

WHL

PRESENTATION OUTLINE

OVERVIEW OF THE PERIOD
FINANCIAL REVIEW
STRATEGIC FOCUS
DAVID JONES
OUTLOOK



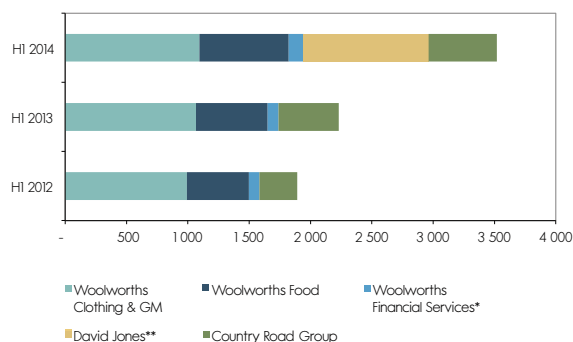
BUILDING A LEADING SOUTHERN HEMISPHERE RETAILER

We now own 100% of David Jones and Country Road Group and have transformed the WHL group.

- David Jones adds to the Group portfolio of iconic brands
- David Jones meaningful in size, mirror image of Woolworths
- Strong defensive position against northern hemisphere entrants both in South Africa and Australia through:
 - common seasonality
 - scale & efficiency, leveraging design & procurement capability established in Woolworths

DIVERSIFIED EARNINGS BASE

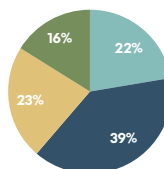
OPERATING PROFIT BY SEGMENT



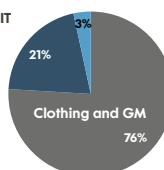
* 50% of PAT
 ** Turnover and concession sales for 5 months

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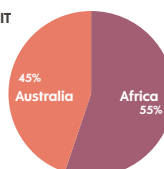
TURNOVER BY SEGMENT



OPERATING PROFIT BY CATEGORY



OPERATING PROFIT BY GEOGRAPHY



REVIEW OF THE PERIOD

- Another exceptional performance from **Food**
- Mixed performance in **Clothing**
- Above market performance from **WFS** continues
- **David Jones** progressing as planned
- **Country Road Group** continues to deliver
- Turnover up 55.2% (up **12.5%** excluding David Jones)
- Adjusted HEPS* up **29.3%**
- ROE** at **30.0%**

* Prior period restated for the theoretical ex-rights price adjustment
 ** Based on adjusted headline earnings and closing equity

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WOOLWORTHS CLOTHING & GM

- Clothing sales in South Africa (including Country Road Group brands) up **9.4%**, with comparable sales up **3.4%**
 - Good performance in core menswear and womenswear businesses
 - Poor performance in childrenswear and footwear & accessories impacted by pricing
- Grew market share in highly promotional market on both 3mma and 12mma bases
- Gross profit margin increased from 45.7% to **47.3%**, due to BNSG and local franchise buybacks
- Operating margin down from 18.5% to **17.6%** and operating profit up **2.7%**, under pressure from lower sales activity

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CLOTHING & FOOTWEAR TURNOVER GROWTH

Woolworths vs market growth (12mma)



Clothing and footwear 12mma market share at December 2014: 15.7%
(December 2013: 15.5%)

Source: RLC

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WOOLWORTHS FOOD

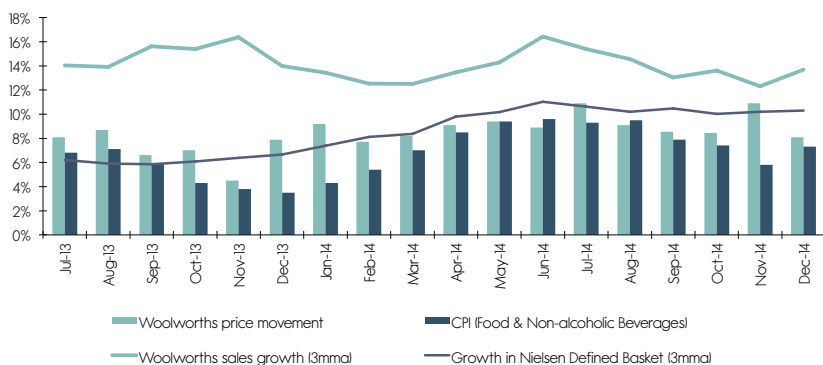
- Strong performance well ahead of the market, with total sales up **14.1%** and comparable sales up **8.2%**
- Supermarket strategy working well
- Growth ahead of the market every month since September 2011
- Gross profit margin maintained at **25.2%**, despite marginally higher mix of branded products
- Operating margin increased from 6.2% to **6.7%** and operating profit up **24.3%**



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FOOD TURNOVER GROWTH

Woolworths vs market growth (3mmal)



