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WOOLWORTHS
HOLDINGS LIMITED
2011 INTEGRATED
REPORT

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ABOUT THE INTEGRATED REPORT

THIS IS THE FIRST INTEGRATED REPORT FROM WOOLWORTHS HOLDINGS LIMITED.

Last year we sought to reflect the fact that Woolworths has been operating in an integrated and sustainable manner. The discussion paper titled "Framework for integrated reporting and the integrated report" and benchmark integrated reports guided us in compiling this **2011 Integrated Report**.

Our **2011 Integrated Report** aims to further demonstrate the integration of our business and sustainability strategy. We have plans and key performance indicators for both. In addition to our financial results, we measure the performance of our sustainability. The **2011 Integrated Report** also deals with key risks and how we plan to manage them within our agreed risk tolerance.

SCOPE OF THE REPORT

The report covers our three-year strategy, the past year and next year objectives and the financial and sustainability results for the fifty-two week period ended 26 June 2011.

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

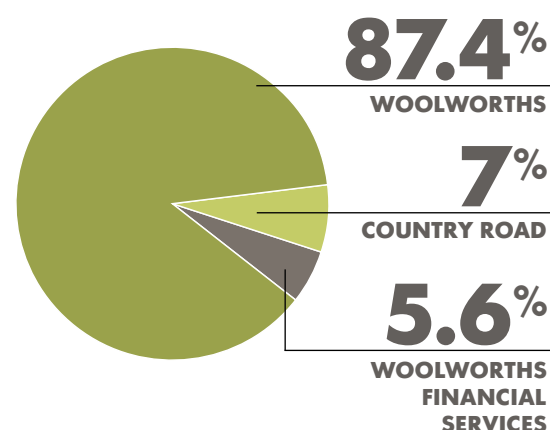
Woolworths is a retail chain of stores in South Africa and selected countries in Africa and the Middle East. It offers a range of clothing, food and general merchandise, mainly under its own brand name. Woolworths contributes 88.4% of the turnover and 87.4% of the Group profit before tax.

Country Road is a retail chain of stores and concession retail 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 (ASX). Country Road contributes 11.6% of the turnover and 7.0% of the Group profit before tax.

Woolworths Financial Services is operated jointly with ABSA. Woolworths Holdings Limited owns 50% less one share and the profits are equity accounted in the consolidated financial statements of Woolworths Holdings Limited.

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 5.6% of the Group profit before tax.

CONTRIBUTION TO GROUP PROFIT BEFORE TAX %



OUR REPORT IS MADE UP OF THREE VOLUMES



VOLUME 1: 2011 INTEGRATED REPORT

Our 2011 Integrated Report provides a holistic view of our business, our strategy, our performance for the year, our strategic focus areas for the future and the governance and remuneration reports. The notice and proxy for voting at the annual general meeting are also included.

Supplementary information supporting this report can be found on our website: www.woolworthsholdings.co.za



Where further detailed information can be found in the other volumes, it is highlighted as follows: **VOLUME: 1** **VOLUME: 2** **VOLUME: 3**

VOLUME 2: 2011 ANNUAL FINANCIAL STATEMENTS REPORT

Our 2011 Annual Financial Statements Report provides stakeholders with the detailed annual financial statements that have been prepared according to International Financial Reporting Standards (IFRS). A detailed financial report from the Group finance director is available in this report.



VOLUME 3: 2011 GOOD BUSINESS JOURNEY REPORT

Our 2011 Good Business Journey Report provides the detail of our sustainability strategy, the governance of sustainability and a review of performance against targets.

WEBSITE

All three volumes are available on our website: www.woolworthsholdings.co.za

This allows for easy and quick access to stakeholders who wish to make use of the internet to obtain their information.

ASSURANCE

Assurance over the Integrated Report is new to all of us and we have certainly started the journey.

Our joint external auditors, Ernst & Young Inc. and SAB&T Inc. provide assurance over the financial statements included in the detailed annual financial statements published in Volume 2. They have provided an opinion over the summary financial statements included in this report. The auditors' report can be found on page 105 of this report.

We have always made use of the internal audit department to provide assurance over our Good Business Journey programme. During the year we engaged Ernst & Young Inc. to provide limited independent external assurance over certain metrics of the programme. These metrics have been extracted from the **2011 Good Business Journey Report**. Their assurance statement on the items included in the report is on page 106.

We do make use of other bodies to externally verify key aspects of the Good Business Journey programme, including our transformation score, and these are highlighted in the **2011 Good Business Journey Report**.

GLOBAL REPORTING INITIATIVE (GRI)

We have previously and continue to follow the G3 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 **2011 Good Business Journey Report**.

DIRECTORS' RESPONSIBILITY

The Board acknowledges its responsibility to ensure the integrity of the **2011 Integrated Report**. The Board has applied its mind to the **2011 Integrated Report** and believes that it addresses all material issues, and presents fairly the integrated performance of the Group and its impacts.

PROFILE
HIGHLIGHTS
VALUES
THREE-YEAR VISION
INVESTMENT CASE
TRENDS INFLUENCING OUR STRATEGY
VALUE CREATED
STAKEHOLDERS

OUR
BUSINESS

WOOLWORTHS HOLDINGS LIMITED IS AN INVESTMENT HOLDING COMPANY, LISTED ON THE JSE LIMITED SINCE 1997. IT OPERATES MAINLY THROUGH TWO SUBSIDIARIES, WOOLWORTHS (PROPRIETARY) LIMITED AND COUNTRY ROAD LIMITED AND THROUGH A JOINT VENTURE, WOOLWORTHS FINANCIAL SERVICES (PROPRIETARY) LIMITED.

WOOLWORTHS CONTRIBUTES

88.4%

OF THE TURNOVER.

Woolworths (Proprietary) Limited, founded in 1931, is today recognised as South Africa's leading retail brand. Throughout its 80-year history, though Woolworths has grown, evolved and adapted to the changing world, the brand has remained true to its core values of quality, style, service, integrity, value, energy, innovation and sustainability. A household name throughout Southern Africa, Woolworths sells a wide range of products including clothing, homeware, beauty and food primarily under its product brand in some 438 stores nationwide as well as through franchise partners throughout Africa and the Middle East.

WFS PROVIDES
CREDIT FACILITIES
TO WOOLWORTHS
CUSTOMERS.

Woolworths Financial Services (Proprietary) Limited was launched in 1993 providing Woolworths customers an in-store card credit facility. Today it offers a suite of financial products including a credit card, personal loans and insurance products. After purchasing a majority interest in 2008, ABSA manages the operations in the Woolworths network of stores throughout South Africa.

COUNTRY ROAD CONTRIBUTES

11.6%

OF THE TURNOVER.

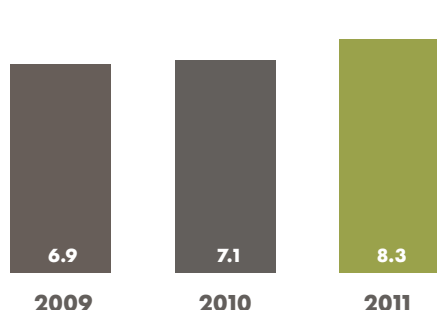
Country Road Limited, began as a niche women's shirting business in 1974 and today is a significant market leader in the Australian retail and fashion industry. It was listed on the ASX in 1998. An integrated lifestyle brand, it offers customers a range of womenswear, menswear, accessories and homeware products. With 99 retail stores and an additional 100 concession outlets in Australia and New Zealand, it trades in South Africa within selected Woolworths stores and its own stand alone stores.

GROUP FINANCIAL HIGHLIGHTS

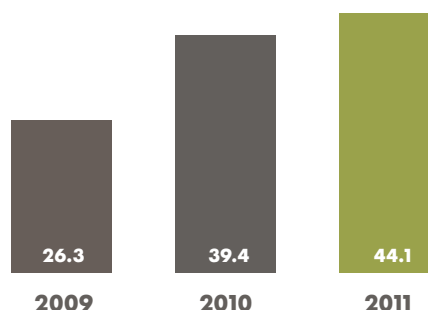
“WE ACHIEVED THE FINANCIAL RESULTS THAT WE SET OURSELVES”

More detail on our Group financial highlights can be found on pages 42 to 46.

GROUP OPERATING MARGIN %



GROUP RETURN ON EQUITY %



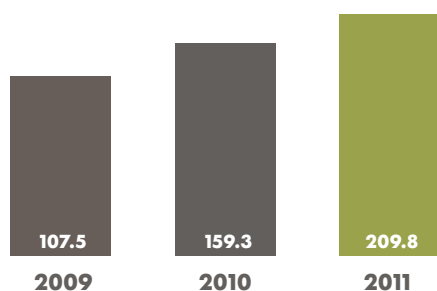
PROFIT BEFORE TAX 2011

+31.1%

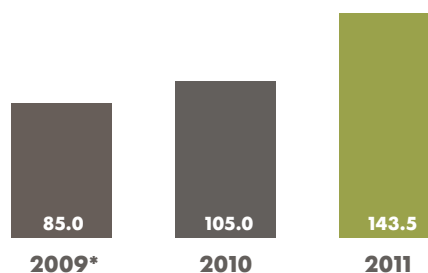
ADJUSTED HEADLINE EARNINGS PER SHARE 2011

+36.7%

DILUTED HEADLINE EARNINGS PER SHARE CENTS



DIVIDENDS PER SHARE CENTS



* EXCLUDES SPECIAL DIVIDEND

WOOLWORTHS STRATEGIC FOCUS AREAS HIGHLIGHTS – 2011

More detail on Woolworths strategic focus areas can be found on pages 54 to 63.

OUR CUSTOMERS

SALES TRACKED AHEAD OF MARKET

OUR OPERATIONS

OPERATING
MARGIN UP TO

8.7%

OUR PEOPLE

IMPROVEMENT IN
EMPLOYEE OPINION
SURVEY RESULTS

10%

OUR GOOD BUSINESS JOURNEY

86%

A GOOD
PERFORMANCE

OUR
BBBEE
LEVEL

4th

IS AHEAD
OF PLAN

OUR VALUES

“OUR VALUES ARE THE HEART AND SOUL OF WOOLWORTHS.”

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 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.

OUR THREE-YEAR VISION

OUR CUSTOMERS

We will be the retailer of choice amongst the aspirational customers in the South African LSM 8 – 10 market.

The Woolworths brand will contextualise everything we do.

We will be seen as a passionate and trusted South African brand, retailing predominantly our own product brand. Our brand will be more modern and accessible while being more relevant and human.

We will have extended our product leadership through increasing our Value with Values. We will have clearly focused sub-brands that will drive growth and enhance our mother brand. Our product leadership will continue to reflect quality and innovation. We will have dominance and scale in key clothing and food categories.

Our products and stores will offer the convenience customers need to meet their lifestyle requirements.

OUR OPERATIONS

We will be a simpler, better, faster business that is more entrepreneurial, disciplined and principle driven, with simple structures and processes.

We would have lowered the cost of doing business.

We will primarily be a corporate retail model with substantially reduced local franchising.

We will have established a secure, flexible and reliable supplier base.

Country Road and Woolworths Financial Services will be more aligned and integrated.

Our availability will meet customer expectations.

OUR PEOPLE

We will have created an aspiring workplace for our employees.

We will have improved the skills of our workforce.

We will have developed a collaborative and supportive culture that incorporates high challenge and high support.

We will have adopted more modern and flexible workforce practices.

Our workforce will be more representative of our customer.

We will have built stronger leadership skills throughout our business.

We will have met our Employment equity targets.

We will have a performance-based culture.

OUR GOOD BUSINESS JOURNEY

We will be recognised as leaders in the retail industry for our continuing sustainability journey.

Our “Sustainability” value will be pervasive throughout the organisation, fattening our brand and enhancing our product leadership.

We will have achieved our Good Business Journey targets.

OUR SHAREHOLDERS

We will have achieved profitable market share growth and have delivered consistent upper quartile returns to our shareholders.

We will be regarded as a blue-chip investment in the investment community.

OUR INVESTMENT CASE

Woolworths Holdings Limited aims to achieve profitable market share growth, to offer sustainable returns to shareholders and to be regarded as a blue chip investment by the investment community. Management view the following factors as contributing to growth over the medium- and long-term.

GROUP

Focus on profitability at every level of the business.
Cash-generative business with a strong balance sheet.
Committed to returning capital to shareholders through a combination of dividends and buy-backs.
Return on equity has increased from 27.5% in 2008 to 44.1% in 2011.
Diverse Board with breadth of experience (refer to pages 20 to 23).
Dynamic executive management with years of retail experience (refer to pages 24 and 25).
Culture of developing talent, driving transformation and recognising and rewarding performance of employees.
Launched the Good Business Journey in 2007 – a programme to enhance the brand while minimising the impact of the business on society and the environment.
Included in the JSE SRI Index and the Dow Jones World Sustainability Index.
Selected as International Responsible Retailer of the Year at the World Retail Congress twice in the last three years.
Recognised by the World Economic Forum as one of 16 responsible champions in emerging markets.

WOOLWORTHS

Trusted and loved brand in South Africa.
Unique offering of predominantly own product brand of clothing, food, home and beauty.
Products offer quality, innovation and Value with Values – ethical sourcing, environmentally aware, health conscious, at competitive prices.
Clear targeting of aspirational LSM 8 – 10 customers.
61% of sales through the loyalty programme.
Market share gains in Clothing and Food in the last two years.
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 online.
Roll-out programme of new and larger stores in South Africa, including supermarket concept for Food.
Focused expansion into Africa.
Conversion of franchise stores to corporate is contributing to topline and profit growth.
Integrated supply chain model, with sustainable, longstanding partnerships with suppliers.
Significant gross margin improvement achieved through sourcing strategy.
Return on sales has increased from 7.6% in 2008 to 8.7% in 2011, with a medium-term target of 17% in Clothing and General merchandise, and 6% in Food.

WOOLWORTHS FINANCIAL SERVICES

Very good quality books.
Experienced partner in ABSA Bank.
Opportunity to leverage customer base to grow the books.
Return on equity has improved from 10.0% in 2008 to 23.5% in 2011, with a medium-term target of 22%.

COUNTRY ROAD

Market leader in the Australian retail and fashion industry.
Internationally recognised brands across New Zealand, Asia and South Africa.
Opportunity to grow retail presence in South Africa and online.
Return on sales has improved from 4.8% in 2008 to 5.3% in 2011, with a medium-term target of 8%.

TRENDS INFLUENCING OUR STRATEGY

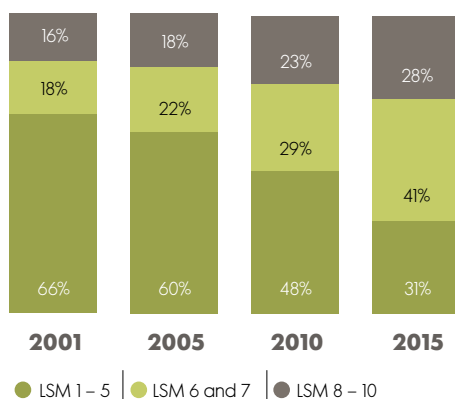
STRONG GROWTH IN HIGHER INCOME GROUPS IN SOUTH AFRICA

South Africa's emerging black middle class is continuing to drive growth in LSM bands 8 – 10. Between 2010 and 2015 a 26% growth is forecast. It is estimated that this group will account for 43% of total spend of food and 47% of the clothing spend within South Africa by the end of the period.

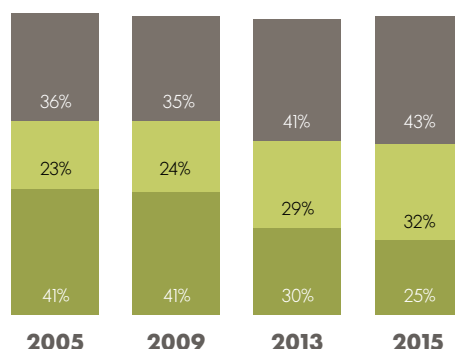
Woolworths continues to focus on the LSM 8 – 10 customer in both these areas and is well-placed to benefit from the growth in the number and spend of these customers.

26%
GROWTH
IN LSM 8-10
BY 2015

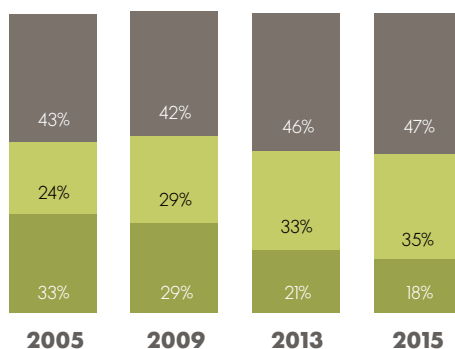
PEOPLE: LSM 8 – 10 IS PREDICTED TO BE 28% OF THE POPULATION BY 2015. OUR TARGET AUDIENCE CONTINUES TO GROW



REVENUE: FOOD RETAIL MARKET REVENUE BY LSM



REVENUE: CLOTHING AND FOOTWEAR MARKET REVENUE BY LSM



IMPORTANCE OF MULTI-CHANNEL SHOPPING

The internet, mobile phones, iPads and social media are changing the way consumers shop and engage with retailers. Having built their online businesses on the basis of internet access via computers, retailers globally are exploiting other means of delivering an online solution. Kiosks in-store, for example, enable customers to access broader ranges or better availability, mobi-sites and applications allow “anytime, anywhere” shopping and online vouchers sent to mobile phones can be redeemed either in-store or online to reinforce the multi-channel experience. Mobile phones are especially important in South Africa, where 11.8 million people already access the internet via their mobile phones, compared to the 5.5 million people who do so via their computers.

Woolworths has recently launched its new online site and is focused on using technology to reach and communicate with our customers at their convenience, wherever they are. Bandwidth limitations, however, still exist in South Africa, and have slowed the growth of online retailing. Mobile phone technology and social media are also increasingly being used to engage with customers. Woolworths has built up a strong Facebook following and will be launching m-commerce within the next six months and social commerce by Christmas. These channels will enable customers to shop online, as well as complete other transactions, in the social network environment.

CUSTOMERS ARE DEMANDING VALUE WITH VALUES

Research across the globe has shown an increase in customer understanding of ethical, environmental and community issues over the last few years. Post-recession, customers are demanding more information about where products come from and expect products to have ethical and environmental attributes without an increase in cost.

South Africa has followed these international trends. Growing numbers of local consumers, particularly in the Woolworths target market

TRENDS INFLUENCING OUR STRATEGY (CONTINUED)

of LSM 8 – 10, understand climate change, are concerned about the energy crisis and the increasing cost of energy, and have read about water scarcity in the media. They are also aware of the social and transformation issues facing our country, and want to see jobs being created and sustained by the companies they support.

Our own research and customer tracking studies have shown substantial increases in our customers' understanding of, and support for, sustainability issues, particularly packaging and recycling, animal welfare, water and community development.

The impact of all this for a retail organisation extends far beyond its own operations, which means that life-cycle management of our product 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 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.

GROWING OPPORTUNITIES FOR RETAIL IN AFRICA

There is no doubt that sub-Saharan Africa represents a significant opportunity for retail, and there are a number of trends which support developing a retail presence in these countries.

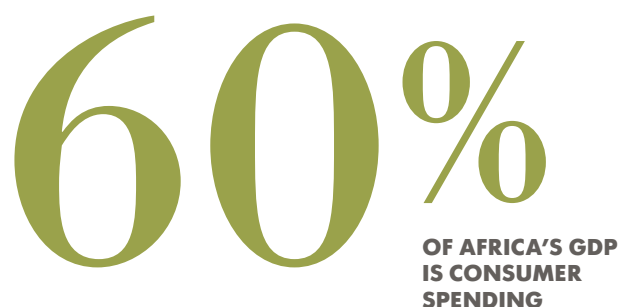
Firstly, there has been a sustained change in the political environment in terms of more stable democracies. While many countries remain one-party democracies, there is an increasing emergence of opposition parties. In recent times we have seen peaceful elections, for example, in Nigeria, where the president was re-elected, and in Zambia, with a new president being elected for the first time in 20 years. This type of political stability provides confidence for investment.

Sub-Saharan 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 rejuvenation in agriculture, manufacturing or services. This is supported in the main by sound economic policies including debt reduction. Many African countries have experienced real GDP growth, which is predicted to continue. For example, real GDP growth in Nigeria was 8.39% for 2010 and 6.87% in 2011, while Kenya showed real growth of 4.98% in 2010 and 5.72% in 2011.

Growth in the consumer market within Africa is another key trend. Most sub-Saharan countries have relatively young populations. In addition, many of them are seeing 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 and is looking for more choice. In fact, some 60% of Africa's GDP comes from consumer spending.

An additional key shift is that retail trade is beginning to formalise. Currently the retail market in Africa is fragmented and driven by informal trading. However, investments are being made in formal shopping malls, creating new opportunities. Development in Nairobi, Kenya, is a prime example. Retail real estate has previously been scarce; these new developments offer excellent opportunities and retailers who take early advantage of them should benefit.



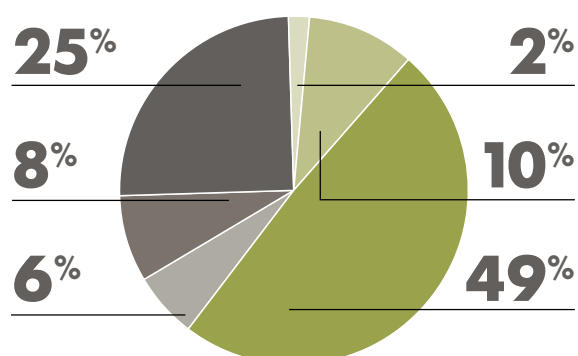
60%
**OF AFRICA'S GDP
IS CONSUMER
SPENDING**

VALUE CREATED

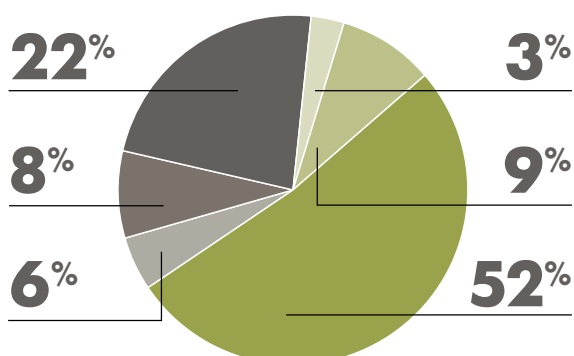
The value that we have created for our various stakeholder groups is a key measure of the positive impact we have on the South African economy.

