WHL '15

WOOLWORTHS HOLDINGS LIMITED / 2015 INTEGRATED REPORT

A YEAR OF TRANSFORMATION TO ONE OF THE LARGEST SOUTHERN HEMISPHERE RETAILERS, POSITIONED FOR GROWTH.

CONTENTS

2015

WE HAVE GAINED SIGNIFICANT TRACTION WITH DAVID JONES INTEGRATION

▲ GROUP TURNOVER AND CONCESSION SALES

54.9%

▲ ADJUSTED PROFIT BEFORE TAX

20.5%

▲ HEADLINE EARNINGS PER SHARE

6.1%

TO 369.7 CENTS PER SHARE

▲ ADJUSTED HEADLINE EARNINGS PER SHARE

10.4%

TO 419.4 CENTS PER SHARE

TOTAL DIVIDEND FOR THE YEAR

247.0

CENTS PER SHARE

NUMBER OF EMPLOYEES

41 110

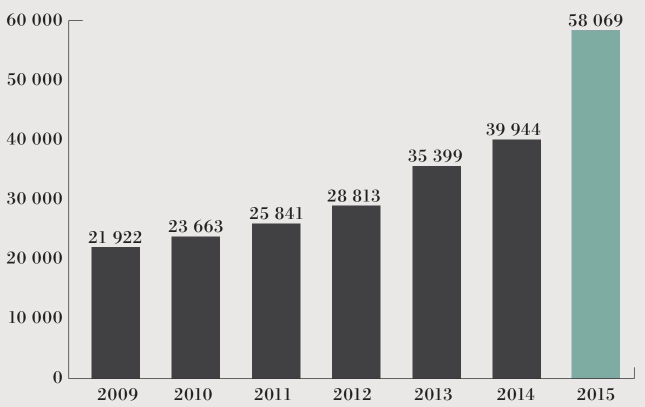
NUMBER OF STORE LOCATIONS

1 323

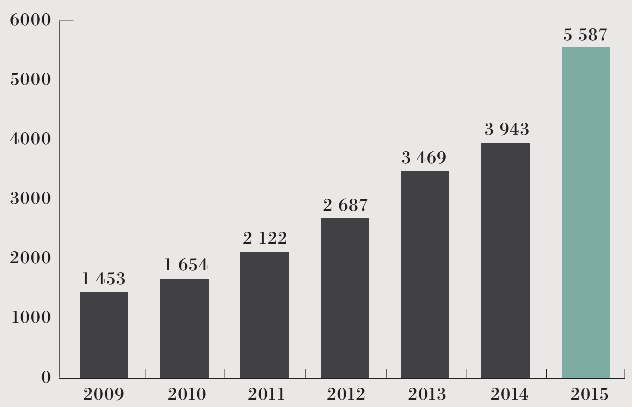
VALUE CREATED FOR BEEESOS

R2.7 bn

REVENUE (R MILLION)



OPERATING PROFIT (R MILLION)



Read more about our performance in the Group Chief Executive Officer's report on page 40.

OUR INTEGRATED REPORT

Woolworths Holdings Limited (WHL or the Group) presents its 2015 Integrated Report: a concise overview of WHL's performance, value added for stakeholders and contribution to society for the 52 weeks to 28 June 2015.

The report has been prepared for the benefit of all our stakeholders, with a particular focus on aspects relevant to providers of financial capital. We apply our values in the way we report – consistent with the way in which we do business.

THIS REPORT HAS BEEN PREPARED FOR THE BENEFIT OF ALL OUR STAKEHOLDERS

REPORTING FRAMEWORKS

In compiling this report, we have considered the information included in previous reports, the legislative requirements for reporting and specifically the International Integrated Reporting Council's (IIRC) Framework. We are committed to adopting the IIRC framework in this report and recognise that full application to it is an ongoing journey. Other reporting frameworks applied where appropriate include:

- G4 'core' guidelines of the Global Reporting Initiative, relevant to information provided in the Sustainability strategic objective;
- International Financial Reporting Standards, relevant to financial information provided in the abridged financial results and the Group Finance Director's report.

The content of this report is consistent with the indicators used for our internal management and Board reports.

SCOPE OF REPORT

The report encompasses performance and data relating to the operations of the Group throughout South Africa, the rest of sub-Saharan Africa and Australasia unless indicated otherwise.

While the financial performance of Woolworths Financial Services (WFS) is reported as an equity accounted joint venture, it forms an integral part of the Group and financial services is one of the Group's eight strategic objectives.

REPORTING COMPARABILITY

When reviewing our 2015 performance in this report, the following should be noted:

- The inclusion of David Jones financial results for 11 months following its acquisition on 1 August 2014.
- Country Road Group became a wholly owned subsidiary following the buy-out of non-controlling interests on 2 September 2014.
- The significant change to the capital structure of the Group as a result of the above acquisitions and the refinancing of working capital facilities. The Group raised new long-term debt of R12.5 billion in August 2014 and new equity of R9.9 billion, following a Rights Offer in October 2014. The strategic, financial and other impacts of the acquisitions and changes to Group structure are considered throughout the Integrated Report.

MATERIALITY

As in 2014, this report is structured according to the Group's eight strategic objectives. The Board believes that these strategic objectives represent the material opportunities that will drive value creation for stakeholders in the short-, medium- and long-term. These material opportunities have been developed taking into account our industry trends, the trading environment in which the Group operates, significant feedback received from our key stakeholders and the inherent risks of the business. The Board reviews and approves the strategic objectives on an annual basis.

ADDITIONAL INFORMATION

Supporting documents and compliance information not included in the reports can be accessed on our corporate website at ***www.woolworthsholdings.co.za****. Downloads available include our compliance with the Global Reporting Initiative's G4 guidelines and the King III application table. Copies of all reports can be obtained by emailing* ***InvestorRelations@woolworths.co.za***

All reports can be obtained online www.woolworthsholdings.co.za

2015 REPORTING SUITE

2015 INTEGRATED REPORT

The Integrated Report provides a holistic view of the Group's business, strategy and performance including 'case studies' from our Good Business Journey pertaining to particular strategic objectives. We also set out our governance structures and remuneration philosophy. This report is mailed on request to our stakeholders. It is available for download on our corporate website, www.woolworthsholdings.co.za.

2015 ANNUAL FINANCIAL STATEMENTS

This report provides a more detailed understanding of the financial aspects of our business. The detailed Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and include the Audit Committee and Directors reports. The report is available for download on our corporate website, www.woolworthsholdings.co.za.

2015 GOOD BUSINESS JOURNEY REPORT

This report provides details of our sustainability strategy, the governance of sustainability and a review of performance primarily against non-financial targets for social, transformation and environmental matters. The report is available for download on our corporate website, www.woolworthsholdings.co.za.

2015 AGM NOTICE REPORT

The Annual General Meeting of the Group will be held on 30 November 2015, at the Group's head office at 93 Longmarket Street, Cape Town, South Africa.

This report contains the notice of the WHL Annual General Meeting, a proxy form, the abridged Group results and any other information necessary for shareholders to vote on the resolutions to be tabled at the meeting. This report will be sent to all shareholders registered in the company's share register at 2 October 2015.

2015 RESULTS PRESENTATION

This biannual presentation is targeted at investors and analysts and provides a performance and financial update. The presentation is available on our corporate website, www.woolworthsholdings.co.za.

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements which by their nature involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Group's control. The directors therefore advise readers to use caution regarding interpreting any forward-looking statements in the report.

APPROVAL AND ASSURANCE OF OUR REPORTS

The WHL Audit Committee reviewed the Integrated Report and Annual Financial Statements and recommended them to the Board for approval. The Social and Ethics Committee and the Sustainability Committee reviewed and recommended the Good Business Journey report as well as the social and environmental 'case studies' contained in the Integrated Report to the Board for approval.

