

# unaudited group results for the 6 months ended December 2002

## income statement

Year ended 30 June 2002 (audited) Rm	Note	Six months ended 31 December 2002 Rm	2001 Rm	% Change
9 020.7		<b>5 051.3</b>	4 385.3	15.2%
8 825.6		<b>5 051.3</b>	4 190.2	20.6%
195.1		–	195.1	
<b>Continuing operations</b>				
8 421.4		<b>4 794.9</b>	4 004.4	19.7%
5 571.8		<b>3 199.5</b>	2 654.2	20.5%
2 849.6		<b>1 595.4</b>	1 350.2	18.2%
404.2		<b>256.4</b>	185.8	38.0%
2 568.6		<b>1 402.0</b>	1 209.4	15.9%
213.5		<b>110.6</b>	99.9	10.7%
503.4		<b>259.3</b>	221.2	17.2%
1 238.7		<b>685.8</b>	586.8	16.9%
613.0		<b>346.3</b>	301.5	14.9%
685.2		<b>449.8</b>	326.6	37.7%
44.5		<b>34.6</b>	23.5	47.2%
640.7		<b>415.2</b>	303.1	37.0%
(41.5)	2	<b>(17.2)</b>	(7.8)	
599.2		<b>398.0</b>	295.3	34.8%
203.6	3	<b>111.7</b>	100.5	11.1%
395.6		<b>286.3</b>	194.8	47.0%
(2.1)		<b>(0.3)</b>	(1.5)	
393.5		<b>286.0</b>	193.3	48.0%
<b>Discontinued operations</b>				
(14.0)		–	(14.0)	
(0.7)		–	(0.7)	
(14.7)		–	(14.7)	
(139.6)	2	–	(139.6)	
18.8		–	18.8	
(135.5)		–	(135.5)	
<b>Total group</b>				
258.0		<b>286.0</b>	57.8	>100%
<b>Reconciliation of headline earnings</b>				
258.0		<b>286.0</b>	57.8	>100%
12.1		<b>5.0</b>	3.0	
(8.8)		<b>3.4</b>	(10.2)	
115.6		–	115.6	
4.8		–	4.8	
17.2		–	–	
398.9		<b>294.4</b>	171.0	72.2%
19.9		–	19.9	
418.8		<b>294.4</b>	190.9	54.2%
<b>Headline earnings per share (cents)</b>				
44.0		<b>33.5</b>	18.7	79.1%
46.2		<b>33.5</b>	20.9	60.3%
<b>Earnings per share (cents)</b>				
28.5		<b>32.6</b>	6.3	>100%
43.4		<b>32.6</b>	21.2	53.8%
28.0	4	<b>31.9</b>	6.2	>100%
20.0		<b>10.5</b>	7.5	40.0%
2.2		<b>3.1</b>	2.8	
889.7		<b>868.0</b>	907.0	-4.3%

## balance sheet

Year ended 30 June 2002 (audited) Rm	Six months ended 31 December 2002 Rm	2001 Rm
<b>assets</b>		
1 535.2	<b>1 595.7</b>	1 518.8
<b>Non-current assets</b>		
916.1	<b>966.7</b>	895.3
81.4	<b>119.7</b>	63.4
180.2	<b>170.6</b>	179.0
210.0	<b>187.9</b>	219.0
20.1	<b>15.0</b>	27.1
112.6	<b>123.2</b>	130.2
14.8	<b>12.6</b>	4.8
2 528.6	<b>2 974.4</b>	2 780.3
<b>Current assets</b>		
511.2	<b>601.3</b>	636.0
1 348.7	<b>1 508.6</b>	1 222.8
348.7	<b>463.0</b>	464.5
201.5	<b>229.7</b>	178.2
118.5	<b>171.8</b>	278.8
4 063.8	<b>4 570.1</b>	4 299.1
<b>equity and liabilities</b>		
2 375.8	<b>2 374.8</b>	2 371.2
<b>Capital and reserves</b>		
2 350.2	<b>2 352.9</b>	2 343.2
25.6	<b>21.9</b>	28.0
300.8	<b>282.1</b>	318.7
<b>Non-current liabilities</b>		
111.0	<b>119.1</b>	102.8
189.8	<b>163.0</b>	215.9
1 387.2	<b>1 913.2</b>	1 609.2
<b>Current liabilities</b>		
809.7	<b>1 178.4</b>	1 087.4
97.3	<b>109.3</b>	86.2
480.2	<b>625.5</b>	435.6
4 063.8	<b>4 570.1</b>	4 299.1
264.2	<b>271.1</b>	258.3
<b>group analysis</b>		
4 063.8	<b>4 570.1</b>	4 299.1
<b>Total assets</b>		
3 658.0	<b>4 220.6</b>	3 835.5
405.8	<b>349.5</b>	463.6
511.2	<b>601.3</b>	636.0
339.1	<b>471.6</b>	416.0
172.1	<b>129.7</b>	220.0
<b>statement of changes in ordinary shareholders' interest</b>		
Year ended 30 June 2002 (audited) Rm	Six months ended 31 December 2002 Rm	2001 Rm
2 238.4	<b>2 336.1</b>	2 238.4
<b>Ordinary shareholders' interest at the beginning of the period</b>		