	2011 Rm	2010 Rm	2009 Rm
VALUE-ADDED	25 977	23 744	22 372
Less: Cost of sales	16 683	15 619	14 501
Cost of services and other operating expenses	2 871	2 611	2 263
	6 423	5 514	5 608
DISTRIBUTION OF WEALTH			
- To employees as salaries, wages and other benefits	3 166	2 858	2 689
- To Government as income tax (including deferred tax)	659	491	546
- To lenders as finance costs	84	151	281
- Depreciation, amortisation and impairment	513	442	401
- Social contribution	370	314	292
- To shareholders			
- earnings retained	713	540	-
- dividends	918	718	1 399
	6 423	5 514	5 608

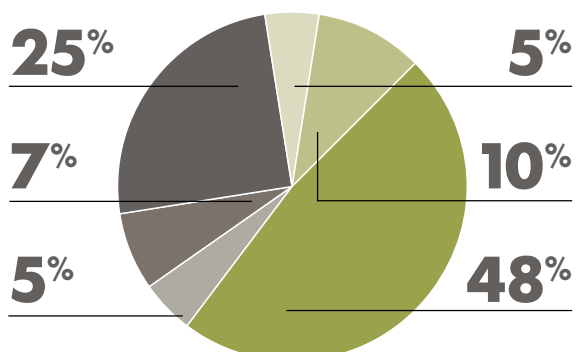
DISTRIBUTION OF WEALTH – 2011 %



DISTRIBUTION OF WEALTH – 2010 %



DISTRIBUTION OF WEALTH – 2009 %



- TO EMPLOYEES AS SALARIES, WAGES & OTHER BENEFITS
- TO GOVERNMENT AS INCOME TAX (INCLUDING DEFERRED TAX)
- TO LENDERS AS FINANCE COSTS
- TO SHAREHOLDERS
- DEPRECIATION, AMORTISATION & IMPAIRMENT
- SOCIAL CONTRIBUTION

STAKEHOLDERS

THE LEGITIMATE INTERESTS OF ALL STAKEHOLDERS MUST BE TAKEN INTO ACCOUNT **TO DRIVE A SUSTAINABLE FUTURE.**

Stakeholder engagement is integral to the way we do business, and understanding the interests and expectations of our stakeholders plays a key role in deepening and extending our relationships, especially in the area of sustainable development.

We have developed robust feedback systems with our customers, and employees in particular, and we look forward to continuing the journey with other stakeholders.

All interactions with our stakeholders are based on our values, and we expect our stakeholders to deal with us within a similar values framework.

The values guide our behaviour and our choices and ensure our colleagues, partners, suppliers, customers and other stakeholders know what to expect of us.

STAKEHOLDER GROUP AND WHY WE ENGAGE KEY ISSUES FOR ENGAGEMENT

CUSTOMERS:

to understand our customer needs, enhance the Woolworths brand and thereby grow revenue.

VALUE.
CUSTOMER SERVICE AND REWARDS.
PRODUCT CHOICE AND DEVELOPMENT.
THE GOOD BUSINESS JOURNEY.

EMPLOYEES:

to share relevant information and get input and feedback, as well as to develop a high-performance organisation.

COMMUNICATING STRATEGY AND BUSINESS DEVELOPMENTS.
REWARD AND RECOGNITION.
TRAINING AND DEVELOPMENT.
EMPLOYEE WELLNESS.
THE GOOD BUSINESS JOURNEY.

SUPPLIERS:

to deliver consistent quality and standards; and drive new and innovative product, which also furthers the ambitions of the Good Business Journey.

TIMELY PAYMENT AND FAVOURABLE TERMS.
PRODUCT INNOVATION.
PARTNERING ON SUSTAINABILITY SOLUTIONS AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE").

FRANCHISEES:

to ensure a consistent customer experience.

FAIR PRICE FOR ACQUISITION OF LOCAL FRANCHISES.
PARTNERSHIP EXPANSION IN AFRICA.

SHAREHOLDERS AND INVESTORS:

to create an informed perception of Woolworths, ensure more accurate expectations and create a positive investment environment.

BUSINESS PERFORMANCE.
BUSINESS EXPECTATIONS AND STRATEGY.
ECONOMIC, SOCIAL AND ENVIRONMENTAL CONCERNS.

MEDIA:

to influence stakeholder perceptions, build the Woolworths brand and market the business and products.

BUSINESS AND CONSUMER ISSUES.
MACRO-ECONOMIC ISSUES THAT AFFECT RETAIL.
PRODUCT INFORMATION.
THE GOOD BUSINESS JOURNEY.

BUSINESS PARTNERS:

to gain support and leverage on issues of common interest.

STRATEGY AND PRODUCT EXPANSION.
THE GOOD BUSINESS JOURNEY.

GOVERNMENT AND REGULATORS:

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.

TRADE AND INDUSTRY POLICY ON SECTOR DEVELOPMENT, TRADE ISSUES – AND LABOUR MARKET ISSUES.
FOOD STANDARDS AND AGRICULTURAL ISSUES.
CONSUMER CREDIT AND PROTECTION ISSUES.
TRANSFORMATION AND THE GOOD BUSINESS JOURNEY.

NON-PROFIT ORGANISATIONS AND COMMUNITIES:

to contribute to the society in which we trade and get input into our strategic aims.

THE GOOD BUSINESS JOURNEY.
EDUCATION AND CAPACITY BUILDING ON RELEVANT COMMUNITY ISSUES, E.G. NUTRITION.
HIV/AIDS AWARENESS.
INPUT TO OUR PRODUCT STRATEGY AND RANGE.

LIVING

THE

DIFFER

er

ERENCE

WOOLWORTHS HOLDINGS LIMITED – BOARD MEMBERS



BUDDY HAWTON (74)
Joined the Board in 2002

- Independent non-executive Chairman
- Chairman of the nominations and remuneration committees



PETER BACON (65) (BRITISH)
Joined the Board in 2006

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



LINDIWE BAKORO (37)
Joined the Board in 2009

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



TOM BOARDMAN (61)
Joined the Board in 2010

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

MIKE LEEMING (67)
Joined the Board in 2004

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

IAN MOIR (52) (AUSTRALIAN)
Joined the Board in 2010

- Executive director and Group chief executive officer
- Member of the risk, sustainability and transformation committees
- Non-executive director of Country Road

Detailed profiles can be found on pages 108 to 109.



CHRIS NISSEN (53)
Joined the Board in 2004

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



STUART ROSE (62) (BRITISH)
Joined the Board in 2011

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



ZYDA RYLANDS (46)
Joined the Board in 2006

- Executive director
- Member of the risk and sustainability committees



THINA SIWENDU (45)
Joined the Board in 2009

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



SIMON SUSMAN (61)
Joined the Board in 1995

- Non-executive director and Deputy Chairman
- Chairman of the sustainability committee and Woolworths Trust
- Member of the nominations, remuneration, risk and transformation committees
- Chairman of Country Road and Woolworths Financial Services

NORMAN THOMSON (60)
Joined the Board in 1991

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

SINDI ZILWA (44)
Joined the Board in 2002

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

CHERRIE LOWE (56)
Joined Woolworths in 1997

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

Detailed profiles can be found on pages 108 to 109.

WOOLWORTHS HOLDINGS LIMITED – EXECUTIVE COMMITTEE



IAN MOIR
GROUP CHIEF EXECUTIVE
OFFICER



PAULA DISBERRY
GROUP DIRECTOR
CLOTHING AND GENERAL
MERCHANDISE PLANNING



FAWZA ESSA
GROUP DIRECTOR
SUPPLY CHAIN AND
INFORMATION
TECHNOLOGY



GLENN GILZEAN
GROUP DIRECTOR
RETAIL OPERATIONS



CHARMAINE HUET
GROUP DIRECTOR
MARKETING



BRETT KAPLAN
GROUP DIRECTOR CLOTHING AND
GENERAL MERCHANDISE BUYING

MATT KEOGH
GROUP DIRECTOR
PEOPLE

CHERRIE LOWE
GROUP SECRETARY AND GROUP
DIRECTOR CORPORATE GOVERNANCE

SAM NGUMENI
GROUP DIRECTOR-ELECT
PEOPLE

ZYDA RYLANDS
MANAGING DIRECTOR
FOOD

NORMAN THOMSON
GROUP FINANCE
DIRECTOR

STRAIGHT
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CHAIRMAN'S REPORT

**THE BIG
PICTURE**

“I AM PROUD OF THE BUSINESS THAT WOOLWORTHS HAS BECOME.”



INTEGRATED REPORTING

This is the first fully Integrated Report from Woolworths Holdings Limited. Last year we began the process of reporting in an integrated fashion. This year we have taken integrated reporting further and plan in future years to continue to make strides in improving how we report the integrated and sustainable nature of our business.

ECONOMIC ENVIRONMENT

South Africa's economy weathered the global financial crisis in 2008 and the resultant economic recession in 2009 better than most. Further, as evidenced by the retail sales market growth figures, South African consumers in general and LSM 8 – 10 consumers in particular regained confidence in the past year.

OUR FOCUS AND PERFORMANCE FOR THE YEAR

Our strategy has been clear and consistent over the past three years and continues to deliver benefits. Good merchandise together with a better understanding of and clarity about our customers, has driven good sales growth ahead of the market across the board. Higher margins through the sourcing strategy together with good cost control, helped to deliver strong profits for the year.

Adjusted headline earnings per share grew by 36.7% off the back of good sales and margin growth. Return on equity grew to 44.1%, well above the weighted average cost of capital of 13.2%. We have increased dividends by 36.7%, maintaining a dividend cover of 1.5, thus effectively returning two-thirds of profits to shareholders. The balance sheet remains very strong enabling the company to buy back

R614 million in shares, R339 million completed in the financial year with an additional R275 million bought after year-end.

THE GOOD BUSINESS JOURNEY

The company's performance in non-financial areas, too, will help to ensure that Woolworths continues to build a truly sustainable business. We have set tough targets on a range of sustainability issues and these form the basis of our Good Business Journey. The initial targets set in 2007 were planned to be reached by next year. We have achieved 86% against our 2011 targets and are already at 80% of our 2012 targets. We therefore remain on track for 2012 and have seen some excellent results in our energy saving and transformation targets and the Farming for the Future programme.

The Good Business Journey programme has received international recognition with Woolworths being recognised as the International Responsible Retailer of the year for 2010. This is the second time that we have won this prestigious award in the past three years.

In a report issued by the World Economic Forum and the Boston Consulting Group, Woolworths was named as one of the sustainability champions of the developing world. Of the 16 companies that met the criteria, Woolworths was one of only three in Africa and is also the only retailer to make the list.

Woolworths has, for the first time, been included in the Dow Jones World Sustainability Index (DJSI), the world's most respected sustainability index. Woolworths is the only South African retailer and one of only five South African companies to be listed on the DJSI. We were included once again in the JSE SRI Index and were named one of the best performers in the index.

The business has now refreshed the sustainability strategy and set new, tougher targets for 2015.

Transformation and black economic empowerment are a key part of our sustainability strategy. We are particularly pleased to have exceeded our empowerment targets for the year by achieving a Level 4 BBBEE contributor status; a year earlier than we had planned. We are now half-way through our black economic empowerment employee share ownership scheme that was set up in June 2007. It has benefited those employees who are beneficiaries, some seven thousand members of





staff, with payouts of over R45.5 million in dividends to date. Members will also benefit from a capital payout at the expiry of the scheme in 2015.

FRANCHISE AND AFRICA

At the beginning of the year a decision was taken to exit the franchise operation in South Africa and operate these stores as corporate stores. We have acquired 23 franchise stores at a cost of R250 million, with a further 31 stores acquired subsequent to year-end for R384 million. This represents 75% of the local franchise turnover.

We redefined the retail model employed in the rest of Africa from being one of a franchisee relationship to a partnering relationship. It is our intent to take a controlling interest in joint venture operations in the countries in which we trade and we will engage with the current franchisees to achieve this. We will also expand into new countries where there is a good experienced partner.

GOVERNANCE

We believe that good governance is achieved by applying the principles of integrity, fairness, transparency and accountability in all our business activities. With the finalisation of the King Report on Corporate Governance (King III), we welcomed the opportunity to benchmark our own governance principles.

In particular, we applaud the introduction of the concept of "apply or explain". It is important that there is a balance between application of the recommendations of King III and the practical implementation that empowers and enables the company.

Last year we commenced with early adoption of some of the recommendations and have now completed our review. Where we have agreed not to apply the recommendations as articulated by King III, we have explained to our stakeholders how we have applied them in a different manner.

The remuneration strategy and policies applied by the company will be voted on a non-binding basis by shareholders for the first time this year. Our remuneration strategy and policies are set out in the Remuneration report included in this

2011 Integrated Report.

BOARD AND LEADERSHIP

In the past few years succession planning has been an important issue and during the year we began implementing that plan. In November 2010, Ian Moir replaced Simon Susman as Group chief executive officer. Having successfully managed the Group chief executive officer

succession process, we simultaneously began planning for change at Chairman level. By creating the position of Deputy chairman, which Simon filled, we were able to better prepare Simon to take the Chairmanship when I step down in November this year, having, by then, served nine years as Chairman.

At our Board meeting in August, it was agreed that Simon would assume the Chairmanship on my retirement at the end of the annual general meeting to be held on 17 November 2011. As Simon held the role of Group chief executive officer within the prior three-year period and holds a significant number of shares, he will be classified as a non-independent Chairman. Consequently, we have appointed Tom Boardman as the lead independent director. The role of Deputy Chairman will fall away upon Simon assuming the Chairmanship.

The appointment of Stuart Rose in early January brings valuable international retailing experience to the Board. We will propose the appointment of Zarina Bassa as a director at the annual general meeting. Zarina will also be proposed as a member of the audit committee.

LOOKING AHEAD

The global economic outlook is uncertain. The economic challenges facing the United States and the Eurozone are likely to have a negative impact on the rate of growth of the South African economy and, in particular, consumer confidence. We expect trading conditions will be tougher in the next financial year and will prepare the business accordingly.

The strategic focus areas are clear and Ian and his team are putting their full efforts behind them. These will continually drive our mix of great value, excellent quality and constant innovation. In what should be a difficult year for customers, the strategic focus areas should assist management to deliver further growth in profitability.

APPRECIATION

I extend my appreciation to Ian, his executives, management teams and staff for their significant contribution and achievement during the year.

I wish to thank my Board colleagues with whom I have worked so closely during my tenure as Chairman of this remarkable company. We have built a strong, diverse Board with an effective committee structure to support the Board's role.

I am proud of the business that Woolworths has become and am excited about its future. Finally, I wish Simon and the Board, Ian and his executives, together with all management and staff, great success in the future.

“OUR VALUES
ARE THE HEART
AND SOUL
WOOLWORTH

IAN MOIR
GROUP CHIEF EXECUTIVE OFFICER

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EART
OF
THS”

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

“I AM EXCITED AND EXTREMELY HONOURED TO BE LEADING THE WOOLWORTHS BUSINESS.”



I took over from Simon Susman as Group chief executive officer in November 2010 after an extensive transition period of ten months. Having been involved with the Woolworths business (through its subsidiary Country Road) for over 12 years, most of which I worked directly with Simon, I have a deep understanding of the Woolworths brand and its values.

I have not sought to materially change the direction of the business but rather to refine and evolve the strategies that were in place and working well. I have however driven a streamlining of structure, improved accountability and responsibility, faster decision-making, a performance-based people culture and engendered a real focus on profitability and the key levers that produce it.

REVIEW OF THE YEAR

The Group produced a strong result for the year. Our turnover increased by 9.4%, our profit before tax was up 31.1% and adjusted headline earnings per share increased by 36.7%. We declared a dividend of 143.5 cents per share, up 36.7% on the prior year.

WOOLWORTHS

CLOTHING AND GENERAL MERCHANDISE

Clothing and footwear sales in South Africa were up 11.5% on the prior year. A credible result that was around 1% ahead of market growth. Our three key initiatives, namely, Women's footwear and accessories, Lingerie and Babyworld, performed particularly well and all three saw us gain good market share in those areas.

The margin improvement in Clothing and General merchandise was the highlight. A move from onshore production to offshore production

and an increase in direct sourcing as opposed to through an agent or third party, allowed us to increase margin from 40.0% to 43.7%. It was this that was the principal driver of a profit before tax increase of 35.7% in Clothing and General merchandise.

FOOD

Our Food sales grew by 10.7% on the prior year which was around 4% ahead of the market. A good result. Improved pricing, a focus on value campaigns, increased innovation and newness and our newly launched WRewards loyalty programme all contributed to the success. We were able to also improve margin, both at a gross level and operating level, and the profit before tax in our Food business rose by 39.4%.

WOOLWORTHS FINANCIAL SERVICES

A strong operating profit improvement of 82.3% was driven by the quality of the debtors' book which allowed impairments to fall from 5.1% to 1.4%. Book growth was modest but improved through the year enhanced by the WRewards loyalty programme. The growth of the book and the improved integration of the Woolworths Financial Services business with the core Woolworths business is a priority for us. Our partnership with ABSA remains strong and we are aligned on our future objectives.

COUNTRY ROAD

Australian retail trading conditions were the toughest for many years. Consumer confidence was low as a result of seven consecutive interest rate increases and a number of natural disasters.

Total turnover was up 1.2% but comparable sales down 8.6%. Despite this, the business increased profit before tax by 9.5% through excellent cost control, good inventory control, lower markdowns and the benefit of a strong Australian Dollar.

A new Chief executive officer, Howard Goldberg, was appointed in March 2011. He comes with extensive Australian retail experience and has already begun to make a very positive mark on the business.



KEY HIGHLIGHTS

As I said at the start of this report we have refined and evolved pre-existing strategies during the course of the year and I will not repeat what is set out later in this Integrated Report on our strategic objectives, but I would like to note what were some key highlights for this year:

- We sought to reward our loyal customers by launching a loyalty programme offering material discounts at point of purchase to holders of a WRewards card. We aimed to increase the number of visits, number of items purchased and total spend of our loyal customers.
- We also wanted to increase the information we have on our customers to better incentivise, improve and better target our marketing and to increase the cross-shop. The programme was very successful, over delivering our targets in a very short space of time and has been very well received by our customers.
- We have focused on profit to good effect. Both the Food division and the Clothing and General merchandise division are intent on achieving the return on sales of 17% [Clothing and General merchandise] and 6% [Food] that we have signalled to the market as our aim for 2014. By focusing on the key levers, including the cost of doing business, we saw return on sales increase from 12.3% to 15.3% in Clothing and General merchandise and from 3.8% to 4.8% in Food.
- We made the decision to exit franchise during the course of the year. It was a tough decision and was met with a good deal of criticism and concern from our franchisees. The purchase price offered was fair and most have now been sold. We have either purchased or are in the process of purchasing around 75% of the local franchise turnover. Conversion has been well executed and having spent around R600 million we are confident we will achieve an IRR of around 18%. A good return on investment, but more importantly, we now have a more simplified business and are in control of our brand.
- The Good Business Journey is the term we use for all our efforts in sustainability, transformation, social responsibility and the environment. We set ourselves tough targets in 2007 that we hoped to achieve by 2012. We are 80% of the way there and will shortly announce new targets for the next four years.

In sustainability we were named as the International Responsible Retailer in September 2010 at the World Retail Congress. We have also recently been included in the Dow Jones World Sustainability Index, the only South African retailer to be included and one of only five South African companies in all. Our achievements in this area have improved brand equity and have materially saved costs (an estimated over R80 million over a four-year period).



**WE HAVE
REWARDED
OUR LOYAL
CUSTOMERS
BY LAUNCHING
A LOYALTY
PROGRAMME.**



In transformation we achieved a Level 4 BBBEE status (from Level 5) one year ahead of our plan. On social responsibility, customers, the business and our people have made major commitments both to fundraising and involvement and together we raised or donated some R32 million plus donated food to the value of R338 million to a range of charity organisations.

OUTLOOK

The economic climate in South Africa is likely to be tougher this year than last and certainly less predictable and more subject to the risks of a further global slowdown. We will stick to our strategies that have been delivering for us but will prepare the business for tougher times. We will take cost out of the business in a systematic and sustainable way, manage our inventories tightly and ensure our prices are competitive at all times.

APPRECIATION

I would like to thank all Woolworths customers for their continued support and all the staff at Woolworths for their commitment, passion and energy and for their contribution to an excellent result for the year.

Buddy Hawton is stepping down from the Board of the company in November 2011, having served nine years as Chairman. On behalf of the Board and management I wish to thank Buddy for the significant contribution that he has made to the Group.

GROUP FINANCE
DIRECTOR'S REPORT
SEVEN-YEAR REVIEW

**OUR
TRACK
RECORD**



GROUP FINANCE DIRECTOR'S REPORT (CONTINUED)

Economic conditions during the year remained tough in South Africa – especially after the buoyant 2010 FIFA World Cup period, although the upper end of the market was supported by a more confident customer and real growth in consumer spending. In Australia, further increases in interest rates put the consumer under increased pressure.

Despite this, Group turnover increased 9.4%, and profit before tax increased by 31.1%. The Group's return on equity increased to 44.1%.