The Board has applied its mind to the Integrated Report and believes that it addresses all material matters, and fairly presents the integrated performance of the Group. The information included in our Integrated Report was verified by a combination of internal and external assurance specialists. The assurance elements cover a significant spread of the business operations. Details of our assurance elements and providers are available on our corporate website, www.woolworthsholdings.co.za.

The 2015 WHL Integrated Report was approved by the Board on 28 September 2015.

S N SUSMAN
Chairman

I MOIR
Group Chief Executive Officer

THE WHL GROUP

Studio.W, summer 2015.

THE WHL GROUP

OUR VISION IS TO BE THE LEADING RETAIL GROUP IN THE SOUTHERN HEMISPHERE

WHL Group is a southern hemisphere retail group, with its head office in South Africa, listed on the JSE Limited Securities Exchange (JSE) since 1997. It is one of the top 40 JSE-listed companies and had a market capitalisation of R100.5 billion at 28 June 2015. 40% of revenue (including concession sales) is generated in Australasia.

The Group consists of three major operating divisions:

- Woolworths South Africa (Woolworths or WSA) based in South Africa and operating across 11 countries in sub-Saharan Africa
- David Jones (David Jones or DJ) based and trading in Australia
- Country Road Group (Country Road Group or CRG) based in Australia and trading in Australia, New Zealand and South Africa.

Woolworths Financial Services (WFS) is a joint venture between Woolworths and Barclays Africa Group, with Barclays Africa Group owning 50% + 1 share. The WFS board is constituted with directors from both WHL and Barclays Africa Group, with direction on credit policy, risk and funding aspects received from Barclays and direction on customer integration from Woolworths.

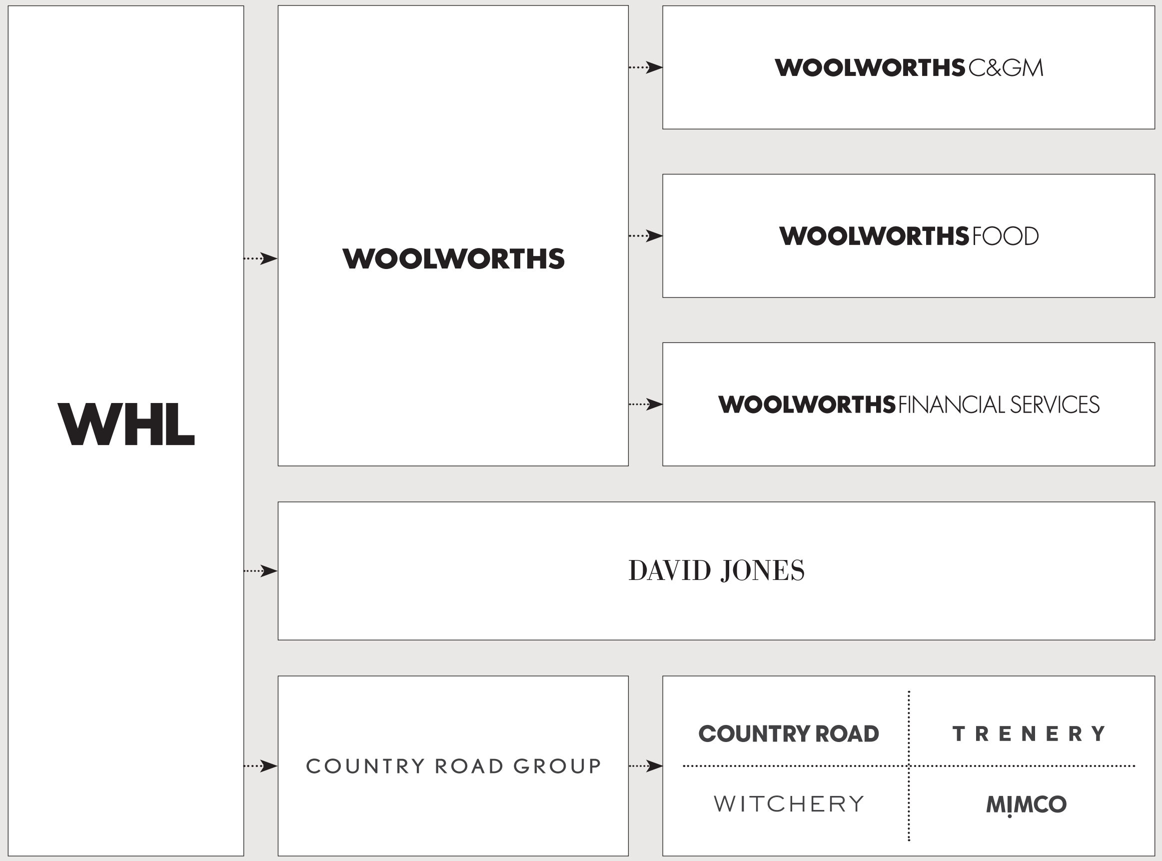
OUR MISSION

To be the first choice for customers who care about value, innovation and sustainability in the southern hemisphere

OUR VALUES

Our values inform and underpin the way we do business across our Group. From values-based leadership to passionate brand advocacy, we seek to embed our values across all dimensions of our business.

QUALITY AND STYLE	Always exceptional
VALUE	Always value with values
SERVICE	Always customer first
INNOVATION	Create the difference
INTEGRITY	Do what you say you will do; be transparent
ENERGY	Be passionate and deliver
SUSTAINABILITY	Build for a better future



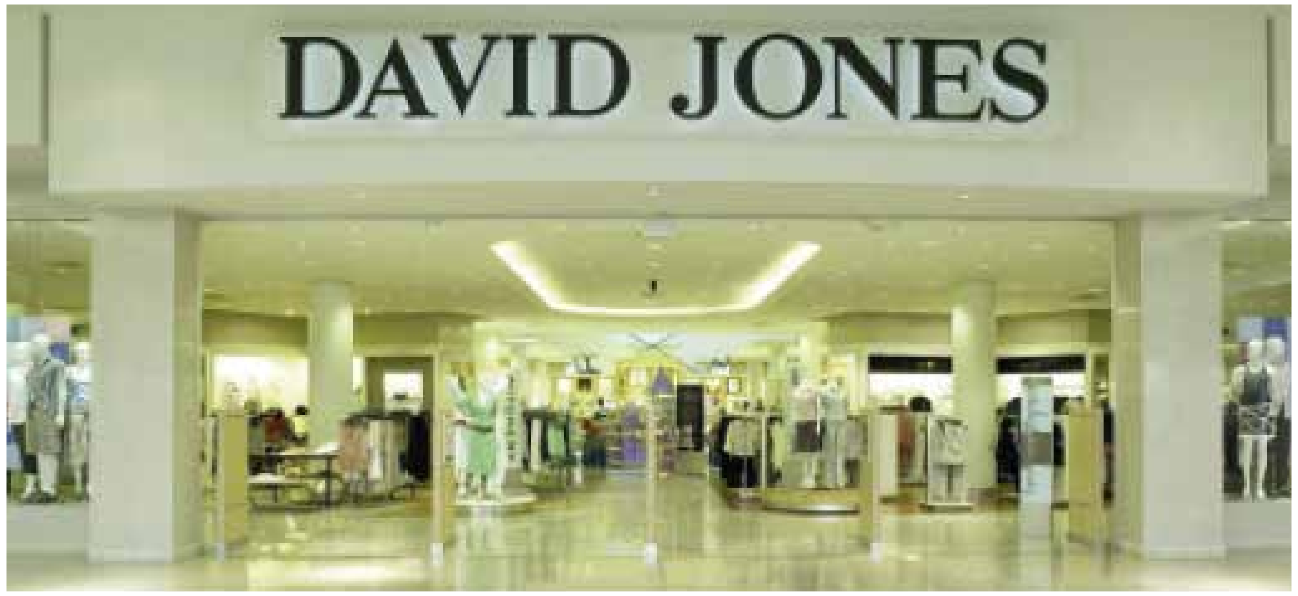
OPERATING COMPANY PROFILES

WOOLWORTHS

OWNERSHIP	Wholly owned subsidiary
ESTABLISHED	1931
PROFILE	Leading South African retailer offering a range of primarily private label products
OFFERING	A selected range of quality clothing and general merchandise and a wide range of food products Financial services provided through Woolworths Financial Services (WFS)
KEY PRIVATE LABEL BRANDS	Woolworths, Studio.W, RE:, JTOne, Distraction
TARGET CUSTOMERS	Customers in South Africa's Living Standard Measure (LSM) bands 8-10
LOYALTY PROGRAMME	3.1 million active WRewards members (excluding MySchool base)
GEOGRAPHICAL FOOTPRINT	South Africa, Botswana, Ghana, Kenya, Lesotho, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Uganda, Zambia
STORE LOCATIONS	676
EMPLOYEES	31 196

