid by Country Road Limited as follows: Ian Moir A\$44 658, Norman Thomson A\$40 000 and Paula Disberry A\$13 651.
- Other benefits are discounts received on purchases made in our stores.
- The interest-free loan relates to the purchases of shares under the Woolworths Holdings Share Trust. The benefit has been calculated at 6.5% (average) on the value of the outstanding loan.

4. IFRS 2 Share-based Payments has been used to equate the annual expense value of shares, options, SARS, LTIP and DBP held at the end of the year. It also includes the allocation of BEESOS scheme shares granted to Zyda Rylands and Sam Ngumeni.
5. IFRS 2 Share-based Payments has been used to equate the annual expense value of restricted shares used as a retention scheme.
6. Ian Moir was appointed as the chairman of Woolworths Financial Services and Country Road Limited on 18 November 2011 when Simon Susman was appointed as chairman of the Woolworths Holdings Board. He has a fixed-term contract with the company.
7. Paula Disberry has a fixed-term contract with the company. She was appointed as a non-executive director of Country Road Limited in February 2012.
8. Simon Susman was appointed as chairman of the Woolworths Holdings Board on 17 November 2011 and his fees were adjusted accordingly. On his appointment as chairman of the Board, he retired as chairman of Woolworths Financial Services, Country Road Limited and the Woolworths Trust. On his retirement as Group chief executive officer (in 2010) and in terms of the rules of the scheme the directors approved that he had the balance of 10 years (of which the last allocation was October 2006) to settle the interest-free share loan relating to the purchases of shares under Woolworths Holdings Share Trust whilst he was an employee of Woolworths. This benefit has been calculated at 6.5% (average) on the value of the outstanding loan.

Other benefits of R3 897 505 (2011: R3 806 223) include the following:

- reimbursement for services rendered as chairman of Woolworths Financial Services of R211 200 for the period to 17 November 2011;
  - reimbursement for services rendered as chairman of Country Road Limited of A\$37 500 for the period to 17 November 2011;
  - reimbursement for services rendered as chairman of the Woolworths Trust of R19 200 for the period to 17 November 2011;
  - post-retirement healthcare benefit of R26 220;
  - discounts received on purchases made in our stores of R47 515;
  - interest-free share loan relating to the purchases of shares under Woolworths Holdings Share Trust whilst he was an employee of Woolworths of R1 914 619. The benefit has been calculated at 6.5% (average) on the value of the outstanding loan.
  - IFRS 2 charge for his shares and other share scheme instruments awarded to him during his tenure as chief executive officer of R1 386 291.
9. Buddy Hawton retired as chairman of the Board on 17 November 2011.
  10. Peter Bacon resigned from the risk committee on 17 November 2011.
  11. Lindiwe Bakoro was appointed to the remuneration committee from 17 November 2011.
  12. Zarina Bassa was appointed as a non-executive director on 17 November 2011 and was appointed to the risk and audit committees with effect from that date.
  13. Tom Boardman was appointed as lead independent director on 17 November 2011 and his fees were adjusted from that date. He was appointed to the nominations committee from 17 November 2011.
  14. Andrew Higginson was appointed as a non-executive director from 1 June 2012 and was appointed to the risk and audit committee from that date. His fees as a director are paid in Sterling as a British resident.
  15. Stuart Rose's fees as a director are paid in Sterling as a British resident.
  16. The social and ethics committee assumed the responsibilities of the transformation committee from 1 May 2012.

2011		Guaranteed pay				Short-term performance bonus	Long-term benefits		Retention	
Executive directors	Notes	Remuneration (1) R000's	Retirement, healthcare and related benefits R000's	Other benefits (2) R000's	Total guaranteed pay R000's	Performance bonus R000's	Interest-free loan benefit (3) R000's	Fair value of shares, options, SARS, LTIP and DBP granted (4) R000's	Fair value of restricted shares (5) R000's	Total remuneration R000's
Ian Moir	(6)	5 119	23	170	5 312	8 250	–	1 019	5 210	19 791
Simon Susman	(7)	1 660	273	13	1 946	2 839	869	1 136	–	6 790
Norman Thomson		2 659	260	42	2 961	4 386	1 211	1 698	781	11 037
Zyda Rylands		2 761	580	18	3 359	4 861	998	2 637	1 344	13 199
		12 199	1 136	243	13 578	20 336	3 078	6 490	7 335	50 817
Prescribed officers										
Paula Disberry	(8)	2 331	249	1 031	3 611	3 751	–	1 432	1 787	10 581
Brett Kaplan		2 274	236	28	2 538	3 656	347	1 039	1 710	9 290
Sam Ngumeni	(9)	756	161	8	925	1 324	184	175	576	3 184
		5 361	646	1 067	7 074	8 731	531	2 646	4 073	23 055
		17 560	1 782	1 310	20 652	29 067	3 609	9 136	11 408	73 872

<b>Non-executive directors</b>	Notes	Fees R000's	Audit committee member R000's	Remuneration committee member R000's	Risk committee member R000's	Nominations committee member R000's	Sustainability committee member R000's	Trans- formation committee member R000's	Other benefits R000's	Total non- executive directors' benefits R000's
Buddy Hawton	(10)	850		155		75		30	7	1 117
Simon Susman	(11)	129		39	30	23	30	30	1 801	2 082
Peter Bacon	(12)	170	23	78	60				16	347
Lindiwe Bakoro		170	90		60				9	329
Tom Boardman	(13)	142		58			23	30	6	259
Nigel Colne	(14)	203	45	39	30	23			1	341
Brian Frost	(15)	85		39		23	30		21	198
Mike Leeming		170	180		120	45			12	527
Chris Nissen		170				45	30	120	18	383
Stuart Rose	(16)	204		39	30		15			288
Thina Siwendu		170			60			60	14	304
Sindi Zilwa		170	90		60			60	31	411
		<b>2 633</b>	<b>428</b>	<b>447</b>	<b>450</b>	<b>234</b>	<b>128</b>	<b>330</b>	<b>1 936</b>	<b>6 586</b>

## NOTES

1. Remuneration includes fees paid by Country Road Limited as follows: Ian Moir A\$26 667, Simon Susman A\$37 670 and Norman Thomson A\$40 000.
2. Other benefits include discounts received on purchases made in our stores and executive accommodation for Ian Moir.
3. The interest-free loan relates to the purchases of shares under the Woolworths Holdings Share Trust. The benefit has been calculated at 7% (average) on the value of the outstanding loan.



4. IFRS 2 Share-based Payments has been used to equate the annual expense value of shares, options, SARS, LTIP and DBP held at the end of the year. It includes the allocation of BEESOS scheme shares granted to Zyda Rylands and Sam Ngumeni.
5. IFRS 2 Share-based Payments has been used to equate the annual expense value relating to the allocation of restricted shares used as a retention scheme.
6. Ian Moir was appointed as the group chief executive officer on 18 November 2010. He has a fixed-term contract with the company.
7. Simon Susman retired as the group chief executive officer on 18 November 2010.  
  
On his retirement and in terms of the rules of the share scheme:
  - the directors approved that he had the balance of 10 years (of which the last allocation was October 2006) to settle the interest-free share loan relating to the purchases of shares received whilst he was an employee and which are held in the Woolworths Holdings Share Trust. The benefit has been pro-rated for Simon up to the date of his retirement.
8. Paula Disberry has a fixed-term contract with the company. Other benefits include an amount of R1 000 000 in respect of a contractual bonus.
9. Sam Ngumeni was appointed 1 February 2011 (previous CEO of Woolworths Financial Services).
10. Buddy Hawton was a member of the transformation committee for the period July – December 2010.
11. Simon Susman was appointed as a non-executive Deputy Chairman on 18 November 2010.  
  
He was paid deputy chairman's fees from 19 November 2010 and earned committee fees from 1 January 2011.  
  
Other benefits of R1 801 223 include the following:
  - reimbursement for services rendered as Chairman of Woolworths Financial Services (R129 000) from 1 February 2011 and reimbursement for services rendered as Chairman of The Woolworths Trust (R13 750) from 1 January 2011 based on a rate of R3 000 per hour;
  - fees as chairman of Country Road Limited of A\$59 830;
  - post-retirement healthcare benefit of R14 246;
  - discounts received on purchases made in our stores of R20 061; and
  - interest-free share loan relating to the purchases of shares under Woolworths Holdings Share Trust whilst he was an employee of Woolworths of R1 212 033. The benefit has been calculated at 7% (average) on the value of the outstanding loan.
 The IFRS 2 charge for his shares and other share scheme instruments awarded to him during his tenure as chief executive officer is R1 703 000.
12. Peter Bacon was appointed as a member of the audit committee from May 2011.
13. Tom Boardman was appointed as a non-executive director on 27 September 2010 and was appointed to the sustainability and remuneration committees with effect from that date. He was appointed as a member of the transformation committee from February 2011.
14. Nigel Colne retired from the Board on 18 November 2010. His fees as a director were paid in Sterling as a British resident.
15. Brian Frost retired from the Board on 18 November 2010. He was reimbursed for services rendered as chairman of The Woolworths Trust to that date at a rate of R3 000 per hour.
16. Stuart Rose was appointed as a non-executive director on 19 January 2011 and was appointed to the sustainability, risk and remuneration committees with effect from that date. His fees as a director are paid in Sterling as a British resident.