Earnings per share	52 weeks to 26 June 2011 cents	52 weeks to 27 June 2010 cents	Change %
EPS	212.2	162.4	30.7
HEPS	214.9	164.6	30.6
Diluted HEPS	209.8	159.3	31.7
Adjusted HEPS	214.9	157.2	36.7

Headline earnings per share ("HEPS") was 30.6% higher than last year, and adjusted HEPS, which strips out capital-related transactions as well as last year's R57 million abnormal post-tax foreign exchange-related profit, was 36.7% higher. Diluted EPS and diluted HEPS were 31.8% and 31.7% higher, respectively.

The total dividend for the year increased 36.7% to 143.5 cents per share.

Group results			
Divisional contribution	2011 Rm	2010 Rm	Change %
Woolworths Retail	1 965	1 435	36.9
Forex-related gain	–	79	
	1 965	1 514	29.8
Net interest	50	28	78.6
Country Road	162	142	14.1
WFS JV	129	75	72.0
Group PBTAE	2 306	1 759	31.1

WOOLWORTHS

The Woolworths segment, which comprises Clothing and General merchandise and Food grew turnover 10.0%, whilst comparable store sales (sales from stores that were open at the beginning of the prior year) grew 7.9%.

Woolworths Retail Income Statement	2011 Rm	2010 Rm	Change %
Sales	22 609	20 557	10.0
Cost of sales	15 475	14 444	7.1
Gross profit	7 134	6 113	16.7
Other revenue	103	86	19.8
Expenses	5 279	4 770	10.7
Store costs	3 193	2 885	10.7
Other operating costs	2 086	1 885	10.7
Operating profit	1 958	1 429	37.0
Earnings from associate and joint venture	7	6	
Profit before tax	1 965	1 435	36.9

Gross margin benefited from the improved sourcing strategy and buoyed by the stronger Rand.

Store costs grew 10.7%, adversely impacted by the 7.6% of new trading space added during the period.

Other operating costs increased by 10.7%. These costs are incurred in buying and planning activities, marketing, real estate development, as well as central support services.

The Group's share-based payment (IFRS 2) charge was 34.0% higher, mainly as a result of the issue of shares under an executive retention scheme introduced last year. Excluding the higher IFRS 2 charge, as well as unrealised foreign exchange losses and incentives (which were higher due to the Group's out-performance), costs grew by 6.1%.

Overall, Woolworths Retail achieved an operating margin of 8.7%, up from 7.0% in 2010 and ahead of the three-year target of 8.0% set in June 2009. The

focus on productivity to achieve positive operating margin leverage remains a key commitment.

This year's focus on operating efficiencies and inventory levels has also lead to an increase in return on equity from 68.6% to an exceptional 90.5%.

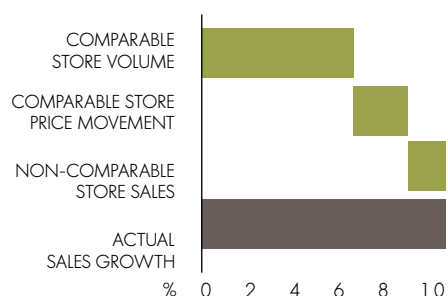
CLOTHING AND GENERAL MERCHANDISE

Clothing and General merchandise Income Statement	2011 Rm	2010 Rm	Change %
Sales	8 591	7 913	8.6
Cost of sales	4 840	4 749	1.9
Gross profit	3 751	3 164	18.6
Other revenue	25	21	19.0
Expenses	2 462	2 217	11.1
Operating profit	1 314	968	35.7
Earnings from associate and joint venture	4	3	
Profit before tax	1 318	971	35.7

Sales were driven mainly by strong performances in Women's Lingerie, Footwear and accessories, and Babyworld. Including Country Road's South African sales, total apparel sales grew 11.5% (and by 9.4% in comparable stores), ahead of market growth of 9.5%.

Volume growth in comparable stores was 6.1% and new space added a further 2.1%. Price movement (our internal product inflation measured by the movement in the average unit price of the units we sell) added a further 3.3%.

CLOTHING & GENERAL MERCHANDISE SALES GROWTH (% ON LAST YEAR)



Improved trading conditions, the strong Rand, and the continued improvement in buying and planning resulted in higher gross margins, which improved from 40.0% to 43.7%.

Expense growth (including the allocation of Group costs) of 11.1% saw Clothing achieve a 35.7% growth in profit and an operating margin of 15.3%, up from 12.3% last year.

We expect sales in comparable stores to continue to show modest growth, and whilst new store development in South Africa slows in the next three years, we will be expanding the store footprints of our existing portfolio. We plan to add between 6% and 7% to Clothing and General merchandise trading space in each of the next three years.

In addition to this space growth, the acquisition of previously franchised stores will add approximately R450 million to Clothing and General merchandise sales in 2012, and R150 million to profits.

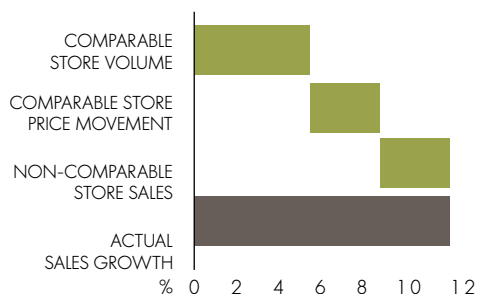
FOOD

Food Income Statement	2011 Rm	2010 Rm	Change %
Sales	13 535	12 227	10.7
Cost of sales	10 237	9 355	9.4
Gross profit	3 298	2 872	14.8
Other revenue	78	65	20.0
Expenses	2 732	2 476	10.3
Operating profit	644	461	39.7
Earnings from associate and joint venture	3	3	
Profit before tax	647	464	39.4

Food also experienced strong growth with sales up 10.7% in total, and 8.4% in comparable stores. On average, Woolworths outperformed the market by 4.1% for the 12-month period.

GROUP FINANCE DIRECTOR'S REPORT (CONTINUED)

FOOD SALES GROWTH (% ON LAST YEAR)



New space added 2.3% to turnover and inflation was 3.0%.

Gross margins improved by 0.9% to 24.4% as a result of ongoing value chain optimisation.

Expenses (including the allocation of Group costs) grew 10.3%, with core expense growth impacted by new stores resulting in a 39.4% growth in profit and an operating margin of 4.8%, up from 3.8% in the previous year.

We expect sales in comparable stores to continue to show modest growth, and our emphasis will be on opening fewer but larger Food stores.

We plan to open six new Food stores (in addition to Food offerings in two full line stores) in 2012, adding 8% to space, with a further 7% in 2013 and 5% in 2014.

COUNTRY ROAD

Sales in comparable stores were down a disappointing 8.6% (in Australian Dollar terms) reflecting the very challenging trading conditions in Australia. This was offset by an increase in South African Rand-denominated sales of 24.0% (with comparable store sales up 7.9%) where the Country Road and Trenery brands continue to perform well. Overall, Country Road grew 1.2% in Australian Dollar terms, supported by space growth in Country Road and the continued roll out of the Trenery brand in both Australia and South Africa.

Country Road Income Statement	2011 A\$m	2010 A\$m	Change %
Sales	428	423	1.2
Cost of sales	174	187	(7.0)
Gross profit	254	236	7.6
Other revenue	4	4	
Expenses	234	218	7.3
Store costs	181	165	9.7
Other operating costs	53	53	
Operating profit	24	22	9.1
Finance costs	1	1	
Profit before tax		21	9.5

Costs were well-managed with better sourcing, supplier rebates, and a strong Australian Dollar resulting in operating margin improving from 5.2% to 5.6%, and an increase in profit of 9.5% in Australian Dollar terms.

The segment is targeting a return on sales of 8% in the medium term. The business plans to open a further three stores in South Africa in 2012 (whilst closing one in Australia), and then opening a further three stores in Australia in each of the subsequent years.

Return on equity improved from 17.9% to 23.1% in Australian Dollar terms due to the higher operating margin and the stronger balance sheet.

WOOLWORTHS FINANCIAL SERVICES

The joint venture with ABSA showed modest but consistent growth throughout the year with the book ending the year 4.8% ahead of the prior year. Whilst there is no constraint on the venture's appetite to grant credit, we have continued to be constrained by the limitations of our point-of-sale and back-office systems in processing credit limit increases and new account applications. We are working on systems upgrades to resolve these issues.

Woolworths Financial Services Income Statement	2011 Rm	Percentage to book	2010 Rm	Percentage to book	Change %
Interest income	1 092	18.0	1 167	19.5	(6.4)
Interest paid	333	5.5	386	6.4	(13.7)
Net interest income	759	12.5	781	13.0	(2.8)
Impairment	86	1.4	308	5.1	(72.1)
Risk-adjusted margin	673	11.1	473	7.9	42.3
Non-interest revenue	424	7.0	365	6.1	16.2
Operating costs	705	11.6	623	10.4	13.2
Profit before tax	392	6.5	215	3.6	82.3
Financial services assets (average)	6 072		5 995		
Return on equity (%)	23.5		13.9		
Joint venture profit before tax	392		215		
Taxation	134		65		
Profit after tax	258		150		
Less: 50%	129		75		
Equity accounted	129		75		

The business continues to operate three key products: the In-Store Card that can be used only for purchases in Woolworths stores, Woolworths Visa Credit Cards and Personal Loans.

Interest income declined 6.4% with the gross yield on the assets contracting from 19.5% to 18.0% due to the reduction in the interest rate formula governed by the National Credit Act. As underlying funding rates reduced by only 0.9%, the net interest margin declined by just 0.5% to 12.5%, yielding R759 million, a reduction of 2.8% 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) improved sharply from 5.1% of the book to a pleasing 1.4%.

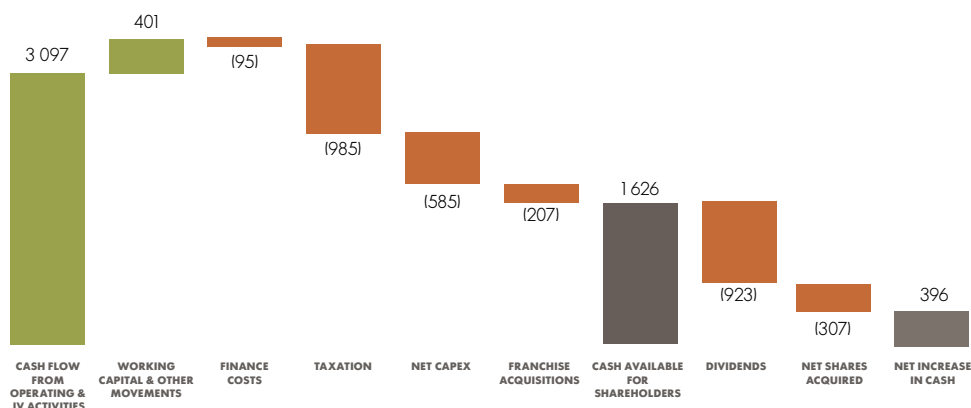
Expenses grew 13.2% as a result of the further investment in collection capacity and book growth initiatives.

Profit grew 82.3%, with the profit-to-book ratio increasing markedly to 6.5% from 3.6% a year earlier.

1.4%
**IMPAIRMENT
CHARGE FOR
THE YEAR**

GROUP FINANCE DIRECTOR'S REPORT (CONTINUED)

CASH GENERATED (R MILLION)



FINANCIAL POSITION

The Group maintained a net cash positive position throughout the year, with net interest increasing from R28 million in the previous year to R50 million.

The Woolworths Retail segment is extremely cash generative – cash generated by operating activities (including JV income) increased by 33%. Improvements in net working capital released a further R401 million as a result of improved supplier terms.

The Group invested R623 million in property, plant and equipment of: R269 million related to the South African store development programme which added nine new corporate stores, as well as expenditure on refurbishments and modernisations across the existing stores portfolio. Country Road invested R107 million in its 22 new store and concession locations.

A further R139 million was invested in IT systems as we continually improve our inventory planning and management systems and invest in capacity and replacement.

At the beginning of the year the decision was taken to wind down local franchise operations to simplify the business. Twenty-three franchise stores acquired at a cost of R250 million (R207 million paid by year-end), with a further 31 stores acquired subsequent to the year-end for R384 million. This investment equates to a conversion of 75% of the sales of the former franchise portfolio. Eighteen franchise stores remain, and we are committed to working with the franchisees to ensure a mutually rewarding relationship to the end of their contract terms.

PROSPECTS AND FINANCIAL TARGETS

We expect the year to 24 June 2012 to remain challenging as global economic uncertainty continues. Inflation is expected to be higher than it was during 2011, constraining volume growth.

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. Both gross and operating margins will also be supported by the impact of the franchise store acquisitions.

Attention will also be given to improving underperforming stores by a critical analysis of costs and operational activities. In head office, detailed cost-to-sell ratios have been set for all departments. These aim to deliver our medium-term operating margin targets set for Clothing and General merchandise of 17.0%, and 6.0% for Food – an overall return on sales for the Woolworths Retail segment of 10.3%.

The Australian economy is expected to remain extremely difficult, with further interest rate increases possible.

The Group's effective tax rate is expected to increase to 30%, or 26% after the replacement of STC with withholding tax on dividends.

Capital expenditure is expected to be approximately R850 million for the Group, increasing by R50 million in each of the following two years. We plan to add 124 648 m² in space over the next three years under our store development programme.

The Group's dividend policy of 1.5 times HEPS is expected to continue to result in the maintenance of a strong balance sheet.

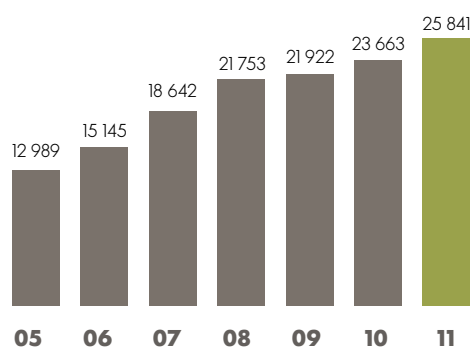


SEVEN-YEAR REVIEW

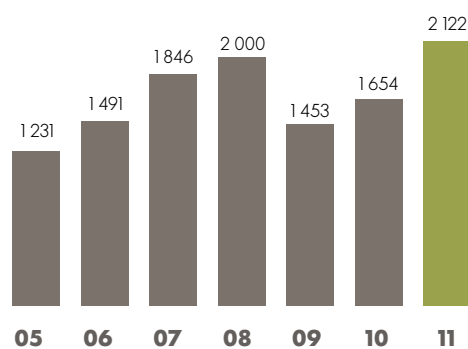
Year Number of weeks	2011 52 Rm	Restated 2010* 52 Rm	2009 52 Rm	2008 53 Rm	2007 52 Rm	2006 52 Rm	2005 52 Rm
GROUP STATEMENTS OF COMPREHENSIVE INCOME							
Revenue	25 841	23 663	21 922	21 753	18 642	15 145	12 989
Turnover	25 582	23 393	21 175	20 065	17 377	14 208	12 221
Cost of sales	(16 683)	(15 619)	(14 501)	(13 798)	(12 032)	(9 844)	(8 478)
Gross profit	8 899	7 774	6 674	6 267	5 345	4 364	3 743
Other revenue	127	95	563	1 688	1 265	937	768
Expenses	(6 904)	(6 215)	(5 784)	(5 955)	(4 764)	(3 810)	(3 280)
Operating profit	2 122	1 654	1 453	2 000	1 846	1 491	1 231
Investment income	132	175	184	–	–	–	–
Finance costs	(84)	(151)	(281)	(503)	(379)	(244)	(152)
Earnings from joint ventures	129	75	58	–	–	–	–
Earnings from associate	7	6	12	1	–	–	–
Profit before exceptional items	2 306	1 759	1 426	1 498	1 467	1 247	1 079
Exceptional items	–	–	380	–	55	–	–
Profit before tax	2 306	1 759	1 806	1 498	1 522	1 247	1 079
Tax	(659)	(491)	(546)	(553)	(435)	(409)	(300)
Profit for the year	1 647	1 268	1 260	945	1 087	838	779
Attributable to:							
Non-controlling interests	16	10	12	8	12	2	2
Shareholders of the parent	1 631	1 258	1 248	937	1 075	836	777

* Marketing expenses of R37 million previously disclosed in cost of sales have been included in other operating costs

REVENUE (RMILLION)

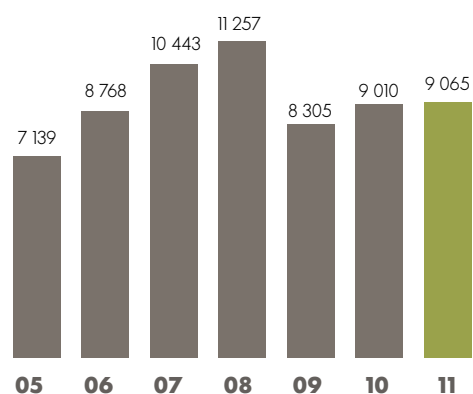


OPERATING PROFIT (RMILLION)

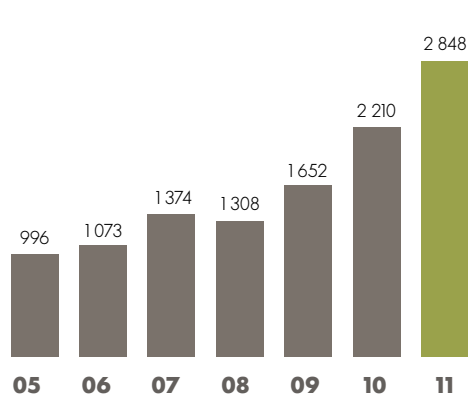


Year Number of weeks	2011 52 Rm	2010 52 Rm	2009 52 Rm	2008 53 Rm	2007 52 Rm	2006 52 Rm	2005 52 Rm
GROUP STATEMENTS OF FINANCIAL POSITION							
Non-current assets	4 115	3 633	3 436	2 793	2 977	2 490	2 002
Current assets	4 950	5 377	4 869	8 464	7 466	6 278	5 137
Total assets	9 065	9 010	8 305	11 257	10 443	8 768	7 139
Equity attributable to shareholders of the parent	4 008	3 396	3 025	3 526	3 247	2 606	2 185
Non-controlling interests	85	57	47	52	43	28	26
Non-current liabilities	1 460	1 362	2 342	2 272	2 918	2 801	3 061
Current liabilities	3 512	4 195	2 891	5 407	4 235	3 333	1 867
Total equity and liabilities	9 065	9 010	8 305	11 257	10 443	8 768	7 139
GROUP STATEMENTS OF CASH FLOWS							
Cash inflow from trading	2 848	2 210	1 652	1 308	1 374	1 073	996
Working capital movements	377	215	67	(330)	184	185	(228)
Cash applied to financial services assets	—	—	21	(24)	(1 183)	(882)	(722)
Cash generated by operating activities	3 225	2 425	1 740	954	375	376	46
Net interest received	28	15	236	861	652	516	488
Tax paid	(985)	(367)	(370)	(747)	(565)	(483)	(315)
Cash generated by operations	2 268	2 073	1 606	1 068	462	409	219
Dividends received from associate	1	1	1	1	—	—	—
Dividends received from joint venture	125	35	—	—	—	—	—
Distributions to shareholders	(923)	(725)	(655)	(636)	(551)	(474)	(384)
Net cash inflow/outflow from operating activities	1 471	1 384	952	433	(89)	(65)	(165)
Net cash outflow/inflow from investing activities	(771)	(504)	2 625	(504)	(527)	(599)	(313)
Net cash outflow/inflow from financing activities	(1 328)	(364)	(1 055)	374	794	11	1 443
(Decrease)/Increase in cash and cash equivalents	(628)	516	2 522	303	178	(653)	965
Cash and cash equivalents at beginning of year	2 917	2 391	(91)	(423)	(623)	23	(950)
Effect of foreign exchange rates	4	10	(40)	29	22	7	8
Cash and cash equivalents at end of year	2 293	2 917	2 391	(91)	(423)	(623)	23

TOTAL ASSETS (RMILLION)



CASH IN FLOW FROM TRADING (RMILLION)

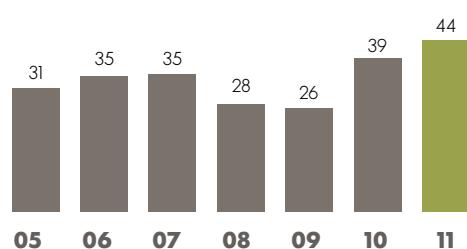


SEVEN-YEAR REVIEW (CONTINUED)

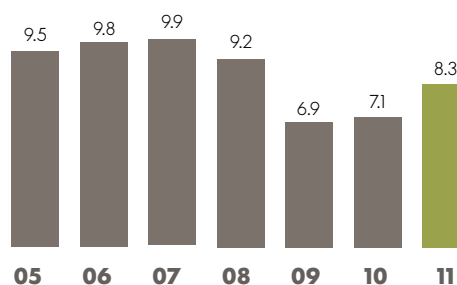
Year Number of weeks	2011 52 %	Restated 2010* 52 %	2009 52 %	2008 53 %	2007 52 %	2006 52 %	2005 52 %
RETURNS							
Return on ordinary shareholders' equity	44.1	39.4	26.3	27.5	35.1	34.8	31.2
– headline earnings as a percentage of the average of ordinary shareholders' interest at the beginning and end of the year							
Return on assets	23.8	19.3	16.9	18.8	19.4	18.9	19.3
– operating profit as a percentage of the average of total assets less deferred tax liability at the beginning and end of the year							
MARGINS							
Gross margin	34.8	33.2	31.5	31.2	30.8	30.7	30.6
– gross profit as a percentage of turnover							
Operating margin	8.3	7.1	6.9	9.2	9.9	9.8	9.5
– operating profit as a percentage of turnover (revenue in 2008 and prior periods)							
SOLVENCY AND LIQUIDITY							
Debt ratio	5.8	17.3	18.1	40.8	37.9	39.2	36.4
– interest-bearing debt as a percentage of total assets							
Current ratio (times)	1.4	1.3	1.7	0.9	1.8	1.9	2.8
– current assets divided by current liabilities							
Total liabilities to shareholders' equity	121.5	160.9	170.4	214.6	217.5	235.4	225.6
– non-current liabilities, plus deferred tax and current liabilities as a percentage of total shareholders' interest							

* Marketing expenses of R37 million previously disclosed in cost of sales have been included in other operating costs.