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DAVID JONES

- Acquired effective 1 August 2014
- Post-acquisition performance in line with expectations with *pro-forma* sales growth of **2.0%**
- Integration on track



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COUNTRY ROAD GROUP

- Total turnover up **9.2%**
 - Comparable sales in Australasia up **5.3%** and South Africa up **3.3%** (18.2% in rand terms)
 - All brands delivered comparable store sales growth despite a slowdown in the Australian market
 - New brand categories and initiatives launched during the half
 - **1.3%** growth attributable to Witchery & Mimco expansion in South Africa
- Gross profit margin down from 63.0% to **62.3%**
 - Higher markdowns this year with increased competition
 - Impact of depreciating A\$ on cost of goods (up 10% on H1 2014)
- Operating margin maintained at **12.6%**
- Operating profit up **9.4%**



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FINANCIAL REVIEW

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A BUSY SIX MONTHS

- David Jones acquired effective 1 August – **results included for 5 months.**
Note H1 seasonality
- Acquisition of Country Road Group minorities
- Acquisitions (and A\$ debt refinancing) funded by A\$600 million new debt; cash of R10 billion (from refinancing of Woolworths working capital), and R10 billion rights offer
- Prior year **EPS and DPS metrics adjusted** for the bonus element of the rights offer
- Headline earnings growth differs significantly from HEPS due to rights offer shares.
Dividend based on closing shares in issue
- ROE lower due to **significant purchased intangibles and goodwill** now on balance sheet
- Acquisition of the minority interest in CRG accounted for within equity
- Interim David Jones **PPA exercise results in remeasurement** of assets and liabilities to fair value

FINANCIAL OVERVIEW

Group turnover and concession sales	Up 55.2% to R30.3 billion
– excluding David Jones	Up 12.5%
Adjusted profit before tax	Up 29.8% to R2.9bn
HEPS – Diluted*	Up 6.4% to 192.4 cps
HEPS – Adjusted*	Up 29.3% to 243.8 cps
Interim dividend	96.5 cps
ROE**	30.0%

* Prior period restated for the theoretical ex-rights price adjustment
** Based on adjusted headline earnings and closing equity

GROUP INCOME STATEMENT

	Dec 2014 Rm	Dec 2013 Rm	% change
Woolworths Clothing & GM	1 095	1 066	2.7
Woolworths Food	728	586	24.2
WFS (50% of PATI)	119	88	35.2
Woolworths	1 942	1 740	11.6
David Jones	1 022	–	–
Country Road Group	555	490	13.3
Profit before interest and tax	3 519	2 230	57.8
Net finance costs	(639)	(111)	>100
Adjusted profit before tax	2 880	2 219	29.8
Adjustments	(549)	(54)	>100
Profit before tax	2 331	2 165	7.7
Tax	(684)	(598)	14.4
Profit after tax	1 647	1 567	5.1
Effective tax rate	29.3%	27.6%	

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GROUP INCOME STATEMENT COMMENTARY

ADJUSTMENTS

	Dec 2014 Rm	Dec 2013 Rm
DJS and CRG minorities transactions:	(585)	–
Transaction costs	(260)	–
Restructuring costs	(47)	–
Non-recurring finance costs	(164)	–
Impairment of PPE*	(114)	–
Unrealised foreign exchange gains/(losses)	36	(54)
Adjustments	(549)	(54)

* Post purchase price allocation (PPA) impairment

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WOOLWORTHS CLOTHING & GM INCOME STATEMENT

	Dec 2014 Rm	Dec 2013 Rm	% change
Turnover	6 218	5 756	8.0
Cost of sales	3 278	3 126	4.9
Gross profit	2 940	2 630	11.8
Other revenue	9	7	28.6
Expenses	1 855	1 572	18.0
Store costs	1 237	1 010	22.5
Other operating costs	618	562	10.0
Operating profit	1 094	1 065	2.7
Gross profit margin – on turnover	47.3%	45.7%	
Operating profit margin – on turnover	17.6%	18.5%	

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WOOLWORTHS CLOTHING & GM INCOME STATEMENT COMMENTARY

TURNOVER	Total	Comp stores
Clothing (incl CRG SAI)	9.4%	3.4%
Clothing	8.0%	2.5%
GM	8.3%	5.3%
Clothing & GM	8.0%	2.9%

GROSS PROFIT – 1.5% enhancement due to BNSG and local franchise conversions.

STORE COSTS – Impacted by BNSG and local franchise conversions, as well as new space (see Woolworths expenses slide).