## DIRECTORS' AND PRESCRIBED OFFICERS' PARTICIPATION IN SHARE SCHEMES

Details of directors' interests in shares of the company are disclosed in the directors' report in the 2012 Annual Financial Statements Report on page 23.

Shares purchased and options granted to Simon Susman relate to his tenure as the chief executive officer.

Shares purchased and options granted to executive directors and prescribed officers in terms of the Woolworths Holdings Share Trust which had not been exercised at 24 June 2012, are set out below:

### SHARE PURCHASE SCHEME

Name and offer date	Shares as at 26 June 2011		Shares sold or transferred during the year		Shares as at 24 June 2012		
	Number	Price	Number	Price	Vested shares	Unvested shares	Total
<b>Simon Susman</b>							
December 2004	440 755	R10.59			440 755		440 755
August 2005	412 697	R11.31			412 697		412 697
August 2006	378 947	R13.30			378 947		378 947
October 2006	1 094 092	R13.71			1 094 092		1 094 092
Total	2 326 491				2 326 491		2 326 491
<b>Norman Thomson</b>							
August 2003	290 698	R5.16			290 698		290 698
December 2004	152 597	R10.59			152 597		152 597
August 2005	142 882	R11.31			142 882		142 882
August 2006	130 075	R13.30			130 075		130 075
October 2006	510 576	R13.71			510 576		510 576
Total	1 226 828				1 226 828		1 226 828
<b>Zyda Rylands</b>							
August 2001	12 970	R3.33	12 970	R10.89	–		–
August 2002	14 738	R3.98			14 738		14 738
August 2003	12 125	R5.16			12 125		12 125
September 2003	180 510	R5.76			180 510		180 510
December 2004	221 839	R10.59			221 839		221 839
December 2004	37 734	R10.59			37 734		37 734
March 2005	120 000	R10.18			120 000		120 000
August 2005	132 626	R11.31			132 626		132 626
August 2005	144 923	R11.31			144 923		144 923
August 2006	129 699	R13.30			129 699		129 699
October 2006	291 758	R13.71			291 758		291 758
Total	1 298 922		12 970		1 285 952		1 285 952

## SHARE PURCHASE SCHEME (CONTINUED)

Name and offer date	Shares as at 26 June 2011		Shares sold or transferred during the year		Shares as at 24 June 2012		
	Number	Price	Number	Price	Vested shares	Unvested shares	Total
<b>Brett Kaplan</b>							
August 2001	50 000	R3.33	50 000	R3.42	–		–
August 2002	50 000	R3.98			50 000		50 000
August 2003	34 410	R5.16			34 410		34 410
December 2004	94 023	R10.59			94 023		94 023
August 2005	99 027	R11.31			99 027		99 027
August 2006	116 541	R13.30			116 541		116 541
November 2006	43 380	R15.74			43 380		43 380
Total	487 381		50 000		437 381		437 381
<b>Sam Ngumeni</b>							
August 2001	4 724	R3.33	4 724	R9.73	–		–
August 2002	21 754	R3.98			21 754		21 754
August 2003	29 816	R5.16			29 816		29 816
December 2004	26 036	R10.59			26 036		26 036
May 2005	250 000	R9.73	250 000	R40.52	–		–
August 2005	35 332	R11.31			35 332		35 332
August 2006	33 050	R13.30			33 050		33 050
November 2006	190 216	R15.74			190 216		190 216
Total	590 928		254 724		336 204		336 204

## SHARE OPTION SCHEME

Name and offer date	Options held as at 26 June 2011		Options sold or transferred		Options held as at 24 June 2012		
	Number	Price	Number	Price	Vested options	Unvested options	Total
<b>Zyda Rylands</b>							
October 2008	326 395	R8.81	195 837	R40.22	–	130 558	130 558
Total	326 395		195 837			130 558	130 558
<b>Brett Kaplan</b>							
November 2006	28 920	R13.61			28 920		28 920
Total	28 920				28 920		28 920

## DIRECTORS' AND PRESCRIBED OFFICERS' PARTICIPATION IN SHARE SCHEMES (CONTINUED)

### SHARE APPRECIATION RIGHTS (SARS) SCHEME

Name and offer date	Rights as at 26 June 2011		SARS rights awarded		SARS rights sold		Rights as at 24 June 2012		
	Number	Price	Number	Price	Number	Price	Vested rights	Unvested rights	Total
<b>Ian Moir</b>									
August 2010	117 823	R23.34						117 823	117 823
August 2011			87 468	R31.44				87 468	87 468
Total	117 823		87 468					205 291	205 291
<b>Simon Susman</b>									
April 2008	176 392	R10.26			176 392	R36.45	–		–
August 2008	176 540	R10.24			176 540	R36.37	–		–
August 2009	140 526	R15.00						140 526	140 526
Total	493 458				352 932		–	140 526	140 526
<b>Norman Thomson</b>									
April 2008	87 904	R10.26					87 904		87 904
August 2008	171 525	R10.24					171 525		171 525
August 2009	84 667	R15.00						84 667	84 667
August 2010	62 635	R23.34						62 635	62 635
Total	406 731						259 429	147 302	406 731
<b>Zyda Rylands</b>									
April 2008	261 223	R10.26					261 223		261 223
August 2008	125 628	R10.24					125 628		125 628
August 2009	107 000	R15.00						107 000	107 000
August 2010	72 118	R23.34						72 118	72 118
August 2011			53 538	R31.44				53 538	53 538
Total	565 969		53 538				386 851	232 656	619 507
<b>Paula Disberry</b>									
April 2008	287 197	R10.26					287 197		287 197
August 2008	92 127	R10.24					92 127		92 127
August 2009	77 000	R15.00						77 000	77 000
August 2010	55 654	R23.34						55 654	55 654
August 2011			41 316	R31.44				41 316	41 316
Total	511 978		41 316				379 324	173 970	553 294
<b>Brett Kaplan</b>									
April 2008	79 536	R10.26			79 536	R37.20	–		–
August 2008	79 602	R10.24			79 602	R37.20	–		–
August 2009	66 532	R15.00						66 532	66 532
August 2010	54 242	R23.34						54 242	54 242
August 2011			40 267	R31.44				40 267	40 267
Total	279 912		40 267		159 138			161 041	161 041
<b>Sam Ngumeni</b>									
August 2011			34 987	R31.44				34 987	34 987
Total			34 987					34 987	34 987

## LONG-TERM INCENTIVE PLAN (LTIP) SCHEME

Name and offer date	Grants held as at 26 June 2011		LTIP grants awarded		LTIP grants sold or transferred		Grants held as at 24 June 2012		
	Number	Price	Number	Price	Number	Price	Vested grants	Unvested grants	Total
<b>Ian Moir</b>									
August 2010	200 300	R23.34						200 300	200 300
August 2011			148 696	R31.44				148 696	148 696
Total	200 300		148 696					348 996	348 996
<b>Simon Susman</b>									
August 2008	325 398	R11.94	39 744	R31.44	365 142	R36.45	–		–
August 2009	238 894	R15.00						238 894	238 894
Total	564 292		39 744		365 142			238 894	238 894
<b>Norman Thomson</b>									
August 2008	185 973	R11.94	22 715	R31.44	208 688	R38.00	–		–
August 2009	84 667	R15.00						84 667	84 667
August 2010	62 635	R23.34						62 635	62 635
Total	333 275		22 715		208 688			147 302	147 302
<b>Zyda Rylands</b>									
August 2008	136 210	R11.94	16 637	R31.44	152 847	R38.00	–		–
August 2009	107 000	R15.00						107 000	107 000
August 2010	72 118	R23.34						72 118	72 118
August 2011			53 538	R31.44				53 538	53 538
Total	315 328		70 175		152 847			232 656	232 656
<b>Paula Disberry</b>									
August 2008	59 933	R11.94	7 321	R31.44	67 254	R37.98	–		–
August 2009	46 200	R15.00						46 200	46 200
August 2010	55 654	R23.34						55 654	55 654
August 2011			41 316	R31.44				41 316	41 316
Total	161 787		48 637		67 254			143 170	143 170
<b>Brett Kaplan</b>									
August 2008	51 785	R11.94	6 325	R31.44	58 110	R37.98	–		–
August 2009	39 919	R15.00						39 919	39 919
August 2010	54 242	R23.34						54 242	54 242
August 2011			40 267	R31.44				40 267	40 267
Total	145 946		46 592		58 110			134 428	134 428
<b>Sam Ngumeni</b>									
August 2011			34 987	R31.44				34 987	34 987
Total			34 987					34 987	34 987