RETURN ON EQUITY (%)



OPERATING MARGIN (%)



Year	2011	Restated					
Number of weeks	52	2010*	2009	2008	2007	2006	2005
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
DIVISIONAL ANALYSIS							
REVENUE							
Woolworths Retail**	22 712	20 627	19 486	19 793	17 280	14 151	11 994
Country Road	3 000	2 861	2 252	1 939	1 362	994	995
Treasury	129	175	184	21	–	–	–
	25 841	23 663	21 922	21 753	18 642	15 145	12 989
TURNOVER							
Woolworths Retail							
– Clothing and home	8 591	7 913	7 423	7 410	6 985	6 012	5 350
– Food	13 535	12 227	11 126	10 360	8 718	6 942	5 666
– Logistics and other	483	417	391	376	320	274	223
Country Road	2 973	2 836	2 335	1 918	1 354	981	982
	25 582	23 393	21 175	20 064	17 377	14 209	12 221
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX							
Woolworths**				1 377	1 412	1 232	1 058
Woolworths Retail	1 958	1 508	1 095				
– Clothing and General merchandise	1 314	1 047	694				
– Food	644	461	401				
Country Road	162	142	139	101	55	15	21
Treasury	50	28	50				
Woolworths Financial Services (subsidiary to 30 September 2008)	–	–	72				
Woolworths Financial Services (joint venture from 1 October 2008)	129	75	57				
Earnings from associate and property joint venture	7	6	13				
	2 307	1 759	1 426	1 478	1 467	1 247	1 079
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS							
Woolworths***	1 516	1 185	1 159	875	985	823	758
Country Road	115	73	89	62	89	13	19
	1 631	1 258	1 248	937	1 074	836	777
NET ASSETS							
Woolworths***	3 516	2 966	2 663	3 130	2 936	2 401	1 977
Country Road	492	430	362	396	311	205	208
	4 008	3 396	3 025	3 526	3 247	2 606	2 185

* The results, cash flows and net assets of Country Road South Africa, previously recorded in the Clothing and General merchandise segment, have been included in the Country Road segment in line with a change in operational structure. Comparative results have been restated

** Years prior to 2009 includes Woolworths Financial Services

*** Includes Woolworths Retail, Treasury, Woolworths Financial Services, and earnings from associate and property joint venture

SEVEN-YEAR REVIEW (CONTINUED)

Year Number of weeks	2011 52	Restated 2010* 52	2009 52	2008 53	2007 52	2006 52	2005 52
OTHER STATISTICAL DATA							
WOOLWORTHS RETAIL**							
Gross margin (%)	31.6	29.7	28.0	28.0	32.3	32.8	32.7
Number of employees (average weekly full-time equivalent)	23 304	22 325	20 873	21 374	19 344	16 337	14 243
Number of stores – owned	293	259	250	228	200	173	149
– franchised	145	160	160	157	149	136	125
Closing trading area (m ²) – owned	442 762	411 132	406 784	381 639	347 647	326 200	301 338
– franchised	82 596	100 524	100 493	96 712	98 225	96 167	88 307
Turnover ratios – turnover per employee (R'000)	970.2	920.8	902.6	849.0	828.3	809.7	789.1
– turnover per m ² (owned) (R'000)	51.1	50.0	46.3	47.5	46.1	40.5	37.3
Asset turn (times)	4.4	4.3	4.1	4.7	4.9	4.4	4.2
– revenue divided by average total assets less deferred tax at the beginning and end of the year							
Inventory turn (times)	10.7	10.2	10.4	12.0	12.5	14.0	14.9
– cost of sales divided by average inventory at the beginning and end of the year							
Profit before exceptional items and tax to turnover (%)	8.7	7.3	6.3	7.6	8.8	9.3	9.4
COUNTRY ROAD (IN A\$ TERMS)							
Gross margin (%)	59.3	55.8	59.5	61.0	58.1	53.7	52.2
Number of employees (full-time equivalent)	1 345	1 331	1 206	1 133	1 093	806	868
Number of stores – owned	117	96	67	61	57	52	47
– concession	82	81	82	78	74	–	–
Trading area (m ²)	52 903	48 588	36 849	33 974	31 548	22 094	23 539
Turnover ratios – turnover per employee (A\$'000)	318.2	317.8	284.5	255.7	217.4	254.5	240.2
– turnover per m ² (A\$'000)	8.1	8.7	9.3	8.5	7.5	9.3	8.9
Asset turn (times)	3.3	3.0	3.0	3.0	2.5	2.4	2.5
Inventory turn (times)	4.0	4.1	4.1	3.9	3.7	4.0	4.3
Profit before tax to turnover (%)	5.3	5.0	6.4	4.8	3.9	1.6	1.5

* The results, cash flows and net assets of Country Road South Africa, previously recorded in the Clothing and General merchandise segment, have been included in the Country Road segment in line with a change in operational structure. Comparative results have been restated

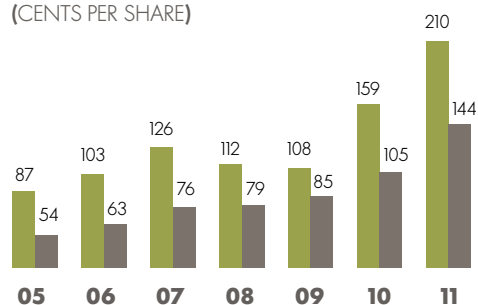
** Years prior to 2009 includes Woolworths Financial Services

Year Number of weeks	2011 52	2010 52	2009 52	2008 53	2007 52	2006 52	2005 52
ORDINARY SHARE PERFORMANCE (CENTS PER SHARE)							
Earnings	212.2	162.4	157.2	114.8	133.9	105.1	91.5
Headline earnings	214.9	164.6	109.3	114.9	127.8	105.0	89.4
Distributions declared for the financial year*	143.5	105.0	179.0	79.0	76.0	63.0	54.0
Net asset book value	530.7	447.2	390.4	443.2	401.2	326.9	279.5
Share price: Highest	2 982	2 580	1 358	2 302	2 510	1 779	1 181
Lowest	2 299	1 297	923	988	1 230	1 003	721
Average	2 606	1 898	1 177	1 550	1 779	1 391	966
Closing	2 910	2 520	1 295	1 020	2 140	1 370	1 025
Indexed closing share price (June 2000 = 100)	1 003	869	447	352	738	472	353
JSE indexed: Retail (June 2000 = 100)	495	414	275	234	407	279	244
All shares (June 2000 = 100)	398	354	289	359	377	266	183
Market capitalisation at June (Rm)	24 580	21 365	10 374	9 000	19 179	12 112	8 959
Number of shares in issue (millions**)	755	760	775	796	809	797	787
Number of shares traded (millions)	781	1 209	1 182	1 164	738	596	502
Percentage of shares traded	103.4	159.1	152.6	146.3	82.4	67.4	57.5
Value of shares traded	20 353	22 947	13 912	18 037	13 131	8 291	4 892
Price : Earnings ratio	13.7	15.5	8.2	8.9	18.2	13.6	12.0
Distribution yield (%)	4.9	4.2	6.6	7.7	3.6	4.6	5.3
FOREIGN CURRENCY EXCHANGE RATES							
US\$ – average	6.99	7.61	9.05	7.33	7.22	6.37	6.18
US\$ – closing	6.82	7.60	7.94	7.88	7.15	7.50	6.74
AU\$ closing	7.17	6.63	6.42	7.62	6.11	5.44	5.20
KEY INFORMATION US\$ MILLION							
Revenue	3 697	3 109	2 422	2 966	2 581	2 377	2 103
Headline earnings per share (cents)	30.7	21.6	12.1	15.8	17.7	16.5	14.5
Net profit attributable to ordinary shareholders	233	165	138	128	149	131	126
Total assets	1 329	1 186	1 046	1 428	1 461	1 169	1 060
Market capitalisation	3 604	2 812	1 306	1 142	2 683	1 615	1 330

* Includes special dividend of 94 cents paid in 2009.

** Net of treasury shares held by subsidiaries, E-Com Investments 16 (Proprietary) Limited and Woolworths (Proprietary) Limited.

DILUTED HEPS AND DIVIDENDS DECLARED (CENTS PER SHARE)





OUR CUSTOMERS
OUR OPERATIONS
OUR PEOPLE
OUR GOOD BUSINESS JOURNEY

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 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 and the risk committee undertakes a risk-status review on a quarterly basis. It also considers plans to address out-of-tolerance risks. The sustainability and transformation committees have oversight of our Good Business Journey strategies.

OUR CUSTOMERS

PERFORMANCE

	2011	2010
Clothing and footwear sales growth above the market	1%	n/a
Food sales growth above the market	4%	n/a
Revenue tracked by WRewards	61%	49%

STRATEGIC OBJECTIVES

• TO BE A CUSTOMER-CENTRIC BUSINESS

A significant amount of work has been done to define who the Woolworths customers of the future are and to identify what is important to them. We have defined a single business-wide view of the Woolworths customer, based on the customer's mindset, wants and needs as informed by lifestyle segments. Customer segmentation and shopping habit information is integrated into our merchandise cycle and informs our branding, design, buying and allocation decisions.

VALUE WITH VALUES TO MAKE THE WOOLWORTHS DIFFERENCE

• TO BE A BRAND VALUE-DRIVEN BUSINESS

We have modernised our branding, and for each of our sub-brands, we have challenged their purpose and alignment to the main Woolworths brand. Our plans are to ensure that our brand and its values are understood throughout the organisation and that those values are ingrained, both in our products, and in our service in stores: delivering Value with Values to make the Woolworths Difference.

• TO BUILD STRONG PROFITABLE CUSTOMER RELATIONSHIPS

Our WRewards loyalty programme was launched in September 2010 and has significantly exceeded our expectations, driving card acquisition and increased card spending.

Customers are delighted with the instant savings offered by our loyalty programme. WRewards remains our key strategy to increase the lifetime value of our customers – enabling us to reward loyalty and gather information to further understand customer needs and align our total customer proposition.

• TO GET OUR FORMATS RIGHT

We need to ensure that our products and stores best meet the needs of the Woolworths shopper. 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.

In Food, the most significant part of this intent is to enlarge existing stores to support our supermarket and regional centre concepts. We will however continue to roll out our smaller format stores to support customer convenience. Our first supermarket (in Nicholway, Johannesburg) is planned to open in April 2012. At 2 500 m², the store will be significantly bigger than any of our existing ones and will offer not only extended ranges, but an extended in-store experience.

• TO GROW OUR PRODUCT DOMINANCE CLOTHING AND GENERAL MERCHANDISE

Great progress has been made in creating dominant headquarters assortments underpinned by "The Difference". The focus on Womens' footwear and accessories, Lingerie and Babyworld has resulted in significant market share gains. The re-launch of our Re: and studio-w sub-brands has been extremely successful, attracting a younger and more modern customer.

Our plans are to continue to deliver product leadership in terms of quality and innovation throughout our ranges, delivering on-trend fashion at value, beautiful basics and re-affirming Woolworths as the market leader for innovation in comfort, convenience, safety and protection and sustainability.



FOOD

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

To support our larger format strategy, we are expanding our ranges to enable our customers to complete their main shop, introducing larger pack sizes and new categories. Our branded Key Value Item (KVI) range will also be extended.

• TO ENABLE A MULTI-CHANNEL WORLD

Our business and brand is well-positioned to take a leading role in the trend towards multi-channel retailing. In the last year we have invested significantly in upgrading our internet shopping site. Our plans are to optimise and further expand our online offering in terms of products, information, services and delivery options. We will develop social commerce platforms integrating our social media marketing for the convenience of our customers.

RISKS AND HOW WE MANAGE THEM

Risk	Mitigation plan
The outlook is uncertain due to timing and extent of the global slowdown.	<p>We review the balance of our ranges to ensure that our great value product is bought in dominance and depth.</p> <p>We continue to provide our customers with more competitive opening price points.</p> <p>We have an absolute focus on cost management in the business.</p>
We do not become the retailer of choice of customers in our target market.	<p>We will focus on our key sub-brands of studio-w and Re:</p> <p>We will focus on our core womenswear and menswear businesses.</p> <p>We deliver product leadership through increasing our Value with Values.</p> <p>We will build dominance and scale in key product categories.</p> <p>We will continue to focus on and refine the WRewards loyalty programme.</p> <p>We will drive customer segmentation to inform our branding, design, buying and allocation decisions.</p> <p>We will enhance and optimise the online channel.</p>

OUR OPERATIONS

PERFORMANCE

	2011	2010
Gross profit margin	31.6%	29.7%
Operating profit margin	8.7%	7.0%
Number of stores	438	419
Trading space	532 287 m ²	518 534 m ²

STRATEGIC OBJECTIVES

• TO EXPAND OUR FOOTPRINT IN AFRICA

Our plans are to materially grow our presence in Africa. The focus will be on expanding our presence in existing countries of operation, whilst establishing a presence in Nigeria, Angola and Mauritius. We will open 19 stores in 2012 and have a target of more than 100 stores by 2014. We intend to integrate the international business into our existing processes to build a sustainable supply chain and to ensure consistent cost-effective availability.

• 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 groups. We will also extend best practices in non-trade procurement more widely in the company to drive further cost-savings.

• TO SIMPLIFY OUR BUSINESS MODEL

A key business decision made last year was to re-acquire our franchise stores. The franchise business model added costs and complexity as well as a lack of consistency in the way our brand was experienced by the customer. At this point, approximately 75% of our South African franchise stores (measured by turnover) have been re-acquired.

• TO IMPROVE OUR AVAILABILITY

Our intent is to continually improve availability in a sustainable manner, enabling customers to shop with confidence. We will continue to invest in improved systems and processes to improve availability. In Food, we will fine-tune our store catalogues and in Clothing and General merchandise we are improving our speed of inventory movement through the supply chain, optimising our allocations and improving our size profiling.

• TO IMPROVE OUR SOURCING CAPABILITY

We have spent a significant amount of time and effort optimising our value chain across the business to drive higher margins. In Clothing and General merchandise we have increasingly moved from import agents to dealing directly with foreign manufacturers. At the same time we have rationalised the number of suppliers with the top 30 now accounting for over 70% of our business. These initiatives have resulted in significant margin gains. We have shortened our merchandise cycle by eight weeks – a major improvement.

We have set up an office in Shanghai that will be used for sourcing, technical integration, production management, product development support and monitoring quality standards for Clothing and General merchandise. We will continue to drive down the number of weeks in the merchandise cycle, allowing us to reduce the risk in the fashion business and bring fashion trends to customers earlier and with more confidence. Fast response mechanisms have also been built into the cycle for certain merchandise categories.



RISKS AND HOW WE MANAGE THEM

Risk	Mitigation plan
We are unable to implement a profitable African footprint	<p>We will engage with existing franchise partners to convert to a joint venture relationship to drive expansion before engaging new partners.</p> <p>We will expand in countries where the Woolworths brand is already established.</p> <p>We will enter new countries which show high GDP growth rates with experienced partners.</p> <p>We have a focused cross-functional team to manage implementation.</p>
We experience stock losses at an unacceptable level.	<p>We have a focused effort and deliberate interventions to manage in-store shrinkage and stock losses at the distribution centres.</p> <p>We have deflection measures in place to limit losses due to armed robberies and burglaries.</p> <p>We continue to promote the Tip-offs Anonymous hotline run by Deloitte.</p>

OUR PEOPLE

PERFORMANCE

	2011	2010
Number of employees	20 433	18 836
Additional jobs created	690	n/a
Positive employee climate survey	74%	64%
Management labour turnover	7%	13%
Employment equity score	11.22	10.59
Training spend	R58.2m	R51.4m

STRATEGIC OBJECTIVES

Our strategic intent is to establish a leading Employee Value Proposition that will attract, engage and retain our best talent and ensure our people are inspired and committed to the company vision and strategic plan.

• ESTABLISH A NON-NEGOTIABLE COMMITMENT TO EE

Establish a non-negotiable commitment to transformation and BEE by focusing on EE transformation through focused sourcing and retention, talent identification and the development and promotion of a culture of delivering on EE targets.

• DEVELOP CAPABILITY, SUCCESSION AND CAREER PATHWAYS

Develop our workforce and structures to support the delivery of the strategic plans and grow our next generation of leaders from within.

• ESTABLISH A PERFORMANCE MOTIVATED CULTURE

Increase accountability and proactively manage, recognise and reward performance aligned to the delivery of the strategic plan.

• ENHANCE VALUES-BASED LEADERSHIP

Increase the focus and commitment to demonstrating behaviours consistent with the Woolworths Values.

• ATTRACT OUTSTANDING TALENT

Deliver a compelling employment brand that will attract outstanding talent with a strong cultural fit which demonstrate the Woolworths value-driven behaviours.

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 to accelerate the development and retention of key talent, increasing the number of learners participating in formalised learnerships, creating skills and trainee programmes and rolling out a value-based leadership initiative. We have also implemented a new organisational framework and extended the short-term incentive scheme to all staff. This has assisted in reduced staff turnover at all levels.

RISKS AND HOW WE MANAGE THEM

Risk	Mitigation plan
We are unable to attract, retain and develop talent.	We will continue to drive the employee value proposition. We have a remuneration and reward strategy in place which recognises and rewards performance. We are focusing on developing capability, succession and career pathways to develop our people. We have retention mechanisms in place for key and critical skills.
We are unable to achieve our transformation targets.	Our employment equity targets are fully integrated into management teams and line managers' performance targets. We have a preferential procurement policy which guides the business in its decision-making. We continue to engage with and assist suppliers to increase their contributor status. We provide enterprise development loans.



OUR GOOD BUSINESS JOURNEY

PERFORMANCE

	2011	2010
Inclusion in the JSE SRI Index	✓	✓
GBJ index overall score	86.0%	81.0%
BBBEE score	Level 4 (72.05)	Level 5 (56.93)
Energy saving (relative reduction from benchmark year)	22.5%	18.0%
Green buildings (number of buildings)	18	13
Packaging reduction (food)	8.24%	6.6%
Relative water reduction in corporate stores	(5%)	26.0%
Water usage head office – kilolitres	29 385	29 625
Water usage distribution centres – kilolitres	150 238	151 481
Number of schools on EduPlant programme	2 536	3 720
Produce suppliers qualifying for the Farming for the Future programme	70%	68.4%
Corporate social investment contribution	R370m	R314m

STRATEGIC OBJECTIVES

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 and we have set and communicated our targets. We are on track to substantially achieve our original 2012 objectives and have set updated targets through to 2015.

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

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.

• SUSTAINABLE FARMING

The focus of our work in the Food supply chain will be on 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 bio-diversity.

• WATER

South Africa is a water scarce country and we will also focus on water reductions and the management of waste water in our Food supply chain.

WE WILL ALSO REDUCE
RELATIVE WATER USAGE
IN STORES BY

50%

BY 2015.

• ENERGY

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 are designing 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.



• SOCIAL DEVELOPMENT

Our social development focus is to contribute to South Africa's education through our EduPlant programme, teaching children about the growing of food and providing them with food so that they can learn. Our efforts through the Making the Difference programme and MySchool further support the education focus. We aim to increase contributions from the MySchool programme to R50 million per year by 2015.

• TRANSFORMATION

We have achieved our target of becoming a Level 4 BBBEE contributor by 2012 – a year ahead of target – and will work hard to maintain our status given the changes to some categories of the DTI scorecard. We aim to increase communication to customers, staff and other stakeholders around sustainability to create a deeper understanding of these important issues.

RISKS AND HOW WE MANAGE THEM

Risk	Mitigation plan
Water scarcity could negatively affect our operations.	We have invested in WWF's water neutrality programme, to offset the water used in our direct operations. Our Farming for the Future programme ensures our Food products are produced in a more sustainable manner. We continue to install water measuring systems in all stores.
We do not achieve our energy reduction targets which could lead to increased costs.	We continue to implement more efficient refrigeration and air-conditioning technology in stores. We will continue with our energy-saving campaign to deliver savings in usage and costs. We will roll out the green store strategy to more stores. We will investigate clean energy options appropriate to our business.

OUR INHERENT RISKS

WE REVIEW OUR KEY RISKS AS PART OF OUR STRATEGY CYCLE AND PROCESS. SOME OF THE RISKS ARE INHERENT IN ANY RETAIL BUSINESS.

As our strategy is an integrated one, so are our risks. Our risks are also classified as strategic, operational, financial and reputational.

We review how we are managing our risks, by not only ensuring that the mitigating plans are being carried out but also through the metrics that manage the risk tolerance.

We have worked hard to ensure that these metrics are also the metrics that the teams are

managing as part of their daily operations and in that way we know that line management is an integral part of the process.

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.

INHERENT OPERATIONAL RISKS

These risks are inherent to most retail businesses and our focus is to maintain them within acceptable levels of tolerance.