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WOOLWORTHS FOOD INCOME STATEMENT

	Dec 2014 Rm	Dec 2013 Rm	% change
Turnover	10 836	9 498	14.1
Cost of sales	8 102	7 108	14.0
Gross profit	2 734	2 390	14.4
Other revenue	42	33	27.3
Expenses	2 049	1 838	11.5
Store costs	1 417	1 247	13.6
Other operating costs	632	591	6.9
Operating profit	727	585	24.3
Gross profit margin – on turnover	25.2%	25.2%	
Operating profit margin – on turnover	6.7%	6.2%	

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WOOLWORTHS FOOD INCOME STATEMENT COMMENTARY

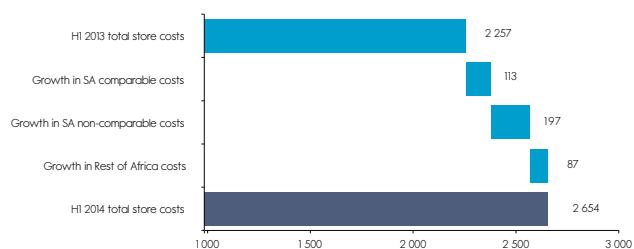
TURNOVER	Total	Comp stores	Price move
Food	14.1%	8.2%	9.5%

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

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WOOLWORTHS EXPENSES

	Dec 2014 Rm	Dec 2013 Rm	% change
Store costs	2 654	2 257	17.6
South Africa comparable	1 849	1 736	6.5
South Africa non-comparable	650	453	
Rest of Africa	155	68	
Other operating costs	1 250	1 153	8.4
Total expenses	3 904	3 410	14.5



WOOLWORTHS FINANCIAL SERVICES INCOME STATEMENT

Consolidated pro-forma income statement	Dec 2014 Rm	% to book	Dec 2013 Rm	% to book	% change
Interest income	838	18.7	705	17.4	18.9
Interest paid	243	5.4	196	4.8	24.0
Net interest income	595	13.3	509	12.6	16.9
Impairment charge	214	4.8	175	4.3	22.3
Risk-adjusted margin	381	8.5	334	8.2	14.1
Non-interest revenue	332	7.4	310	7.7	7.1
Operating costs	383	8.6	399	9.8	(4.0)
Profit before tax	330	7.4	245	6.0	34.7
Average financial services assets	8 950		8 102		10.5
Return on equity	29.4%		24.2%		

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WOOLWORTHS FINANCIAL SERVICES INCOME STATEMENT COMMENTARY

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

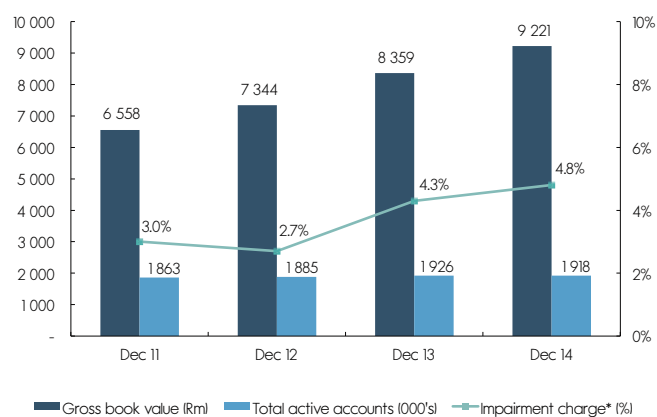
IMPAIRMENT CHARGE – In line with expectations, with impairment rate normalising.

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

AVERAGE FINANCIAL SERVICES ASSETS – Closing book up 10.3% from December 2013, with strong growth in the credit card portfolio, despite a tougher credit environment.

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WOOLWORTHS FINANCIAL SERVICES BOOK PERFORMANCE



* Restated to include collection costs

DAVID JONES INCOME STATEMENT

	5 months Dec 2014 A\$m	Pro-forma* 5 months Dec 2013 A\$m	% change
Turnover and concession sales	890	873	2.0
Concession sales	(273)	(249)	9.6
Turnover – own buy	617	624	(1.1)
Cost of sales	313	331	(5.4)
Gross profit – own buy	304	293	3.8
Concession revenue	61	56	8.9
Gross profit	365	349	4.6
Expenses	265	262	1.1
Store costs	225	226	(0.4)
Other operating costs	40	36	11.1
Department store operating profit	100	87	14.9
Financial services revenue	7	10	(30.0)
Operating profit	107	97	10.3
Gross profit margin on turnover and concession sales	41.0%	40.0%	
Operating profit margin**	11.2%	10.0%	
Return on capital employed*** (A\$)	18.6%	16.7%	

* The pro-forma comparative numbers have been prepared on a similar basis to Dec 2014 to aid comparison.
 ** Department store operating profit as a percentage of turnover and concession sales.
 Note that David Jones' operating profit margin is not comparable to other businesses due to owned property.
 *** Excluding purchased goodwill and revalued intangibles, and based on adjusted headline earnings

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DAVID JONES INCOME STATEMENT COMMENTARY

TURNOVER – New stores in Macquarie Centre, Malvern Central, Indooroopilly.
 Comp sales of -0.1%, impacted by the Lindt Café siege.

CONCESSION SALES AND TURNOVER – OWN BUY – Impact of Dick Smith
 conversion to concession (October 2013).