294472 14-col DPSEngWoolies 12/2/04 4:15 pm Page 1 (1,2)				
20.0	Dividend per share (cents)	10.5	7.5	40.0%
2.2	Dividend cover	3.1	2.8	
889.7	Number of shares issued (millions)	868.0	907.0	-4.3%
905.7	Weighted average number of shares in issue (millions)	877.6	912.0	-3.8%

### group analysis

Revenue				
8 421.4	Turnover	4 794.9	4 004.4	19.7%
7 302.0	Woolworths	4 211.8	3 499.5	20.4%
3 834.1	– Textiles	2 185.4	1 863.5	17.3%
3 302.1	– Foods	1 938.6	1 547.8	25.2%
165.8	– Logistics and other	87.8	88.2	-0.5%
1 119.4	Country Road – continuing operations	583.1	504.9	15.5%
355.5	Interest	225.2	164.6	36.8%
48.7	Other revenue	31.2	21.2	47.2%
8 825.6	Continuing operations	5 051.3	4 190.2	20.6%
195.1	Discontinued operations	–	195.1	
9 020.7		5 051.3	4 385.3	15.2%
Net profit/(loss) before tax and exceptional items				
625.5	Woolworths	411.6	292.8	40.6%
15.2	Country Road	3.6	10.3	-65.0%
640.7	Continuing operations	415.2	303.1	37.0%
(14.7)	Discontinued operations	–	(14.7)	
626.0		415.2	288.4	44.0%

## cash flow statement

Year ended 30 June 2002 (audited) Rm		Six months ended 31 December 2002 Rm	2001 Rm
Cash flow from operating activities			
581.7	Cash inflow from trading	357.8	274.5
(262.0)	Working capital movements	(68.0)	(92.4)
319.7	<b>Cash generated by operating activities</b>	289.8	182.1
355.5	Interest received and investment income	225.2	165.2
(45.2)	Interest paid	(34.6)	(24.2)
(284.5)	Tax paid	(100.0)	(160.0)
345.5	<b>Cash generated by operations</b>	380.4	163.1
(145.8)	Dividends paid	(110.4)	(77.9)
199.7	<b>Net cash inflow from operating activities</b>	270.0	85.2
187.4	Continuing operations	270.0	88.9
12.3	Discontinued operations	–	(3.7)
(404.8)	<b>Cash outflow from investing activities</b>	(257.4)	(181.8)
Cash flow from financing activities			
41.3	Shares issued	16.6	25.5
(134.7)	Shares repurchased by subsidiary	(120.2)	(38.5)
(0.1)	Non-current liabilities repaid	(0.1)	–
(93.5)	<b>Net cash outflow from financing activities</b>	(103.7)	(13.0)
(298.6)	<b>Decrease in cash and cash equivalents</b>	(91.1)	(109.6)
(64.0)	<b>Cash and cash equivalents at the beginning of the period</b>	(361.7)	(64.0)
0.9	<b>Effect of foreign exchange rate changes</b>	(0.9)	16.8
(361.7)	<b>Cash and cash equivalents at the end of the period</b>	(453.7)	(156.8)

