Unaudited group results for the twenty-six weeks ended December





income statement

Year ender 30 June 200 Restated			eks ended cember Restated	
Rm	Notes	2005 Rm	2004 Rm	% Change
12 988.9	Revenue	7 415.3	6 353.1	16.7%
12 220.7	Turnover	6 995.0	6 016.6	16.3%
8 207.6	Cost of merchandise	4710.1	4 036.0	16.7%
4013.1	Gross profit	2 284.9	1 980.6	15.4%
768.2 3 550.0	Other revenue Expenses	420.3 I 974.9	336.5 I 706.7	24.9% 15.7%
254.5	Depreciation	132.9	123.6	7.5%
609.8	Occupancy cost	337.2	302.3	11.5%
1 460.0	Employment cost	805.I	705.4	14.1%
225.7	Other operating cost	699.7	575.4	21.6%
23 .3	Operating profit	730.3	610.4	19.6%
152.7	Finance costs	113.8	62.0	83.5%
299.5	Net profit before tax Tax 3	616.5 194.2	548.4 161.0	12.4% 20.6%
779.1	Net profit after tax	422.3	387.4	9.0%
	Attributable to:			
776.9	Ordinary shareholders Outside shareholders	421.3	386.7	8.9%
2.2		1.0	0.7	42.9%
776.9	Reconciliation of headline earnings Attributable earnings	421.3	386.7	8.9%
	(Profit)/loss on disposal of property, plant			
0.9	and equipment net of outside shareholders' interest	(2.2)	(0.6)	
(7.9) (15.5)	Profit on disposal of investment in unit trust Reversal of provision for impairment of property	_	_	
0.5	Provision for impairment of plant and equipment	_	_	
4.1	Foreign exchange loss realised on repayment of loan			
4.1 759.0	by subsidiary	419.1	386.1	0 E 0/
89.4	Headline earnings	53.1	44.4	8.5%
91.5	Headline earnings per share (cents) Earnings per share (cents)	53.3	44.5	19.8%
87.3	Diluted headline earnings per share (cents) 4	51.9	42.6	21.8%
89.4	Diluted earnings per share (cents) 4	52.2	42.7	22.2%
54.0 1.7	Distribution per share (cents) Distribution cover (based on earnings per share)	24.0 2.2	18.5 2.4	29.7%
787.2	Number of shares in issue (millions)	796.2	870.7	(8.6%)
849.4	Weighted average number of shares in issue (millions)	789.8	869.7	(9.2%)
	GROUP ANALYSIS			
12 220.7	Revenue Turnover	6 995.0	6 016.6	16.3%
11 238.6	Woolworths	6 488.9	5 546.0	17.0%
5 349.5	 Clothing and home 	3 024.4	2 685.6	12.6%
5 666.0	- Food	3 329.1	2 753.1	20.9%
223.1	 Logistics services and other 	135.4	107.3	26.2%
982.1	Country Road	506. I	470.6	7.5%
641.7 126.5	Interest Other revenue	348.6 71.7	288.6 47.9	20.8% 49.7%
12 988.9		7 415.3	6 353.1	16.7%
	Operating profit			
1 206.9	Woolworths	720.1	602.4	19.5%
24.4	Country Road	10.2	8.0	27.5%
23 .3		730.3	610.4	19.6%

