

WHL

WOOLWORTHS HOLDINGS LIMITED
UNAUDITED INTERIM GROUP RESULTS FOR THE 26 WEEKS ENDED 28 DECEMBER 2014

COMMENTARY

During the period, the Group acquired the Australian department store business David Jones and the Country Road Group's minorities interests.

Group sales including concession sales increased by 55.2%.

Basic and headline earnings grew 9.5% and 14.7% respectively, whilst adjusted headline earnings increased by 40.3%. Adjustments comprise transaction and other acquisition-related costs of R307 million, commitment fees and other non-interest finance costs totaling R164 million related to bridge facilities ahead of the Group's rights offer on 26th September 2014, and unrealised foreign exchange gains of R36 million (December 2013: R54 million losses) relating to inventory hedging.

Due to the increase in the number of shares in issue on completion of the rights offer, earnings per share and headline earnings per share increased by 0.9% and 5.7% respectively, and adjusted headline earnings per share increased by 29.3%. For comparative purposes, the weighted average number of shares for the prior period has been adjusted by the bonus element of the rights issue, as required by IAS 33: Earnings per share.

WOOLWORTHS

CLOTHING AND GENERAL MERCHANDISE

South African clothing sales (including Country Road Group's sales in South Africa) grew 9.4% and 3.4% in comparable stores. Core merchandise in menswear and womenswear performed well, whilst kidswear and footwear underperformed. Total Clothing and General Merchandise sales grew 8.0%.

Gross profit margin increased by 1.6% mainly as a result of the conversion of previously-franchised stores in Botswana and Namibia.

Store costs increased by 22.5% with the addition of the converted stores, as well as by a net 4.4% increase in new space. Other operating costs grew 10.0%. This increase in costs constrained growth in operating profit to 2.7%. Return on sales declined marginally to 17.6%.

FOOD

A strong performance from Food saw sales grow well ahead of the market at 14.1%, with price movement of 9.5%. Sales in comparable stores grew 8.2%. Gross profit margin was maintained at 25.2% despite a marginally higher mix of branded products.

Store costs increased by 13.6% with the addition of a net 10.1% in new space. Other operating costs were well controlled, growing 6.9%. Operating profit grew 24.3% and return on sales improved 0.5% to 6.7%.

WOOLWORTHS FINANCIAL SERVICES

The business experienced growth in the average debtors book of 10.5%, with the impairment rate (including collection costs) normalising – but still at an industry leading level – of 4.8% (December 2013: 4.3%). Net interest income grew 16.9% and operating costs reduced by 4.0% providing for a 34.7% increase in profit before tax. Return on equity remains at 29.4% (December 2013: 24.2%), well above the medium-term target of 22.0%.

DAVID JONES

The results of David Jones for the five months from acquisition date of 1st August 2014 are included for the first time and consequently no comparative figures are presented. However against a *pro-forma* comparable 5-month period, the business increased turnover including concession sales by 2.0% in Australian dollar terms and operating profit of \$107 million was 10.3% higher than the *pro-forma* prior period.

It is also important to note that in line with other Australian department stores, David Jones earns a larger proportion of its profits during the first half of the year due to Christmas trade.

COUNTRY ROAD GROUP

Sales increased by 9.2% in Australian dollar terms. Sales in comparable stores increased by 5.3% and net space increased by 9.0% in Australasia.

Gross margin declined 0.7% due to higher markdowns particularly in Country Road womenswear. Operating costs continued to be well controlled, resulting in a 9.4% increase in operating profit.

OUTLOOK

We believe that economic conditions in South Africa will remain constrained, especially in the lower and middle income segments of the market where consumer debt levels are still recovering. Sales may be further impacted by load shedding. The upper income segment in which we operate continues to show resilience. We continue to trade ahead of the market and trading for the first six weeks of the new financial year has been positive.

In Australia there are early signs of an improved retail environment and we expect sales in both David Jones and the Country Road Group to be ahead of the market.

Any reference to future financial performance included in this statement has not been reviewed and reported on by the company's external auditors and does not constitute an earnings forecast.