**DIRECTORS' AND PRESCRIBED OFFICERS' PARTICIPATION IN SHARE SCHEMES  
(CONTINUED)**

**DEFERRED BONUS PLAN (DBP) SCHEME**

Name and offer date	Shares as at 26 June 2011		Shares purchased		Shares sold or transferred		Shares as at 24 June 2012
	Number	Price	Number	Price	Number	Price	Number
<b>Ian Moir</b>							
August 2010	41 617	R24.33					41 617
August 2011			29 600	R34.19			29 600
Total	41 617		29 600				71 217
<b>Simon Susman</b>							
August 2009	49 498	R15.67					49 498
Total	49 498						49 498
<b>Norman Thomson</b>							
August 2009	21 198	R15.67					21 193
August 2010	17 938	R24.33					17 938
Total	39 136						39 136
<b>Zyda Rylands</b>							
August 2009	27 645	R15.67					27 645
August 2010	20 654	R24.33					20 654
August 2011			14 700	R34.19			14 700
Total	48 299		14 700				62 999
<b>Paula Disberry</b>							
August 2010	15 896	R24.40					15 896
August 2011			11 300	R34.19			11 300
Total	15 896		11 300				27 196
<b>Brett Kaplan</b>							
August 2010	15 574	R24.40					15 574
August 2011			11 000	R34.19			11 000
Total	15 574		11 000				26 574
<b>Sam Ngumeni</b>							
August 2011			9 600	R34.19			9 600
Total			9 600				9 600

## RESTRICTED SHARE PLAN (RSP) SCHEME

Name and offer date	Shares held as at 26 June 2011		Shares purchased		Shares as at 24 June 2012
	Number	Price	Number	Price	Number
<b>Ian Moir</b>					
January 2010	1 184 000	R16.89			1 184 000
Total	1 184 000				1 184 000
<b>Norman Thomson</b>					
May 2010	119 938	R23.34			119 938
Total	119 938				119 938
<b>Zyda Rylands</b>					
May 2010	206 250	R23.34			206 250
Total	206 250				206 250
<b>Paula Disberry</b>					
May 2010	275 425	R22.65			275 425
Total	275 425				275 425
<b>Brett Kaplan</b>					
May 2010	263 610	R22.76			263 610
Total	263 610				263 610
<b>Sam Ngumeni</b>					
February 2011	215 174	R25.56			215 174
Total	215 174				215 174

## BEE SHARES

Name and offer date	Shares as at 26 June 2011		Shares sold or transferred		Shares as at 24 June 2012		
	Number	Price	Number	Price	Vested	Unvested	Total
<b>Zyda Rylands</b>							
June 2007	1 250 000	R20.75			–	1 250 000	1 250 000
Total	1 250 000				–	1 250 000	1 250 000
<b>Sam Ngumeni</b>							
June 2007	475 000	R20.75			–	475 000	475 000
Total	475 000				–	475 000	475 000





# OUR SHAREHOLDERS

ANALYSIS OF SHAREHOLDERS

ASSURANCE STATEMENTS

SHAREHOLDERS' INFORMATION

WOOLWORTHS HOLDINGS LIMITED –  
BOARD MEMBERS' PROFILES

CHAIRMAN'S LETTER TO SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING

## ANALYSIS OF SHAREHOLDERS

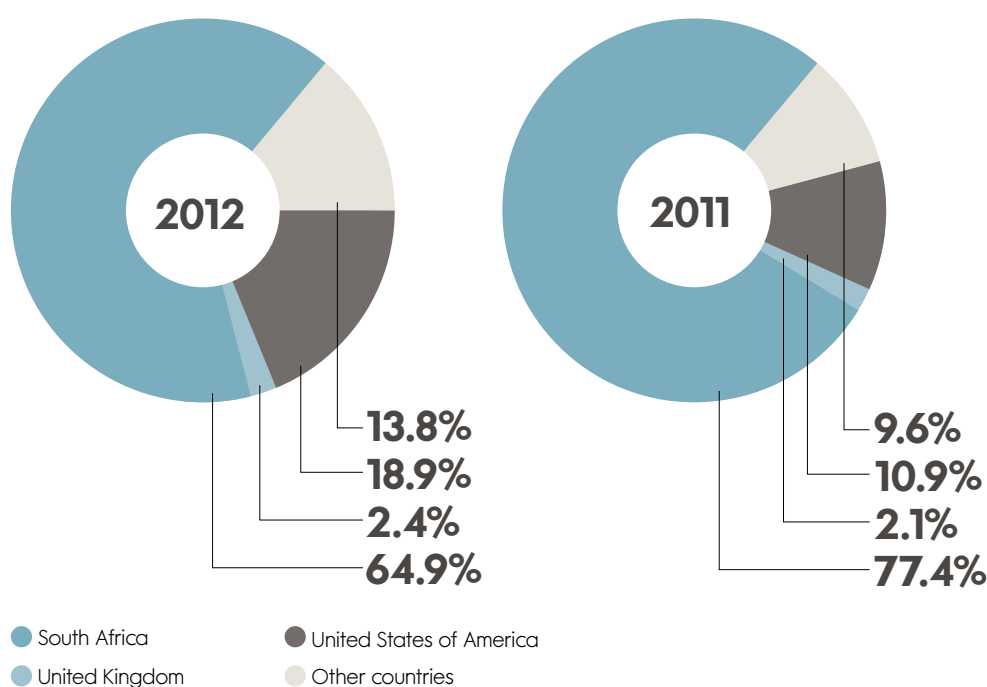
<b>Public and non-public shareholders</b>	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Public shareholders	18 772	99.9	728 849 098	87.2
Non-public shareholders				
Directors and their associates	7	0.1	19 187 234	2.3
E-Com Investments 16 (Proprietary) Limited	1	–	43 763 861	5.2
Woolworths (Proprietary) Limited	1	–	40 497 604	4.9
Woolworths Holdings Share Trust*	1	–	3 080 536	0.4
<b>Total shareholders</b>	<b>18 782</b>	<b>100.0</b>	<b>835 378 333</b>	<b>100.0</b>

\* Excludes shares held by directors in share trusts

According to the company's register of shareholders, read in conjunction with the company's register of disclosure of beneficial interests made by registered shareholders acting in a nominee capacity, the following shareholders held, directly and indirectly, beneficially in excess of 5% of any class of the issued share capital at 30 June 2012:

<b>Major beneficial shareholders</b>	Number of shares	<b>2012 Percentage of shares</b>	2011 Percentage of shares
Government Employees Pension Fund	143 210 068	<b>17.2</b>	17.2
E-Com Investments 16 (Proprietary) Limited	43 763 861	<b>5.2</b>	5.2
Woolworths (Proprietary) Limited	40 497 604	<b>4.9</b>	6.3

## GEOGRAPHIC DISTRIBUTION OF SHAREHOLDERS



	<b>2012</b>	2011
<b>Major fund managers managing 3% or more</b>	<b>Percentage of shares</b>	Percentage of shares
Public Investment Corporation (SA)	<b>14.4</b>	13.0
STANLIB Asset Management (SA)	<b>4.5</b>	5.2
Coronation Fund Managers (SA)	<b>4.0</b>	11.0
BlackRock Inc (US and UK)	<b>3.3</b>	3.1
Sanlam Investment Management (SA)	<b>3.2</b>	3.5
Foord Asset Management (SA)	<b>2.6</b>	3.1

<b>Shareholder spread</b>	Number of shareholders	Percentage of total	Number of shares	Percentage of total
1 – 1 000 shares	9 490	50.5	3 740 973	0.4
1 001 – 10 000 shares	7 124	38.0	24 693 063	3.0
10 001 – 100 000 shares	1 658	8.8	50 171 884	6.0
100 001 – 1 000 000 shares	413	2.2	119 724 320	14.3
1 000 001 shares and over	97	0.5	637 048 093	76.3
	18 782	100.0	835 378 333	100.0



## ASSURANCE STATEMENTS

### REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF WOOLWORTHS HOLDINGS LIMITED ON THE ABRIDGED GROUP RESULTS

The accompanying summary consolidated financial statements of Woolworths Holdings Limited, which comprise the summary consolidated statement of financial position as at 24 June 2012, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Woolworths Holdings Limited for the year ended 24 June 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 22 August 2012. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph (see below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Woolworths Holdings Limited.

#### DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Ernst & Young Inc.*

**Ernst & Young Inc.**

Director – MR Isaacs  
Registered Auditor  
Chartered Accountant (SA)  
Ernst & Young House  
35 Lower Long Street  
Cape Town  
22 August 2012

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

#### OPINION

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Woolworths Holdings Limited for the year ended 24 June 2012 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Other Matter paragraph in our audit report dated 22 August 2012 states that as part of our audit of the consolidated financial statements for the year ended 24 June 2012, we have read the report of the group secretary, the report of the Audit Committee and the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The Other Matter paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The Other Matter paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.