Risk	Mitigation plan
Fraud or theft.	We have a zero tolerance policy towards fraud, theft, corruption or any similar behaviour. We take disciplinary action in terms of our disciplinary code. We continue to promote the Tip-offs Anonymous hotline run by Deloitte.
Food safety and/or quality issues.	We have a Food technology team who are actively involved in product development to ensure compliance with Food quality standards. We have a defined recall process, which is tested annually, to remove and, where required, destroy product from our stores and distribution centres. We have a defined public recall process.
Interruption of business.	We have focused plans that deal with the unavailability of Food distribution centres, stores, and key information systems as well as power outages. We are developing plans for head office in the event of a business interruption. We have generators and uninterrupted power supply capacity to reduce the impact of power outages on our stores, distribution centres and head office. We have a disaster recovery plan for our key information systems which is reviewed, updated and tested on an annual basis.
Health issues.	We have a comprehensive health and safety framework that sets out the required policies and standards for suppliers, distribution centres and stores. We have occupational health practitioners who manage a comprehensive health and wellness programme. We have an HIV/AIDS awareness and treatment programme that is offered to our employees.
Legislation changes.	We have a compliance monitoring framework in place which ensures compliance with all relevant legislation and regulations. We set up projects to ensure implementation of new legislation, e.g. Companies Act. We lobby drafting of new legislation through relevant retail and consumer bodies to put forward business views.
Foreign currency exposure.	We enter into forward exchange contracts for the acquisition of all directly imported merchandise sold in our stores and services.





BOARD
COMMITTEES
REMUNERATION REPORT

OUR
GOVERNANCE

OUR GOVERNANCE STATEMENT

The Board is of the opinion that the Group has applied all significant governance principles in King III and that the Group complies with all significant requirements of the Listings Requirements of the JSE.

KING III

We have always subscribed to the codes of King and with finalisation of the King Report on Corporate Governance (King III), we welcomed the opportunity to benchmark our own governance principles against these recommendations.

Last year we commenced with early adoption of some of the recommendations. This year we have completed our review. Where we have agreed not to apply the recommendations as articulated by King III, we have explained to our stakeholders how we have applied them. These are highlighted in this abridged Governance report.

GOVERNANCE REPORTING

The Board acknowledges its responsibility to ensure the integrity of the Integrated Report and believes that it addresses all material issues and that it fairly presents the integrated performance of the Group.

Whilst the 52 weeks ended 26 June 2011 is the first year in which the Group is obliged to prepare an Integrated Report, we commenced last year reflecting the fact that Woolworths has been operating in an integrated sustainable manner for a number of years.

The discussion paper titled "Framework for integrated reporting and the Integrated Report" has further guided us in compiling our **2011 Integrated Report**.

Our **2011 Integrated Report** aims to demonstrate the integration of our financial and sustainability strategy into our plans and our performance.

It also deals with key risks and how we plan to mitigate them.

We have only included key information in the report and we have noted where supporting detail is available on our website:
www.woolworthsholdings.co.za

The abridged Governance report outlines our application of King III and the actions taken by the Board and committees during the year. Other detailed

information such as the Board and committees charters and other governance policies are available on the website:

www.woolworthsholdings.co.za

The Remuneration policy will be voted on a non-binding basis by shareholders for the first time this year. The remuneration and strategy policies are set out in the Remuneration report.

A more detailed account of our sustainability strategy is available as a separate volume and on our website:

www.woolworthsholdings.co.za

We have provided the summarised financial statements as part of the **2011 Integrated Report**, with the detailed annual financial statements available as a separate volume and on our website:

www.woolworthsholdings.co.za

BOARD

ETHICAL LEADERSHIP

This year we re-launched our corporate values which have been highlighted elsewhere in the report. These guide our behaviour and the manner in which we conduct our business with stakeholders. The ethics policy supports these values and sets out the standards that we expect when dealing with all customers, suppliers, business partners, employees, competitors, community and our shareholders. The policy also contains guidelines with respect to employees accepting gifts, travel and entertainment from stakeholders. In addition, we request all suppliers to adopt our code of conduct for business partners.

We have a zero tolerance policy towards fraud, theft, corruption or any similar illegal behaviour. We take disciplinary action against any employee who is involved in, or assists with committing fraud, theft and corruption. In terms of the company's disciplinary code any involvement in these acts is a dismissible offence. We continue to promote the Tip-offs Anonymous line run by Deloitte and provide rewards for information, which leads to the successful prevention of fraud and shrinkage.

On an annual basis, senior management and members of any tender committee are requested to disclose, in writing, any financial interests they may have in any company.

Our internal "Let's Ask" survey has shown a good improvement in awareness around ethics and values over the last year. This was reinforced with the launch of a values campaign.

CUSTODIAN OF GOVERNANCE

The Board is the custodian of governance and structures itself to carry out this function as follows:

The Board is the custodian of corporate governance and ethical leadership. The Board approves the company's strategic direction and ensures a balance between its financial environment and social objectives. It is also responsible to ensure appropriate communication with all its stakeholders.



CORPORATE GOVERNANCE

- 1 The nominations committee assists with the appointments of directors and 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 acts for the holding company and all the company's subsidiaries.
- 3 The remuneration committee ensures the adoption of remuneration policies which attract and retain top talent, aligned to the company's strategy and drive performance in the long- and short-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.
- 5 The sustainability committee ensures that the sustainability strategy positions the company as a leader in retail and that it is effectively integrated into the business.
- 6 The transformation committee ensures that the transformation strategy is appropriately ambitious and that it is effectively integrated into the business.
- 7 The BEE Employee Share Ownership Scheme Trust ensures the proper governance of the BEE Employee Share Ownership Scheme.
- 8 The Woolworths Trust ensures that the corporate social investments are aligned with the business strategy and are managed effectively.
- 9 Country Road is a subsidiary listed on the Australian Stock Exchange. The Board has oversight over its governance. Certain members of company's Board are represented on its Board.
- 10 Woolworths Financial Services is a joint venture company. Certain members of company's Board are represented on its Board.
- 11 The corporate governance division which comprises legal, audit, risk, compliance, company secretarial and sustainability provides support and guidance to the committees.
- 12 Assurance providers provide a level of assurance on Integrated Reporting, the annual financial statements, the BBBEE score and certain sustainability metrics.

ABRIDGED GOVERNANCE REPORT (CONTINUED)

CHARTER

The Board is guided by a charter which is reviewed annually. The charter was reviewed and updated during the year taking into account relevant King III recommendations.

The charter includes a delegation of authority which states the matters to be dealt with and the authority between the Board and its committees. Compliance with this delegation of authority is the responsibility of the Board and is monitored by the Group secretary and the corporate governance division. There are a number of governance policies which complement the delegation of authority. These include: a conflicts of interest policy, an external auditor independence policy, an insider trading policy, a price-sensitive information policy and an ethics policy. These policies are reviewed on an annual basis and all amendments are approved by the Board and available on our website:
www.woolworthsholdings.co.za

STRUCTURE

The Group has a unitary Board structure with ten non-executive directors and three executive directors. 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 addition, they have an understanding of the business environment in which we trade and a knowledge of the regulatory, transformation and environmental challenges facing the business.

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

The current Chairman, Buddy Hawton, is an independent non-executive. 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, Ian Moir, is responsible for formulating and recommending to the Board, long-term strategies and policies and through the approved framework of delegated authority, ensures their implementation.

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 directors have unlimited access to the advice and services of the Group secretary. The Group secretary also acts as secretary for the committees of the Board.

ROTATION

In accordance with the Memorandum of Incorporation of the company, a minimum of one-

third of the Board are subject to rotation each year. In addition, directors appointed since the last annual general meeting retire and stand for re-election at the next annual general meeting. A director may not hold office for more than three consecutive years before standing for re-election.

TENURE

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.

In terms of the Companies Act, the members of the audit committee will also be re-elected by shareholders each year.

INDEPENDENCE

Our Board consists of nine independent directors. The Deputy Chairman, who served as the Group chief executive officer within the last three years and the three executive directors are not independent.

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.

The Chairman reviewed the independence of all directors standing for re-election. All the non-executive directors standing for re-election, with the exception of Simon Susman, can be classified as independent.

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 financial interest.

INDUCTION AND ONGOING DEVELOPMENT OF DIRECTORS

The Board recognises that understanding the business is an ongoing process and, as such, the Chairman of the Board and the Group secretary ensure an appropriate programme is in place to assist directors with the understanding of the Group.

New directors participate in an induction programme. It is adjusted as necessary to meet the specific needs of the appointed directors. The directors are provided with all the necessary documentation in order to familiarise themselves with the company and issues affecting the Board. The directors also participate in an attachment programme with all the relevant executive

directors and senior management, and undertake site visits to stores, suppliers and distribution centres to assist their understanding of the broad dynamics of the business.

PERFORMANCE EVALUATION

BOARD AND COMMITTEES

King III recommends that an evaluation of the Board and the committees should be done on an annual basis. This could be carried out inhouse or by making use of independent external service providers.

THE 2011 ASSESSMENT OF THE BOARD AND COMMITTEES SHOWED THAT THE GOOD PERFORMANCE HAD BEEN MAINTAINED AND IMPROVEMENTS PREVIOUSLY SUGGESTED HAD BEEN MADE.

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

A Board and committee evaluation was carried out in April 2011. The evaluation process was carried out inhouse.

The Board and committees were evaluated against six key areas – committee size and composition, appropriateness of terms of reference, meeting processes, Board interaction, orientation and development and leadership and support.

The 2011 assessment of the Board and committees showed that the good performance had been maintained and improvements previously suggested had been made.

The Board evaluation did not identify any significant matters requiring attention. It was recommended that the Board regularly review the composition of the Board and that it continues to focus on formal communication from the executives in the period between Board meetings.

INDIVIDUAL DIRECTORS

King III recommends that the performance of the directors is reviewed annually.

Informal performance evaluations 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 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 MEETINGS

The Board met four times during the year. Two additional meetings devoted to strategic planning were also held. To keep directors up to date, teleconference meetings are held in the period between formal Board meetings. The Group chief executive officer updates the Board through a regular monthly report. 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.

The Chairman, in consultation with the Group chief executive officer and Group secretary, is responsible for setting the agenda of each Board meeting. Board meetings are scheduled well in advance and management ensures that 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 matters discussed in the committee after every meeting. The minutes of all committee meetings are circulated to all directors.

ABRIDGED GOVERNANCE REPORT (CONTINUED)

The attendance at Board meetings is as follows:

Director	BOARD AUG 2010	BOARD NOV 2010	STRATEGY NOV 2010	BOARD FEB 2011	BOARD MAY 2011	STRATEGY MAY 2011
Buddy Hawton ¹	✓	✓	✓	✓	✓	✓
Simon Susman ²	✓	✓	✓	✓	✓	✓
Ian Moir ³	✓	✓	✓	✓	✓	✓
Peter Bacon	✓	✓	✓	✓	✓	✓
Lindiwe Bakoro	✓	✓	✓	✓	✓	✓
Tom Boardman ⁴	–	✓	✓	✓	✓	✓
Nigel Colne ⁵	✓	✓	–	–	–	–
Brian Frost ⁵	✓	✓	–	–	–	–
Mike Leeming	✓	✓	✓	✓	✓	✓
Chris Nissen	✓	✓	✓	✓	✓	✓
Stuart Rose ⁶	–	–	–	✓	✓	A
Zyda Rylands	A	✓	✓	✓	✓	✓
Thina Siwendu	✓	✓	✓	✓	✓	✓
Norman Thomson	✓	✓	✓	✓	✓	✓
Sindi Zilwa	✓	✓	✓	✓	✓	✓

¹ = Chairman

² = Deputy Chairman – appointed on 18 November 2010

³ = Group chief executive officer

⁴ = Appointed to the Board on 27 September 2010

⁵ = Retired from the Board on 18 November 2010

⁶ = Appointed to the Board on 19 January 2011

A = Absent with apology

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 their formal terms of reference. The audit committee has additional responsibilities given to it by virtue of the Companies Act, 2008 (as amended).

All the committee's terms of reference have been reviewed and updated during the year. All amendments were approved by the Board. The full terms of reference of each committee can be found on our website:
www.woolworthsholdings.co.za

All committees are satisfied that they have carried out their responsibility in compliance with their mandates and terms of reference. The key activities are highlighted in the reports of the committees.

NOMINATIONS COMMITTEE

The main purpose of the committee is to assist the Board with the appointments of directors and ensure a transparent process to determine Board and committee composition. In addition,

the committee ensures that there is appropriate succession planning for the Chairman, directors and senior management.

As part of the annual review of the Board and committees, two directors were appointed to the Board. Tom Boardman was appointed in September 2010 and Stuart Rose in January 2011.

The review of the committee composition led to changes being made in the audit and transformation committees.

The process for the election and voting for a new Chairman was managed by the committee. The committee proposed to the Board a charter for a Lead independent director (LID) and managed the process for the appointment of a LID.

The committee reviewed the goals and performance of the Group chief executive officer and his senior team.

The 2011 committee evaluation showed a good performance. The committee evaluation did not identify any significant matters requiring attention.

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Buddy Hawton ¹	✓	✓	✓	✓
Nigel Colne ²	✓	✓	–	–
Brian Frost ²	✓	✓	–	–
Mike Leeming	A	✓	✓	✓
Chris Nissen	✓	✓	✓	✓
Simon Susman ³	–	–	✓	✓

¹ = Committee Chairman

² = Retired from the Board and committee on 18 November 2010

³ = Appointed to the committee on 1 January 2011

A = Absent with apology

RISK COMMITTEE

The main purpose of the risk committee is to assist the Board in ensuring that management has an effective risk management process that identifies and monitors the management of the key risks facing the company in an integrated and timely manner.

King III introduced a greater emphasis on risk management, Information Technology (IT) governance and legal compliance.

Given the high level of dependence of the business on IT systems, IT governance was a key focus area for the risk committee. An IT governance report was tabled and discussed at each risk committee meeting. In addition, the head of IT tabled the IT strategy and reviewed the application of the King III principles at the November meeting.

During the year, the executive directors attended the committee meetings to provide the committee with the assurance that management are active in their monitoring of the system and process of risk management and ensuring the integration thereof in the strategic and business planning process and in the day-to-day operations of the company.

The business has implemented a risk tolerance level against which risks are monitored and escalated. This level is defined taking into account the impact that the risk may have on all aspects of the sustainability of the business.

A combined assurance model, as recommended by King III, was developed and agreed by the committee. It reflects a holistic view of all the risks of the business, identifying the assurance provided by management, the compliance and internal audit departments and finally any external assurance that is provided by independent and specialist parties. The risks of the business are categorised into strategic, operational, financial

and reputational risks. Emerging risks are tabled quarterly and where appropriate, included in the combined assurance model. King III recommends that the audit committee is the custodian of the combined assurance model. The company has considered that, because it covers all the risks of the business, it would be more appropriate for the risk committee to be the custodian of the model. The model was tabled at an audit committee meeting and it approved the financial risks and the level of assurance provided.

The legal compliance framework and monitoring plan were introduced as an integral part of the combined assurance model. A monitoring plan was tabled and agreed at the risk committee meeting in May 2011. The monitoring ensures that the company is complying with the regulations and legislative framework within which it operates.

The insurance programme was tabled and the committee was satisfied that there was an appropriate level of cover.

The risk management process will be assured in the 2012 financial year by the internal audit department.

The strategic risks are included with the strategic focus areas on pages 54 to 63 and the inherent risks can be found on page 64.

The 2011 committee evaluation showed a good performance. It was recommended that a review of the composition of the committee should be undertaken. It was agreed to clarify the involvement of the other committees and the Board in the discussion of the risks on the combined assurance model. This will be dealt with during 2012.

ABRIDGED GOVERNANCE REPORT (CONTINUED)

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Mike Leeming ¹	✓	✓	✓	✓
Peter Bacon	✓	✓	✓	✓
Lindiwe Bakoro	✓	✓	✓	✓
Nigel Colne ²	✓	✓	–	–
Ian Moir	✓	✓	✓	✓
Stuart Rose ³	–	–	✓	✓
Zyda Rylands	A	✓	✓	✓
Thina Siwendu	✓	✓	✓	✓
Simon Susman	✓	✓	✓	✓
Norman Thomson	✓	✓	✓	✓
Sindi Zilwa	✓	✓	✓	✓

¹ = Committee Chairman

² = Retired from the Board and committee on 18 November 2010

³ = Appointed to the Board and committee with effect from 18 January 2011

A = Absent with apology

AUDIT COMMITTEE

The main purpose of the committee is to assist the Board in monitoring the integrity of the financial statements and overseeing the Integrated Report. It is responsible for the effectiveness of the internal financial controls and oversees external and internal audit functions. The committee also has specific responsibilities in line with the Companies Act, 2008 (as amended).

With the application of King III and the enactment of the Companies Act, 2008 (as amended), the committee reviewed its terms of reference to bring it in line with the new statutes and regulations.

The 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 combined assurance model was tabled at the May 2011 audit committee meeting. The committee was satisfied that the financial risks were appropriately identified and that the level of assurance provided was appropriate. The combined assurance model assisted in assessing whether the internal financial controls were adequate and effective.

The Group chief executive officer, the Group finance director and the Head of internal audit attend all the committee meetings. The external auditors also attend the committee meetings. The committee also meets separately with management, the external auditors and the internal auditors.

The internal audit department tabled their annual audit coverage plan at the May 2011 meeting which was risk-based and in line with the combined assurance model. The committee approved the plan and confirmed that there were sufficient resources to achieve the plan.

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

The committee reviewed the application by the company of King III and approved the governance policies. Further details of these policies can be found on our website: www.woolworthsholdings.co.za

Peter Bacon was appointed to the committee.

The 2011 committee evaluation showed a good performance. It identified that an additional member should be appointed to the committee. This will be dealt with during 2012.

The statutory report from the audit committee is included with the Annual Financial Statements volume and can be found on our website: www.woolworthsholdings.co.za

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Mike Leeming ¹	✓	✓	✓	✓
Peter Bacon ²	–	–	–	✓
Lindiwe Bakoro	✓	✓	✓	✓
Nigel Colne ³	✓	✓	–	–
Sindi Zilwa	✓	✓	✓	✓

¹ = Committee Chairman

² = Appointed to the committee with effect from 13 May 2011

³ = Retired from the Board and committee on 18 November 2010

TRANSFORMATION COMMITTEE

The main purpose of the transformation committee is to assist the Board in ensuring that the transformation strategy is appropriately ambitious and objectives are effectively integrated into the business.

Buddy Hawton stepped down from the committee at the end of November 2010 and Tom Boardman was appointed as a member. The Group chief executive officer is a member of the committee and senior executives responsible for transformation attend the meetings by invitation.

Each meeting focuses on a specific component of the BBBEE scorecard. In-depth reviews are tabled by the executive team on the strategy, plans and progress made towards achieving the BBBEE targets.

The committee approved the re-appointment of BEE Verification Agency CC (BEEVA) as the verification agent of the company for the 2011 financial year. The company and its South African

susidiary companies has achieved a Level 4 BBBEE contributor status for the year, a year ahead of its target. For those stakeholders who wish to see further detail of our transformational efforts and a copy of our BBBEE certificate, please go to our website: www.woolworthsholdings.co.za

Our efforts in transformation have been recognised by external bodies. Woolworths was a finalist in the retail category in The Metropolitan Oliver Empowerment Awards. In the Financial Mail Top Empowered Companies, Woolworths was ranked fourth in the retail category and tenth in the overall ranking for the management control component of the scorecard.

The 2011 committee evaluation showed a good performance. It was recommended that a review of the agendas and committee papers would be carried out to reflect an appropriate balance between the strategic issues and the governance issues impacting transformation. This will be dealt with during 2012.

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Chris Nissen ¹	✓	✓	✓	✓
Tom Boardman ²	–	–	✓	✓
Buddy Hawton ³	✓	✓	–	–
Ian Moir ⁴	–	–	✓	✓
Thina Siwendu	✓	✓	✓	✓
Simon Susman	✓	✓	✓	✓
Sindi Zilwa	✓	✓	A	✓

¹ = Committee Chairman

² = Appointed to the committee with effect from 11 February 2011

³ = Retired from the committee with effect from 11 February 2011

⁴ = Appointed to the committee on his appointment as Group chief executive officer

A = Absent with apology

SUSTAINABILITY COMMITTEE

The main purpose of the committee is to ensure that the sustainability strategy positions the company as a leader in retail and the objectives are effectively integrated into the business.

A formalised Good Business Journey (GBJ) programme commenced in 2007. The programme aimed to integrate the key economic, social, transformational and environmental issues facing the business into the way that our business operated. Annual targets and an end target for 2012 were agreed for a wide range of sustainability indicators. The committee monitors and reviews how the business is doing against those targets every six months. Progress has been good,

WITH AN ACHIEVEMENT OF

86%

AGAINST OUR 2011 TARGETS
AND 80% AGAINST OUR
2012 TARGETS.

Given that the priorities have moved on from 2007, some of the targets are no longer relevant for the current strategy. The business has taken the opportunity to refresh its strategy and developed a new GBJ programme that will take

us to 2015. The committee approved the strategy in May 2011 and elements of this strategy are covered elsewhere in this Integrated Report.

Assurance on a number of key metrics over the GBJ programme has been provided by the internal audit department. The committee appointed Ernst & Young Inc. as an external assurance provider for the 2011 financial year. The key metrics that have been externally assured are included in the report on page 62. The limited assurance statement that we have obtained from Ernst & Young Inc. can be found on page 106.

External stakeholders continue to recognise the achievements by the company in their efforts of the GBJ programme. The company was awarded the International Responsible Retailer of the Year for the second time in three years and we were rated as being a top performer in the JSE SRI Index.

We have reviewed our sustainability reporting against the guidelines of the G3 Global Reporting Initiative and have achieved assurance on our self-declared application Level B+.

The 2011 committee evaluation showed a good performance. It was recommended that a review of the agendas and committee papers would be carried out to reflect an appropriate balance between the strategic issues and the governance issues impacting sustainability. This will be dealt with during 2012.