CHANGES TO THE BOARD OF DIRECTORS

The Board is pleased to announce that Patrick Allaway, an Australian national, was appointed as a non-executive director with effect from 1 December 2014.

Hubert Brody and Nombulelo Moholi were appointed as non-executive directors to the Board in July 2014. Zarina Bassa became chairman of the Risk and Compliance Committee in February 2015 and Thina Siwendu took over the chairmanship of the Social and Ethics committee from Chris Nissen who retired at the conclusion of the AGM held on 26 November 2014. The Board expresses its deepest gratitude to Chris for his contribution, pursuing with passion the delivery of our transformation strategy.

S N Susman

Chairman
Cape Town, 11 February 2015

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Group chief executive officer

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim gross cash dividend of 96.5 cents (82.025 cents net of dividend withholding tax) per ordinary share for the 26 weeks ended 28 December 2014. The dividend has been declared from income reserves and a dividend withholding tax of 15% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 1 014 808 547 ordinary shares and 89 192 746 preference shares (unlisted).

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Friday, 27 February 2015
Shares commence trading "ex" dividend	Monday, 2 March 2015
Record date	Friday, 6 March 2015
Payment date	Monday, 9 March 2015

Share certificates may not be dematerialised or rematerialised between Monday, 2 March 2015 and Friday, 6 March 2015, both days inclusive.

An interim gross cash dividend of 96.5 cents (82.025 cents net of dividend withholding tax) per preference share (unlisted) for the 26 weeks ended 28 December 2014 will be paid to the beneficiaries of the Woolworths Employee Share Ownership Scheme on Monday, 9 March 2015.

Thobeka Sishuba-Mashego

Group secretary
Cape Town, 11 February 2015

INTERIM GROUP STATEMENT OF COMPREHENSIVE INCOME

Restated* 52 weeks to 29 Jun 2014 Rm		Notes	26 weeks to 28 Dec 2014 Rm	Restated* 26 weeks to 29 Dec 2013 Rm	%
					change
39 944	Revenue		28 460	19 454	46.3
40 012	Turnover and concession sales	6.2	30 283	19 520	55.2
(305)	Concession sales	6.2	(2 559)	(138)	>100
39 707	Turnover		27 724	19 382	43.0
24 209	Cost of sales		16 243	11 828	37.3
15 498	Gross profit		11 481	7 554	52.0
125	Other revenue		652	45	>100
11 680	Expenses		9 119	5 513	65.4
7 614	Store costs		6 365	3 668	73.5
4 066	Other operating costs		2 754	1 845	49.3
3 943	Operating profit		3 014	2 086	44.5
112	Investment income		84	27	>100
136	Finance costs		887	37	>100
3 919	Profit before earnings from joint ventures and associate		2 211	2 076	6.5
181	Earnings from joint ventures		119	88	35.2
4	Earnings from associate		1	1	-
4 104	Profit before tax		2 331	2 165	7.7
1 114	Tax		684	598	14.4
2 990	Profit for the period		1 647	1 567	5.1
	Other comprehensive income:				
	Amounts that may be reclassified to profit or loss				
(182)	Net fair value adjustments on financial instruments, after tax		340	(20)	
177	Exchange differences on translation of foreign subsidiaries		(921)	63	
	Amounts that may not be reclassified to profit or loss				
(6)	Post-retirement medical benefit liability-actuarial loss/gain, after tax		-	-	
(11)	Other comprehensive income for the period		(581)	43	
2 979	Total comprehensive income for the period		1 066	1 610	
2 990	Profit attributable to:		1 647	1 567	
2 888	Shareholders of the parent		1 645	1 505	
102	Non-controlling interests		2	62	
2 979	Total comprehensive income attributable to:		1 066	1 610	
2 868	Shareholders of the parent		1 058	1 531	
111	Non-controlling interests		8	79	
	Reconciliation of headline earnings				
2 888	Earnings attributable to shareholders of the parent		1 645	1 505	9.3
103	BEE preference dividend		60	58	3.4
2 785	Basic earnings		1 585	1 447	9.5
(35)	Loss/(profit) on disposal of property, plant and equipment, intangible assets and investment properties		2	-	
16	Net impairment of property, plant and equipment and intangible assets		116	10	
3	Tax impact of adjustments		(33)	(1)	
2 769	Headline earnings		1 670	1 456	14.7
182	Transaction costs		260	-	
-	Integration and restructuring costs		47	-	
-	Non-recurring finance costs		164	-	
139	Unrealised foreign exchange (gains)/losses		(36)	54	
(72)	Tax impact of adjustments		(8)	(15)	
3 018	Adjusted headline earnings		2 097	1 495	40.3
350.6	Earnings per share (cents)	2 & 6.1	184.2	182.5	0.9
348.6	Headline earnings per share (cents)		194.1	183.6	5.7
379.9	Adjusted headline earnings per share (cents)		243.8	188.5	29.3
346.2	Diluted earnings per share (cents)	2 & 6.1	182.6	179.6	1.7
344.2	Diluted headline earnings per share (cents)		192.4	180.8	6.4
375.1	Adjusted diluted headline earnings per share (cents)		241.5	185.6	30.1
759.5	Number of shares in issue (millions)		928.0	759.3	22.2
794.4	Weighted average number of shares in issue (millions)		860.3	792.9	8.5