Annual Financial  
Statements  
Report

*Nexia SAB&T*

**NEXIA SAB&T**

Director – A Darmalingam  
Registered Auditor  
Chartered Accountant (SA)  
SAB&T House  
Cnr Birmingham and Canterbury Roads  
NI City, Goodwood  
22 August 2012

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF WOOLWORTHS HOLDINGS LIMITED

### SCOPE OF OUR ENGAGEMENT

The specified key performance indicators, included in the Woolworths Holdings Limited 2012 Integrated Report, as disclosed on page 70 which comprise the following ("the subject-matter"):

- the water usage (in kilolitres) at the head office buildings, for the twelve months ended 24 June 2012;
- water usage (in kilolitres) at the Maxmead, Montague Gardens and Midrand distribution centres for the twelve months ended 24 June 2012;
- \*water usage (in kilolitres) for stores for the twelve months ended 24 June 2012; and
- the results of the rating of all South African stores opened against the Green Stores model as at 24 June 2012,

are extracted from the Good Business Journey Report of Woolworths Holdings Limited for the year ended 24 June 2012.

We expressed an unmodified limited assurance conclusion on the specified key performance indicators noted in our limited assurance statement dated 7 September 2012. The Good Business Journey Report and the specified key performance indicators included therein do not reflect the effects of events that occurred subsequent to the date of our limited assurance statement on the specified key performance indicators (marked as assured) in the Good Business Journey Report.

The criteria upon which the specified key performance indicators were evaluated and measured for assurance purposes are disclosed in the Good Business Journey Report. A copy of the Good Business Journey Report can be obtained on: [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

### MANAGEMENT'S RESPONSIBILITY

Management is responsible for extracting the specified key performance indicators from the Good Business Journey Report and the consistent presentation of these specified key performance indicators in the Integrated Report.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on whether specified key performance indicators in the Integrated Report are consistent with the specified key performance indicators in the Good Business Journey Report. We conducted our engagement in accordance with the International Standard on Assurance

Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on whether the specified key performance indicators in the Integrated Report are consistent with the specified key performance indicators in the Good Business Journey Report.

Our procedures included comparing the specified key performance indicators in the Integrated Report with the specified key performance indicators in the Good Business Journey Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement performed under ISAE3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### LIMITED ASSURANCE CONCLUSION

Based on our work described in this report, nothing has come to our attention that causes us to believe that the specified key performance indicators in the Integrated Report of Woolworths Holdings Limited for the year ended 24 June 2012, are not consistent, in all material respects, with those specified key performance indicators in the Good Business Journey Report of Woolworths Holdings Limited, in accordance with the basis of preparation as described on page 82.

*Ernst & Young Inc.*

**Ernst & Young Inc.**

Director – JP Grist  
Registered Auditor  
Chartered Accountant (SA)  
Ernst & Young House  
35 Lower Long Street  
Cape Town  
7 September 2012



\* Additional content on-line



## SHAREHOLDERS' INFORMATION

### SHAREHOLDER CALENDAR

**Financial year-end:**

June

**Reporting:**

Annual results announcement  
August

**Integrated report**

September

**Annual general meeting**

November

**Interim results and report**

February

**Dividend declared:**

Final for the period ended June 2012  
August

**Interim for the period ended December 2012**

February

**Dividend payable:**

Final for the period ended June 2012  
September

**Interim for the period ended December 2012**

March

### ADMINISTRATION

**GROUP SECRETARY**

Thobeka Sishuba-Mashego

**REGISTERED OFFICE**

Woolworths House  
93 Longmarket Street  
Cape Town  
8001

**POSTAL ADDRESS**

PO Box 680  
Cape Town  
8000

**COMPANY REGISTRATION NUMBER**

1929/001986/06

**COUNTRY OF INCORPORATION**

South Africa

**TELEPHONE:** (+27 21) 407 9111

**CUSTOMER INFORMATION:**

[www.woolworths.co.za](http://www.woolworths.co.za)

**INVESTOR RELATIONS:**

[investorrelations@woolworths.co.za](mailto:investorrelations@woolworths.co.za)

**JOINT AUDITORS**

Ernst & Young Inc. and NEXIA SAB&T

**BANKERS**

The Standard Bank of South Africa Limited

**TRANSFER SECRETARIES**

Computershare Investor Services  
(Proprietary) Limited  
70 Marshall Street  
Johannesburg  
2001

**POSTAL ADDRESS**

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Marshalltown  
2107

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**FACSIMILE:** (+27 11) 370 5487

**E-MAIL:** [woolworths@computershare.co.za](mailto:woolworths@computershare.co.za)

**SPONSOR**

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
1 Merchant Place  
Cnr Fredman Drive and Rivonia Road  
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2194

**POSTAL ADDRESS**

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Sandton  
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**TELEPHONE:** (+27 11) 282 8000

**FACSIMILE:** (+27 11) 282 8008

**E-MAIL:** [sponsorteam@rmb.co.za](mailto:sponsorteam@rmb.co.za)

**DEPOSITORY FOR GLOBAL  
DEPOSITORY RECEIPTS**

The Bank of New York  
Shareholder Relations Department  
Church Street Station  
PO Box 11258  
New York, NY 10286-1258  
United States of America

**UK**

**TELEPHONE:** +44 (0) 20 7964 6089

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**TELEPHONE:** +1 212 815 2077

**FACSIMILE:** +1 212 571 3050

## WOOLWORTHS HOLDINGS LIMITED

### BOARD MEMBERS' PROFILES

#### SIMON SUSMAN (62)

##### Chairman

Other directorships include:  
Trent Limited, Allied Electronics Corporation,  
Business Against Crime Advisory board  
member, and Chairman of the University  
of Stellenbosch Business School.

Simon joined Woolworths in 1982 after working  
at clothing and food retailer, Marks & Spencer  
plc in London. At Woolworths he has led the  
retail operations, food and clothing groups  
and was appointed to the Board in 1995.  
He became the chief executive officer in 2000.  
He was appointed on 18 November 2010  
as a non-executive director and deputy  
chairman. He was appointed on 17 November  
2011 as chairman. He is the chairman of the  
sustainability committee and a member of the  
nominations, remuneration, risk and social and  
ethics committees.

#### ZARINA BASSA (48)

##### BAcc, Postgraduate Diploma in Accounting, CA(SA)

Other directorships include:  
Songhai Capital, Kumba Iron Ore, Vodacom  
South Africa, Sun International, Lewis Group,  
Oceana Group, Woolworths Financial  
Services, Financial Services Board, YeboYethu  
and National Business Initiative.

Previous board roles include chairing the Public  
Accountants' and Auditors' Board, the Auditing  
Standards Board, the Accounting Standard  
Board, the JSE's GAAP Monitoring Panel, the  
SA Institute of Chartered Accountants and  
Vice President of ABASA. She joined ABSA  
as the head of Retail Banking in 2002 and  
was later appointed as Executive Director:  
Retail Banking. Prior to joining ABSA she was  
a partner at Ernst & Young. She joined the  
Board in 2011. She is a member of the audit  
and risk committees.

#### PETER BACON (66)

##### (British) Fellow of the Institute of Hospitality (FIH)

Other directorships include:  
Chairman of the National Sea Rescue Institute.

Peter was previously with the Sun International  
group of companies for thirty-four years.  
He was chief executive of Sun International's  
South African operations from 1993 and group  
chief executive for the last four years of his  
employment with the group. He joined the  
Board in 2006. He is a member of the audit  
and remuneration committees.

#### TOM BOARDMAN (62)

##### BCom, CA(SA)

Other directorships include:  
Nedbank, Nedbank Group, Fairbairn Private  
Bank, African Rainbow Minerals, Investment  
AB Kinnevik and Athena Capital.

Tom has held a number of senior positions in  
the banking industry since 1986 and previously  
held the position of chief executive officer  
at Nedbank. He is currently a non-executive  
director at Nedbank. Past directorships also  
include Boardmans and Sam Newman Limited,  
as well as BoE International Holdings Limited.  
He is a non-executive director of Mutual &  
Federal Insurance Company Limited, director  
of Vodacom Group (Proprietary) Limited, the  
WWF South Africa (World Wide Fund for  
Nature) and other charitable and community  
organisations. He joined the Board in  
September 2010. He was appointed Lead  
independent non-executive director on  
17 November 2011. He is the chairman of the  
remuneration committee and a member of  
the nominations, sustainability and social and  
ethics committees.

#### LINDIWE BAKORO (38)

##### BCom, Postgraduate Diploma in Accounting, Higher Diploma in Tax Law, CA(SA)

Other directorships include:  
Group Five, Sea Harvest and Hyundai  
Automotive South Africa.