### group analysis

630.0	<b>Cash generated by operations – before tax</b>	480.4	323.1
579.2	Woolworths	447.1	281.0
50.8	Country Road	33.3	42.1
335.0	<b>Gross capital expenditure on property, plant and equipment</b>	199.0	175.4
273.7	Woolworths	176.5	112.5
61.3	Country Road	22.5	62.9

Rm		Rm	Rm
2 238.4	<b>Ordinary shareholders' interest at the beginning of the period</b>	2 336.1	2 238.4
2 238.4	As previously reported	2 350.2	2 238.4
–	Adjustment to opening balance arising from the change in accounting policy for:		
–	– revaluation of listed investment	2.1	–
–	– unearned finance income from export partnerships	(16.2)	–
Movements for the period:			
41.3	<b>Share premium arising from shares issued under share purchase scheme</b>	16.6	25.5
(134.7)	<b>Shares repurchased by subsidiary</b>	(120.2)	(38.5)
205.2	<b>Recognised gains and losses</b>	120.4	117.8
125.1	<b>Distributable reserves</b>	158.5	28.2
258.0	Net profit attributable to ordinary shareholders	286.0	57.8
(145.8)	Dividends paid	(110.4)	(77.9)
12.9	Net unrealised (loss)/gain on hedging instruments	(17.1)	48.3
80.1	<b>Non-distributable reserves</b>	(38.1)	89.6
87.4	Exchange differences on translation of foreign entity	(38.1)	96.9
(7.3)	Realisation of translation reserve on closure of discontinued operations	–	(7.3)
2 350.2	<b>Ordinary shareholders' interest at the end of the period</b>	2 352.9	2 343.2

## notes

- The interim financial statements comply with South African Statements of Generally Accepted Accounting Practice.  
Accounting policies used are consistent with those applicable for the June 2002 financial statements, except as follows:  
Following the introduction of AC133, Financial Instruments – Measurement and Recognition, gains and losses on certain qualifying financial instruments taken out as cash flow hedges for future transactions are carried in equity and fair value adjustments on available for sale financial assets are recognised in the income statement. Opening retained income has been restated to take into account the change in the basis of valuation of the participation in export partnerships to amortised cost and the listed investment to market value. These changes have had the effect of reducing reported profit after tax by R3.9m.
- Exceptional items**

Year ended 30 June 2002 (audited) Rm		Six months ended 31 December 2002 Rm	2001 Rm
41.5	Continuing operations	17.2	7.8
7.4	Provision for onerous lease commitments	12.2	–
12.1	Goodwill amortisation	5.0	3.0
4.8	Loss on disposal of listed investment	–	4.8
17.2	Impairment of property	–	–
139.6	Discontinued operations	–	139.6
131.6	Loss on discontinuance	–	131.6
8.0	Restructuring costs	–	8.0
181.1		17.2	147.4
- The effective tax rate of 28.1% (2001: 34.0%) is mainly due to the STC charge, offset by a tax adjustment of R23.2m relating to previous years.
- The difference between earnings per share and diluted earnings per share results from outstanding options in terms of the share purchase scheme.
- Country Road's profit before tax is A\$0.9m (2001: A\$0.3m). The lower rand profit resulted from second quarter profits being translated at an exchange rate stronger than the rate at which first quarter losses were sustained, whereas the rand's significant weakening in the second quarter of the 2001 interim reporting period had the opposite effect on that period's translated results.
- Unutilised banking facilities amount to R1 470.6m (2001: R1 215.2m), with no limit on the group's ability to raise interest-bearing debt.
- The loss on discontinuance at 31 December 2001 has been restated in line with the amount disclosed at 30 June 2002.
- Approved commitments for capital expenditure amount to R140.9m of which R58.0m has been contracted (2001: R133.7m, R89.0m contracted).