*Certain comparative amounts shown do not correspond to the 2014 Interim and Annual Financial Statements and reflect adjustments made. Refer to note 6.

INTERIM GROUP STATEMENT OF FINANCIAL POSITION

At 29 Jun 2014 Rm		Notes	At 28 Dec 2014 Rm	At 29 Dec 2013 Rm
ASSETS				
8 192	Non-current assets		33 086	6 968
3 404	Property, plant and equipment	3	13 679	2 903
115	Investment properties	3	79	36
2 946	Intangible assets	3	16 562	2 403
2	Investment in associate		2	-
799	Investment in joint ventures		864	764
30	Participation in export partnerships		24	35
-	Fair value lease adjustment	8	83	-
106	Other loans		74	69
-	Derivative financial instruments	9	47	-
790	Deferred tax		1 672	758
14 077	Current assets		10 852	6 007
3 436	Inventories		5 676	3 229
1 067	Trade and other receivables		1 729	801
23	Derivative financial instruments	9	267	50
9	Tax		415	-
9 542	Cash and cash equivalents		2 765	1 927
-	Non-current assets held for sale		-	63
22 269	TOTAL ASSETS		43 938	13 038
EQUITY AND LIABILITIES				
6 952	TOTAL EQUITY		14 027	6 358
6 629	Equity attributable to shareholders of the parent		13 982	6 045
323	Non-controlling interests		45	313
1 918	Non-current liabilities		19 599	1 869
623	Interest-bearing borrowings		16 315	676
614	Operating lease accrual and fair value lease adjustment	8	2 106	483
349	Post-retirement medical benefit liability		359	350
-	Provisions		282	-
-	Derivative financial instruments	9	29	-
332	Deferred tax		508	360
13 399	Current liabilities		10 312	4 811
4 625	Trade and other payables		8 407	3 997
361	Provisions		655	463
-	Operating lease accrual and fair value lease adjustment	8	80	-
185	Derivative financial instruments	9	52	14
189	Tax		593	206
8 039	Interest-bearing borrowings		525	131
15 317	TOTAL LIABILITIES		29 911	6 680
22 269	TOTAL EQUITY AND LIABILITIES		43 938	13 038
873	Net asset book value - per share (cents)		1 507	796
GROUP ANALYSIS				
22 269	Total assets		43 938	13 038
8 986	Woolworths*		10 514	7 983
-	David Jones		27 763	-
4 500	Country Road Group		4 477	4 027
794	Woolworths Financial Services		858	761
7 989	Treasury - Cash and cash equivalents		326	267
3 436	Inventories		5 676	3 229
2 433	Woolworths*		2 860	2 416
-	David Jones		1 746	-
1 003	Country Road Group		1 070	813
15 317	Total liabilities		29 911	6 680
4 871	Woolworths*		5 987	4 658
-	David Jones		5 836	-
2 355	Country Road Group		1 833	2 022
8 091	Treasury - Interest-bearing borrowings		16 255	-
26 445	Approved capital commitments		2 303	1 228
1 786	Woolworths*		933	940
-	David Jones		718	-
955	Country Road Group		652	288
21 604	Acquisition of David Jones		-	-
2 100	Acquisition of Country Road Group non-controlling interests		-	-

*Includes Woolworths Clothing and General Merchandise, Woolworths Food and Woolworths Logistics.