Lindiwe joined Rand Merchant Bank in 1999  
where she gained extensive merchant bank  
experience in project and infrastructure finance.  
Since 2006 she has worked as an independent  
project financier specialising in financial  
advisory debt and equity arranging for  
infrastructure-related transactions. She joined  
the Board in August 2009. She is a member of  
the audit, remuneration and risk committees.



**ANDREW THOMAS HIGGINSON (55)**

**BSc (Hons) Town and Country Planning 2.1, Honorary Doctorate: Birmingham City University, Fellow Chartered Institute of Management Accountants**

Other directorships include:  
BSkyB Group Plc, McCurrath UK and  
Chairman of Poundland Limited.

Andrew has held a number of senior leadership roles in retail in Britain and was the chief executive retailing services of Tesco Plc. He previously held the position of finance director at Tesco Plc and at several other British-based retail operations. He also served as a non-executive director and as the chairman of audit committees for a number of companies listed on the London Stock Exchange. He joined the Board on 1 June 2012. He is a member of the audit and risk committees.

**MIKE LEEMING (68)**

**BCom, MCom, FCMA, FIBSA, AMP (Harvard)**

Other directorships include:  
AECI Limited, Allied Electronics Corporation  
and Imperial Holdings.

Mike was previously the chief operating officer at Nedcor and has an in-depth knowledge of financial services as well as manufacturing. He joined the Board in 2004. He is the chairman of the audit and risk committees and a member of the nominations committee.

**CHRIS NISSEN (54)**

**BA (Hons), MA**

Other directorships include:  
Boschendal (Chairman) and Standard  
Bank Group.

Chris was previously the chairperson of South Atlantic Fishing (SAFCO) and he has been a director of Sea Harvest Corporation and JCI. He has been extensively involved in the development and upliftment of communities both as a Minister in the Presbyterian Church and as a community leader, serving in a number of capacities including Chairperson of the Western Cape ANC. He has executive experience in a number of industries and as a non-executive director has proactively led transformation at a number of listed companies.

He joined the Board in 2004. He is the chairman of the social and ethics committee and a member of the nominations and sustainability committees.

**STUART ROSE (SIR) (63)**

**(British)**

Other directorship includes:  
Land Securities Group Plc, No Exclusions Limited  
and chairman of Mobile Money Network.

Sir Stuart has strong international retail experience. He started his career in retail at Marks & Spencer in 1971, where he remained until 1989, before going on to become chief executive at a number of well-known UK retailers including Argos plc, Booker plc and Arcadia Group plc. He relinquished the position as chief executive officer of Marks & Spencer in July 2010 and retired as its chairman on 4 January 2011. He joined the Board in January 2011. He is a member of the remuneration, risk and sustainability committees.

**THINA SIWENDU (46)**

**BA Social Science (SW) (Hons) (UCT), LLB (Natal)**

Other directorships include:  
DLA Cliffe Dekker Hofmeyr Inc.

Thina is an attorney with 15 years' legal experience. She has been a director of various companies both listed and unlisted in the banking, property, portfolio investment, aviation and public sector companies over a period of six years. In 1996 Thina formed her own legal firm, Thina Siwendu & Associates. Her firm specialises in public-private partnerships, project financing, corporate structuring and corporate governance. She joined the Board in August 2009. She is a member of the risk and social and ethics committees.

**SINDI ZILWA (45)**

**BCompt (Hons), CTA, CA(SA), Advanced Taxation Certificate**

Other directorships include:  
Aspen Pharmacare Holdings, Discovery  
Holdings and Rebasis Property Fund Limited.

Sindi became the second black female chartered accountant in South Africa in 1990 and is the chief executive officer of Nkonki. Her previous directorships include the Transkei National Buildings Society, the South African Mint, WIPHOLD, Telkom, Primedia Limited, ACSA, Strate and Ethos Private Equity. She was the chairperson of the BUSA Standing committee on transformation, was a board member of the Independent Regulatory Board for Auditors and was a member of the GAAP Monitoring Panel. She joined the Board in 2002. She is a member of the audit, risk and social and ethics committees.



# WOOLWORTHS HOLDINGS LIMITED

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## EXECUTIVE DIRECTORS' AND GROUP SECRETARY PROFILES

### IAN MOIR (53)

**MBA, MA (Econ)**  
**Group chief executive officer**

**(Australian)**

Other directorships include:  
Country Road Limited, Woolworths Financial Services, Woolworths and Woolworths Holdings (Mauritius) Limited.

Ian was appointed to the board of Country Road on 23 October 1998. He was formerly chief operating officer of the company before being appointed chief executive officer in November 2000. He was previously executive director and chief operating officer of Woolmark. He joined the Board in January 2010 and was appointed the Group chief executive officer in November 2010. He is a member of the risk, sustainability and social and ethics committees.

### ZYDA RYLANDS (47)

**BCom (Hons), CA(SA)**  
**Managing director: Food**

Other directorships include:  
African Capital Portfolio Limited, Open Society Foundation, The National Urban Reconstruction and Housing Agency and The Centre for Justice and Crime Prevention.

Zyda joined Woolworths in 1996 and worked in the finance and store operation teams. She was appointed the People director of Woolworths (Proprietary) Limited in 2005 and was appointed to the Board of Woolworths in August 2006. She is a member of the risk and sustainability committees.

### NORMAN THOMSON (61)

**BCom (Hons), CA(SA)**  
**Group finance director**

Other directorships include:  
Country Road, Woolworths Financial Services, Woolworths and Woolworths Holdings (Mauritius) Limited.

Norman joined Woolworths in 1991 in a logistics capacity and introduced the integrated supply chain management systems.

He was appointed to the Board in 2001 and was responsible for corporate stores, franchise and distribution. He became finance director in 2002. He is a member of the risk committee.

### THOBEKA SISHUBA-MASHEGO (40)

**BCom Masters in Taxation and Postgraduate Masters Degree in Advanced Company Law**

**Group secretary**

Thobeka joined Woolworths in 2012 as Group director: company secretariate. She is responsible for all aspects of corporate governance, including risk, legal and compliance, and is a member of the executive team.



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### CHAIRMAN'S LETTER TO SHAREHOLDERS

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# I ENCOURAGE YOU TO ATTEND AND VOTE YOUR SHARES AT THE ANNUAL GENERAL MEETING AS THIS IS YOUR OPPORTUNITY TO MEET AND QUESTION MEMBERS OF THE BOARD.

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Dear Shareholder

On behalf of the Board, I invite you to attend the annual general meeting of Woolworths Holdings Limited to be held at 09:00 in the Auditorium, 1st Floor, Woolworths House, 93 Longmarket Street, Cape Town, 8001, on 15 November 2012.

I encourage you to attend and vote your shares at the annual general meeting as this is your opportunity to meet and question members of the Board. Voting will be taken by way of a poll and shareholders present or represented by proxy will be entitled to votes equal to the number of shares held by such shareholder.

The notice of the meeting, which is set out on pages 116 to 119 of the Integrated Report, is accompanied by explanatory notes setting out the effects of all the proposed resolutions in the notice.

There are some points that I would like to highlight in this letter.

#### APPROVAL AND ADOPTION OF THE MEMORANDUM OF INCORPORATION

The Companies Act No. 71 of 2008 has made it necessary for the Board to amend the company's Memorandum of Incorporation in order to comply with the requirements of this Act. The Board would like to propose the adoption of a Memorandum of Incorporation.

In the event that you want to inspect the amended Memorandum of Incorporation, a copy will be available at the company's registered office.

#### ELECTION OF MR ANDREW HIGGINSON AS A DIRECTOR

The Board of directors of the company continues to review the composition of the Board to ensure that it is a diverse representative Board and that it is appropriate for the company. The Board appointed Mr Andrew Higginson as a director to the Board. He is required to be elected by shareholders at the annual general meeting.

Andrew was the chief executive officer, retail services group finance and strategy director and group finance director of Tesco Plc. He is a former finance director of the Burton Group Plc, Laura Ashley Holdings, Guinness Brewing International and commercial manager of Unilever China, Hong Kong. Andrew is an independent non-executive director of the Rugby Football Union, non-executive director of BSkyB Group Plc and chairman of the Royal Grammar School, High Wycombe. He has also previously been a non-executive director of C&J Clark Limited, First Group Plc and Badgerline Group Plc.

#### RE-ELECTION OF DIRECTORS

The Board has recommended the re-election of Tom Boardman, Mike Leeming, Chris Nissen, Thina Siwendu and Norman Thomson.

A formal assessment of the performance evaluation of each of the retiring directors was carried out together with an independence test. All of the non-executive directors have been considered independent and their judgement is considered unaffected or unimpaired by either their length of service on the Board or their direct or indirect financial interests.