DAVID JONES

OWNERSHIP	Wholly owned susidiary aquired from 1 August 2014
ESTABLISHED	1838
PROFILE	One of Australasia's leading premium department stores
OFFERING	A range of premium and luxury international and private label brands in womenswear, menswear, shoes, accessories, beauty, childrenswear, home furnishings, general merchandise and food Financial services provided through joint venture with American Express
KEY PRIVATE LABEL BRANDS	David Jones
TARGET CUSTOMERS	Customers in Australia's top two affluence bands 4-5
LOYALTY PROGRAMME	Linked to David Jones American Express cards
GEOGRAPHICAL FOOTPRINT	Australia To open in New Zealand in 2016
STORE LOCATIONS	38 retail stores
EMPLOYEES	4 175



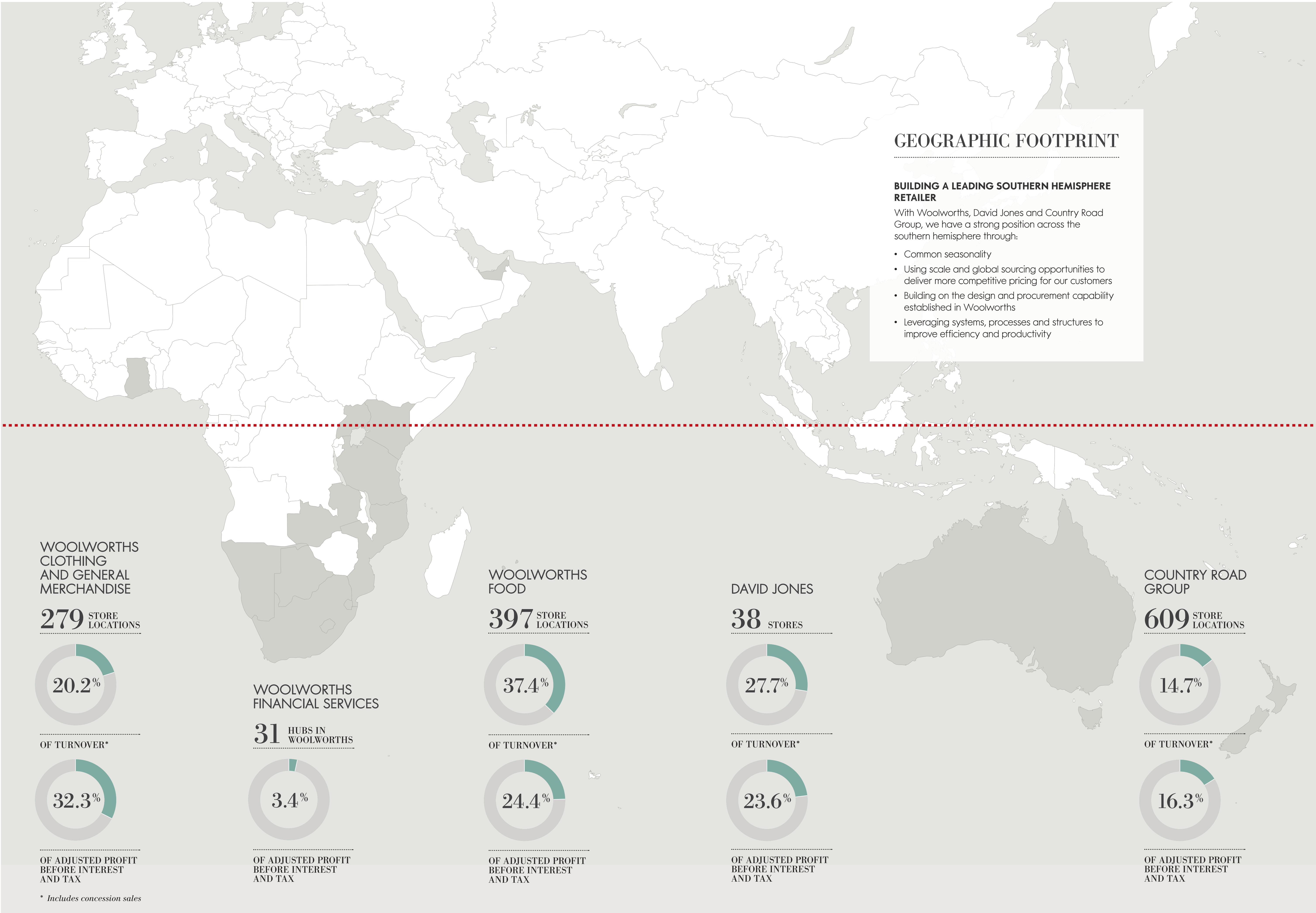
COUNTRY ROAD GROUP

OWNERSHIP	Wholly owned subsidiary from 2 September 2014 (previously 88%)
ESTABLISHED	1974
PROFILE	Leading Australian speciality apparel retailer
OFFERING	Stylish high-quality apparel, accessories, footwear and homeware
KEY PRIVATE LABEL BRANDS	Country Road, Trenery, Witchery, Mimco
TARGET CUSTOMERS	Customers in Australia's top two affluence bands 4-5 LSM 8-10 customers in South Africa
LOYALTY PROGRAMME	1.5 million active cardholders
GEOGRAPHICAL FOOTPRINT	Australia, New Zealand, South Africa
STORE LOCATIONS	609
EMPLOYEES	3 223

WOOLWORTHS FINANCIAL SERVICES

OWNERSHIP	South African joint venture operation with Group holding 50% less one share
ESTABLISHED	1994
PROFILE	A joint venture that offers value-added financial services
OFFERING	Woolworths store card, credit card, personal loans and short-term insurance
KEY PRIVATE LABEL BRANDS	Woolworths Financial Services
TARGET CUSTOMERS	LSM 8-10 customers in South Africa
LOYALTY PROGRAMME	Linked to WRewards 1.7 million (1.5 million store cards and 201 000 credit cards)
GEOGRAPHICAL FOOTPRINT	South Africa Namibia
STORE LOCATIONS	31 financial services hubs in Woolworths stores
EMPLOYEES*	983

* *Not included in WHL Group numbers*



GEOGRAPHIC FOOTPRINT

BUILDING A LEADING SOUTHERN HEMISPHERE RETAILER

With Woolworths, David Jones and Country Road Group, we have a strong position across the southern hemisphere through:

- Common seasonality
- Using scale and global sourcing opportunities to deliver more competitive pricing for our customers
- Building on the design and procurement capability established in Woolworths
- Leveraging systems, processes and structures to improve efficiency and productivity

WOOLWORTHS CLOTHING AND GENERAL MERCHANDISE

279 STORE LOCATIONS

20.2% OF TURNOVER*

32.3% OF ADJUSTED PROFIT BEFORE INTEREST AND TAX

WOOLWORTHS FINANCIAL SERVICES

31 HUBS IN WOOLWORTHS

3.4% OF ADJUSTED PROFIT BEFORE INTEREST AND TAX

WOOLWORTHS FOOD

397 STORE LOCATIONS

37.4% OF TURNOVER*

24.4% OF ADJUSTED PROFIT BEFORE INTEREST AND TAX

DAVID JONES

38 STORES

27.7% OF TURNOVER*

23.6% OF ADJUSTED PROFIT BEFORE INTEREST AND TAX

COUNTRY ROAD GROUP

609 STORE LOCATIONS

14.7% OF TURNOVER*

16.3% OF ADJUSTED PROFIT BEFORE INTEREST AND TAX

* *Includes concession sales*

STRATEGIC OBJECTIVES

We measure our performance in more than just financial terms. Our long-term success depends on our ability to implement the Group's strategy and on achieving our targets for each of our eight strategic objectives. These objectives support our vision of being the leading retail group in the southern hemisphere.