INTERIM GROUP STATEMENT OF CASH FLOWS

52 weeks to 29 Jun 2014 Rm	Notes	26 weeks to 28 Dec 2014 Rm	26 weeks to 29 Dec 2013 Rm
	Cash flow from operating activities		
5 375	Cash inflow from trading	4 053	2 689
(407)	Working capital movements	(202)	(125)
4 968	Cash generated by operating activities	3 851	2 564
104	Interest income	84	25
(106)	Finance costs paid	(625)	(37)
(1 047)	Tax paid	(728)	(533)
3 919	Cash generated by operations	2 582	2 019
95	Dividends received from joint ventures	55	35
62	Dividends received from associate	–	61
(1 969)	Dividends to ordinary shareholders	(1 148)	(1 177)
(103)	Dividends to preference shareholders	(61)	(58)
2 004	Net cash inflow from operating activities	1 428	880
	Cash flow from investing activities		
(1 314)	Net investment in property, plant and equipment, intangible assets and investment properties	(1 110)	(520)
–	Acquisition of subsidiary, net of cash acquired	8 (21 447)	–
–	Acquisition of non-controlling interests	13 (2 153)	–
(396)	Acquisition of franchise operations	4 (68)	(10)
18	Other	38	17
(1 692)	Net cash outflow from investing activities	(24 740)	(513)
	Cash flow from financing activities		
(71)	Settlement of share-based payments through share purchase	5 (270)	(5)
(1)	Share purchase costs	5 (1)	–
–	Rights issue proceeds	5 9 984	–
(46)	Finance lease payments	(36)	(8)
55	Long-term borrowings raised	16 019	–
–	Short-term borrowings raised	11 282	–
(94)	Borrowings repaid	(11 870)	–
(169)	Costs associated with debt and equity raising	(592)	–
(326)	Net cash inflow/(outflow) from financing activities	24 516	(13)
(14)	Increase/(decrease) in cash and cash equivalents	1 204	354
1 582	Net cash and cash equivalents at the beginning of the period	1 666	1 562
98	Effect of foreign exchange rate changes	(105)	11
1 666	Net cash and cash equivalents at the end of the period	2 765	1 927
	GROUP ANALYSIS		
5 375	Cash inflow from trading	4 053	2 689
4 329	Woolworths	2 148	2 087
–	David Jones	1 264	–
1 046	Country Road Group	641	602
1 939	Additions to property, plant and equipment, intangible assets and investment properties (gross)	25 663	505
1 552	Woolworths	632	428
–	David Jones	24 750	–
387	Country Road Group	281	77

INTERIM GROUP STATEMENT OF CHANGES IN EQUITY

Total		Total			Total		
52 weeks to 29 Jun 2014		Shareholders of the parent	Non-controlling interests	26 weeks to 28 Dec 2014	Shareholders of the parent	Non-controlling interests	26 weeks to 29 Dec 2013
Rm	Notes	Rm	Rm	Rm	Rm	Rm	Rm
5 937		6 629	323	6 952	5 637	285	5 922
		Movements for the period:					
2 990		1 645	2	1 647	1 505	62	1 567
(11)		(587)	6	(581)	26	17	43
2 979		1 058	8	1 066	1 531	79	1 610
246	5	9 984	-	9 984	246	-	246
-	5	(399)	-	(399)	-	-	-
(60)	5	(270)	-	(270)	(5)	-	(5)
(1)	5	(1)	-	(1)	-	-	-
(246)	5	-	-	-	(246)	-	(246)
169		57	-	57	66	-	66
(2 072)		(1 209)	-	(1 209)	(1 184)	(51)	(1 235)
-		(1 867)	(286)	(2 153)	-	-	-
6 952		13 982	45	14 027	6 045	313	6 358
Restated							Restated
240.0				96.5			96.5
1.4				1.9			1.9
240.0				96.5			96.5