# WOOLWORTHS HOLDINGS LIMITED

# WHL

## highlights from continuing operations

- Revenue ▲ 20.6% to R5bn
- Operating profit ▲ 37.7% to R450m
- Headline earnings per share ▲ 60.3% to 33.5c
- Interim dividend per share ▲ 40.0% to 10.5c

## commentary

### group results

The directors are pleased to report an excellent performance for the 26 weeks to December 2002.

Headline earnings per share at 33.5c were 60.3% on comparable earnings for the six months period last year. Headline earnings per share excluding the tax adjustment relating to previous years increased by 47.8%. Revenue was up 20.6% to R5 billion (2001: R4 billion) and operating profit was up 37.7% to R450 million (2001: R327 million).

An interim dividend of 10.5 cents (2002: 7.5 cents) per share has been declared, an increase of 40.0% on the interim dividend last year.

### woolworths

Positive trading, particularly in the first quarter, and good expense containment in all divisions resulted in an increase in the net profit before tax of 40.6% compared to the corresponding period last year. Inflation which was high at 13.0% in Textiles and 18.2% in Foods is now showing signs of softening.



**WOOLWORTHS**  
the difference

Sales in our Textiles division improved by 17.3% and by 14.1% in comparable South African stores and reflected our customers' positive response to our improved fabrics and styling. Ladieswear performed particularly well while homeware performed below expectations. Market share on a twelve month moving average increased to 16.7% (2001: 16.1%).

Our drive to provide our customers with healthy food and innovative ranges at convenient locations resulted in a growth in food sales of 25.2% and 18.2% in comparable South African stores. Our market share grew on a twelve month moving average to 6.8% (2001: 6.3%).

Woolworths Financial Services' interest income grew substantially by 36.8% due to increased retail sales and higher interest rates. The card and personal loan books were tightly managed and bad debts were well within acceptable levels.

### country road

Trading conditions in Australia remained highly competitive due to major discounting particularly through Christmas

**COUNTRY ROAD**  
AUSTRALIA



## COUNTRY ROAD AUSTRALIA

Trading conditions in Australia remained highly competitive due to major discounting particularly through Christmas trading. Despite this, sales from continuing operations grew by 3.3% (in Australian dollar terms) compared to the corresponding period last year, resulting in a profit of A\$0.9 million (2001:A\$0.3 million).

### share buy-back

During the period under review, a subsidiary of the company repurchased a further 26.5 million shares of the company, bringing the total to 59.6 million shares, at an average cost of R4.28 per share, representing 6.5% of the company's issued share capital.

### prospects

Trading at the beginning of the second half has been softer and is unlikely to improve in the short term. Nevertheless we are still expecting satisfactory results for the second half.

### dividend

Notice is hereby given that an interim dividend of 10.5 cents per share has been declared in respect of dividend number 11, for the six months ended 31 December 2002.

Shareholders are advised that the last day to trade ("cum dividend") in order to participate in the dividend will be Friday, 7 March 2003. The shares will trade "ex" the dividend from commencement of business on Monday, 10 March 2003 and the record date will be Friday, 14 March 2003. The dividend will be payable on Monday, 17 March 2003.

Share certificates may not be dematerialised or re-materialised between Monday, 10 March 2003 and Friday, 14 March 2003, both days inclusive.

On behalf of the board of directors.



**DA Hawton**

*Non-executive chairman*

Cape Town

19 February 2003



**SN Susman**

*Chief executive officer*

## directorate

**Non-executive directors** DA Hawton (Chairman), M Barnes (British), NL Colne (British), BJ Frost, SV Zilwa

**Executive directors** SN Susman (CEO), MR Canning, GP de Kock, RJD Inskip, NW Thomson

**Company Secretary** CL Lowe

**Woolworths Holdings Limited** Company registration number 1929/001986/06

**Share code** WHL **ISIN** ZAE000028288

**Auditors** Ernst & Young

**Sponsor** HSBC Investment Services (Africa) (Pty) Ltd

**Registered Office** Woolworths House, 93 Longmarket Street, Cape Town 8001

**Transfer Secretaries** Computershare Investor Services Limited, 70 Marshall Street, Johannesburg 2001

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