/1 BUILD STRONGER, MORE PROFITABLE CUSTOMER RELATIONSHIPS

Becoming a more customer-centric business is key to developing a richer understanding of our customers and building stronger customer relationships. Our customer insights and data will drive and inform all our business decisions to ensure that we offer our customers a compelling proposition and better serve their needs. To build on this we continue to enhance our loyalty proposition.

/2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

Our Woolworths Clothing and General Merchandise strategy is to be a leading fashion retailer, delivering fashionable merchandise and great quality at affordable prices. We will leverage our strength in innovation and sourcing and deliver the Woolworths difference across our ranges.

Country Road Group will grow its four brands, each targeting a distinct segment within the mid- to upper-income target market.

David Jones will be Australia's premium omni-channel department store by profitably combining leading international and local brands with a strong branded private label offering. It will optimise its brand portfolio, expand Country Road Group concessions and introduce Woolworths private label brands.

/3 BECOME A BIG FOOD BUSINESS WITH A DIFFERENCE

Our ambition is to continue growing market share, increase penetration within our customer target market and become a much bigger food business. We will maintain our leadership in fresh produce, while expanding our ranges to offer a complete shop at competitive prices.

/4 BECOME AN OMNI-CHANNEL BUSINESS

We are creating a relevant, personalised total retail experience for customers across all retail channels. This is enabled by innovative digital solutions and superior design to enhance the channel-specific experience. This will deepen our customer relationships, grow loyalty and drive sales growth.

It is supported with physical store locations in a number of different formats – from convenience and department stores to supermarkets.

/5 EXPAND INTO THE REST OF AFRICA

Our vision is to grow our already meaningful business in sub-Saharan Africa to become a more substantial contributor to the Group's sales and profit. To achieve our expansion targets we are committed to growing in the countries in which we already operate, gaining critical mass and leveraging our existing supply chain and customer information.

/6 SIMPLE, CONVENIENT AND REWARDING FINANCIAL SERVICES

Our vision is to deliver simple, convenient and rewarding financial services to our customers.

The Woolworths Financial Services customer experience is being transformed and more closely integrated with Woolworths.

/7 DRIVE SYNERGIES AND EFFICIENCIES ACROSS THE GROUP

A key strategy for the Group is to leverage scale across the southern hemisphere. Through closer integration across our businesses, we will be able to drive efficiencies and add significantly to profitability.

/8 EMBED SUSTAINABILITY THROUGHOUT OUR BUSINESS

Our vision is to be the most sustainable retailer in the southern hemisphere, which we will achieve by entrenching our Good Business Journey throughout the Group. The programme has eight focus areas – ethical sourcing, sustainable farming, energy, water, waste, social development, transformation, and health and wellness.

Read more about our strategic objectives on pages 64 to 89.

OUR BUSINESS MODEL

A UNIQUE QUALITY OF THE GROUP IS THE EXTENT TO WHICH THE GOOD BUSINESS JOURNEY SUPPORTS AND NURTURES FUTURE ACCESS TO ALL SIX CAPITALS.

The Group's business model describes how we create, deliver and realise value in our chosen target markets. The model is dynamic and flexible, and has proven its ability to generate sustainable returns over the short-, medium- and long-term for those investors and shareholders seeking exposure to growth potential in the southern hemisphere retail market.

THE SIX CAPITALS

The IIRC framework for integrated reporting has introduced the concept of reporting how a business creates value through the use of six capitals – financial, manufactured, intellectual, human, social and relationship, and natural capital. While the Group considers the use of all these capitals in the business operations, it does not typically refer to them by the IIRC terminology. Consequently, we have chosen not to use this terminology in our Integrated Report. To assist readers who are familiar with the 'capital' terminology, we explain below how the capitals are used in the Group and indicate where they are covered throughout the report.

FINANCIAL CAPITAL	Relates to the funding structure of WHL and how it has utilised its financial resources. This is covered in the Group Finance Director's report and the abridged financial statements.
MANUFACTURED CAPITAL	As a retail Group, this refers to WHL's network of stores, distribution centres, websites and information technology infrastructure throughout the southern hemisphere. This is dealt with more fully in the strategic objectives section.
INTELLECTUAL CAPITAL	The Group relies heavily on intellectual capital, as this is the capital that develops and designs products that appeal to our customers and builds the inherent value of our private label brands. This includes customer database management, cross-selling, customer segmentation and business planning abilities. More information can be found in the strategic objectives section.
HUMAN CAPITAL	This refers to the Group's values-based employment proposition which, combined with a unique employee experience, skills and leadership, enables the implementation of Group strategy and the delivery of products and services. This is covered in our stakeholders section.
SOCIAL AND RELATIONSHIP CAPITAL	Refers to the relationships that the Group has with our customers, suppliers and business partners. Further information can be found in our stakeholder section.
NATURAL CAPITAL	Relates to the environmental resources used throughout the Group's value chain in the production, manufacturing, distribution and retailing of our products. This is covered in our strategic objectives section and in greater detail in the Good Business Journey Report.

OUR BUSINESS MODEL

GOVERNANCE & REPUTATION

- Diverse Board with extensive experience
- Strong executive management team
- Strong risk management capability
- Commitment to good corporate citizenship
- WHL is included in the Dow Jones Sustainability Index, the JSE SRI Index.

PRODUCT DEVELOPMENT & DESIGN

- Trend interpretation for unique customer segments
- Design-led fashion
- Innovation and quality focus
- Technology teams driving product quality and safety
- Strong and well-defined premium private label brands
- Selected third-party food brands
- Sustainable procurement

GROUP SOURCING

- Long-standing supplier relationships
- Suppliers committed to WHL Group business supplier codes of conduct
- Vertically integrated suppliers
- Increased benefits from southern hemisphere economies of scale
- Ethical sourcing imperative
- Sustainable farming programmes
- Environmentally aware sourcing
- Regional food sourcing strategy
- Use of "centres of excellence"
- Enterprise and supplier development for commercial purposes

VALUES-BASED EMPLOYEE CULTURE

- Entrenched value system
- Strong employee value proposition
- Employment equity and skills development to drive transformation
- Remuneration policies to drive and reward high performance

CENTRALISED DISTRIBUTION & REPLENISHMENT

- Centralised distribution model with wide geographical reach
- Cold chain discipline for food quality and integrity
- Operational efficiencies
- Optimised schedule of daily deliveries
- Timely and trustworthy online fulfilment

CUSTOMER RELATIONSHIPS

- Customer segmentation model aimed at mid- and upper-income target market
- Strong loyalty programmes
- Reputable and aspirational brands
- Innovative food and clothing
- Direct marketing to drive cross-shopping opportunities
- Integrated financial services offering

INTEGRATED SYSTEMS & DATA MANAGEMENT

- Integrated IT systems
- Planning and ordering capability
- Store catalogue and profiling ability
- Programme of ongoing IT development
- Big data analytical capability

RETAIL CHANNEL PRESENCE

- Southern hemisphere footprint
- Expansion in selected countries in the rest of sub-Saharan Africa
- Omni-channel strategy with digital and real estate investment
- Multiple store formats for customer convenience
- Differentiated in-store experience

BUSINESS RESILIENCE & FINANCIAL PERFORMANCE

- Strong shareholder returns
- Top 40 JSE ranking
- Consistent dividend payment ratio
- Exchange rate and country risk hedge through geographic diversification
- Sustainable capital investment programme

OUR INDUSTRY TRENDS

A range of macro-economic, social, political and technological factors are shaping the current and future landscape in which retailers operate and consumers make their buying decisions. These factors test the robustness of and influence the long-term sustainability of our strategy, and affect our understanding of the material issues to consider in creating value in the short-, medium- and long-term. One of the biggest challenges for retailers is to create holistic views of the customer at the individual level. Increasing competition remains a dominant feature of the industry, with the continued movement of northern hemisphere retailers into southern hemisphere markets (and more recently looking to Australia for growth opportunities) and South African retailers moving into the rest of Africa. We have summarised key developments for retail in our three main geographies (South Africa, the rest of sub-Saharan Africa and Australasia) and in the key focus areas of stakeholders and technology.