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Simon Susman ¹	✓	✓	✓	✓
Tom Boardman ²	–	✓	✓	✓
Brian Frost ³	✓	✓	–	–
Ian Moir ⁴	–	–	✓	✓
Chris Nissen	A	✓	✓	✓
Stuart Rose ⁵	–	–	✓	✓
Zyda Rylands	A	✓	✓	✓

¹ = Committee Chairman with effect from 1 January 2011

² = Appointed to the Board and committee with effect from 27 September 2010

³ = Retired from the Board and committee on 18 November 2010

⁴ = Appointed to the committee on his appointment as Group chief executive officer

⁵ = Appointed to the Board and committee with effect from 19 January 2011

A = Absent with apology

REMUNERATION COMMITTEE

The main purpose of the remuneration committee is to ensure the adoption of remuneration policies which aim to attract and retain top talent, are aligned with the company's strategy and drive performance in the long- and short-term.

King III recommends that the chairman of the Board should not be the chairman of the remuneration committee. The Board has considered this and given the chairman's wealth of experience within remuneration it has considered that it is appropriate that he should remain as chairman of the remuneration committee. It was agreed that on retirement of Buddy Hawton, the chairman of the Board and the chairman of the remuneration committee would not be the same individual.

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 2011 financial year allocations. It was also satisfied that the performance conditions for the April 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 April 2008 grant to executive directors.

The SARS that was approved by shareholders in October 2006 allowed for the re-testing of performance conditions over two additional years. The committee considered the recommendation of King III that performance conditions in share-based incentive schemes should not be re-tested in subsequent periods. The committee ensured all SARS allocations made after August 2010 would not be subject to re-testing.

The committee reviewed the number of shares available for allocation in terms of the share schemes. The committee recommended to the Board that it reduces the maximum number of shares available for allocation to 85 000 000. This maximum is more in line with industry trends.

During the year, 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.

The committee evaluation did not identify any significant matters requiring attention.

The committee met four times in the year with attendance as follows:

MEMBER	AUG 2010	NOV 2010	FEB 2011	MAY 2011
Buddy Hawton ¹	✓	✓	✓	✓
Peter Bacon	✓	✓	✓	✓
Tom Boardman ²	–	✓	✓	✓
Nigel Colne ³	–	–	✓	✓
Brian Frost ³	–	–	✓	✓
Simon Susman ⁴	–	–	✓	✓
Stuart Rose ⁵	–	–	✓	✓

¹ = Committee Chairman

² = Appointed to the Board and committee with effect from 27 September 2010

³ = Retired from the Board and committee on 18 November 2010

⁴ = Appointed to the committee with effect from 1 January 2011

⁵ = Appointed to the Board and committee on 19 January 2011

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

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 their approval, after considering input from the executive directors.

In terms of the Companies Act, 2008 (as amended), directors' fees may only be paid in accordance with a special resolution approved by shareholders within the previous two years. To align payments due with the approval granted at the annual general meeting, the fees are proposed for an 18-month period to 31 December 2012.

The fees have been based on benchmarking with other retailers (our peer group, consisting of direct and indirect competitors) and other listed JSE companies.

A significant adjustment has been made to the fees paid to the Chairman and members of the sustainability committee to reflect the increased importance of the committee's activities and the resultant increase in responsibility and time spent by such directors.

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

	Actual fees (1 July 2010 – 30 June 2011)	Equivalent fees (twelve months 1 July 2011 – 30 June 2012)	Proposed fees (eighteen months 1 July 2011 – 31 Dec. 2012)
Chairman	R850 000	R850 000	R1 287 500
Deputy Chairman	R210 000	–	–
Lead independent director	–	R240 000	R363 500
UK director	£37 000	£38 000	£57 225
SA director	R170 000	R185 000	R281 000
Chairman audit	R180 000	R190 000	R287 500
Member audit	R90 000	R95 000	R144 000
Chairman remuneration	R155 000	R164 000	R248 000
Member remuneration	R77 500	R82 000	R124 000
Chairman risk	R120 000	R128 000	R193 500
Member risk	R60 000	R64 000	R97 000
Chairman transformation	R120 000	R128 000	R193 500
Member transformation	R60 000	R64 000	R97 000
Chairman nominations	R75 000	R80 000	R121 000
Member nominations	R45 000	R48 000	R72 500
Chairman sustainability	R60 000	R128 000	R193 000
Member sustainability	R30 000	R64 000	R97 000
Hourly rate for additional services	R3 000	R3 200	R3 200

In terms of King III, the remuneration policy will be tabled at the annual general meeting for a non-binding advisory vote by shareholders. The policy is tabled on pages 80 to 86 of the Integrated Report.



REMUNERATION REPORT

REMUNERATION PHILOSOPHY AND POLICY

ALIGNMENT WITH GROUP STRATEGY

The remuneration committee considers alignment between Woolworths Holdings Limited strategy and the total reward package of the Group chief executive officer, executive directors, EXCO and senior management, to be a key factor in the delivering of the strategy of the Group and our financial performance. The reward framework accommodates principles of high reward levels for the delivery of stretching goals.

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 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 vest and for the achievement of stretched TSR targeted performance 100% of 50% of the grant vests.

The Group chief executive officer, executive directors, EXCO and senior management have exposure in a similar way to shareholders in regard to share price movements as it relates to the long-term incentive scheme. 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.

The principles applied in the integrated remuneration policy are:

- 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.

These elements are explained in more detail overleaf.

ELEMENTS OF REWARD AS A PERCENTAGE OF TOTAL REMUNERATION

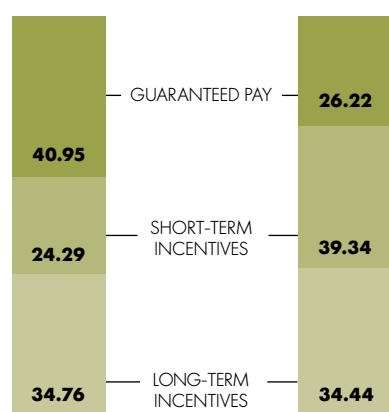
Graph 1 below shows how the Group's integrated reward strategy translates to the composition of the Group chief executive officer and executive directors' remuneration packages (the aggregate of both):

GRAPH 1: COMPOSITION OF TOTAL REMUNERATION PACKAGE FOR GROUP CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS – 2011

REWARD MIX %

ON-TARGET
PERFORMANCE

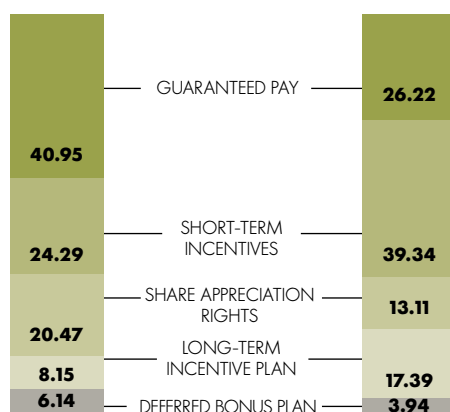
STRETCHED
PERFORMANCE



REWARD INSTRUMENTS %

ON-TARGET
PERFORMANCE

STRETCHED
PERFORMANCE



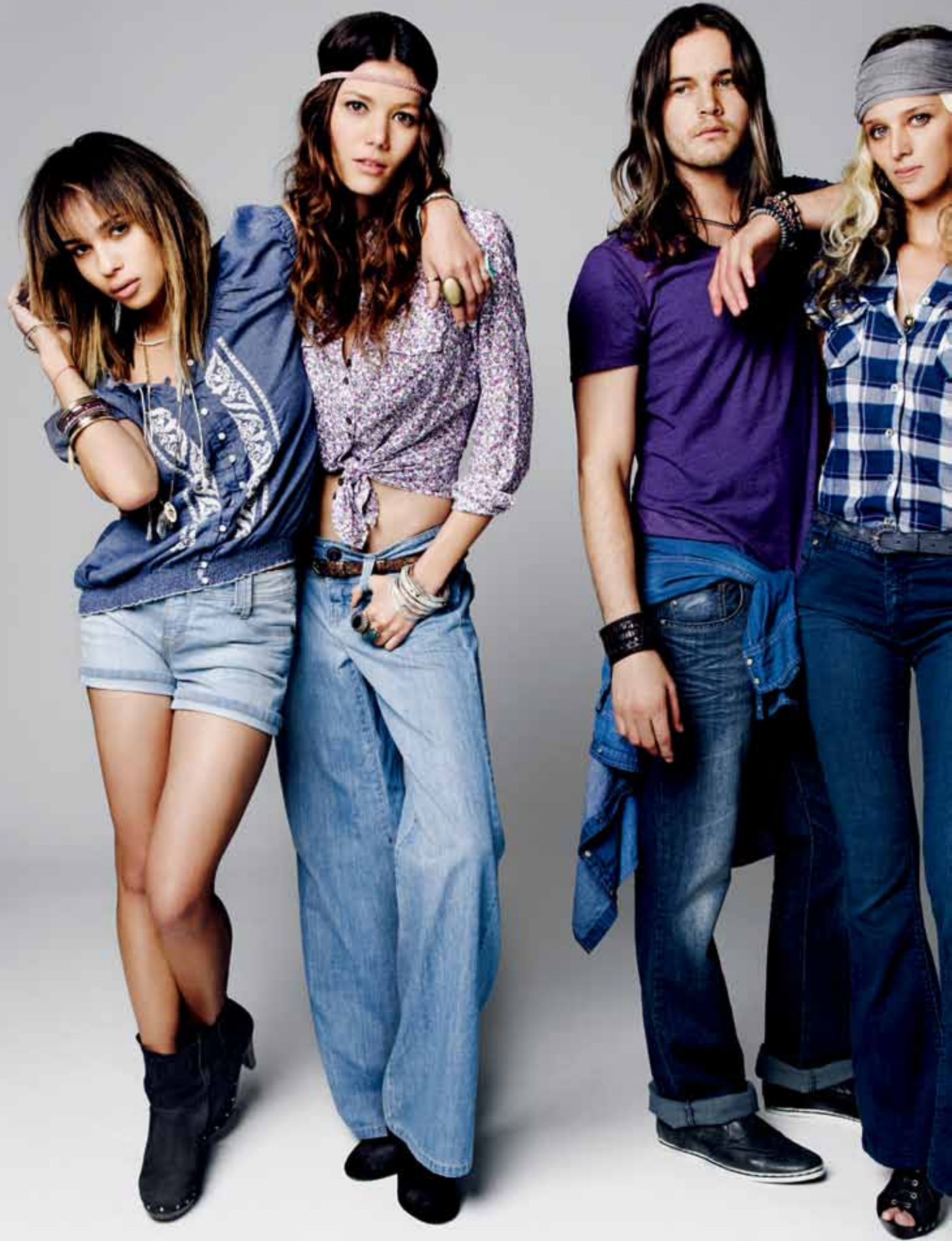
- On-target performance:

- Short-term Incentive: 70% of TCoE for the CEO and 50% of TCoE for executive directors and EXCO.
- Long-term Incentive: 100% vesting of share appreciation rights for the CEO, executive directors and EXCO; 30% vesting of long-term incentive plan for the CEO, executive directors and EXCO, and deferred bonus plan matching for the CEO, executive directors and EXCO.

- Stretched performance:

- Short-term Incentive: capped at 150% of TCoE for the CEO, executive directors and EXCO.
- Long-term Incentive: 100% vesting of share appreciation rights for the CEO, executive directors and EXCO; 100% vesting of long-term incentive plan for the CEO, executive directors and EXCO, and deferred bonus plan matching for the CEO, executive directors and EXCO.

Details of the directors' remuneration and the three most highly paid employees remuneration schedule are set out on page 88.



GUARANTEED PAY (TCoE)

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. The Group chief executive officer, executive directors, EXCO and senior management can structure components of their packages according to their individual requirements and based on the company structuring option guidelines.

TCoE includes compulsory contributions to the Woolworths Group Retirement Fund and the Wooltru Healthcare Fund.

Optional items include:

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

On average, the Group chief executive officer and executive directors' TCoE for the financial year increased by 9.57%. However, if the contractually agreed November 2010 salary increase of the Group chief executive officer is excluded, the average is 4.32%. The management increase (including executives) for the 2012 financial year is projected at 6.5%.

Increases awarded for other categories of employees were:

- three most highly paid employees, other than the Group chief executive officer and executive directors: 5.17%;
- management: 5.8%; and
- staff: 7.8%.

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 on a self-funding basis (inclusive of the on-target cost of the incentive) after achieving a pre-defined PBTAE growth target. No bonuses are paid in the event that the minimum target "trigger" is not attained.

The profits in excess of the PBTAE including the on-target cost of the scheme are shared on an 80:20 ratio between shareholders and employees. The PBTAE targets for the financial year ended June 2011 were determined as:

- on-target payouts:
18% pre-incentive growth in PBTAE; and
- stretched target payouts:
47% pre-incentive growth in PBTAE.

The PBTAE target was exceeded for the 2011 financial year and performance bonuses were paid out,

details of which can be found on page 88. 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 and EXCO in support areas: IPM 30% and PBTAE 70%; and
- Executive director Food and EXCO in product areas: IPM 30%, business unit performance targets 30% and PBTAE 40%.

The final payouts for the Group chief executive officer, executive directors and EXCO were capped in accordance with the capping rule.

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 made and approved by shareholders in November 2010 to bring it into line with Schedule 14 of the JSE Limited Listings Requirements. Shareholders approved that the maximum number of shares available for allocation in terms of the share schemes was 127 000 000.

The Board has reviewed this limit in light of its overall application of King III and will propose to shareholders in the 2011 annual general meeting that it reduces the maximum number of shares available for allocation in terms of the share schemes to 85 000 000. 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 12 700 000.

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.

REMUNERATION REPORT (CONTINUED)

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.	
Grant limits	<ul style="list-style-type: none"> Group chief executive officer, executive directors and EXCO: face value allocation of 50% of TCoE calculated at the grant date.
Vesting period	<ul style="list-style-type: none"> 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 which underpin the vesting period are agreed for a three-year period.
Performance conditions	<ul style="list-style-type: none"> Headline earnings per share (HEPS) growth of Consumer Price Index (CPIX) plus 6% over a three-year performance period.
Retesting if performance not met	<ul style="list-style-type: none"> Not permitted Awards lapse
Other	<ul style="list-style-type: none"> SARS not exercised within a period of seven years lapse.
Number of participants	322
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.	
Grant limits	<ul style="list-style-type: none"> Group chief executive officer: face value allocation of 85% of TCoE calculated at the grant date. Executive directors and EXCO: face value allocation of 50% of TCoE calculated at the grant date.
Vesting period	<ul style="list-style-type: none"> Three years, subject to achievement of performance conditions over a three-year performance period. 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.
Performance conditions	<ul style="list-style-type: none"> Equally weighted between HEPS growth and TSR of the company relative to the TSR of a selected peer group index for the same period. The HEPS condition has a minimum threshold for 30% vesting and a target for 100% vesting. TSR condition: <ul style="list-style-type: none"> 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. if the TSR performance of Woolworths exceeds the upper quartile (or 75% of our peers) performance, then 100% of the award vests.
Peer group for TSR evaluation	<ul style="list-style-type: none"> Our peer group consists of Woolworths direct and indirect competitors, namely: Foschini, JD Group, Lewis Group, Massmart, Mr Price, Clicks, Pick n Pay, Shoprite, Spar and Truworths.
Retesting if performance not met	<ul style="list-style-type: none"> Not permitted. Awards lapse.
Other	<ul style="list-style-type: none"> Vesting occurs on a linear scale in accordance with an agreed threshold and target. Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the vested shares during the vesting period.
Number of participants	20

DEFERRED BONUS PLAN (DBP)

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.

Grant limits	<ul style="list-style-type: none"> Group chief executive officer: face value calculation up to 18.5% of TCoE at grant date, purchased with individual after-tax bonus. Executive directors and EXCO: face value calculation up to 15% of TCoE at grant date, purchased with individual after-tax bonus. No DBP shares granted if the company does not pay an incentive bonus in a particular financial year.
Vesting period	<ul style="list-style-type: none"> Three years.
Retention conditions	<ul style="list-style-type: none"> Shares will be matched at the end of the three-year period. Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the DBP shares during the vesting period. Forfeited on cessation of employment within a three-year period.
Other	<ul style="list-style-type: none"> Bonus shares are held by a third party in escrow until the vesting date.
Number of participants	10

Details of long-term incentive awards made to executive directors are set out on pages 94 to 96.

PERFORMANCE GRAPHS

Table 2 below compares the TSR performance of the company for the August 2008, August 2009 and August 2010 grant of SARS and LTIP. Graph 3 below shows the growth of actual and adjusted HEPS from 2008 onwards:

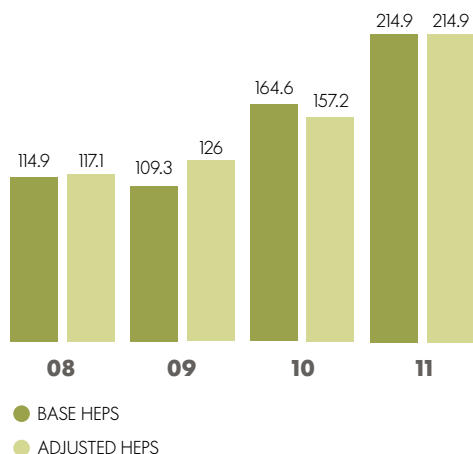
TABLE 2: TSR PERFORMANCE AGAINST PEER GROUP COMPANIES

TSR PERFORMANCE AGAINST PEER GROUP COMPANIES

Grant Date	Woolworths	Peer group median	# of Years in Performance Period
Aug-08	279%	72%	3 Years (Shares vested)
Aug-09	147%	107%	2 Years
Aug-10	29%	23%	1 Year

GRAPH 3: HEPS PERFORMANCE

HEPS PERFORMANCE (CENTS)



REMUNERATION REPORT (CONTINUED)

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 2011 financial year. One EXCO member and 20 employees received an allocation of RSP.

Grant limits	<ul style="list-style-type: none">• Limits between 100% and 300% of TCoE.
Vesting conditions	<ul style="list-style-type: none">• 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.
Other	<ul style="list-style-type: none">• Shares are purchased on the open market and held by a third party in escrow.
Number of participants	46

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. His contract includes a restraint of trade agreement. The restraint is for a period of two years after the termination date.

The average notice periods for the executive directors and EXCO are three months.

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



REMUNERATION REPORT (CONTINUED)

DIRECTORS' FEES AND EMOLUMENTS – 2011

Emoluments paid to directors of Woolworths Holdings Limited in connection with the affairs of the company and its subsidiaries during the year ended 26 June 2011 and comparatives for 27 June 2010 are set out below:

2011		Guaranteed pay				Short-term performance bonus	Long-term benefits		Retention
Name	Notes	Remuneration (1) R000's	Retirement, medical 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 and options granted (4) R000's	Fair value of restricted shares (5) R000's
Executive directors									
Ian Moir	(6)	5 119	23	170	5 312	8 250		1 019	5 210
Simon Susman	(7)	1 660	273	13	1 946	2 839	869	1 136	
Norman Thomson		2 659	260	42	2 961	4 386	1 211	1 698	781
Zyda Rylands		2 761	580	18	3 359	4 861	998	2 637	1 344
		12 199	1 136	243	13 578	20 336	3 078	6 490	7 335

Name	Notes	Fees R000's	Audit committee member R000's	Remuneration committee member R'000	Risk committee member R000's	Nominations committee member R000's	Sustainability committee member R000's	Transformation committee member R000's	Other benefits R000's	Total non-executive directors' fees R000's
Non-executive directors										
Buddy Hawton	(8)	850		155		75		30	7	1 117
Simon Susman	(9)	129		39	30	23	30	30	1 801	2 082
Peter Bacon	(10)	170	23	78	60				16	347
Lindiwe Bakoro		170	90		60				9	329
Tom Boardman	(11)	142		58			23	30	6	259
Nigel Colne	(12)	203	45	39	30	23			1	341
Brian Frost	(13)	85		39		23	30		21	198
Mike Leeming		170	180		120	45			12	527
Chris Nissen		170				45	30	120	18	383
Stuart Rose	(14)	204		39	30		15			288
Thina Siwendu		170			60			60	14	304
Sindi Zilwa		170	90		60			60	31	411
		2 633	428	447	450	234	128	330	1 936	6 586

		Guaranteed pay				Short-term performance bonus	Long-term benefits		Retention
Three highest paid employees	Notes	Remuneration (1) R000's	Retirement, medical 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 and options granted (4) R000's	Fair value of restricted shares (5) R000's
Employee A		2 274	236	28	2 538	3 656	347	907	1 717
Employee B	(15) (16)	2 331	249	31	2 611	3 751		1 239	1 794
Employee C	(15) (17)	2 706	21	982	3 709	4 748		734	2 434
		7 311	506	1 041	8 858	12 155	347	2 880	5 945

Notes:

1. Remuneration includes fees paid by Country Road as follows: Ian Moir AU\$26 667, Simon Susman AU\$37 670 and Norman Thomson AU\$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 Woolworths Holding Share Trust. The benefit has been calculated at 7% (leveraged) 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. It is presented for information purposes only and does not represent a cash payment.
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. It is presented for information purposes only and does not represent a cash payment.
6. Ian Moir was appointed as the Group chief executive officer on 18 November 2010.
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. This benefit has been *pro-rated* for Simon up to the date of his retirement.
8. Buddy Hawton was a member of the transformation committee for the period July 2010 to December 2010.
9. 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 of AU\$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 Holding Share Trust whilst he was an employee of Woolworths of R1 212 033.
The IFRS 2 charge for his shares and other share scheme instruments for the period as a non-executive director is R1 703 000.
10. Peter Bacon was appointed as a member of the audit committee from May 2011.
11. 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.
12. Nigel Colne retired from the Board on 18 November 2010. His fees as a director were paid in sterling as a British resident.
13. 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.
14. 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.
15. Other benefits include: discounts received on purchases made in our stores and amounts in terms of service contracts.
Employees B and C have service contracts with the company for periods of three to five years.
16. An amount of R1 000 000 was paid to Employee B in respect of a contractual bonus.
17. Other benefits include a fixed monthly fee received from Country Road for services rendered, which ceased effective 1 February 2011 and the use of company cars. An amount of R783 674.43 was paid to Employee C in compensation for a LTIP benefit that would have been received from Country Road.