We would be delighted to have the retiring directors re-elected to the Board.

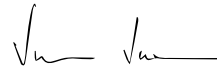
**NON-EXECUTIVE DIRECTORS' FEES**

We have considered the King III recommendation that non-executive directors' fees should comprise a base fee and an attendance fee per meeting. We believe that the fees should recognise the responsibilities of the directors to provide input on an ongoing basis throughout the year and not just confined to attendance at meetings. Therefore we are recommending an annual fee structure.

A webcast facility will be provided to allow shareholders to listen to the proceedings of the annual general meeting. Shareholders will be able to access the webcast through our website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za) on the day of the meeting.

**QUESTIONS**

If you have any questions you would like to address to the members of the Board but you are unable to attend the meeting, you have an opportunity to send your questions prior to the meeting date. You can send your question to Thobeka Sishuba-Mashego on e-mail: [thobekasishuba-mashego@woolworths.co.za](mailto:thobekasishuba-mashego@woolworths.co.za), and they will be answered on the day of the meeting. All questions should be sent by 9 November 2012.

**Simon Susman**

(Incorporated in the Republic of South Africa)  
(Registration number 1929/001986/06)  
Share code: WHL ISIN: ZAE000063863  
("Woolworths" or "the company")



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 annual general meeting of shareholders of the company will be held at 09:00 in the Auditorium, 1st Floor, Woolworths House, 93 Longmarket Street, Cape Town, 8001, on Thursday, 15 November 2012 to consider and if thought fit, to pass with or without amendment the following ordinary and special resolutions as well as such other matters as may be required to be dealt with at the annual general meeting in terms of the Companies Act, 2008, as amended ("Companies Act"):

### 1. ORDINARY RESOLUTION NUMBER 1 – ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

"Resolved as an ordinary resolution that the Annual Financial Statements of the company and the Group annual financial statements for the year ended 24 June 2012, including the reports of the audit committee, the directors and independent auditors, be and are hereby received and adopted."

### 2. ORDINARY RESOLUTION NUMBER 2 – REAPPOINTMENT OF AUDITORS

"Resolved as an ordinary resolution that Ernst & Young Inc. and NEXIA SAB&T be and are hereby reappointed as the joint auditors of the company until the conclusion of the next annual general meeting of the company."

### 3. ORDINARY RESOLUTION NUMBER 3 – RE-ELECTION OF DIRECTORS

"Resolved as an ordinary resolution that each of the following directors, who retire in accordance with the company's Memorandum of Incorporation and, being eligible, offer themselves for re-election, each by way of a separate vote, be and are hereby re-elected as a director:

- 3.1 Mr Tom Boardman;
- 3.2 Mr Mike Leeming;
- 3.3 Mr Chris Nissen;
- 3.4 Ms Thina Siwendu; and
- 3.5 Mr Norman Thomson."

Brief biographies in respect of each director offering himself/herself for re-election are set out on pages 110 to 112 of the Integrated Report of which this notice convening the annual general meeting forms part.

### 4. ORDINARY RESOLUTION NUMBER 4 – ELECTION OF DIRECTOR

"Resolved as an ordinary resolution that Mr Andrew Higginson who was appointed since the last annual general meeting be and is hereby elected as a director."

A brief biography in respect of Mr Andrew Higginson is set out in the chairman's letter to shareholders on page 114 of the Integrated Report of which this notice convening the annual general meeting forms part.

### 5. ORDINARY RESOLUTION NUMBER 5 – ELECTION OF AUDIT COMMITTEE MEMBERS

"Resolved as an ordinary resolution that the following directors, each by way of separate vote, be and are hereby elected as members of the company's audit committee until the conclusion of the next annual general meeting of the company:

- 5.1 Ms Lindiwe Bakoro;
- 5.2 Mr Peter Bacon;
- 5.3 Ms Zarina Bassa;
- 5.4 Mr Andrew Higginson\*; and
- 5.5 Mr Mike Leeming\*\*.

\* Subject to his election as a director pursuant to ordinary resolution number 4.

\*\* Subject to his re-election as a director pursuant to ordinary resolution number 3.2.

## 6. NON-BINDING ADVISORY RESOLUTION NUMBER 6 – APPROVAL OF REMUNERATION POLICY

“Resolved as an ordinary resolution, by way of a non-binding advisory vote, that the company’s remuneration policy, as set out on pages 84 to 90 of the Integrated Report of which the notice convening the annual general meeting forms part, be and is hereby approved in terms of the King Report on Corporate Governance for South Africa 2009.”

## 7. SPECIAL RESOLUTION NUMBER 1 – REMUNERATION FOR THE NON-EXECUTIVE DIRECTORS

“Resolved as a special resolution that the remuneration payable to non-executive directors for the period 1 January 2013 to 31 December 2013, details of which are set out on page 83 of the Integrated Report of which this notice convening the annual general meeting forms part, be and is hereby approved.”

## 8. SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO REPURCHASE SHARES

“Resolved as a special resolution that the company and its subsidiaries be and are hereby granted general authority in terms of the Listings Requirements of the JSE Limited (“JSE”) for the acquisition by the company and/or its subsidiaries of securities (as that term is defined in the Companies Act, 2008, as amended (“Companies Act”)) issued by the company, on such terms and conditions as the directors may deem fit, subject to compliance with the provisions of section 48 read with section 46 of the Companies Act, provided that:

- 8.1 all such acquisitions shall be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty, reported trades being prohibited;
- 8.2 such general authority shall be valid only until the next annual general meeting of the company or the expiry of a period of 15 months from the date of this resolution, whichever occurs first;

- 8.3 such acquisitions may not be made at a price greater than 10% above the weighted average of the market value for the securities on the JSE for the five business days immediately preceding the date on which the transaction for the acquisition is effected;
- 8.4 when the company has cumulatively repurchased 3% of the initial number (the number of that class of securities in issue at the time that this general authority is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, a press announcement must be made containing the details required in terms of the Listings Requirements of the JSE in respect of such acquisitions;
- 8.5 no repurchase of securities shall be effected during a prohibited period as contemplated in the Listings Requirements of the JSE unless the company or its subsidiaries have in place a repurchase programme where the date and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS (the Securities Exchange News Service) prior to the commencement of the prohibited period;
- 8.6 the Board of directors shall have authorised the acquisition, the company shall have passed the solvency and liquidity test in terms of section 4 of the Companies Act and from the time that the solvency and liquidity test was done, no material changes to the financial position of the group shall have occurred;
- 8.7 the company only appoints one agent to effect any acquisitions on its behalf;
- 8.8 the aggregate of such acquisitions undertaken by the company may not, in any one financial year, exceed 5% of the company’s issued share capital of that class in any one financial year; and
- 8.9 the aggregate of such acquisitions by subsidiaries of the company may not result in such subsidiaries holding more than 10% of the company’s issued share capital.”



## 9. SPECIAL RESOLUTION NUMBER 3 – FINANCIAL ASSISTANCE TO RELATED OR INTERRELATED COMPANIES OR CORPORATIONS

“Resolved as a special resolution that, to the extent required in terms of, and subject to the provisions of, section 45 of the Companies Act, 2008, as amended and the requirements (if applicable) of the company’s Memorandum of Incorporation and the Listings Requirements of the JSE Limited, the provision by the company at any time and from time to time during the period of two years commencing on the date of the adoption of this special resolution, of direct or indirect financial assistance (whether by way of loan, guarantee, the provisions of security or otherwise), to any related or interrelated company or corporation of the company, on such terms and conditions as the directors (or any one or more persons authorised by the directors from time to time for such purpose) may deem fit, be and is hereby approved.”

## 10. SPECIAL RESOLUTION NUMBER 4 – ISSUE OF SHARES OR OPTIONS AND GRANT OF FINANCIAL ASSISTANCE IN TERMS OF THE COMPANY’S SHARE-BASED INCENTIVE SCHEMES

“Resolved as a special resolution that, to the extent required in terms of, and subject to the provisions of, sections 41, 42, 44 and 45 of the Companies Act, 2008, as amended and the requirements (if applicable) of the company’s Memorandum of Incorporation and the Listings Requirements of the JSE Limited:

- 10.1 the issue by the company of shares or securities convertible into shares, or the grant by the company of options for the allotment or subscription of shares or other securities of the company or the grant of any other rights exercisable for securities of the company; and/or
- 10.2 the provision by the company of direct or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) in connection with the subscription of any option or any securities issued or to be issued by the company or by a related or interrelated company or for the purchase of any securities of the company or of a related or interrelated company, at any time and from time to time during the period of two years commencing on the date of

the adoption of this special resolution, to the Woolworths Holdings Share Trust or to a director, future director, prescribed officer or future prescribed officer of the company or to a person related or interrelated to the company or to a director or prescribed officer of the company or to their respective nominees, in accordance with the provisions of the Woolworths Holdings Share Trust and/or in accordance with the provisions of any other share-based incentive scheme established by the company, be and is hereby approved.”