RETAIL

WHAT ARE THE KEY DEVELOPMENTS?

Customers are demanding a "total retail" experience

Global retail is going through an unprecedented period of change, driven principally by the changing expectations of a discerning consumer who is more informed, connected and demanding of value. Large retailers are expanding out of their home territories – through digital channels and physical stores – in search of growth. In this environment retailers have to build scale to compete with fast-growing pure plays.

Online shopping has also created more price savvy consumers who expect the in-store experience to add value, be relevant, personalised and to entertain. Mobile and related technologies are increasingly setting the stage for purchases by enabling consumers to interact with each other while making decisions, checking information, confirming availability and communicating with retailers directly. Social media peer endorsements play an increasing role in decision-making.

Australian e-commerce has been dominated by international retailers over the last two years. However, the recent strengthening of the US Dollar has resulted in a shift in online activity back onshore and international pureplays are losing market share. Online retailing in South Africa is still developing, having been historically constrained by infrastructure, lack of choice and security/payment concerns. However, the increasing penetration of smartphones, improving broadband accessibility, significant corporate activity (in both pureplay and 'bricks and clicks') and continued strong online sales growth, signal that consumer behaviour and market dynamics are shifting.

Physical store locations as entertainment destinations

The role of the physical store is changing as online shopping continues to grow, shifting the physical space towards unique, brand-defining experiences, which seamlessly include other channels. Successful retailers give consumers new reasons to visit stores with innovative and enticing formats, displays and experiences, including tastings, demonstrations, advice and personalised service. Stores need to engage and entertain – it is about more than just shopping. Retailers need to find the right balance between offering exceptional customer service and experiences while maintaining profitability. While the consumer has the benefit of more choice, the sector is challenged by static or declining store volumes and over-saturation, exacerbating the profit pressures of operating in an omni-channel world. Operating costs are under pressure at a time when customers are seeking more engagement and better experiences in all channels.

Retailers searching for growth opportunities

The northern hemisphere retailers continue to search for growth opportunities in the southern hemisphere. Competition is intensifying both in physical and online stores offering customers a wider choice of fashionable merchandise at competitive prices.

HOW WE RESPOND

- The Group uses customer data and analytics to drive retail and investment decisions aimed at omni-channel functionality.
- The use of loyalty tools is key to more personalised interactions with our customers.
- Our growing scale in the southern hemisphere positions us well to compete with international entrants by means of physical stores and digital channels.
- We continuously revisit our cost structures across the value chain to find efficiencies in the evolving omni-channel business model.
- Real estate growth – new space and expansion of existing space.

RELATED RISKS

- Inability to differentiate our offering compared to competitors' offerings resulting in loss of market share.
- Inability to deliver a competitive and cost-effective omni-channel customer experience.

REFERENCE TO STRATEGIC OBJECTIVES

- Be a leading fashion retailer in the southern hemisphere.
- Build stronger, more profitable customer relationships.
- Become an omni-channel business.
- Drive synergies and efficiencies across the Group.

Woolworths Waterstone Village

SOUTH AFRICA

WHAT ARE THE KEY DEVELOPMENTS?

South African consumers remain under pressure

The South African economy remains under pressure with little relief expected for consumers in the medium term. Inflation is expected to resume an upward trend with higher utility and food prices further constraining consumers' disposable income. As food comprises 14% of South Africa's inflation basket, the 2015 drought – the worst since 1992 – is fuelling the price of imported maize, which is further exacerbated by the weak rand.

Interest rates rose by 0.25% in July 2015. Together with higher personal income tax rates, curtailed unsecured lending and electricity supply constraints, consumer confidence reached a 14-year low towards the end of the financial year.

Black buying power continues to rise

About 80% of the South African population is classified as African black. Urban migration continues, particularly among black Africans, with the emerging black middle class increasing from 1.6 million adults in 2004 to 4.3 million in 2015. These adults are estimated to have overall spending power of more than R400 billion and are mostly concentrated in Gauteng. This trend is reflected in the changing demographic profile of our LSM 8-10 target market. LSM 8-10 has almost doubled over the last decade, with the percentage of black consumers increasing from 11% to 45%. There are now more black LSM 8-10 adults than white LSM 8-10 adults and the growth in the black LSM 8-10 market is expected to continue.

Mid- to upper-customer segment growth

The mid-to upper-end customer segment is growing, and represents a disproportionate share of market spend. In South Africa, our targeted LSM 8-10 demographic continues to grow, representing 25% of the population but 38% of food market spend and 42% of the clothing and footwear market. More than one-quarter of LSM 8-10 consumers shop at Woolworths.

HOW WE RESPOND

- The Group continues to focus on upper-income customers whose spending is more resilient during challenging economic times.
- Woolworths is well placed to benefit from the growing population of higher income, LSM 8-10 South Africans. We will ensure that our Food and Clothing and General Merchandise proposition is aligned with an increasingly black customer base, but tailored to all segments.
- We focus on price and availability by continuously improving our business through better efficiency and innovation.

RELATED RISKS

- External economic factors could negatively impact business profitability.
- Inability to target LSM 8-10 customers.

REFERENCE TO STRATEGIC OBJECTIVES

- Build stronger, more profitable customer relationships.
- Be a leading fashion retailer in the southern hemisphere.
- Become a big food business with a difference.
- Simple, convenient and rewarding financial services.

AUSTRALIA

WHAT ARE THE KEY DEVELOPMENTS?

Contraction continues

The Australian economy has continued to grow but at a lower rate than its long-term average given weaker demand from China. Interest rates are at record lows. Despite sub-trend growth and relatively weak consumer confidence, the Australian macro-economic position remains relatively strong and is expected to continue to grow. The retail industry has faced several tough years, with cautious consumer spending, intense competition and higher operating costs. Over the last five years, revenues have been contracting whereas key cost items such as wages have kept growing – with a consequent impact on margins.

Wealthier Australians maintain strong purchasing power

In Australia, our focus is on the top two affluence bands (4-5) which represents a quarter of the population and more than 45% of discretionary spend. The Australian population continues to grow, with increased life expectancy translating to growing older, wealthier customer segments. The growing professional workforce and increase of women in the workforce is resulting in greater household spending capacity. Actual spend data shows a different dynamic across customer affluence bands with the growing number of wealthier Australians maintaining their strong purchasing power and adopting more expansive spending behaviour.

Retail competition remains high, driven by the continued growth of international entrants, increasing penetration of online, and space growth. The continued penetration of online shopping has resulted in price savvy consumers and the demand for a unique in-store customer experience. Competition from international online retailers has lessened on the back of the falling Australian Dollar.

HOW WE RESPOND

- We are well positioned to capitalise on the highest growth consumer segment and we will continue differentiating and positioning our brands towards this upper-income segment.
- We are leveraging our scale through Group sourcing to improve margins across the Group.
- We will continue to drive synergies and efficiencies post the David Jones acquisition

RELATED RISKS

- External economic factors negatively impact our business profitability.

REFERENCE TO STRATEGIC OBJECTIVES

- Build stronger, more profitable customer relationships.
- Be a leading fashion retailer in the southern hemisphere.
- Become an omni-channel business.