REMUNERATION REPORT (CONTINUED)

DIRECTORS' FEES AND EMOLUMENTS – 2010

2010		Guaranteed pay				Short-term performance bonus	Long-term benefits		Retention
Name	Notes	Remuneration (1) R000's	Retirement, medical 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 and options granted (4) R000's	Fair value of restricted shares (5) R000's
Executive directors									
Simon Susman	(11)	4 133	701	35	4 869	6 762	2 375	2 424	
Andrew Jennings	(6)	1 699	163	180	2 042	5 737		1 555	
Ian Moir	(7)	2 125	11	407	2 543	3 137			3 886
Norman Thomson	(11)	2 540	245	39	2 824	3 651	1 523	1 115	4
Zyda Rylands		2 642	550	11	3 203	4 186	1 142	1 920	7
		13 139	1 670	672	15 481	23 473	5 040	7 014	3 897

Name	Notes	Fees R000's	Audit committee member R000's	Remuneration committee member R'000	Risk committee member R000's	Nominations committee member R000's	Sustainability committee member R000's	Transformation committee member R000's	Other benefits R000's	Total non- executive directors' fees R000's
Non-executive directors										
Buddy Hawton		750		140		67		53	11	1 021
Peter Bacon		150		70	53				16	289
Lindiwe Bakoro	(8)	125	58		39				5	227
Nigel Colne	(9)	396	78	70	53	42			3	642
Brian Frost	(10)	150		70		42	43	13	36	354
Mike Leeming	(11)	150	155		105	32			15	457
Chris Nissen		150				42	22	105	16	335
Thina Siwendu	(12)	125			39			39		203
Sindi Zilwa		150	78		53			53	29	363
		2 146	369	350	342	225	65	263	131	3 891

Notes:

1. Remuneration includes fees paid by Country Road as follows: Simon Susman AU\$91 875 and Norman Thomson AU\$39 167.
2. Other benefits include: discounts received on purchases made in our stores and executive accommodation for Ian Moir and Andrew Jennings.
3. The interest-free loan relates to the purchase of shares under the Woolworths Holding Share Trust. The benefit has been calculated at 8.08% 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. It is presented for information purposes only and does not represent a cash payment.
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. It is presented for information purposes only and does not represent a cash payment.
6. Andrew Jennings resigned on 31 December 2009, completing his initial three-year contract. He was paid R2 000 000 as a restraint of trade which prevented him from joining competitors for a period of two years from 31 December 2009 and was paid a further R2 000 000 in recognition of his contribution to the company.
He was entitled to full participation in the 2010 short-term incentive scheme and was paid R5 737 490 in August 2010. In terms of the rules of the share scheme:
 - the directors approved that his share options vest and that he may exercise them at any time during the period of ten years from the original grant date up to 30 November 2016; and
 - he chose to remain on the SARS, LTIP and DBP schemes for the duration of the allocations he received as if he had continued to be an employee.
7. Ian Moir was appointed on 1 January 2010 with a three-year contract expiring on 31 December 2012, and a renewal option of a further two years by the company.
He was paid a signing-on bonus of R7 500 000, of which R5 000 000 is repayable in full should his contract be terminated prior to 31 December 2014.
He received a once-off allocation of restricted shares to the value of R20 000 000.
In compensation for the portion of the LTIP benefit he would have received from Country Road for the six months to 27 June 2010, an amount of R5 926 050 was paid by the company.
He participated in the 2010 short-term incentive scheme of the company from the date of his employment.
8. Lindiwe Bakoro was appointed as a non-executive director on 26 August 2009 and was appointed to the audit and risk committees with effect from November 2009.
9. Fees are paid in sterling as a British resident.
10. Brian Frost was reimbursed for services rendered as Chairman of the Woolworths Trust.
11. Mike Leeming was appointed to the nominations committee with effect from November 2009.
12. Thina Siwendu was appointed as a non-executive director on 26 August 2009 and was appointed to the risk and transformation committees with effect from November 2009.

REMUNERATION REPORT (CONTINUED)

SHARE OPTION SCHEME

DIRECTORS' PARTICIPATION IN SHARE SCHEMES

Details of directors' interests in shares of the company are disclosed in the Directors' report in the **2011 Annual Financial Statements** volume on page 17.

Shares purchased and options granted to executive directors and the top three most highly paid employees in terms of the Woolworths Holdings Share Trust which had not been exercised at 26 June 2011, are set out below:

Name and offer date	Options held as at 27 June 2010		Options sold or transferred		Options held as at 26 June 2011		Total
	Number	Rand price	Number	Rand price	Vested options	Unvested options	
Zyda Rylands							
December 2000	16 840	1.79	16 840	26.75	–	–	–
April 2001	40 000	2.04	40 000	25.54	–	–	–
October 2008	326 395	8.81			130 558	195 837	326 395
Total	383 235		56 840		130 558	195 837	326 395
Employee A							
August 2001	31 980	3.33	31 980	25.95	–	–	–
August 2002	28 071	3.98	28 071	25.95	–	–	–
August 2003	34 410	5.16	34 410	25.95	–	–	–
September 2003	300 347	5.76	300 347	25.95	–	–	–
December 2004	71 338	10.59	71 338	25.95	–	–	–
May 2005	132 868	9.73	132 868	25.95	–	–	–
August 2005	24 757	11.31	24 757	25.95	–	–	–
November 2006	28 920	15.74			14 460	14 460	28 920
Total	652 691		623 771		14 460	14 460	28 920

SHARE PURCHASE SCHEME

	Shares held at 27 June 2010		Shares sold or transferred during the year		Shares held at 26 June 2011		
Name and offer date	Number	Rand price	Number	Rand price	Vested shares	Unvested shares	Total
Simon Susman*							
December 2004	440 755	10.59			440 755		440 755
August 2005	412 697	11.31			412 697		412 697
August 2006	378 947	13.30			378 947		378 947
October 2006	1 094 092	13.71			1 094 092		1 094 092
Total	2 326 491				2 326 491	–	2 326 491
Norman Thomson							
March 2001	420 133	2.82	420 133	26.54	–	–	–
June 2001	1 120 297	3.03	1 120 297	29.00	–	–	–
August 2003	290 698	5.16			290 698		290 698
December 2004	152 597	10.59			152 597		152 597
August 2005	142 882	11.31			142 882		142 882
August 2006	130 075	13.30			104 060	26 015	130 075
October 2006	510 576	13.71			336 980	173 596	510 576
Total	2 767 258		1 540 430	–	1 027 217	199 611	1 226 828
Zyda Rylands							
December 2000	8 420	2.77	8 420	2.77	–	–	–
April 2001	20 000	3.03	20 000	3.03	–	–	–
August 2001	12 970	3.33			12 970		12 970
August 2002	14 738	3.98			14 738		14 738
August 2003	12 125	5.16			12 125		12 125
September 2003	180 510	5.76			180 510		180 510
December 2004	221 839	10.59			221 839		221 839
December 2004	37 734	10.59			37 734		37 734
March 2005	120 000	10.18			120 000		120 000
August 2005	132 626	11.31			132 626		132 626
August 2005	144 923	11.31			144 923		144 923
August 2006	129 699	13.30			103 756	25 943	129 699
October 2006	291 758	13.71			192 560	99 198	291 758
Total	1 327 342		28 420		1 173 781	125 141	1 298 922
Employee A							
August 2001	50 000	3.33			50 000		50 000
August 2002	50 000	3.98			50 000		50 000
August 2003	34 410	5.16			34 410		34 410
December 2004	50 000	10.59			50 000		50 000
December 2004	44 023	10.59			44 023		44 023
August 2005	99 027	11.31			99 027		99 027
August 2006	116 541	13.3			93 232	23 309	116 541
November 2006	43 380	15.74			43 380		43 380
Total	487 381		–	–	464 072	23 309	487 381

Note:

* 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; and
- he chose to remain on the SARS, LTIP and DBP schemes for the duration of the allocations he received as if he had continued to be an employee.

REMUNERATION REPORT (CONTINUED)

SHARE APPRECIATION RIGHTS SCHEME (SARS)

Name and offer date	Rights held at 27 June 2010		SARS rights awarded		Rights held at 26 June 2011		Total
	Number	Rand price	Number	Rand price	Vested rights	Unvested rights	
Simon Susman*							
April 2008	176 392	10.26			176 392		176 392
August 2008	176 540	10.24				176 540	176 540
August 2009	140 526	15.00				140 526	140 526
Total	493 458		–		176 392	317 066	493 458
Norman Thomson							
April 2008	87 904	10.26			87 904		87 904
August 2008	171 525	10.24				171 525	171 525
August 2009	84 667	15.00				84 667	84 667
August 2010			62 635	23.34		62 635	62 635
Total	344 096		62 635		87 904	318 827	406 731
Zyda Rylands							
April 2008	261 223	10.26			261 223		261 223
August 2008	125 628	10.24				125 628	125 628
August 2009	107 000	15.00				107 000	107 000
August 2010			72 118	23.34		72 118	72 118
Total	493 851		72 118		261 223	304 746	565 969
Ian Moir							
August 2010			117 823	23.34		117 823	117 823
Total	–		117 823		–	117 823	117 823
Employee A							
April 2008	79 536	10.26			79 536		79 536
August 2008	79 602	10.24				79 602	79 602
August 2009	66 532	15.00				66 532	66 532
August 2010			54 242	23.34		54 242	54 242
Total	225 670		54 242		79 536	200 376	279 912
Employee B							
16April 2008	287 197	10.26			287 197		287 197
August 2008	92 127	10.24					92 127
August 2009	77 000	15.00				77 000	77 000
August 2010			55 654	23.34		55 654	55 654
Total	456 324		55 654		287 197	224 781	511 978
Employee C							
August 2010			147 580	23.34		147 580	147 580
Total	–		147 580		–	147 580	147 580

LONG-TERM INCENTIVE (LTIP)

	Grants held at 27 June 2010		LTIP grants awarded		LTIP grants sold or transferred		Grants held at 26 June 2011		
Name and offer date	Number	Rand price	Number	Rand price	Number	Rand price	Vested shares	Unvested shares	Total
Simon Susman*									
April 2008	325 125	11.95	42 756**	29.20	367 881	29.22	–	–	–
August 2008	325 398	11.94						325 398	325 398
August 2009	238 894	15.00						238 894	238 894
Total	889 417		42 756		367 881		–	564 292	564 292
Norman Thomson									
April 2008	95 309	11.95	12 534**	29.20	107 843	29.22	–	–	–
August 2008	185 973	11.94						185 973	185 973
August 2009	84 667	15.00						84 667	84 667
August 2010			62 635	23.34				62 635	62 635
Total	365 949		75 169		107 843		–	333 275	333 275
Zyda Rylands									
April 2008	283 226	11.95	37 246**	29.20	320 472	29.44	–	–	–
August 2008	136 210	11.94						136 210	136 210
August 2009	107 000	15.00						107 000	107 000
August 2010			72 118	23.34				72 118	72 118
Total	526 436		109 364		320 472		–	315 328	315 328
Ian Moir									
August 2010			200 300	23.34				200 300	200 300
Total	–		200 300		–		–	200 300	200 300
Employee A									
April 2008	51 741	11.95	6 804**	29.20	58 545	29.20	–	–	–
August 2008	51 785	11.94						51 785	51 785
August 2009	39 919	15.00						39 919	39 919
August 2010			54 242	23.34				54 242	54 242
Total	143 445		61 046		58 545		–	145 946	145 946
Employee B									
April 2008	187 631	11.95	24 675**	29.20	212 306	29.20	–	–	–
August 2008	59 933	11.94						59 933	59 933
August 2009	46 200	15.00						46 200	46 200
August 2010			55 654	23.34				55 654	55 654
Total	293 764		80 329		212 306		–	161 787	161 787
Employee C									
August 2010			147 580	23.34				147 580	147 580
Total	–		147 580				–	147 580	147 580

Notes:

** Participants received backdated dividends in shares on vested shares.

REMUNERATION REPORT (CONTINUED)

DEFERRED BONUS PLAN (DBP)

Name and offer date	Shares held at 27 June 2010		Shares purchased		Shares sold or transferred		Shares held at 26 June 2011	
	Number	Rand price	Number	Rand price	Number	Rand price	Number	Rand price
Simon Susman*								
April 2008	62 241	12.45	70 753**	28.08	132 994	28.08	–	–
August 2009	49 498	15.67					49 498	15.67
Total	111 739		70 753		132 994		49 498	
Norman Thomson								
April 2008	25 179	12.45	28 623**	28.08	53 802	29.00		
August 2009	21 198	15.67					21 198	15.67
August 2010			17 938	24.33			17 938	24.33
Total	46 377		46 561		53 802		39 136	
Zyda Rylands								
April 2008	26 285	12.45	29 880**	28.08	56 165	28.08	–	–
August 2009	27 645	15.67					27 645	15.67
August 2010			20 654	24.33			20 654	24.33
Total	53 930		50 534		56 165		48 299	
Ian Moir								
August 2010			41 617	24.33			41 617	24.33
Total	–		41 617			–	41 617	
Employee A								
August 2010			15 574	24.40			15 574	24.40
Total	–		15 574			–	15 574	
Employee B								
August 2010			15 896	24.40			15 896	24.40
Total	–		15 896			–	15 896	
Employee C								
August 2010			8 093	24.20			8 093	24.20
Total	–		8 093				8 093	

Note:

** Participants received matching awards of shares at the end of the three-year period including backdated dividends in shares on matching component.

RESTRICTED SHARE PLAN (RSP)

Name and offer date	Shares held at 27 June 2010		Shares purchased		Shares held at 26 June 2011	
	Number	Rand price	Number	Rand price	Number	Rand price
Ian Moir						
January 2010	1 184 000	16.89			1 184 000	16.89
Total	1 184 000		–		1 184 000	
Norman Thomson						
May 2010	119 938	23.34			119 938	23.34
Total	119 938		–		119 938	
Zyda Rylands						
May 2010	206 250	23.34			206 250	23.34
Total	206 250		–		206 250	
Employee A						
May 2010	263 610	22.76			263 610	22.76
Total	263 610		–		263 610	
Employee B						
May 2010	275 425	22.65			275 425	22.65
Total	275 425		–		275 425	
Employee C						
May 2010	373 667	22.76			373 667	22.76
Total	373 667		–		373 667	



ABRIDGED AUDITED GROUP RESULTS
ANALYSIS OF SHAREHOLDERS
ASSURANCE STATEMENTS
ANNUAL GENERAL MEETING

OUR
SHARE
HOLDERS



ABRIDGED AUDITED GROUP RESULTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	52 weeks to 26 June 2011 Rm	Restated 52 weeks to 27 June 2010 Rm	Change %
Revenue	25 841	23 663	9.2
Turnover	25 582	23 393	9.4
Cost of sales	16 683	15 619	6.8
Gross profit	8 899	7 774	14.5
Other revenue	127	95	33.7
Expenses	6 904	6 215	11.1
Store costs	4 448	3 988	11.5
Other operating costs	2 456	2 227	10.3
Operating profit	2 122	1 654	28.3
Investment income	132	175	(24.6)
Finance costs	84	151	(44.4)
Profit before earnings from joint ventures and associate	2 170	1 678	29.3
Earnings from joint ventures	129	75	72.0
Earnings from associate	7	6	16.7
Profit before tax	2 306	1 759	31.1
Tax	659	491	34.2
Profit after tax	1 647	1 268	29.9
Other comprehensive income:			
Net fair value adjustments on financial instruments, after tax	(17)	40	<100
Exchange differences on translation of foreign subsidiaries	37	13	>100
Other comprehensive income for the year, net of tax	20	53	(62.3)
Total comprehensive income for the year	1 667	1 321	26.2
Profit attributable to:	1 647	1 268	29.9
Shareholders of the parent	1 631	1 258	29.7
Non-controlling interest	16	10	60.0
Total comprehensive income attributable to:	1 667	1 321	26.2
Shareholders of the parent	1 651	1 304	26.6
Non-controlling interest	16	17	(5.9)
Reconciliation of headline earnings:			
Earnings attributable to shareholders of the parent	1 631	1 258	29.7
BEE preference dividend paid	19	11	72.7
Basic earnings	1 612	1 247	29.3
Loss on disposal of property, plant and equipment	4	24	(83.3)
Impairment of property, plant and equipment	24	–	
Tax impact of adjustments	(8)	(7)	14.3
Headline earnings	1 632	1 264	29.1
Abnormal foreign exchange related gain	–	(57)	(100.0)
Adjusted headline earnings	1 632	1 207	35.2
Headline earnings per share (cents)	214.9	164.6	30.6
Earnings per share (cents)	212.2	162.4	30.7
Adjusted headline earnings per share (cents)	214.9	157.2	36.7
Diluted headline earnings per share (cents)	209.8	159.3	31.7
Diluted earnings per share (cents)	207.2	157.2	31.8
Adjusted diluted headline earnings per share (cents)	209.8	152.2	37.8
Number of shares in issue (millions)	755.2	759.5	(0.6)
Weighted average number of shares in issue (millions)	759.5	768.0	(1.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 26 June 2011 Rm	At 27 June 2010 Rm
ASSETS		
Non-current assets	4 115	3 633
Property, plant and equipment	2 046	1 991
Investment properties	121	121
Intangible assets	693	392
Investment in associate	46	40
Investment in joint ventures	578	574
Prepaid employment costs	23	29
Participation in export partnerships	59	63
Other loans	84	95
Derivative financial instruments	–	1
Deferred tax	465	327
Current assets	4 950	5 377
Inventories	1 892	1 676
Trade and other receivables	733	759
Derivative financial instruments	10	19
Tax	22	6
Cash	2 293	2 917
Total assets	9 065	9 010
EQUITY AND LIABILITIES		
Capital and reserves	4 093	3 453
Interest of shareholders of the parent	4 008	3 396
Non-controlling interest	85	57
Non-current liabilities	1 460	1 362
Interest-bearing borrowings	514	521
Operating lease accrual	455	447
Derivative financial instruments	–	15
Post-retirement medical benefit liability	315	292
Deferred tax	176	87
Current liabilities	3 512	4 195
Trade and other payables	3 148	2 608
Provisions	269	248
Derivative financial instruments	78	20
Tax	1	285
Interest-bearing borrowings	16	1 034
Total equity and liabilities	9 065	9 010
Net asset book value – per share (cents)	531	447
GROUP ANALYSIS		Restated
Total assets	9 065	9 010
Woolworths Retail	5 719	5 145
Country Road	986	850
Treasury	1 783	2 442
Woolworths Financial Services	577	573
Inventories	1 892	1 676
Woolworths Retail	1 547	1 354
Country Road	345	322
Approved commitment for capital expenditure	934	786
Woolworths Retail	809	652
Country Road	125	134
Approved commitment for Franchise acquisitions	384	–

CONSOLIDATED STATEMENT OF CASH FLOWS

	52 weeks to 26 June 2011 Rm	52 weeks to 27 June 2010 Rm
Cash flow from operating activities		
Cash inflow from trading	2 848	2 210
Working capital movements	377	215
Cash generated by operating activities	3 225	2 425
Investment income	123	167
Finance costs	(95)	(152)
Tax paid	(985)	(367)
Cash generated by operations	2 268	2 073
Dividends received from associate	1	1
Dividends received from joint venture	125	35
Distributions to shareholders	(923)	(725)
Net cash inflow from operating activities	1 471	1 384
Cash flow from investing activities		
Net investment in PPE and intangible assets	(585)	(543)
Acquisition of franchise operations	(207)	–
Other	21	39
Net cash outflow from investing activities	(771)	(504)
Cash flow from financing activities		
Shares issued	33	47
Shares repurchased	(339)	(410)
Share repurchase costs	(1)	(1)
Finance lease payments	(18)	(20)
Short-term borrowings (repaid)/raised	(1 020)	20
Acquisitions – non-controlling interest contribution	17	–
Net cash outflow from financing activities	(1 328)	(364)
(Decrease)/Increase in cash and cash equivalents	(628)	516
Cash and cash equivalents at the beginning of the year	2 917	2 391
Effect of foreign exchange rate changes	4	10
Cash and cash equivalents at the end of the year	2 293	2 917
GROUP ANALYSIS		Restated
Cash inflow from trading	2 848	2 210
Woolworths Retail	2 586	1 986
Country Road	262	224
Gross capital expenditure	624	607
Woolworths Retail	517	460
Country Road	107	147

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share- holders of the parent Rm	Non- controlling interest Rm	Total 52 weeks to 26 June 2011 Rm	Total 52 weeks to 27 June 2010 Rm
Interest at the beginning of the year	3 396	57	3 453	3 072
Movements for the year:				
Issue of shares	33	–	33	47
Shares repurchased	(339)	–	(339)	(410)
Share repurchase costs	(1)	–	(1)	(1)
Distributions to shareholders	(918)	(5)	(923)	(725)
Share-based payments	186	–	186	149
Business acquisitions	–	17	17	–
Total comprehensive income for the year	1 651	16	1 667	1 321
Interest at the end of the year	4 008	85	4 093	3 453
Distribution per ordinary share (cents)			143.5	105.0
Distribution cover (based on headline earnings per share)			1.5	1.5
Distribution per preference share (cents)			61.4	30.8

SEGMENTAL ANALYSIS

	52 weeks to 26 June 2011 Rm	Restated 52 weeks to 27 June 2010 Rm	Change %
Revenue			
Turnover	25 582	23 393	9.4
Woolworths Retail	22 609	20 557	10.0
Clothing and General merchandise	8 591	7 913	8.6
Food	13 535	12 227	10.7
Logistics	483	417	15.8
Country Road	2 973	2 836	4.8
Other revenue and investment income	259	270	(4.1)
Woolworths Retail	103	86	19.8
Clothing and General merchandise	25	21	19.0
Food	78	65	20.0
Country Road	27	25	8.0
Treasury	129	175	(26.3)
Intra-Group revenue	–	(16)	(100.0)
Total Group	25 841	23 663	9.2
Gross profit			
Woolworths Retail	7 134	6 192	15.2
Clothing and General merchandise	3 751	3 164	18.6
Abnormal foreign exchange related gain	–	79	(100.0)
Food	3 298	2 872	14.8
Intra-Group	85	77	10.4
Country Road	1 765	1 582	11.6
Total Group	8 899	7 774	14.5
Profit before tax			
Woolworths Retail	1 965	1 514	29.8
Clothing and General merchandise	1 318	971	35.7
Abnormal foreign exchange-related gain	–	79	(100.0)
Food	647	464	39.4
Country Road	162	142	14.1
Woolworths Financial Services	129	75	72.0
Treasury	50	28	78.6
Total Group	2 306	1 759	31.1

Notes:

1. Basis of preparation

The financial information presented on pages 100 to 103 were extracted from the audited financial statements of which a copy can be obtained from the website: www.woolworthsholdings.co.za

The audited financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. Therefore, the summary financial statements have also been recognised and measured in accordance with International Financial Reporting Standards and the Companies Act of South Africa.