GROSS PROFIT – Aged stock clearance offset by PPA – no net impact on reported
 profit– no net impact on reported profit.

EXPENSES – Reallocation/PPA lease adjustment, A\$4m.

FINANCIAL SERVICE REVENUE – A\$4m Amex guarantee in base.

OPERATING PROFIT – Significantly seasonality weighted to H1.

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COUNTRY ROAD GROUP INCOME STATEMENT

	Dec 2014 A\$m	Dec 2013 A\$m	% change
Turnover	461	422	9.2
Cost of sales	174	156	11.5
Gross profit	287	266	7.9
Other revenue	1	1	–
Expenses	230	214	7.5
Store costs	164	152	7.9
Other operating costs	66	62	6.5
Operating profit	58	53	9.4
Gross profit margin – on turnover	62.3%	63.0%	
Operating profit margin – on turnover	12.6%	12.6%	
Return on capital employed* (A\$)	55.8%	43.9%	

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

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COUNTRY ROAD GROUP INCOME STATEMENT COMMENTARY

TURNOVER – Comparable sales growth of 5.3% in Australasia.

GROSS PROFIT – Increased markdowns in Country Road womenswear.

STORE COSTS – Good store costs control despite 9.9% new space.

OTHER OPERATING COSTS – Good other operating costs control despite material costs for initiatives launched during the half that will benefit H2 and beyond.

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INTEREST PAID

	Capital	Rate**	Dec 2014 Rm	Dec 2013 Rm
ZAR senior debt*	R10bn	8.82%	365	-
AUD senior debt*	\$609m	4.78%	110	-
Equity bridge			134	-
Short-term facilities			30	11
Total interest paid			639	11

* Includes amortised costs. Drawn down 1 August 2014.

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

BALANCE SHEET

	Group Dec 2014 Rm	DJS + consol Dec 2014 Rm	Group ex DJS Dec 2014 Rm	Dec 2013 Rm	% change ex DJS
Assets					
Property, plant and equipment and investment properties	13 758	9 387	4 371	3 002	45.6
Intangible assets	16 562	13 801	2 761	2 403	14.9
Investment in JVs and associate	866	–	866	764	13.4
Investment in David Jones (DJ)	–	(21 400)	21 400	–	
Inventories	5 676	1 746	3 930	3 229	21.7
Accounts receivable, tax, deferred tax and loans	4 311	1 939	2 372	1 713	38.5
Cash	2 765	891	1 874	1 927	(2.8)
	43 938	6 364	37 574	13 038	>100
Equity and liabilities					
Shareholders' funds	14 027	528	13 499	6 358	>100
Borrowings	16 255	–	16 255	617	>100
Other non-current liabilities and deferred tax	3 344	1 912	1 432	1 252	14.4
Accounts payable, provisions and tax	10 312	3 924	6 388	4 811	32.8
	43 938	6 364	37 574	13 038	>100

BALANCE SHEET COMMENTARY

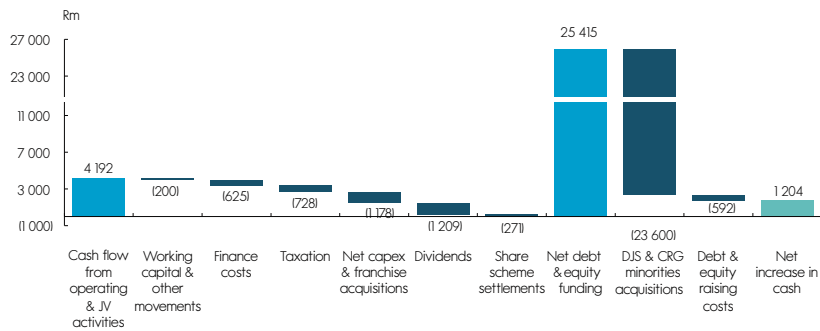
PPE AND INVESTMENT PROPERTIES – Investment in space expansion, CRG DC and Woolworths DC land acquisition.

INVENTORIES – Long-life catalogue additions, impact of Rest of Africa conversions.

SHAREHOLDERS' FUNDS – R10bn rights offer, offset by R2.2bn acquisition of CRG minorities.

BORROWINGS – See Interest paid slide.