REST OF SUB-SAHARAN AFRICA

WHAT ARE THE KEY DEVELOPMENTS?

The urban wave continues to build

Africa continues to offer attractive growth opportunities due to rising household incomes, the emergence of a significant middle class, urbanisation and improvements in infrastructure and governance. GDP in sub-Saharan Africa is forecast to grow at 4% p.a. on average in 2015, and between 3% and 5.5% in the countries in which the Group operates over the next five years.

For many South African and, more recently, international retailers, expansion into Africa has become an important element of the growth strategy. However, the lack of shopping malls and the informal nature of the retail sector in some countries continues to deter major investment.

African consumer spend is forecast to increase and mobile phone penetration remains high at approximately 76% across Africa, with the prevalence of smartphones increasing.

HOW WE RESPOND

- The Group is actively growing its business in Africa, focusing on consolidating and growing our operations in the countries in which we already operate.

RELATED RISKS

- External economic factors negatively impact our business profitability.

REFERENCE TO STRATEGIC OBJECTIVES

- Expand into Africa.

STAKEHOLDER INTERESTS

WHAT ARE THE KEY DEVELOPMENTS?

The balancing act

Retailers continue to experience a significant change in mind-set among consumers that doing business is no longer only about profit, but about creating shared value and meeting responsibilities to contribute to economic development and give back to communities and our planet. As a food and clothing retailer we form part of a complex and globalised supply chain with the potential to influence both upstream and downstream value chain players in order to drive positive and sustainable change. The key themes from our stakeholders are:

- Ethical trade and supply chain transparency
- Traceability and responsible sourcing (especially commodities)
- Food scarcity and food waste
- Animal welfare
- Health and wellness
- Consumer awareness and support for environment/ community issues
- Scarce natural resources such as water and energy
- Food labelling
- Transformation

HOW WE RESPOND

- With the expansion of the Good Business Journey's principles and initiatives throughout the Group, our brands are well positioned with regard to ethical consumerism. Our challenge is to ensure that the communication of the Good Business Journey strategy remains clear and well understood by our customers.
- For the Group it means leading the way in terms of addressing the sustainability of our value chain from field to shelf and post-consumer use. From a social perspective, we strive to contribute meaningfully towards developmental priorities and social transformation through being advocates for ethical supply chains and building long term partnerships with our suppliers and by supporting the growth of small to medium sized business enterprises.

RELATED RISKS

- Failure to protect our reputation appropriately.

REFERENCE TO STRATEGIC OBJECTIVES

- Embed sustainability throughout our business.
- Be a leading fashion retailer in the southern hemisphere.
- Become a big food business with a difference.

TECHNOLOGY

WHAT ARE THE KEY DEVELOPMENTS?

Technology and customer relationships

There are five key technology trends that affect our operational environment:

- Retailers are communicating and transacting with customers across multiple channels, digital and physical, presenting their brand, products and services seamlessly and consistently.
- The power of social media is being harnessed to drive retail sales using platforms such as Facebook, Pinterest and Twitter.
- Given the considerable digital engagement between retail brands and their customers, retailers have access to an extraordinary amount of structured and unstructured customer data, which can be used to guide strategic decision-making.
- Cloud services are becoming ubiquitous, with the opportunity to improve speed of implementation, flexibility and reduce cost.
- Cyber security is a rising threat, with retail having some of the highest compromised security statistics.

HOW WE RESPOND

- We continually enhance our online and in-store customer propositions, bringing them ever closer in terms of customer experience.
- We have a strong social media presence in South Africa and Australia, and are constantly looking to refresh and enhance our positioning.
- We make decisions informed by robust analysis, using multiple sources of customer data, including our loyalty programmes.
- We are focused on protecting our business from security threats.

RELATED RISKS

- Poor prioritisation processes result in investment in sub-optimal or inappropriate technology for our customers and markets.
- Low level of business readiness to recover operations in the event of a significant interruption to the business.

REFERENCE TO STRATEGIC OBJECTIVES

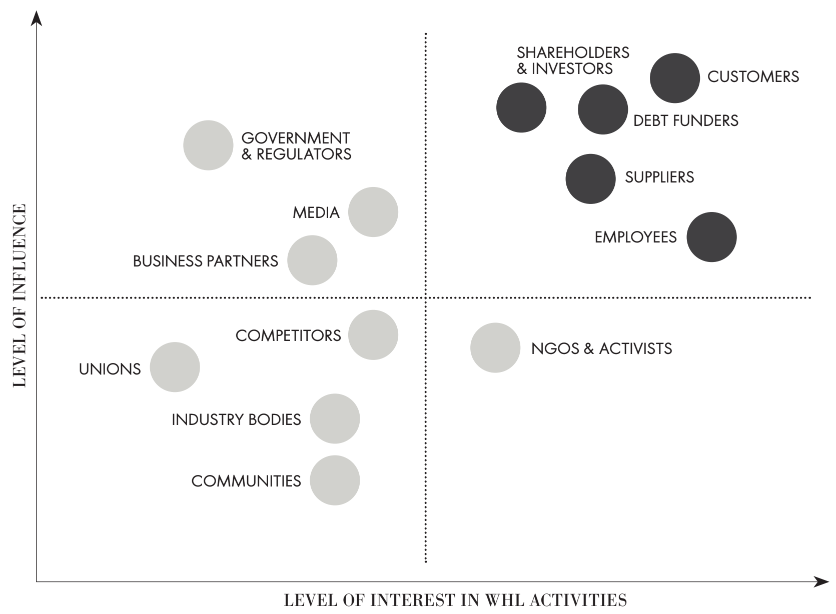
- Build stronger, more profitable customer relationships.
- Become an omni-channel business.
- Drive synergies and efficiencies across the Group.

OUR STAKEHOLDERS

THE BOARD IS COMMITTED TO STAKEHOLDER ENGAGEMENT

Sustainable relationships form the foundation of the Group's ability to create value in the short-, medium- and long-term. Our stakeholders, their interests and level of influence in the Group's operations will vary according to geographical location, business area and their nature of interest. This relationship is depicted in the graph below.

We appreciate that stakeholders' perceptions can affect our reputation and that we need to deal with them proactively while ensuring that we maintain a balance in our treatment of all stakeholders. The Board is committed to stakeholder engagement with the interactions, monitoring and implementation of stakeholder engagement being the responsibility of the respective management teams in the Group.



Read more about stakeholders in the Good Business Journey report on the website www.woolworths.co.za/goodbusiness journey.

While a more comprehensive list of the stakeholders and their issues is included in the Good Business Journey Report, this report provides a brief overview of the five most significant stakeholders.

As the Group looks to further develop its stakeholder engagement strategy, a stakeholder relations co-ordination function now exists within the business. The forum is responsible for ensuring alignment between our positioning and messaging to stakeholders as well as co-ordinating engagement with them. The forum will feed back into the Executive Committee and provide regular updates to the Board.

Some of the key principles on which we base our stakeholder engagement approach are:

- Constructive and co-operative engagements
- Openness and transparency
- Mutual respect
- Supportive and responsive interaction
- Working towards regular and structured engagements
- Engagement to be based on business-critical aspects, national priorities and material issues for the business
- Recognising that all stakeholders are also existing or potential customers.

The Group has a diverse set of stakeholders with the content and level of engagement varying each year as different opportunities and circumstances arise. The restructuring of the balance sheet at the time of the acquisition of David Jones has resulted in 'Debt Funders' now being a key stakeholder of the Group. Their level of interest in the Group's activities is rated as high, with the potential to also have a high level of influence.

WOOLWORTHS RETAINS POSITION AS SOUTH AFRICA'S MOST REPUTABLE COMPANY FOR SECOND YEAR RUNNING

as measured by Reputation Institute's National Reptrak Survey for 2015.