balance sheet

As at 30 June 200 Restated	5		As at cember Restated
		2005	2004
Rm		Rm	Rm
2 002.0	ASSETS Non-current assets	2 190.9	1 998.8
I 304.0 72.2 2.6 203.9	Property, plant and equipment Investment property Investments Loans to customers	1 421.2 72.2 2.6 228.6	1 262.4 56.7 24.2 192.8
79.3 146.9 193.1	Participation in export partnerships Other loans Deferred tax	62.4 191.7 212.2	164.4 164.7 133.6
5 37.	Current assets	5 808.4	4 772.6
683.0 2 590.8 309.6 788.4 539.8 225.5	Inventories Woolworths card debtors Credit card receivables Accounts receivable Loans to customers Cash	865.7 2 788.7 405.5 877.9 587.8 282.8	801.4 2 466.1 233.7 604.7 495.8 170.9
7 39.		7 999.3	6 771.4
2 210.9	EQUITY AND LIABILITIES Capital and reserves	2 343.3	2 914.9
2 184.7	Ordinary shareholders' interest Outside shareholders' interest	2 316.2	2 893.9 21.0
3 088.7	Non-current liabilities	3 098.6	209.3
2 400.0 417.3 181.3 90.1	Interest-bearing borrowings Operating lease accrual Post-retirement medical aid liability Deferred tax	2 400.0 428.3 193.2 77.1	500.0 404.1 169.5 135.7
839.5	Current liabilities	2 557.4	2 647.2
519.8 17.5 202.2	Accounts payable Provisions Interest-bearing borrowings	1 969.1 105.5 482.8	523.3 95.2 028.7
7 39.	Total equity and liabilities	7 999.3	6 771.4
277.5	Net asset book value – per share (cents)	290.9	332.4
7 39.	GROUP ANALYSIS Total assets	7 999.3	6 758.3
6 754.4 384.7	Woolworths Country Road	7 610.5	6 390.4 367.9
683.0	Inventories	865.7	801.4
563.0 120.0	Woolworths Country Road	711.0	705.4 96.0
643.2	Approved commitments for capital expenditure	448.8	141.6
598.2 45.0	Woolworths Country Road	442.0 6.8	127.5 14.1

highlights

Revenue up	16.7%
Operating profit up	19.6%
HEPS up	19.6%
Dividend per share up	29.7%
ROE up to	37.2%



statement of changes in equity

Year ended 30 June 2005		Ordinary	Ordinary Outside		eks ended cember
Restated		shareholders' sh		Total 2005	Restated 2004
Rm		interest Rm	interest Rm	Rm	Rm
2 708.1	Shareholders' interest at the beginning of the period Movements for the period:	2 184.7	26.2	2 210.9	2 708.1
63.2	Issue of shares	48.3	-	48.3	46.4
(1 002.0)	Share repurchase	_	-	-	-
(18.4)	Cost of capital restructuring		_	-	-
460.0	Recognised gains and losses	83.2	0.9	84. I	160.4
418.5	Distributable reserves	134.9	1.0	135.9	165.6
779.1 (384.2)	Net profit for the period Distributions to shareholders	421.3 (282.3)	1.0 _	422.3 (282.3)	387.4 (221.8)
3.2 0.4	Net fair value adjustments on financial instruments Share-based payments	(12.2) 8.1	-	(12.2) 8.1	(4.8) 4.8
41.5	Non-distributable reserves Exchange differences on translation of foreign operations	(51.7)	(0.1)	(51.8)	(5.2)
2 210.9	Shareholders' interest at the end of the period	2 316.2	27.1	2 343.3	2 914.9

WOOLWORTHS HOLDINGS LIMITED

cash flow statement

Year ended 30 June 200		Dec	ks ended ember
Restated Rm		2005 Rm	Restated 2004 Rm
996.5 (228.4) (722.0)	Cash flow from operating activities Cash inflow from trading Working capital movements Cash applied to financial services assets	515.1 90.0 (336.7)	494.8 (118.1) (456.4)
46.1 638.0 (149.9) (314.6)	Cash generated/(utilised) by operating activities Interest received Finance costs paid Tax paid	268.4 348.6 (115.7) (228.9)	(79.7) 287.5 (62.0) (170.3)
219.6 (384.2)	Cash generated/(utilised) by operations Distributions to shareholders	272.4 (282.3)	(24.5) (221.8)
(164.6)	Net cash outflow from operating activities	(9.9)	(246.3)
(312.6)	Cash outflow from investing activities	(254.4)	(207.2)
63.2 500.0 (1 002.0) 1 900.0 (18.4)	Notes issued	48.3 - - - -	46.4 500.0 _ _
442.8	Net cash inflow from financing activities	48.3	546.4
965.6 (949.9) 7.6	(Decrease)/increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period Effect of foreign exchange rate changes	(216.0) 23.3 (7.3)	92.9 (949.9) (0.8)
23.3	Cash and cash equivalents at the end of the period	(200.0)	(857.8)
996.5	GROUP ANALYSIS Cash inflow from trading	515.1	494.8
952.1 44.4	Woolworths Country Road	506.9 8.2	468.6 26.2

notes

Basis of preparation and IFRS adoption

The interim financial statements comply with IAS 34 (AC127) of International Financial Reporting Standards (IFRS)