SEGMENTAL ANALYSIS

52 weeks to 29 Jun 2014 Rm		26 weeks to 28 Dec 2014 Rm	26 weeks to 29 Dec 2013 Rm	% change
	Notes			
	Revenue			
39 707	Turnover	27 724	19 382	43.0
11 505	Woolworths Clothing and General Merchandise	6 218	5 756	8.0
19 694	Woolworths Food	10 836	9 498	14.1
418	Woolworths Logistics	219	214	2.3
-	David Jones	5 964	-	-
8 090	Country Road Group	4 487	3 914	14.6
237	Other revenue and investment income	736	72	>100
18	Woolworths Clothing and General Merchandise	9	7	28.6
73	Woolworths Food	42	33	27.3
-	David Jones	666	-	-
55	Country Road Group	17	16	6.3
91	Treasury	76	16	>100
-	Intragroup	(74)	-	-
	12			
39 944	Total group	28 460	19 454	46.3
	Gross profit			
5 373	Woolworths Clothing and General Merchandise	2 940	2 630	11.8
4 983	Woolworths Food	2 734	2 390	14.4
-	David Jones	2 938	-	-
5 009	Country Road Group	2 789	2 468	13.0
133	Intragroup	80	66	21.2
15 498	Total group	11 481	7 554	52.0
	Profit before tax-adjusted			
2 029	Woolworths Clothing and General Merchandise	1 095	1 066	2.7
1 259	Woolworths Food	728	586	24.2
181	Woolworths Financial Services	119	88	35.2
-	David Jones	999	-	-
891	Country Road Group	549	471	16.6
15	Treasury	(610)	8	<(100)
4 375	Total group-adjusted	2 880	2 219	29.8
(271)	Adjustments	(549)	(54)	
(182)	Transaction costs	(260)	-	
-	Integration and restructuring costs	(47)	-	
-	Non-recurring finance costs	(164)	-	
-	Impairment of property, plant and equipment	(114)	-	
(139)	Unrealised foreign exchange gains/(losses)	36	(54)	
50	Profit on sale of investment properties	-	-	
4 104	Profit before tax	2 331	2 165	7.7

NOTES

1. BASIS OF PREPARATION

These interim Group financial statements comply with IAS 34 Interim Financial Reporting.

Accounting policies used in the interim Group financial statements are consistent with the prior period, except for the changes in accounting policy disclosed in note 7, and are the same as those used to prepare the 29 June 2014 Group annual financial statements. They have been prepared in compliance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), South African Institute of Chartered Accountants (ISAICA), Financial Reporting Standards Committee (FRSC), and the Companies Act of South Africa. The interim Group financial statements have been prepared under the supervision of the Group's finance director, Reeza Isaacs, CA(SA) and are the full responsibility of the directors.

2. EARNINGS PER SHARE

The difference between earnings per share and diluted earnings per share is due to the impact of unexercised options under the Group's share incentive schemes. The weighted average number of shares in issue and the earnings and dividend per share measures have been restated by a factor of 1.0477 to reflect the bonus element of the rights issue as required by IAS 33: Earnings per share (refer to note 5).

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the financial period, the Group acquired property, plant and equipment at a fair value of R11.4 billion (2013: R452 million) and acquired intangible assets (including goodwill and brands) at a fair value of R14.6 billion (2013: R71 million). This included acquisitions related to business combinations (refer to notes 4 and 8). An investment property amounting to R36 million was transferred to property, plant and equipment due to a change in use.

4. ACQUISITION OF FRANCHISE OPERATIONS

During the period, the Group acquired five (2013: one) previously franchised stores in South Africa for a total purchase consideration of R39 million (2013: R10 million).

	Dec 2014 Rm	Dec 2013 Rm
Fair value of assets acquired at the date of acquisition		
Property, plant and equipment	4	-
Reacquired rights	7	2
Deferred tax liability	(2)	(1)
Goodwill arising on acquisition	30	9
Consideration	39	10
Prior period amount paid	29	-
Cash outflow	68	10

Goodwill of R30 million (2013: R9 million) represents the fair value of growth and synergies expected to accrue from the acquisitions that does not qualify for separate recognition.