OUR CUSTOMERS

The Group has in excess of 15 million customers who transact with us using multiple channels and across different geographic footprints. We engage with our customers on a continuous basis through advertising, in-store communication and campaigns, WHL and brand websites, on social media, through customer service centres, loyalty programmes, focus groups and survey feedback. Our interaction aims to increase awareness of our brands and to get feedback on improvement opportunities for the business. As a customer-led business, feedback informs the operational and tactical components of our strategic objectives.

Customers provide us with feedback on product availability, fashion appeal, value and choice, innovation and service, and tell us how we are managing key sustainability issues. Customer satisfaction surveys help us understand what they want from their shopping experience and customer focus groups assist us to fine-tune our product offering.

In Country Road Group, we are transforming the way we measure and track customer satisfaction and brand equity to improve our customer experience.

At David Jones, we conducted extensive quantitative and qualitative research with existing, lapsed and potential customers to understand their view of David Jones and the role it plays in their shopping repertoire. This knowledge informs the merchandise assortment plans, and provides input into the service proposition.

Read more about our customers in how we build stronger, more profitable customer relationships on page 64.

OUR SHAREHOLDERS AND INVESTORS

At the end of the financial year, 52% of WHL's shareholders were based off-shore. We actively engage the investment community through individual conversations, presentations, roadshows, and biannual financial reporting events.

During the last eighteen months, specific engagements were held in order for our shareholders to understand the rationale for the David Jones acquisition, with the shareholder base overwhelmingly supporting the transaction.

We engage with investors on business performance, strategy and our economic, social and environmental risks. More detailed focus on the progress of the David Jones integration and delivery of synergies has been incorporated in analyst presentations, investor roadshows and individual conversations.

The Group participates in a number of international indices such as the Dow Jones World Sustainability Index, the JSE SRI Index and the CDP (previously the Carbon Disclosure Project) to broaden the awareness and demonstrate the commitment of WHL as a global good corporate citizen.

OUR DEBT FUNDERS

At the time David Jones and the remaining non-controlling interest in Country Road Group were acquired, the Group's balance sheet was substantially restructured. This has resulted in Debt Funders now being a significant stakeholder of the Group.

Comprehensive facility agreements govern the key aspects of the funding and are actively managed by the Group Treasury function. Over and above the contractual requirements, regular meetings are held with funders to keep them abreast of the current financial performance and strategic focus areas of the Group.

Read more about the debt funding in the Group Finance Director's report on page 44.

OUR EMPLOYEES

The Group has over 41 000 employees across 15 different countries, primarily in South Africa and Australia.

Our employee engagement is focused around aligning our employees to deliver to our stategy as well as our Employee Value Proposition (EVP). The EVP has been designed such that it will continue to attract, inspire, engage, retain and motivate the right diverse leadership and talent required to deliver sustainable profit growth.

The EVP balances remuneration (financial rewards) with non-financial rewards to drive and deliver a high performance culture. The components of the non-financial rewards are:

- 'opportunity': career development and training;
- 'organisation': ethics, brand and diversity;
- 'work': recognition, innovation and job impact; and
- 'people': leadership and work environment.

The Group conducts an annual employee satisfaction survey to provide feedback on how well the Group delivers the EVP and the employment experience, and also to learn from our employees where we need to improve.

Woolworths' latest 'Let's Ask' employee survey, with participation from over 90% of employees, received a 74.4% positive response rate slightly up from last year. Country Road also undertook an externally hosted alignment and engagement survey. The results of the 2015 pulse survey revealed positive engagement scores across all areas of the business.

Read more about our employees and our remuneration policies on page 108.

OUR SUPPLIERS

As a predominantly private-label retail Group, the relationship that we have with our suppliers is a key element of the Group's business model. Our approach to the life cycle management of our products means that we work closely with our suppliers to deliver consistent quality, and high product standards, and that we continuously create innovative products for our customers.

The potential to influence primary and secondary suppliers in order to drive positive and sustainable change through the application of codes of conduct, sourcing policies and creation of lasting supplier relationships, presents both an opportunity and a challenge. Our expanded southern hemisphere footprint provides the opportunity to drive volume-based sourcing opportunities, lowering the cost of goods. We also have the opportunity to further entrench the Woolworths vision and values and sustainability ethos consistently across the David Jones and Country Road operations, while still recognising the need to respect local culture and the context of business in different regions.

We hold regular supplier roadshows, conferences and audits that create broad understanding of our strategy, business requirements and growth plans. Our relationship with suppliers has enabled us to successfully implement programmes like Farming for the Future and Fishing for the Future in South Africa and influence animal husbandry in Australia. We are also committed to supporting the development of small, black-owned businesses in South Africa through our Enterprise and supplier development programmes.

Read more about our suppliers in 'How we embed sustainability throughout the business' on page 86.

OUR STAKEHOLDER GROUPS

WHL engages with a number of other stakeholders from industry bodies such as the Consumer Goods Council of South Africa, the Retail Association, the National Clothing Retail Federation, Business Unity South Africa, Business Leadership South Africa and the Retail Council in Australia. We also actively engage with academic institutions, unions and the media whenever issues relevant to our business and industry arise.

In South Africa we continue working towards regular and structured engagement with the government and have engaged at a departmental level with agriculture, forestry and fisheries, health and economic development as they relate to Woolworths operations. These opportunities revolve around discussions on issues of mutual concern, sharing industry expertise and contributing to policy formulation. We actively align our sustainability priorities with the most pressing challenges facing South Africa.

In Australia, we engage closely with industry, state and federal government bodies and regulators to help shape and support the sustainable growth of retail.

Read more about stakeholders in the Good Business Journey report on our corporate website www.woolowrhtsholdings.co.za.

Modern, summer 2015.

OUR PERFORMANCE

OUR CHAIRMAN'S REPORT

2015 A TRANSFORMATIVE YEAR

2015 has certainly been a transformative year for the Woolworths Holdings Group. We completed the purchase of David Jones in Australia and bought out the Country Road Group minorities. Later in the year, our Black Economic Empowerment Share Ownership Scheme crystallised, having created R2.7 billion of value for our Woolies people.

By any measure, David Jones has been a sizeable acquisition for us and has forever changed the nature of the Group. We now have a significant presence in Australia where over 40% of our revenue and a similar proportion of our profit now originates. This gives us a span of geographies across the southern hemisphere and a scale that should power our growth well into the future.

David Jones is an iconic company. Over 175 years old, it sits deeply in the Australian consumer psyche in a way that is strongly reminiscent of the South African consumers' relationship with Woolies and indeed, that of Country Road Group and its customers. We have been pleasantly surprised by the warmth with which David Jones customers and employees have received us as the new owners. They have expressed comfort in the fact that WHL is deeply based in values similar to David Jones that we are investors for the very long term and that we have much to contribute towards rejuvenating that business.

We are now integrating David Jones into our world. As we do this, we are getting a growing sense of the transformative power of leveraging assets across a larger, wholly owned Group. We have talent, manufacturing relationships, IT capacity, access to capital and cash flow across our three businesses. The spread and scale of the Group means we can attract and create more of each of these and are seeing early benefits of moving that firepower into strategic gaps. The strength of the parts will enable us to build a more robust whole.

2015 THE YEAR

Our results for the year have continued to show the sustainable growth that we have committed to deliver. With the acquisition of David Jones, Group sales (including concession sales) were up 54.9% to R62.0 billion and adjusted profit before tax up 20.5% to R5.3 billion.

Despite tightening consumer conditions in South Africa, Woolworths Clothing and General Merchandise and Woolworths Food delivered profit growth of 3.3% and 25.6% respectively. Both our Food and Clothing gained share of market. Further, Woolies managed to add 2 700 jobs in South Africa this year – critical given where we find ourselves as a country.

The Country Road Group has also had a good year – other than in the Country Road brand womenswear division. They gained market share and delivered a 13.3% growth in profit in Australian Dollars. This was, however, softened by the decline of that currency against the rand during the year.

David Jones performed better than we had expected. Ian Moir and his team have been able to look under the bonnet and have found a good business, but with much work needed. They have managed to implement some key merchandise and operational changes which delivered a maiden, post-acquisition adjusted profit of A$157 million – ahead of our expectations.