In accordance with the listing requirements of the JSE Limited the group is adopting IFRS with effect from 1 July 2005. As the group publishes comparative information in its financial statements, the date of transition to IFRS is 1 July 2004, which represents the start of the earliest period of comparative information presented. The financial information has been prepared in accordance with IFRS and interpretations in effect on 1 July 2005.

Accounting policies used are consistent with those used in the published June 2005 annual financial statements, except where accounting policies have changed as a result of the first-time adoption of IFRS as noted below

1.1 Foreign currency translations

Foreign operations are subsidiaries of the group based in a country or currency other than that of the holding company.

Foreign operations are translated from their functional currency into South African rands at the rates of exchange ruling at the balance sheet date in respect of balance sheet items, and at an average rate per month in respect of income statement items. Gains and losses on the translation of foreign operations' balance sheet items are taken directly to non-distributable reserves

The change in translation method for foreign subsidiaries has resulted in a reclassification of foreign exchange losses between retained profits and the foreign currency translation reserve, both of which form part of equity.

1.2 Property, plant and equipment

The useful lives and residual values of assets are reviewed annually. This requirement has resulted in a lower depreciation charge and a reversal of accumulated depreciation.

1.3 Investment property

Property which the group holds to earn rental income or for capital appreciation is classified as investment property.

Investment properties are initially recognised at cost. Subsequently they are stated at cost less accumulated depreciation and any impairment in value.

Transfers are made from or to investment properties when there is a change in use of the property. 1.4 Financial instruments

Financial assets are subject to impairment when there is objective evidence that a loss event has impacted the estimated future cash flows to be received from that asset

1.5 Transitional arrangements

IFRS I - First-time adoption of IFRS requires full retrospective application of the standards with the exception of certain optional and mandatory exemptions. The exemptions as noted below have been elected.

1.5.1 Employee benefits - Previously unrecognised actuarial losses of R7.3m relating to the postretirement medical aid liability have been included in the liability at the transition date.

segmental analysis

Year ended 30 June 2005	5		26 weeks ended December Restated		
Restated		2005			
Rm		2005 Rm	2004 Rm	% Change	
T M H			T M H	Change	
	Revenue Retail				
288.4	Woolworths	6 511.2	5 559.1	17.1%	
995.1	Country Road	510.8	474.4	7.7%	
773.9	Financial services	430.0	354.3	21.4%	
(68.5)	Intragroup	(36.7)	(34.7)		
12 988.9	Total group	7 415.3	6 353.1	16.7%	
	Net profit before tax				
	Retail				
858.7	Woolworths	532.7	441.3	20.7%	
20.7	Country Road	8.0	6.1	31.1%	
199.2	Financial services	75.8	101.0	(25.0%	
1 078.6	Total group	616.5	548.4	12.4%	
	Capital and reserves Retail				
984.4	Woolworths	1 003.8	879.5	14.1%	
234.2	Country Road	199.1	188.4	5.7%	
992.3	Financial services	I 140.4	1 847.0	(38.3%	
2 210.9	Total group	2 343.3	2914.9	(19.6%	
	Return on Equity				
%		%	%		
	Retail				
71.7	Woolworths	72.0	75.9		
10.3	Country Road	7.7	6.8		
9.5	Financial services	10.1	8.2		
31.2	Total group	37.2	27.6		

commentary

group results

The board wishes to announce another set of solid results. The headline earnings per share for the twenty-six weeks to December 2005 increased 19.6% (23.9% prior to the non-comparable STC payment) from 44.4 cents to 53.1 cents per share. The return on equity grew to 37.2% from 27.6%. A dividend of 24.0 cents per share has been declared representing an increase of 29.7% over the same period last year. The uplift in the level of the dividend reflects the decision of the board to increase the proportion of the dividend payable at the interim period. For the full financial year we aim to maintain the dividend cover at around 1.7 times earnings.

trading environment

In South Africa the retail environment remained robust due to stable interest rates, low inflation, continued growth of the emerging black market and an increase in consumers' real disposable income. This trend is expected to continue.

financial review

Group revenue has increased by 16.7% to R7.4bn.