From the dates of the acquisitions, R21 million additional revenue and R6 million profit before tax has accrued. Had the acquisitions been effective from the beginning of the period, the directors consider that, on a pro-forma basis, the contribution to revenue and profit before tax for the 26 weeks ended 28 December 2014 would have been a further R2 million and R1 million respectively.

NOTES (continued)

5. ISSUE AND REPURCHASE OF SHARES

During the period, 167 803 572 (2013: nil) shares totalling R9 984 million (2013: nil) were issued by way of a rights issue on 29 September 2014. Rights issue costs of R399 million (2013: nil) have been charged to equity.

3 054 442 (2013: nil) ordinary shares at a net cost of R241 million (2013: nil) were purchased from the market and transferred to employees in terms of the Group's share incentive schemes. In the prior period, 4 361 450 ordinary shares totalling R246 million were issued and allocated to employees.

408 701 (2013: 125 799) ordinary shares totalling R30 million (2013: R8 million) were purchased from the market by Woolworths Proprietary Limited and are held as treasury shares by the Group. 1 038 174 (2013: 1 114 674) ordinary shares totalling R22 million (2013: R63 million) were allocated to employees in terms of the Group's Restricted Share Plan.

6. RESTATEMENT OF COMPARATIVE FIGURES AND ADDITIONAL DISCLOSURE

6.1 Earnings per share

Earnings per share, dividend per share and other related share measures have been restated to reflect the bonus element arising from the rights offer (refer to notes 2 and 5).

6.2 Turnover and concession sales

Turnover and concession sales includes the sale of goods by concession operators. *Turnover* excludes concession sales on the basis that the inventory sold is owned by the concession operator at the time of sale. The Group's share of concession sales is recognised as other revenue at the time the sale is made.

7. CHANGE IN ACCOUNTING POLICY

The adoption of certain new standards, which became effective in the current period, has resulted in minor changes to accounting policies and disclosure, none of which have a material impact on the financial position or performance of the Group.

8. ACQUISITION OF DAVID JONES LIMITED

On 1 August 2014, Woolworths Holdings Limited ("WHL"), through its subsidiaries, Osiris Holdings Proprietary Limited and Vela Investments Proprietary Limited, acquired all of the ordinary shares of David Jones Limited ("David Jones") for a total value of A\$2.1 billion (R21.4 billion).

The acquisition was funded by cash of R10 billion, A\$264 million (R2.5 billion) Australian senior debt and a R9.9 billion equity bridge loan. The equity bridge loan was repaid out of the proceeds of a rights offer completed on 2 October 2014.

8. ACQUISITION OF DAVID JONES LIMITED (continued)

Assets acquired and liabilities assumed

WHL has measured the identifiable assets and liabilities of David Jones at their acquisition-date fair values. The provisional values are presented below:

	Rm	A\$m
Non-current assets	16 957	1 705
Property, plant and equipment	10 205	1 026
Intangible assets	6 042	607
Fair value lease adjustment	88	9
Deferred tax	622	63
Current assets	2 533	254
Inventories	1 675	168
Trade and other receivables	242	24
Tax	459	46
Cash and cash equivalents	157	16
Non-current liabilities	1 815	182
Fair value lease adjustment	1 685	169
Provisions	130	13
Current liabilities	4 489	451
Trade and other payables	2 985	300
Provisions	234	23
Fair value lease adjustment	134	14
Derivative financial instruments	7	1
Interest-bearing borrowings	1 129	113
Total identifiable net assets at fair value	13 186	1 326
Goodwill arising from acquisition	8 418	823
Purchase consideration	21 604	2 149
Purchase consideration transferred	21 383	2 149
Cost of hedging instrument	221	–
Cash and cash equivalents acquired	(157)	(16)
Cash outflow on acquisition	21 447	2 133

Goodwill of A\$823 million (R8.4 billion) and the David Jones brand amounting to A\$584 million (R5.8 billion) have been recognised on the acquisition. Goodwill represents the value paid in excess of the provisional fair value of net assets and consists largely of synergies and economies of scale expected from strategic initiatives. Transaction costs of R245 million have been expensed in the current period.