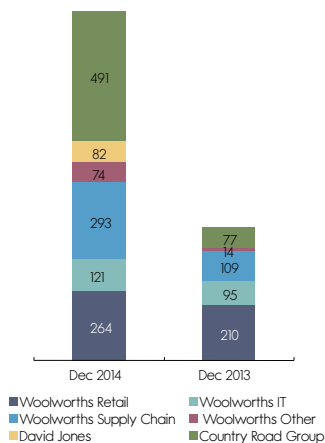
CASH GENERATION



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CAPITAL EXPENDITURE

Capex (Rm)
R1,325m (Dec 2013: R505m)



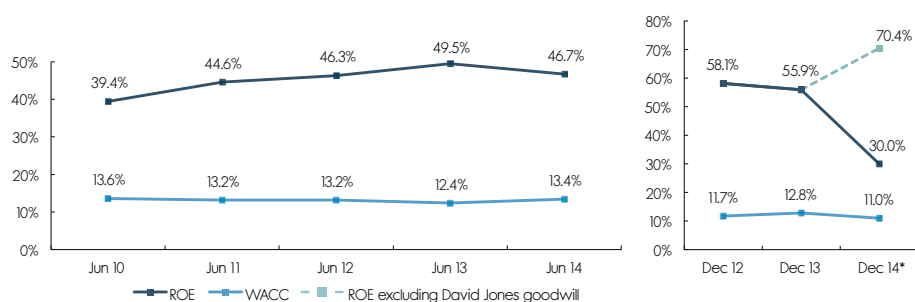
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DEPRECIATION

	Dec 2014 Rm	Dec 2013 Rm	% change
Woolworths	366	301	21.6
David Jones	234	-	
Country Road Group	110	105	4.8
Total group	710	406	74.9

- Woolworths Food supply chain capacity in Cape Town
- Country Road Group distribution centre and store expansion into David Jones
- David Jones now included

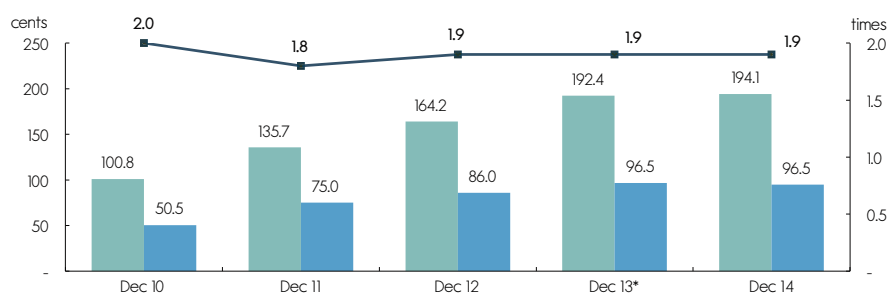
RETURN ON EQUITY



* December 2014 based on adjusted headline earnings

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EARNINGS AND DISTRIBUTION



- HEPS based on WANOS
- DPS calculated on closing shares

* Restated for bonus element of rights offer

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GUIDANCE

WOOLWORTHS

- Clothing & GM price movement expected to be c10% for H2 and lower thereafter
- Food price movement to moderate
- Full year space growth: **6.5%** in Clothing & GM; **10.2%** in Food
- Gross profit margins to be broadly maintained
- Recovery in operating margin in Clothing & GM expected with improved sales in H2
- WFS book growth and impairments expected to be in line with H1

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

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GUIDANCE

DAVID JONES

- Retail environment to remain tough
- Seasonality – H1 contribution significantly higher than H2
- Performance in H2 expected to be ahead of prior year
- Format strategy and synergy workstreams will begin to deliver

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

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GUIDANCE

COUNTRY ROAD GROUP

- Above market sales growth expected to continue
- Continued focus on cost management and unlocking efficiencies
- Expansion of brands into David Jones to start in Q4



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

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GUIDANCE

GROUP

- Taxation – effective tax rate of 28% in South Africa and 30% in Australia
- Capex – R3.8bn planned for 2015: R1.8bn in South Africa, R1.2bn in CRG and R0.8bn in DJS
Investment includes:
 - Store development programme
 - Food Supply Chain capacity in Cape Town (modification to Montague Gardens DC and new land)
 - CRG NDC and expansion into DJS
- Preference dividend – BEE scheme reaches maturity in July 2015



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

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STRATEGIC FOCUS

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STRATEGIC FOCUS

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

1 BUILD STRONGER, MORE PROFITABLE CUSTOMER RELATIONSHIPS

Understanding our customer through loyalty and data analytics drives sales and cross sell opportunities and informs decision making

WOOLWORTHS

- **3.2 million** active cardholders tracking **72%** of sales
- More customers, visiting more, buying more, spending more

COUNTRY ROAD GROUP

- **1.5 million** active cardholders tracking **84%** of sales
- Single view of customer and segmentation across all 4 brands will enable significant opportunities

AUSTRALIA

- Single loyalty programme planned for David Jones and Country Road Group



2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

WOOLWORTHS

- Continue to **build fashion credibility**
 - Build our modern wardrobe and modern brands
 - Improve execution of range building
 - Stretch brands across and into new categories
- Attract a **younger, blacker customer**
- More **competitive pricing** ("good", "better", "best")
- Ensure uncompromising **product quality**
- Build on **design capability** across the group
- Strengthen our position as **leaders in innovation and sustainability**
- Own the **Classic** category
- Increased focus on **consistent availability** of product