## 11. SPECIAL RESOLUTION NUMBER 5 – APPROVAL AND ADOPTION OF MEMORANDUM OF INCORPORATION

“Resolved as a special resolution that the Memorandum of Incorporation, in the form of the draft tabled at the annual general meeting at which this resolution will be considered and which has been initialled by the chairman of such meeting for purposes of identification, be and is hereby adopted as the new Memorandum of Incorporation of the company in substitution for and to the exclusion of the company’s existing Memorandum of Incorporation.”

### EXPLANATORY NOTES

The reasons for and the effect of the resolutions contained in this notice are set out in the explanatory notes forming part of this notice of annual general meeting read with the Chairman’s letter to shareholders.

### IDENTIFICATION

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the annual general meeting, that person must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of the person to participate in and vote at the annual general meeting, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified.

### RECORD DATES

The directors have determined that the record date on which a shareholder must be registered in the company’s share register in order to:

- receive notice of the annual general meeting is Friday, 7 September 2012; and
- participate in and vote at the annual general meeting is Friday, 12 November 2012..

## VOTING REQUIREMENTS

Each ordinary resolution to be considered at the annual general meeting requires the support of more than 50% of the voting rights exercised on the resolution in order to be adopted.

Each special resolution to be considered at the annual general meeting requires the support of at least 75% of the voting rights exercised on that resolution, in order to be adopted.

The Trustees of The Woolworths Employee Share Ownership Trust ("Trust"), as the owner of the unlisted convertible, redeemable, non-cumulative, participating preference shares in the company, will consult with the beneficiaries under the Trust on the resolutions which will be considered at the annual general meeting in order to ascertain the views of such beneficiaries on the manner in which the Trust should exercise its voting rights, as preference shareholder, in respect of such resolutions.

On a show of hands, every shareholder, present in person or represented by proxy, shall have one vote only. On a poll, every shareholder, present in person or represented by proxy, shall have one vote for every share held or represented.

Any ordinary shareholder who holds dematerialised ordinary shares in the company and has not selected "own name" registration, should contact his Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in such shareholder's agreement with his CSDP or broker in order to furnish him with such shareholder's voting instruction and, in the event that such shareholder wishes to personally attend the annual general meeting, in order to obtain the necessary authority to do so.

## PROXIES

Any shareholder who holds certificated ordinary shares in the company or who holds dematerialised ordinary shares in the company through a CSDP or broker and who has selected "own name" registration and any preference shareholder, may attend, participate in and vote at the annual general meeting (and at any adjournment thereof) or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, acting in the alternative, to attend, participate in and vote or abstain from voting at the annual general meeting and at any adjournment thereof, in such ordinary or preference shareholder's stead.

A proxy form is enclosed for use by such ordinary shareholders and by the preference shareholders. Such proxy form, duly completed, must be forwarded to reach

the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 or be posted to them at PO Box 61051, Marshalltown, 2107, to be received, in either case, by no later than 09:00 on 13 November 2012.

## \*AVAILABILITY OF THE INTEGRATED REPORT

Copies of the Integrated Report for the year ended 24 June 2012 may be obtained from the registered office of the company, Woolworths House, 93 Longmarket Street, Cape Town, 8001, during normal business hours from 17 September 2012 to and including 15 November 2012, or may be viewed on the company's website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

## \*AVAILABILITY OF THE AUDITED ANNUAL FINANCIAL STATEMENTS

A copy of the abridged audited financial statements is set out on pages 54 to 59 of the Integrated Report. Copies of the audited annual financial statements for the year ended 24 June 2012 may be obtained from the registered office of the company, Woolworths House, 93 Longmarket Street, Cape Town, 8001, during normal business hours from 17 September 2012 to and including 15 November 2012, or may be viewed on the company's website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

## AVAILABILITY OF THE EXISTING AND PROPOSED NEW MEMORANDUMS OF INCORPORATION OF THE COMPANY

Copies of the existing and proposed new Memorandums of Incorporation of the company may be inspected at the registered office of the company, Woolworths House, 93 Longmarket Street, Cape Town, 8001, during normal business hours from 17 September 2012 to and including 15 November 2012. They may also be accessed on the company's website [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

## ELECTRONIC COMMUNICATION

Please note that the company intends to make provision for shareholders of the company, or their proxies, who are entitled to attend the meeting, to participate in the annual general meeting by way of electronic communication.



By order of the Board  
**T Sishuba-Mashego**

Group secretary

Cape Town  
22 August 2012



\*The Integrated Report for the year ended 24 June 2012



\*The audited financial statements for the year ended 24 June 2012

# ANNUAL GENERAL MEETING EXPLANATORY NOTES

## 1. REAPPOINTMENT OF AUDITORS

Ernst & Young Inc. and NEXIA SAB&T have indicated their willingness to continue as external auditors of the company for the 2013 financial year and ordinary resolution number 2 proposes the reappointment of these firms as the company's external auditor until the conclusion of the next annual general meeting.

At the company's audit committee meeting held on 20 August 2012, the committee considered the independence of the external auditors in terms of the Companies Act. The committee was satisfied that the joint external auditors, Ernst & Young and NEXIA SAB&T are independent of the group. The external auditors confirmed that they had complied with the ethical requirements regarding independence and were considered independent with respect to the group as required by the Codes endorsed and administered by the Independent Regulatory Board for Auditors, the South African Institute of Chartered Accountants and the International Federation of Accountants.

Accordingly the committee has nominated, for approval, Ernst & Young and NEXIA SAB&T as the external auditors for the 2013 financial year. The committee is satisfied that the audit firms are accredited to appear on the JSE List of Accredited Auditors.

## 2. RE-ELECTION OF DIRECTORS

In accordance with the company's Memorandum of Incorporation, one-third of the directors are required to retire by rotation at each annual general meeting and may offer themselves for re-election. Accordingly, Mr Tom Boardman, Mr Mike Leeming, Mr Chris Nissen, Ms Thina Siwendu and Mr Norman Thomson retire from the Board by rotation in accordance with article 15.1.

\*A brief biography in respect of each director offering himself/herself for re-election is contained on pages 110 to 112 of this Integrated Report.

The Board of directors of the company has reviewed the composition of the Board against corporate governance, sustainability and transformation requirements and has recommended the re-election of the directors listed above.

Accordingly, the Board recommends to shareholders the re-election of each of the retiring directors referred to in ordinary resolution number 3, by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act.

## 3. ELECTION OF DIRECTOR

The company wishes to propose that Mr Andrew Higginson who was appointed since the last annual general meeting be elected as a director.

A brief biography of Mr Andrew Higginson is contained on page 111 of this Integrated Report.



Page 111 for a brief biography of Mr Andrew Higginson

## 4. ELECTION OF AUDIT COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act, the audit committee must be elected by the shareholders at each annual general meeting. Further, Chapter 3 of the King Report on Governance for South Africa 2009 (King III) requires the shareholders of a public company to elect the members of an audit committee at each annual general meeting. Accordingly, the nominations committee should present shareholders with suitable candidates for election as audit committee members.

In terms of the Companies Regulations, at least one-third of the members of the company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The nominations committee and the Board are satisfied that the proposed members have the relevant experience.



\*Pages 110 to 112 for a brief biography of each director

At a meeting of the nominations committee held on 21 August 2012, the committee satisfied itself that, among others, directors offering themselves for election as members of the company's audit committee comply with the Companies Act and King III in that they:

- are independent non-executive directors as contemplated in King III and the JSE Listings Requirements;
- are suitably qualified and experienced to be members of the audit committee;
- collectively possess skills which are appropriate to the company's size and circumstances, as well as its industry; and
- have an understanding of International Financial Reporting Standards and other financial and sustainability reporting standards, regulations and guidelines applicable to the company.



Page 81 for further information on the performance of the audit committee

For further information on the performance of the audit committee please refer to the audit committee report on page 81 of the Integrated Report.

## 5. APPROVAL OF REMUNERATION POLICY

In terms of King III, companies are required to table their remuneration policy to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on remuneration policies adopted in the remuneration of executive directors.



Page 92 for remuneration of all non-executive directors

The company's remuneration policy which is set out on pages 84 to 90 of this Integrated Report deals with, among others, the company's policy towards remuneration, reward as percentage of total remuneration and strategy and guidelines on the various components making up the remuneration packages of the company, including the remuneration arrangements in place for the non-executive directors.



Pages 84 to 90 for the company's remuneration policy

Ordinary resolution number 6 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when considering the company's remuneration policy.

## 6. REMUNERATION FOR THE NON-EXECUTIVE DIRECTORS

Section 66(9) read with section 66(8) of the Companies Act, 2008, as amended ("Companies Act") requires that remuneration paid by a company to its directors for their service as directors may only be paid in accordance with a special resolution approved by the shareholders of the company within the previous two years.