As a result of the acquisition, leases were determined to be either favourable or unfavourable in comparison to market-related rentals, and accordingly, have been disclosed separately as assets or liabilities on the statement of financial position. Included in the operating lease accrual and fair value lease adjustment are R1 599 million non-current liabilities and R74 million current liabilities. These will unwind over the duration of the leases through the statement of comprehensive income.

The fair values are provisional and subject to further review for a period of up to one year from the acquisition date, and as a result, not all of the required disclosures are contained herein. The Australian dollar values have been translated at the closing exchange rate at 1 August 2014 of A\$: R9.95.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

In terms of IFRS 13: Fair value measurement, the Group's derivative financial instruments are measured using level two with inputs that are observable for the asset or liability, either directly or indirectly. The carrying amounts of these derivative financial instruments approximate their fair value.

10. CONTINGENT LIABILITIES

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

11. BORROWING FACILITIES

Unutilised banking facilities amount to R5 174 million (2013: R2 659 million). There is no limit imposed by the Memorandum of Incorporation on the Group's authority to raise interest-bearing debt.

12. RELATED PARTY TRANSACTIONS

During the period the Group entered into related party transactions, the substance of which are similar to those explained in the Group's 2014 annual financial statements. Intercompany transactions have further arisen in the current period between the Country Road Group and David Jones.

13. ACQUISITION OF NON-CONTROLLING INTERESTS

13.1 Country Road Limited

The Group acquired the remaining 12.12% shares in Country Road Limited ("Country Road") for a cash consideration of A\$213 million (R2.1 billion). As a wholly-owned subsidiary within the Group, Country Road was delisted from the Australian Securities Exchange (ASX). Given its role in realising a substantial part of the synergy benefits arising from the acquisition of David Jones, achieving full ownership of Country Road was a logical next step and in line with the Group's longstanding desire to acquire 100% ownership. The acquisition was funded through new debt facilities raised from Australian banks.

The excess of the purchase price over the carrying value of the related non-controlling interests in Country Road totalling R1.9 billion has been charged to equity.

13.2 Woolies (Zambia) Limited

On 29 July 2014, WHL concluded terms to acquire the remaining 49% shareholding in Woolies (Zambia) Limited not already owned by the WHL Group for a total cash consideration of R29 million.

14. APPROVAL OF INTERIM GROUP FINANCIAL STATEMENTS

The interim Group financial statements were approved by the Board of directors on 11 February 2015.

15. AUDIT OPINION

These interim Group financial statements have not been reviewed or audited.

DIRECTORATE AND STATUTORY INFORMATION

Non-executive directors:

Simon Susman (Chairman), Patrick Allaway (Australian), Peter Bacon (British), Zarina Bassa, Tom Boardman (Lead independent director), Hubert Brody, Andrew Higginson (British), Mike Leeming, Nombulelo Moholi, Stuart Rose (British), Thina Siwendu

Executive directors:

Ian Moir (Group chief executive officer) (Australian), Reeza Isaacs, Sam Ngumeni, Zyda Rylands

Group secretary:

Thobeka Sishuba-Mashego

Share code:

WHL

ISIN:

ZAE000063863

Registered address:

Woolworths House, 93 Longmarket Street, Cape Town, 8001
PO Box 680, Cape Town, 8000

Registration number:

1929/001986/06

Tax number:

9300/149/71/4

JSE sponsor:

RAND MERCHANT BANK IA division of FirstRand Bank Limited

Transfer secretaries:

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001

FINANCIAL HIGHLIGHTS

REVENUE

+46.3%

ADJUSTED PROFIT BEFORE TAX

+29.8%

ADJUSTED HEADLINE EARNINGS PER SHARE

+29.3%

RETURN ON EQUITY

30.0%

WOOLWORTHS

**DAVID
JONES**

COUNTRY ROAD

RE: studio·w JT♥ONE T R E N E R Y W I T C H E R Y MIMCO