2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

COUNTRY ROAD GROUP

- Drive and grow **four clearly differentiated brands**
- Increased **design** focus
- Growth of **David Jones concession business**
 - Increase existing pads within David Jones to allow appropriate representation
 - Roll out kidswear, homeware and Trenery into David Jones
- Leverage Country Road's existing **scalable systems and processes**
- Transitioning to **purpose-built distribution fulfilment facility** in Melbourne, Victoria – expected to drive significant improvements in productivity and availability from June 2015

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3 BECOME A BIG FOOD BUSINESS WITH A DIFFERENCE

COMPLETE THE SHOP

- Total SKUs now at **11 000** from 6 400 five years ago
 - To grow to **12 000** to enhance depth and breadth of range
- Continue to **build big stores** and make stores bigger
- Expand convenience format

PRICE AND VALUE

- Continue to shift customer price and value perceptions
- Price architecture to cover "good", "better" and "best" prices

MAINTAIN OUR FOOD AUTHORITY CREDENTIALS

- Enhance the store experience
- Food quality – **maintain market leading position** through innovation and the introduction of interactive food counters

FRESH

- Maintain our **competitive advantage** in fresh

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4 BECOME AN OMNI-CHANNEL BUSINESS

WOOLWORTHS

- Strong growth continues
- Christmas exceeded expectations, especially fashion and homeware
- Improving fulfilment capacity, **investing further to scale up** and introduce "click and collect"

COUNTRY ROAD

- Leverage group loyalty through combination of databases on new CRM platform and increasing volume and value of loyalty customer transactions
- Continue to drive online to **> 10%** of total sales



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5 EXPAND INTO AFRICA

- **Double digit growth** in sales and profits
- Capturing regional synergies now franchise conversions complete
- Tailoring offer to local customers and **improving availability**
- Step change in "cost to sell" ratios and supply chain efficiencies enabling delivery of better value proposition
- WRewards live in **5** countries, remaining **6** will be complete by July
- Investment in management structures, building capacity regionally and in market



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6 SIMPLE, CONVENIENT & REWARDING FINANCIAL SERVICES

TRANSFORMING THE WFS CUSTOMER EXPERIENCE

- **Simple:** Instant credit and card issuance now available within 15 minutes in **30** stores and **35** by June 2015
- **Modernisation:** Successful upgrade of core technology platforms covering customer sales and fulfilment and credit management infrastructure. Enabling improved credit management and an enhanced customer experience
- **Quality and growth:** A total of **63k** new in-store cards and **19k** new credit cards activated in the 6 months to December 2014
- **Convenience:** More than **60%** of the account base now on electronic statements and **160k** customers actively using the mobile app

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7 DRIVE SYNERGIES AND EFFICIENCIES

DRIVE SCALE BENEFITS ACROSS THE SOUTHERN HEMISPHERE

- **Single sourcing approach** with combined volumes to drive improved product development, price accessibility and margins

DISTRIBUTION CAPACITY

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



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8 EMBED SUSTAINABILITY THROUGHOUT THE BUSINESS

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

KEY FOCUS AREAS

- **Ethical trade**
- **Sustainable farming** and sourcing of raw materials
- Scarce **water** resources
- **Energy** – almost 40% relative reduction since 2004
- Reducing **waste** across our business and helping customers do the same
- Contributing to **social development priorities** wherever we operate
- **Transformation** of our business and supply chain – Level 3 maintained
- **Health and wellness** for our customers and colleagues



8 EMBED SUSTAINABILITY THROUGHOUT THE BUSINESS

- Finalist in the Corporate Social Responsibility Category of the 2014 World Retail Awards – an award we have already won 3 times
- Included in the Dow Jones Global Sustainability Index and JSE SRI Index



DAVID JONES



100 DAY ANALYSIS

STRENGTHS

- Iconic Australian department store with strong brand loyalty
- Long-term partnerships in place with the best international and Australian designers
- Well-located store network with opportunity to grow
- New and capable executive management team
- Strong and profitable financial services partnership with American Express

WEAKNESSES

- Lack of clear vision
- Personal relationship with only 6% of customers
- Under-investment in systems and stores
- No view of space profitability; limited view of brand profitability
- No understanding of SKU profitability
- Poor product tiering and assortment
- Absolute focus on costs at expense of the customer
- Online potential hampered by systems

UPDATE ON VALUE CREATION OPPORTUNITIES

Cross-functional work streams created and on track to deliver **A\$160m+** within five years:

- | | |
|--|-----------------|
| 1. Introduction of Woolworths private label | A\$70 – 80m |
| 2. Growth of Country Road Group concessions | A\$30 – 40m |
| 3. Introduction of David Jones loyalty scheme | A\$ nil assumed |
| 4. Enhance omni-channel performance | A\$ nil assumed |
| 5. Optimise real estate portfolio | A\$20 – 30m |
| 6. Improved margin through sourcing | A\$30 – 40m |
| 7. Cost optimisation | A\$30m+ |