Operating profit for the group increased by 19.6% to R730.3m with an improvement in operating margin from 9.6% to 9.8%. This has been achieved despite our investment in initiatives which are designed to enhance future growth including the World of Difference loyalty programme, an accelerated store development plan and a customer service improvement project.

The group's gross profit percentage decreased from 32.9% to 32.7% as a result of the change in mix of our different businesses

The share repurchase in March 2005 has resulted in an increase in borrowings over the same period last year and a substantial increase in finance costs. The positive effect of the capital restructuring is reflected in the increase in headline earnings per share and an enhanced return on equity.

Headline earnings per share has been impacted by 1.9 cents per share due to an increase in the effective tax rate as a result of STC payable on the dividend paid in September 2005. The comparative effective tax rate for the year will be further impacted by the STC payable on the dividend in March 2006.

woolworths operating review

RETAIL

Clothing and home grew sales by 12.6% in total and 8.2% in comparable stores, with an average deflation rate of approximately 2.3%. There was good growth in



womenswear, attributable to the successful implementation of our new design-led WOOLWORTHS process, which ensures that our offering meets the taste requirements of both our the difference modern and classic customers. This process is currently being rolled out to other departments.

Childrenswear also experienced good growth by providing improved value and a better range structuring. Food continued to perform exceptionally well and sales grew by 20.9% in total and 12.2% in comparable stores, with an average inflation rate of approximately 3.7%. Our strong growth is driven

- 1.5.2 Business combinations The group has elected not to revisit the fair values and goodwill estimation of past business combinations.
- 1.5.3 Share-based payments are expensed from 1 July 2004 onward.

IFRS impact on reported balance sheets

in No impact on reported balance she	Jels				
			Effect on	Effect on	Effect on
			assets	liabilities	equity
		Notes	Rm	Rm	Rm
Transition date I July 2004					
Employee benefits		1.5.1	2.1	7.3	(5.2)
Property, plant and equipment		1.2	52.1	_	52.1
Impairment of financial services assets	5	1.4	52.0	_	52.0
Foreign currency translations		1.1	7.1	_	7.1
			3.3	7.3	106.0
Year ended June 2005					
Employee benefits		1.5.1	2.1	7.3	(5.2)
Property, plant and equipment		1.2	57.9	_	57.9
Impairment of financial services assets	;	1.4	33.9	_	33.9
Foreign currency translations		1.1	7.9	_	7.9
			101.8	7.3	94.5
Interim period ended December 200)4				
Employee benefits		1.5.1	2.1	7.3	(5.2)
Property, plant and equipment		1.2	55.6	_	55.6
Impairment of financial services assets	;	1.4	43.5	_	43.5
Foreign currency translations		1.1	7.6	_	7.6
			108.8	7.3	101.5
IFRS impact on reported results					
into impact on reported results		Net profit		Outside	Attributable
		before tax	Tax	shareholders	profit
	Notes	Rm	Rm	Rm	Rm
Year ended June 2005					
Share-based payments	1.5.3	(10.4)	_	_	(10.4)
Property, plant and equipment	1.2	7.6	_	_	7.6
Impairment of financial services assets	1.4	(25.6)	(7.4)	_	(18.2
Foreign currency translations	1.1	2.7	0.8	_	1.9
		(25.7)	(6.6)	_	(19.1)
Interim period ended December 200)4	()	(()) () () () () () () () () (
Share-based payments	1.5.3	(4.8)	_	_	(4.8)
Property, plant and equipment	1.2	3.5	_	_	3.5
Impairment of financial services assets	1.4	(.)	(3.3)	_	(7.8)
	1.1	1.6	0.5	_	1.1
<u> </u>				_	(8.0)
Impairment of financial services assets Foreign currency translations		()	· · ·		_

IFRS audit opinion

The preliminary IFRS financial information as at 30 June 2005 has been audited. A copy of the unqualified Special Purpose Audit Report of the joint auditors, Ernst & Young and SAB &T Inc., is available for inspection at the registered office of the company.