Special resolution number 1 is required to obtain the approval of the company, in general meeting, of remuneration payable to non-executive directors for the period 1 January 2013 to 31 December 2013, details of which are set out on page 83 of this Integrated Report. The approval of shareholders is being sought to ensure that the remuneration paid to the non-executive directors of the company will remain adequate for the purposes of attracting persons of sufficient calibre and skill to serve as non-executive directors of the company.

This resolution is recommended by the company's Board of directors. Full particulars of all remuneration of non-executive directors for their services as directors, paid during the past year are contained on page 92 of this Integrated Report.

The company's remuneration committee is satisfied that the non-executive directors' remuneration is relative to the remuneration paid to non-executive directors of similar-sized public listed companies in South Africa for their service as directors.

## 7. GENERAL AUTHORITY TO REPURCHASE SHARES

Special resolution number 2 seeks to provide a general approval and authority in terms of the Listings Requirements of the JSE for the acquisition by the company and/or its subsidiaries of securities (as that term is defined in the Companies Act), issued by the company.

The directors consider that such general authority should be put in place in order to facilitate the repurchase of the company's securities should an opportunity to do so, which is in the best interests of the company and its shareholders, present itself during the ensuing year.

The directors undertake that the company will not commence a general repurchase of the maximum number of securities in terms of the general authority, unless the directors, after considering the effect of such maximum repurchase, are satisfied that for a period of 12 months after the date of the general repurchase:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group;
- the company's and the group's ordinary share capital, reserves and available working capital will be adequate for ordinary business purposes;
- the working capital of the company and the group will be adequate for ordinary business purposes; and
- upon entering the market to proceed with the acquisition, the company's sponsor has confirmed the adequacy of the company's and the group's working capital for the purposes of undertaking a repurchase of securities, in accordance with the Listings Requirements of the JSE.

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### **8. FINANCIAL ASSISTANCE TO RELATED OR INTERRELATED COMPANIES OR CORPORATIONS**

Section 45 of the Companies Act authorises the company to provide direct or indirect financial assistance to any one or more related or interrelated companies or corporations, directors or prescribed officers of the company or of a related or interrelated company.

Section 45 of the Act further provides that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the Board of directors must be satisfied that:

- (a) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
- (b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

Special resolution number 3 is, accordingly, being proposed to grant the requisite authority for financial assistance to related and interrelated companies only. Special resolution number 4 relates to such financial assistance to directors and prescribed officers for the purpose of share incentive schemes.

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### **9. ISSUE OF SHARES OR OPTIONS AND GRANT OF FINANCIAL ASSISTANCE IN TERMS OF THE COMPANY'S SHARE-BASED INCENTIVE SCHEMES**

The Companies Act has established additional requirements for the allotment and issue of shares or the grant of options in respect of shares or the provision of financial assistance for the purposes of the various share incentive schemes previously established and adopted by the company. To the extent that the existing authorities granted by shareholders to the company in respect of the implementation and administration of such share incentive schemes may not meet these new and additional requirements, the directors consider it prudent that shareholders be requested to provide the approvals as now required by the Companies Act in order to ensure that the company is in a position to comply with its obligations under such schemes.

Special resolution number 4 is, accordingly, being proposed to grant the requisite authority and approval in terms of the Companies Act, to the extent necessary, having regard to the relevant requirements of the Companies Act, for the company to issue shares, grant options to, or purchase shares on the market for, directors, former directors and future directors in order to ensure that the company is in a position to comply with its obligations under such schemes in terms of the various incentive schemes previously established and adopted by the company.

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### **10. APPROVAL AND ADOPTION OF MEMORANDUM OF INCORPORATION**

The Companies Act has established new and additional requirements for public companies.

Special resolution number 5 seeks to provide a general approval and authority for the adoption of a new Memorandum of Incorporation.

(Incorporated in the Republic of South Africa)  
 (Registration number 1929/001986/06)  
 Share code: WHL ISIN: ZAE000063863  
 ("Woolworths" or "the company")

# WHL

## FOR USE ONLY BY:

- holders of certificated ordinary shares in the company;
- holders of dematerialised ordinary shares in the company held through a Central Securities Depository Participant (CSDP) or broker and who have selected "own name" registration; and
- the holder of the convertible, redeemable, non-cumulative participating preference shares in the company ("preference shares"),

at the annual general meeting of the company to be held in the Auditorium, 1st Floor, Woolworths House, 93 Longmarket Street, Cape Town, 8001 at 09:00 on Thursday, 15 November 2012 and at any adjournment thereof ("annual general meeting").

If you are a shareholder referred to above, and are entitled to attend and vote at the annual general meeting, you can appoint a proxy or proxies to attend, vote and speak in your stead at the annual general meeting. A proxy need not be a shareholder of the company.

If you are an ordinary shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary authority to attend the annual general meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with it.

I/We (full names in block letters) \_\_\_\_\_

Of (address) \_\_\_\_\_

being a holder/s of ordinary/preference shares in the company (delete whichever is inapplicable), hereby appoint (see note 1)

1. \_\_\_\_\_ of \_\_\_\_\_ failing him/her,
2. \_\_\_\_\_ of \_\_\_\_\_ failing him/her,
3. the chairman of the company, or failing him the chairman of the annual general meeting, as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf, as indicated below, at the annual general meeting and/or at any adjournment thereof –

Resolution	For	Against	Abstain
1. Ordinary resolution 1 – adoption of the Annual Financial Statements			
2. Ordinary resolution 2 – reappointment of joint auditors			
3. Ordinary resolution 3 – re-election of directors			
3.1 Mr Tom Boardman			
3.2 Mr Mike Leeming			
3.3 Mr Chris Nissen			
3.4 Ms Thina Siwendu			
3.5 Mr Norman Thomson			
4. Ordinary resolution 4 – election of Andrew Higginson as a director			
5. Ordinary resolution 5 – election of audit committee members			
5.1 Ms Lindiwe Bakoro			
5.2 Mr Peter Bacon			
5.3 Ms Zarina Bassa			
5.4 Mr Andrew Higginson			
5.5 Mr Mike Leeming			
6. Non-binding advisory resolution 6 – approval of remuneration policy			
7. Special resolution 1 – remuneration for the non-executive directors			
8. Special resolution 2 – general authority to repurchase shares			
9. Special resolution 3 – financial assistance to related or interrelated companies or corporations			
10. Special resolution 4 – issue of shares or options and grant of financial assistance in terms of the company's share-based incentive schemes			
11. Special resolution 5 – approval and adoption of Memorandum of Incorporation			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares which you desire to vote (see note 2).

This proxy shall be valid only for the annual general meeting of shareholders of the company to be held on Thursday, 15 November 2012 and any adjournment thereof.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Assisted by me (if applicable) \_\_\_\_\_

**Please read the notes on the reverse side hereof.**



### NOTES

A shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.

1. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting the words "the chairman of the company, or failing him the chairman of the annual general meeting". The person whose name appears first on the proxy form and who is present at the annual general meeting, will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box or, if a shareholder wishes the proxy to cast votes in respect of a lesser number of shares than the shareholder owns, the requisite number of shares should be inserted in the appropriate box. Failure to comply with the above will be deemed to authorise and instruct the chairman of the company, or failing him the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions concerned at the annual general meeting, or any other proxy to vote or abstain from voting at the annual general meeting as he deems fit, in respect of the shareholder's total holding.
3. The completion and lodging of this form of proxy will not preclude a shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
4. In case of joint holders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the company's register of shareholders in respect of the joint holding.
5. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the Chairman of the annual general meeting.
7. Any alteration or correction to this form of proxy must be initialled by the signatory/ies.
8. Forms of proxy must be lodged with or posted to the company, c/o Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 09:00 on Tuesday, 13 November 2012.
9. The appointment of a proxy or proxies:
  - (a.) is suspended at any time and to the extent that a shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  - (b.) is revocable, in which case a shareholder may revoke the proxy appointment by:
    - (i.) cancelling it in writing or making a later inconsistent appointment of a proxy; and
    - (ii.) delivering a copy of the revocation instrument to the proxy and to the company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
  - (c.) if the instrument appointing a proxy or proxies has been delivered to the company's transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act, 2008, as amended or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
    - (i.) the shareholder; or
    - (ii.) the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so.

## CONTACT DETAILS

We appreciate any feedback on our integrated report.

**Please contact the head of investor relations or group secretary:**

E-mail: [investorrelations@woolworths.co.za](mailto:investorrelations@woolworths.co.za) or [thobekasishuba-mashego@woolworths.co.za](mailto:thobekasishuba-mashego@woolworths.co.za)

**For more information see:**

[www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za)

[www.woolworths.co.za](http://www.woolworths.co.za)

[www.countryroad.com.au](http://www.countryroad.com.au)

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