1 INTRODUCTION OF WOOLWORTHS PRIVATE LABEL

A\$70 – 80m

- Rollout of initial brands finalised and on track to launch in all stores August 2015 (Studio.W, JTOne, RE, Distraction, Magic)
- Classic and other brands to follow from February 2016
- Woolworths/David Jones divisional “joint venture” model designed to align and incentivise roles
- Online included in scope for go-live
- Utilisation of current Woolworths procurement systems
- End-to-end supply chain designed with appointment of external LSP
- New in-store design concepts and service model finalised

1 INTRODUCTION OF WOOLWORTHS PRIVATE LABEL



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1 INTRODUCTION OF WOOLWORTHS PRIVATE LABEL



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2 GROWTH OF COUNTRY ROAD GROUP CONCESSIONS

A\$30 – 40m

- Country Road pads launched in Macquarie Centre, Miranda, Malvern Central and Indooroopilly – all ahead of schedule and exceeding expectations
- Mimco pads expanded in Chadstone, Miranda, Macquarie Centre and Parramatta
- First Trenery store opened 29 October 2014, now 12 pads open
- Country Road Group launched on David Jones online on 8 November 2014
- Pad sizes will expand from 5 000 m² to 25 000 m² by June 2015 with Country Road Mens and Women in every store
- New for David Jones:
 - Trenery Mens, Women and Accessories
 - Country Road Kids and Home
 - Mimco Footwear and soft goods
 - Witchery Men and Kids
 - Country Road, Mimco and Witchery full accessories assortment

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3 INTRODUCTION OF DAVID JONES LOYALTY SCHEME

A\$ NIL ASSUMED

- Customer data on 280k cards (6% of customers, 19% of sales) vs Country Road Group (2.2m customers, 90% of sales) and Myer (5m cards, 70% of sales)
- Full analysis of David Jones and Country Road Group POS data
- External consultants (Quantum) providing insights research
- Number of short-term initiatives planned in the build-up to a long-term group strategy
- Advanced plans to launch tiered Australian loyalty scheme to complement existing financial services product and provide valuable customer data

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4 ENHANCE OMNI-CHANNEL PERFORMANCE

A\$ NIL ASSUMED

- 70% of current season product available online – growing rapidly
- Country Road Group brands launched in November 2014
- Key cosmetic brands Chanel , MAC and Dior launched pre-Christmas
- New delivery options introduced to sell big ticket items and create “endless aisle”
- Shop with Amex points is 8% share of tender
- “Click and collect” is growing rapidly
- Expecting 80% growth in 2015 with 3% online sales, over-indexing in womenswear, shoes and home

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5 OPTIMISE REAL ESTATE PORTFOLIO

A\$20 – 30m

- Improve space optimisation, profiling, gridding and allocations
- Improve customer experience: increase own-buy staffing and better integrate concession staff into service model
- Roll-out of more smaller format stores in strong demographic locations (10 locations identified, 5 deals in progress)
- Transform in-store experience, visual merchandise, resourcing, planning and execution
- Owned properties: work progressing with external consultants and other interested parties on optimisation and development options

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6 IMPROVED MARGIN THROUGH SOURCING

A\$30 – 40m

- Drive an integrated approach to deliver group benefits through a global sourcing strategy
- Leverage sourcing platform to drive improved margin flowing from increased volume on Woolworths brands in David Jones
- Integrate David Jones private label and Woolworths KVL's into sourcing platform to deliver improved margin in these categories
- Fully develop Woolworths Shanghai hub to support growth and reinforce brand equity (QC, compliance together with direct sourcing and production management)
- Step change in Country Road Group sourcing strategy through direct supplier shift and margin gains

7 COST OPTIMISATION

A\$30m+

- Single value chain
 - Group systems (RMS, Oracle, online platform) to be implemented for efficiency and scalability
 - Utilisation of NDC (Melbourne) for significantly improved merchandise management
- Specific regionalisation opportunities across:
 - Non-trade procurement
 - Shared services
 - Lease negotiations

OUTLOOK

IAN MOIR



OUTLOOK

- South African economy will continue to be constrained
- Expect the upper income consumer to be relatively resilient
- Australian economy and retail environment to remain tough in the short term
- First 6 weeks of sales are strong in both South Africa and Australia

	Medium-term target FY2016
Operating profit margin	
Woolworths Clothing & GM	19%
Woolworths Food	7%
David Jones	*
Country Road Group	12%
ROE	
Woolworths Financial Services	22%

* Guidance to be provided at year end

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QUESTIONS?