2. These summary financial statements have been prepared under the supervision of N. Thomson CA(SA).

ANALYSIS OF SHAREHOLDERS

SHAREHOLDER SPREAD

Pursuant to the JSE Listings Requirements and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at 26 June 2011 was as follows:

Shareholder spread	Number of shareholders	Percentage of total	Number of shares	Percentage of total
1 – 1 000 shares	6 877	46.22	2 652 638	0.32
1 001 – 10 000 shares	5 907	39.70	21 767 749	2.57
10 001 – 100 000 shares	1 546	10.39	47 426 613	5.59
100 001 – 1 000 000 shares	431	2.90	132 450 433	15.62
1 000 001 shares and over	117	0.79	643 544 744	75.90
	14 878	100.00	847 842 177	100.00

Public and non-public	Number of holders	Percentage of total	Number of shares	Percentage of issued capital
Public shareholders	14 867	99.91	731 029 373	86.60
Non-public shareholders:				
Directors and their associates	7	0.05	19 428 020	2.29
E-Com Investments 16 (Proprietary) Limited	1	0.01	43 763 861	5.16
Woolworths (Proprietary) Limited	1	0.01	40 497 604	4.78
Woolworths Holdings Share Trust	1	0.01	9 957 734	1.17
Woolworths Holdings Limited	1	0.01	3 165 585	0.00
	14 878	100.00	847 842 177	100.00

Geographical distribution	2011		2010	
	Number of shares	Percentage of total	Number of shares	Percentage of total
South Africa	628 008 507	74.07	637 327 068	75.17
United Kingdom	28 445 113	3.36	26 702 937	3.15
United States of America	104 334 537	12.31	116 739 477	13.77
Other	87 054 020	10.26	67 017 324	7.91
	847 842 177	100.00	847 786 806	100.00

MAJOR SHAREHOLDERS

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 26 June 2011:

Beneficial shareholders	Shares held	Percentage of total
Government Employees Pension Fund	145 997 211	17.22
Woolworths Holdings Limited (ZA)	53 620 923	6.32
E-Com Investments 16 (Proprietary) Limited	43 763 861	5.16
	243 381 995	28.70

ASSURANCE STATEMENTS

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WOOLWORTHS HOLDINGS LIMITED ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The accompanying summary financial statements, which comprise the summary consolidated statement of financial position as at 26 June 2011, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes as set out on pages 100 to 103, are derived from the audited financial statements of Woolworths Holdings Limited for the year ended 26 June 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 24 August 2011.

Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Woolworths Holdings Limited.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1 on page 103.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the summary 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 financial statements derived from the audited consolidated financial statements of Woolworths Holdings Limited for the year ended 26 June 2011 are consistent, in all material respects, with those financial statements, on the basis described in Note 1 on page 103.

Ernst & Young Inc. SAB&T

ERNST & YOUNG INC.

Director –
M R Isaacs
Registered Auditor
Chartered
Accountant (SA)

Ernst & Young House
35 Lower Long Street
Cape Town

5 October 2011

SAB&T INC.

Director –
A Darmalingam
Registered Auditor
Chartered
Accountant (SA)

SAB&T House
Corner Birmingham
and Canterbury
Roads
NI City, Goodwood

5 October 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WOOLWORTHS HOLDINGS LIMITED

SCOPE OF OUR ENGAGEMENT

The specified key performance indicators, included in the Woolworths Holdings Limited **2011 Integrated Report**, as disclosed on page 62 which comprise the following ("the subject matter"):

- the water usage (in kilolitres) at the head office buildings, for the twelve months ended 26 June 2011;
- water usage (in kilolitres) at the Maxmead, Montague Gardens and Midrand distribution centres for the twelve months ended 26 June 2011; and
- the results of the rating of all South African stores opened in the 2010 and 2011 financial year against the Green Stores model as at 26 June 2011,

are extracted from the Good Business Journey Report of Woolworths Holdings Limited for the year ended 26 June 2011.

We expressed an unmodified limited assurance conclusion on the specified key performance indicators noted in our limited assurance statement dated 5 October 2011. 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

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.

AUDITOR'S 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".

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 26 June 2011, 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 5.

Ernst & Young Inc.

Ernst & Young Inc.

Director: JP Grist
Registered Auditor
Chartered Accountant (SA)

Ernst & Young House
35 Lower Long Street
Cape Town

5 October 2011

SHAREHOLDER 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 2011	August 2011
Interim for the period ending December 2011	February 2012
Dividend payable:	
Final for the period ended June 2011	September 2011
Interim for the period ending December 2011	March 2012

ADMINISTRATION

GROUP SECRETARY

Cherrie Lowe

REGISTERED OFFICE

Woolworths House
93 Longmarket Street
Cape Town
8001

POSTAL ADDRESS

PO Box 680
Cape Town
80001

COMPANY REGISTRATION NUMBER

1929/001986/06

COUNTRY OF INCORPORATION

Republic of South Africa

TELEPHONE (+27 21) 407 9111

CUSTOMER INFORMATION

www.woolworths.co.za

INVESTOR RELATIONS

www.woolworthsholdings.co.za

JOINT AUDITORS

Ernst & Young Inc.
SAB&T Inc.

BANKERS

The Standard Bank of South Africa Limited

TRANSFER SECRETARIES

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

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Marshalltown
2107

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E-MAIL woolworths@computershare.co.za

SPONSOR

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WOOLWORTHS HOLDINGS LIMITED – BOARD MEMBERS’ PROFILES

BUDDY HAWTON (74) **FCIS**

INDEPENDENT CHAIRMAN

Other directorships previously held include: Standard Bank Group, Liberty Group, Nampak, Real Africa Holdings, Royale Resorts Holdings (Chairman) and the Standard Bank of South Africa. Sun Hotels International and Sun International (Chairman).

Buddy has extensive experience as both an executive and non-executive director. He joined the Board as non-executive Chairman in 2002. He is the Chairman of the remuneration and nominations committees.

SIMON SUSMAN (61) **DEPUTY CHAIRMAN**

Other directorships include: Country Road Limited (Chairman), Woolworths Financial Services (Chairman), Altron and Business Against Crime.

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 is the chairman of the sustainability committee and a member of the nominations, remuneration, risk and transformation committees.

PETER BACON (65) (BRITISH) **FELLOW OF THE INSTITUTE OF HOSPITALITY (FIH)**

Other directorships include: The Elgin Wine Company, National Sea Rescue Institute (Chairman) and Cape Town Routes Unlimited (Chairman).

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, risk and remuneration committees.

LINDIWE BAKORO (37) **BCOM (UCT), POST-GRADUATE DIPLOMA IN ACCOUNTING (UCT), HIGHER DIPLOMA IN TAX LAW (WITS), CA(SA)**

Other directorships include: Group Five and Sea Harvest.

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 and risk committees.

TOM BOARDMAN (61) **BCOM, CA(SA)**

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

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 (Pty) Limited, the WWF South Africa (World Wide Fund for nature) and other charitable and community organisations. He joined the Board in September 2010. He is a member of the remuneration, sustainability and transformation committees.

MIKE LEEMING (67) **BCOM, MCOM, FCMA, FIBSA, AMP (HARVARD)**

Other directorships include: Altron, Imperial Holdings and Real Africa 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 (53) **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 pro-actively led transformation at a number of listed companies. He joined the Board in 2004. He is the chairman of the transformation committee and a member of the nominations and sustainability committees.

STUART ROSE (SIR) (62) (BRITISH)

Other directorship includes: Land Securities Group plc.

Stuart has strong international retail experience. He started his career in retail at Marks & Spencer plc in London 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 CEO 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 (45)**BA SOCIAL SCIENCE (SW) (HONS) (UCT), LLB (NATAL)**

Thina is an attorney with fifteen 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 transformation committees.

SINDI ZILWA (44)**BCOMPT (HONS), CTA, CA(SA), ADVANCED TAXATION CERTIFICATE**

Other directorships previously held include: Aspen Pharmacare Holdings, Discovery Holdings and Rebosis 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: Transkei National Buildings Society, South African Mint, WIPHOLD, Telkom, Primedia Limited, ACSA, Strate and Ethos Private Equity. She was the Chairman 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 transformation committees.

IAN MOIR (52) (AUSTRALIAN)**MBA, MA (ECON)****GROUP CHIEF EXECUTIVE OFFICER**

Other directorship includes: Country Road.

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 transformation committees.

ZYDA RYLANDS (46)**BCOM (HONS), CA(SA)****MANAGING DIRECTOR FOOD**

Other directorships include: African Capital Portfolio Limited, Open Society Foundation, 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 in August 2006. She is a member of the risk and sustainability committees.

NORMAN THOMSON (60)**BCOM (HONS), CA(SA)****GROUP FINANCE DIRECTOR**

Other directorships include: Country Road and Woolworths Financial Services.

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.

CHERRIE LOWE (56)**FCIS****GROUP SECRETARY**

Cherrie joined Woolworths in 1997 as Group secretary before the re-listing of the Group on the JSE. She is responsible for all aspects of corporate governance, including risk and internal audit, legal and sustainability, and is a member of the executive team.

CHAIRMAN'S LETTER TO SHAREHOLDERS

I ENCOURAGE YOU TO ATTEND AND VOTE YOUR SHARES AT THE ANNUAL GENERAL MEETING.

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 Thursday, 17 November 2011.

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.

The notice of the annual general meeting, which is set out on pages 111 to 114 of the Integrated Report, is accompanied by explanatory notes setting out the reasons for and the effects of all the proposed ordinary and special resolutions in such notice.

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

ELECTION OF MS ZARINA BASSA AS A DIRECTOR

The Board of directors of the company has reviewed the composition of and succession within the Board and would like to propose that Ms Zarina Bassa is appointed as a director at the annual general meeting. The Board also proposes that, subject to her appointment as a director, she also be appointed as member of the audit committee.

Zarina is the Chief executive officer of Zarina Bassa Investments and executive chairman of Songhai Capital. A former partner of Ernst & Young Inc., she joined the ABSA Group in 2002 and was an executive director and a member of the bank's executive committee, with accountability for private banking. Zarina is a non-executive director of Kumba Iron Ore, Vodacom South Africa, Sun International, Oceana Group, Lewis Group, the National Business Initiative, Woolworths Financial Services and is a member of the Financial Services Board. She has also previously chaired the Public Accountants and Auditors Board and the Auditing Standards Board and has been a member of the JSE GAAP Monitoring Panel.

RE-ELECTION OF DIRECTORS

The Board has recommended the re-election as directors of: Peter Bacon, Lindiwe Bakoro, Stuart Rose, Zyda Rylands and Simon Susman.

A formal assessment of the performance evaluation of each of the retiring directors was carried out

together with an independence test. With the exception of Simon Susman, all of the non-executive directors have been considered independent and their judgement is considered unaffected or impaired by either their length of service on the Board or their direct or indirect financial interests. Simon Susman cannot be classified as an independent by virtue of him holding the role of Group chief executive officer within the prior three-year period and a significant number of shares of the company.

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. This input is not just confined to attendance at meetings. Therefore, we are recommending an annual fee structure.

ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

You will note that for the first time we are giving you an opportunity to listen to the proceedings on webcast and I encourage those who cannot attend the annual general meeting to take advantage of this. Shareholders will be able to access the webcast through our website: www.woolworthsholdings.co.za on the day of the annual general meeting.

If you are unable to attend the annual general meeting, you are able to vote by proxy in accordance with the instructions on the form of proxy.



Chairman
Cape Town

10 October 2011

NOTICE OF ANNUAL GENERAL MEETING

WOOLWORTHS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1929/001986/06)

Share code: WHL ISIN: ZAE000063863

("Woolworths" or "the company")

WHL

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2011 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, 17 November 2011 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 26 June 2011, including the reports of the audit committee, the directors and independent auditors, be and are hereby received and adopted."

2. ORDINARY RESOLUTION NUMBER 2 – RE-APPOINTMENT OF AUDITORS

"Resolved as an ordinary resolution that Ernst & Young Inc. and SAB&T Inc. be and are hereby re-appointed 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 Peter Bacon;
- 3.2 Ms Lindiwe Bakoro;
- 3.3 Sir Stuart Rose;
- 3.4 Ms Zyda Rylands; and
- 3.5 Mr Simon Susman."

Brief biographies in respect of each director offering himself/herself for re-election are set out on pages 108 to 109 of the Integrated Report of which this notice convening the annual general meeting forms part ("Integrated Report").

4. ORDINARY RESOLUTION NUMBER 4 – ELECTION OF DIRECTOR

"Resolved as an ordinary resolution that Ms Zarina Bassa be and is hereby elected as a director."

A brief biography in respect of Ms Zarina Bassa is set out in the Chairman's letter to shareholders on page 110 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 Mike Leeming; and
- 5.5 Ms Sindi Zilwa."

* Subject to his/her re-election as a director pursuant to ordinary resolutions numbers 3.1, 3.2 and ordinary resolution number 4.

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 80 to 86 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 July 2011 to 31 December 2012, details of which are set out on page 78 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 a 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 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 counter-party, 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 over 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;
- 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 INTER-RELATED
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 and the requirements (if applicable) of the company's Memorandum of Incorporation and the Listings Requirements of the JSE, 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 inter-related 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 purposes) may deem fit, be and is hereby approved."

**10. ORDINARY RESOLUTION
NUMBER 7 – AMENDMENTS TO
THE WOOLWORTHS HOLDINGS
SHARE TRUST DEED**

"Resolved as an ordinary resolution that the reduction in the maximum number of ordinary shares of 0.15 cent each in the share capital of the company available for allocation for the purposes of the various incentive schemes established in terms of the Woolworths Holdings Share Trust Deed ("Trust Deed"), as reflected in clause 1.2.40 of the Trust Deed, from 127 000 000 ordinary shares of 0.15 cent each to 85 000 000 ordinary shares of 0.15 cent each, be and is hereby approved."

11. 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 and the requirements (if applicable) of the company's Memorandum of Incorporation and the Listings Requirements of the JSE:

- 11.1 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
- 11.2 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 inter-related company or for the purchase of any securities of the company or of a related or inter-related 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 inter-related 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."

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 for the purposes of which shareholders are entitled to receive notice of this annual general meeting is Friday, 7 October 2011. The

directors have determined that the record date for the purposes of the annual general meeting (being the date on which a shareholder must be registered in the company's share register in order to participate in and vote at the annual general meeting), is Friday, 11 November 2011.

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 such resolution in order to be adopted, save for ordinary resolution number 7 which, in terms of the Listings Requirements of the JSE, requires the support of at least 75% of the voting rights exercised on that 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 ordinary and special 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 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 or her Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in such shareholder's agreement with his or her CSDP or broker in order to furnish him or her 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 ordinary 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 or at any adjournment thereof or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, participate in and vote or abstain from

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

voting at the annual general meeting or at any adjournment thereof, in such ordinary or preference shareholder's stead.

A form of proxy is attached for use by such ordinary and preference shareholders. Such form of proxy, duly completed, must be forwarded to reach the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited, Ground Floor, 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 Tuesday, 15 November 2011.

AVAILABILITY OF THE INTEGRATED REPORT

Copies of the Integrated Report for the year ended 26 June 2011 may be obtained from the registered office of the company, Woolworths House, 93 Longmarket Street, Cape Town, 8001, during normal business hours from 10 October 2011 to and including 17 November 2011, or may be viewed on the company's website: www.woolworthsholdings.co.za



By order of the Board

CL Lowe
Group secretary

Cape Town
10 October 2011

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. RE-APPOINTMENT OF AUDITORS

At the company's audit committee meeting held on 19 August 2011, 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 Inc. and SAB&T Inc. 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 Africa Institute of Chartered Accountants and the International Federation of Accountants.

Accordingly, the committee has nominated, for approval, Ernst & Young Inc. and SAB&T Inc. as the joint external auditors for the 2012 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. Further, directors appointed during the course of the year are required to retire at the following annual general meeting and may offer themselves for re-election. Accordingly, Mr Peter Bacon, Ms Lindiwe Bakoro, Ms Zyda Rylands and Mr Simon Susman retire from the Board by rotation in accordance with Article 15.1 of the company's Memorandum of Incorporation and Sir Stuart Rose retires from the Board by virtue of having been appointed during the course of the year in terms of Article 14.2 of the company's Memorandum of Incorporation.

A brief biography in respect of each director offering himself/herself for re-election is contained on pages 108 to 109 of this Integrated Report.

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 Ms Zarina Bassa be appointed as a director of the company. It also proposes that, subject to her appointment as a director, that she be appointed as a member of the audit committee.

A brief biography of Zarina Bassa is contained on page 110 of this Integrated Report.

4. ELECTION OF AUDIT COMMITTEE MEMBERS

Section 94(2) of the Companies Act states that the audit committee is no longer a committee of the Board. In terms of this section, the audit committee must be elected by the shareholders at each annual general meeting. Accordingly, the Board 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 Board is satisfied that the proposed members have the relevant experience.

The Board 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, South African Statements of Generally Accepted Accounting Practice and other financial and sustainability reporting standards, regulations and guidelines applicable to the company.

Details of the experience of the members can be found on pages 108 to 109 of the Integrated Report.

For further information on the performance of the audit committee please refer to the audit committee report on page 74 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.

The company's remuneration policy which is set out on pages 80 to 86 of this Integrated Report deals with, among others, the company's policy towards remuneration and guidelines on the various components making up the remuneration packages of the company.

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

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 July 2011 to 31 December 2012, details of which are set out on page 78 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.

The company previously proposed fees for a twelve-month period. We have proposed fees for an eighteen-month period to 31 December 2012 to align ourselves with the timing of the approval at the annual general meeting. Accordingly, an adjustment has been made to reflect this longer period. A significant adjustment has been made to the fees paid to the Chairman and members of the sustainability committee to reflect the increased importance of the committee's activities and the resultant increase in responsibility and time spent by directors.

7. GENERAL AUTHORITY TO REPURCHASE SHARES

The reason for special resolution number 2, if passed and becoming effective, is 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 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.

DISCLOSURE IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS

The JSE Listings Requirements require the following disclosures, which are disclosed in the audited consolidated annual financial statements and the Integrated Report as set out below:

	Volume	Page
• directors and management	1	20
• major shareholders	1	104
• material changes	2	16
• directors' interests in securities	2	17
• share capital of the company	2	16

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 20 to 23 of the Integrated Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the ordinary and special resolutions in the notice of annual general meeting on page 111 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the abovementioned resolutions contain all information required by law and the JSE Listings Requirements.

LITIGATION STATEMENT

The directors, whose names are given on pages 20 to 23 of the Integrated Report, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened that may have or have had in the recent past, being at least within the previous twelve months, a material effect on the Group's financial position.

8. FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES OR CORPORATIONS

The reason for special resolution number 3, if passed and becoming effective, is to grant the directors the authority to authorise the company

to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to any one or more related or inter-related companies or corporations of the company.

Section 45 of the Companies 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.

9. AMENDMENTS TO THE WOOLWORTHS HOLDINGS SHARE TRUST DEED

The reason for ordinary resolution number 7 is to reduce the aggregate number of ordinary shares available for the purposes of the various incentive schemes governed by the Woolworths Holdings Share Trust Deed from 15% to 10% of the company's issued ordinary share capital.

Currently, the maximum number of ordinary shares in the company available for allocation, for the purposes of the various incentive schemes established in terms of the Woolworths Holdings Share Trust Deed ("Trust Deed"), as reflected in clause 1.2.40 of the Trust Deed is 127 000 000 ordinary shares of 0.15 cent each.

10. ISSUE OF SHARE 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.

FORM OF PROXY

WOOLWORTHS HOLDINGS LIMITED

(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 shareholders of the company to be held in the Auditorium, 1st Floor Woolworths House, 93 Longmarket Street, Cape Town, 8001 at 09:00 on Thursday, 17 November 2011 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 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 – re-appointment of joint auditors			
3.	Ordinary resolution 3 – re-election of directors			
	3.1 Mr Peter Bacon			
	3.2 Ms Lindiwe Bakoro			
	3.3 Sir Stuart Rose			
	3.4 Ms Zyda Rylands			
	3.5 Mr Simon Susman			
4.	Ordinary resolution 4 – election of Ms Zarina Bassa 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 Mike Leeming			
	5.5 Ms Sindi Zilwa			
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 inter-related companies or corporations			
10.	Ordinary resolution 7 – amendments to the Woolworths Holdings Share Trust Deed			
11.	Special resolution 4 – issue of shares or options and grant of financial assistance in terms of the company's share-based incentive schemes			

* 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, 17 November 2011 and any adjournment thereof.

Signed at _____ this _____ day of _____ 2011

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 this form of proxy 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, 15 November 2011.
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. deliver 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.