2. Change in comparative period classifications and disclosures

Certain operational costs of the distribution subsidiary have been reclassified from cost of sales to other operating costs.

The 2005 reclassification amounts to R103.4m which has the effect of increasing gross margin to 32.7%from 31.2% as would have been previously stated.

Operating leases - In accordance with guidance provided by Circular 7/2005 released by SAICA, operating lease expenses are recognised on a straight-line basis over the term of the lease.

The effect on profit was R11.7m net of deferred tax at the prevailing rate.

- 3. The tax rate of 31.5% (2004: 29.4%) is the estimated average annual effective income tax rate of 29.0% (2004: 29.4%) plus Secondary Tax on Companies (STC) on the dividend portion of the final distribution for the June 2005 year, paid in September 2005.
- 4. The difference between earnings per share and diluted earnings per share results from outstanding options.
- 5. Unutilised banking facilities amount to RI 971.4m (2004: RI 391.9m). In terms of the Articles of Association, there is no limit on the group's authority to raise interest-bearing debt.

by our convenient locations and our continual focus on offering our customers differentiated products. In corporate stores we expanded our trading space by 4.2% in clothing and home and 6.5% in food over the period.

FINANCIAL SERVICES

Our in-store card, credit card and personal loan books grew by 19.3% for the twelve months to December 2005. The net bad debt experience on the combined books increased to 2.8% of advances due to a planned extension of our credit limits. Overall operating profit increased from R161.1m to R187.3m. Net profit before tax decreased from R101.0m to R75.8m due to the increase in finance costs, arising from the restructure of the balance sheet.

country road operating review

Retail sales were 6.7% higher in Australian dollar terms than the same period last year, with comparable store growth of 5.9%. There was a **COUNTRY ROAD**

strong increase in unit sales growth which was achieved by an ongoing focus on improving value, to make the business more accessible to a broader range of customers. Overall total sales increased 1.0% from the same period last year. We are pleased to note that retail represents a higher proportion of sales in line with our strategy.

Net profit before tax increased from A\$1.4m to A\$2.3m.

group prospects

Given the current trading environment we expect to deliver another year of solid growth in headline earnings per share, after adjusting for the non-comparable STC payments.

empowerment plans

Woolworths is committed to black economic empowerment (BEE) and is currently evaluating its empowerment initiatives in terms of the recently published codes. Woolworths supports the broadbased ownership approach favoured by the Department of Trade and Industry and as such is developing plans around BEE ownership, which will be presented to shareholders for approval at the forthcoming annual general meeting.

change to the board of directors

On 25 November 2005 Nolitha Fakude resigned from the board due to her executive director commitments. We would like to thank her for the meaningful contribution she made to the group.

DA Hawton	SN Susman		
Chairman	Chief executive officer		

Cape Town 16 February 2006

dividend payment

Notice is hereby given that the directors declared an interim dividend of 24.0 cents per share for the six months ended December 2005.

The important dates in March 2006 will be as follows:

Last day to trade to receive dividend	Friday, 3 March
Shares commence trading "ex" dividend	Monday, 6 March
Record date	Friday, 10 March
Payment date	Monday, 13 March
Share certificates may not be dematerialised or rematerialised between	Monday, 6 March 2006 and

Friday, 10 March 2006, both days inclusive.

CL Lowe

Group secretary

Cape Town 16 February 2006

directorate and statutory information

Non-executive directors: Buddy Hawton (Chairman), Mair Barnes (British), Nigel Colne (British), Brian Frost, Mike Leeming, Chris Nissen, Sindi Zilwa

Executive directors: Simon Susman (CEO), Richard Inskip, Norman Thomson

Group secretary: Cherrie Lowe Share code: WHL ISIN: ZAE000063863

Registered address (postal and physical): PO Box 680, Cape Town 8000 • Woolworths House, 93 Longmarket Street, Cape Town 8001 **Registration number:** 1929/001986/06 Auditors: Ernst & Young and SAB & T Inc **Bankers:** Standard Bank of South Africa Limited

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

Transfer secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg 2001

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