THANK YOU



ADDITIONAL INFO



TRADING SPACE

	Dec 2014 000m ²	Dec 2013 000m ²	% change	Projected Jun 2015 000m ²	% change*	Projected Jun 2016 000m ²	% change	Projected Jun 2017 000m ²	% change
Woolworths Clothing & GM	425	407	4.4	441	6.5	469	6.3	494	5.3
South Africa (incl franchise)	383	370	3.5	397	5.6	420	5.8	440	4.8
Rest of Africa	42	37	13.5	44	15.8	49	11.4	54	10.2
Woolworths Food	196	178	10.1	205	10.2	222	8.3	239	7.7
South Africa (incl franchise)	189	172	9.9	198	10.0	214	8.1	230	7.5
Engen	2	2	–	2	–	3	50.0	3	–
Rest of Africa	5	4	25.0	5	25.0	5	–	6	20.0
David Jones	455	432	5.3	468	5.6	477	1.9	477	–
Country Road Group**	100	91	9.9	101	8.6	108	6.9	114	5.6
Australasia	87	80	8.8	88	11.4	94	6.8	99	5.3
South Africa	13	11	18.2	13	17.1	14	7.7	15	7.1

* From June 2014

** Includes 9 198m² David Jones concessions

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STORE LOCATIONS

	Dec 2014	Dec 2013	Growth	Projected Jun 2015	Growth*	Projected Jun 2016	Growth	Projected Jun 2017	Growth
Woolworths Clothing & GM	267	256	11	277	18	290	13	308	18
South Africa (incl franchise)	205	198	7	212	13	218	6	229	11
Rest of Africa	62	58	4	65	5	72	7	79	7
Woolworths Food	387	372	15	401	27	425	24	449	24
South Africa (incl franchise)**	302	295	7	309	12	321	12	329	8
Engen	60	55	5	67	12	79	12	91	12
Rest of Africa	25	22	3	25	3	25	–	29	4
David Jones	38	36	2	38	1	40	2	40	–
Country Road Group***	566	515	51	592	63	624	32	645	21
Australasia	492	458	34	518	59	542	24	558	16
South Africa	74	57	17	74	4	82	8	87	5

* From June 2014

** Of which 153 are standalone Food stores

*** Includes 101 David Jones concessions

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WOOLWORTHS FINANCIAL SERVICES
CONTRIBUTION TO SALES

% of sales spent on Woolworths cards	Dec 2014	Dec 2013
Clothing & GM	24.7%	26.6%
Food	11.5%	12.7%
Aggregate Woolworths card contribution	16.5%	18.1%
Credit card	1.3%	1.2%
Aggregate Woolworths and credit card contribution	17.8%	19.3%

DAVID JONES INCOME STATEMENT (IN RANDS)

	5 months Dec 2014 Rm	Pro-forma 5 months Dec 2013 Rm	% change
Turnover and concession sales	8 619	8 119	6.2
Concession sales	(2 655)	(2 316)	14.6
Turnover – own buy	5 964	5 803	2.8
Cost of sales	3 027	3 078	(1.7)
Gross profit – own buy	2 937	2 725	7.8
Concession revenue	595	521	14.2
Gross profit	3 532	3 246	8.8
Expenses	2 577	2 437	5.7
Store costs	2 184	2 102	3.9
Other operating costs	393	335	17.3
Department store operating profit	955	809	18.0
Financial services revenue	67	93	(28.0)
Operating profit	1 022	902	13.3

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DAVID JONES BALANCE SHEET

	Dec 2014 A\$m	Pro-forma Dec 2013 A\$m	% change
Assets			
Property, plant and equipment	994	823	20.8
Goodwill, brands and intangible assets	1 463	49	>100
Inventories	185	244	(24.2)
Accounts receivable, tax and deferred tax	172	114	50.9
Cash	94	61	54.1
Total assets	2 908	1 291	>100
Non-current and current non-interest bearing liabilities	(591)	(472)	25.2
Capital employed	2 317	819	>100
Period-end exchange rate (R/A\$)	9.4	9.3	

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COUNTRY ROAD GROUP INCOME STATEMENT (IN RANDS)

	Dec 2014 Rm	Dec 2013 Rm	% change
Turnover	4 487	3 914	14.6
Cost of sales	1 698	1 446	17.4
Gross profit	2 789	2 468	13.0
Other revenue	14	5	>100
Expenses	2 248	1 983	13.4
Store costs	1 601	1 411	13.5
Other operating costs	647	572	13.1
Operating profit	555	490	13.3

COUNTRY ROAD GROUP GROUP BALANCE SHEET

	Dec 2014 A\$m	Dec 2013 A\$m	% change
Assets			
Property, plant and equipment	130	72	80.6
Intangible assets	148	149	(0.7)
Inventories	113	87	29.9
Accounts receivable, tax and deferred tax	55	41	34.1
Cash	39	95	(58.9)
Total assets	485	444	9.2
Non-current and current interest-bearing liabilities	(194)	(151)	28.5
Capital employed	291	293	(0.7)
Period-end exchange rate (R/A\$)	9.4	9.3	