Three quarters of the Group's revenues derive from private label products – food and clothes that we design, specify and have manufactured uniquely for ourselves. In the ever more competitive retail environment, both in South Africa and Australia, being very good at this is what will enable us to remain successful into the future. On top of this, though, in our new world of David Jones, editing the right selection of top Australian, international and Woolies house brands, together with an outstanding service offer, will be new skills for us to develop and will be a fresh driver of growth for the Group.

Given the results, the Board is pleased to announce a final dividend of 150.5 cents per share. This is in line with our commitment to our investors to maintain our dividend policy this year despite the significant cost of the David Jones acquisition.

GOVERNANCE ACROSS TWO CONTINENTS

It became clear from the outset of the David Jones acquisition, that we would need to strengthen the Board by having a strong and relevant Australian perspective in our deliberations. We now hold two of our quarterly Board meetings in Australia – May and November, and were pleased, earlier on in the year, to announce the appointment to the Board of Patrick Allaway, a highly respected Australian businessman with South African family connections. Patrick has already proved to be an invaluable source of counsel and comfort.

We are equally delighted that Gail Kelly has agreed to join our Board. Recently retired as Chief Executive of Westpac, she too is an ex-South African and is also one of Australia's most esteemed business figures. We have little doubt that she too will add enormously to the Board's understanding of the Australian business world.

We are privileged in Woolworths to have such a strong and diverse Board. In Andy Higginson and Stuart Rose, we have two of the UK's top retail leaders and our South African members bring a combination of business experience and a social diversity that makes our discussions stimulating and deeply helpful in guiding the executive of the business.

It is with some sadness that we announce that Mike Leeming will be retiring from the Board after our Annual General Meeting. Mike's contribution to the Group has been invaluable. He led the Audit and Risk Committees for many years and is the architect behind the Woolworths Risk framework which guides much of our strategic thinking. Zarina Bassa has already taken over the chairmanship of the Risk and Compliance Committee and Hubert Brody, who joined us a year ago, will become Chair of Audit after the Annual General Meeting. We thank Mike for his unstinting contribution and wish him and his wife Elize much happiness into the future.

TRANSFORMATIVE VALUE FROM VALUES

While the acquisition of David Jones is transforming how we as a Group operate in a fundamental way, the set of values and principles that guides our behaviours does not change. Indeed, Ian and his team have taken the best of our South African thinking on the Good Business Journey and are spreading that into the two Australian businesses who, unsurprisingly, already have a strong sense of their roles as corporate citizens. They are highly receptive therefore to the Good Business Journey and are interpreting that philosophy locally. They are finding, as in South Africa, that their customers and community already expect them to behave in this way and that in doing so, they are able to enrich their own brand presence.

In South Africa, the closing off of our BEEESOS share scheme has brought about significant economic transformation to almost 8 000 of our loyal Woolworths staff. The scheme itself created almost R3 billion of wealth for beneficiaries. The majority of active staff on the scheme each received a pre-tax cash pay-out of over R200 000 on top of the dividends they had been getting over the past few years.

Woolworths remains passionate about helping to transform our country. Our commitment to the transformation of our business, our people and our supplier base, in a way that we can deliver on sustainably over many years, will not waiver. We see this path as one that has few short cuts and one that we will continue to pursue.

Internally we take promising black talent and develop their capacities and skills over extended periods of time, which enables them to deliver effectively and confidently. Indeed, our senior leadership team is largely black and clearly delivers.

The appointment of Zyda Rylands as Chief Executive Officer of Woolworths South Africa highlights the power of this long term approach. Zyda has proven herself in a number of areas across the business. Over the 20 years she has been with Woolworths we have exposed her to different portfolios to spread her experience base. In each of these, she has been in situ long enough to gain real experience and in each, she has delivered outstandingly well.

Externally, we work constantly with our supplier base, in agriculture, non-trade procurement, logistics and in the clothing industry. We engage with them on their productivity as businesses and on their transformation journeys so that their changes too are meaningful and most importantly, sustainable. We have over time helped create many small, black owned businesses which are flourishing and becoming meaningful elements of our supplier base.

STRATEGY ACROSS TWO CONTINENTS

We now operate in the three primary geographies of South Africa, sub-Saharan Africa and Australia. It is therefore imperative on us to seek to understand the future economic trajectories and sovereign risks of each of these regions and allow these to guide our investment strategy.

Our businesses in Africa are now all in profit and growing. Despite current global conditions, the Africa growth story is real and looks set to continue. The trend that I referred to last year of greater democratisation, reducing corruption, improving business climate and growing middle class numbers, continues to be the story of sub-Saharan Africa. We see on-going growth in our business throughout the continent.

In Australia, despite the commodity crisis being particularly hard felt, the government's economic policies and investment-friendly environment have kept the economic and consumer climate relatively healthy. Australia is a tough but good place to do business. Overseas talent and capital are welcome. Property rights are sacrosanct. There is a continuous interaction between government and industry and real accountability for political leaders. Indeed, even the Speaker of Parliament was forced to step down over misuse of public funds. All of this gives us great comfort that this economy will carry on growing into the future. Our investments here are well placed and will continue to expand.

South Africa sits in stark contrast to this. I referred last year to growing signs for concern around our national economic philosophy. These concerns only continue to strengthen.

On the one hand, Government's belief that a state should have an ever greater role in the economy – despite international, historical and indeed our, very real, local evidence – truly needs to change.

On the other hand, South Africa needs to honestly face up to corruption and cronyism; address the impacts of the myriad of constraints it places on business (especially small business), loosen its labour legislation to allow millions to actually get work, enshrine the sanctity of property rights and introduce real performance management and consequence throughout the state system.

Only by doing these will we create the growth that will enable us to transform our economy and better South Africans lives. The swelling numbers of unemployed – the ironic consequence of ever more populist and poorly thought through policies – have little to lose in bringing down the institutional strength of the nation.

Failing a structural shift in Government's philosophy, it is difficult to envisage a positive economic future for the country – this particularly in the light of a sustained commodity down-cycle.

Woolworths will be investing over R2.0 billion into the South African economy this year. We yet again urge Government to partner with business, to address the issues above very seriously. We need to do all we can to prevent South Africa sliding any further down the investment friendly ladder. Both local and international industries' confidence to invest in this economy require a real shift from Government to get back into the growth mode we so richly deserve.

OUTLOOK

From a global perspective, 2016 is looking to be a challenging year. The downturn in China's growth, the impact of the commodity cycle on the two continents in which we operate, combined with the philosophical issues within South Africa, all contribute to this. Despite those challenges, our strategies are clear and there remains excellent long term potential in each of our markets.

We now have many millions of customers across the Southern Hemisphere. They are our greatest supporters but will only remain so if we continue to provide them with the wonderful merchandise and service they expect of us. To do this, the more than 41 000 passionate members of our businesses are our greatest asset. They, together with our supplier base, our scale, our values and our ability to leverage our strengths across the Group, make this business all the stronger to deal with the challenges of the global economy in the year ahead.

S N SUSMAN
Chairman

OUR GROUP CHIEF EXECUTIVE OFFICER'S REPORT

DAVID JONES ADDS TO THE GROUP'S PORTFOLIO OF ASPIRATIONAL BRANDS.

I am pleased to report a strong Group result, especially considering the amount of change we have gone through during the year and the tough trading conditions that prevailed in both South Africa and Australia.

This year has been transformational. The August 2014 acquisition of the iconic Australian department store chain, David Jones, enabled us to step change the Group's operations: transforming into a retailer with significant scale across sub-Saharan Africa and Australasia.

DAVID JONES ACQUISITION

David Jones adds to the Group's portfolio of aspirational brands. With common seasonality, the acquisition provides us with the ability to leverage design and procurement capabilities and benefit from scale and efficiencies, allowing us to compete strongly against the major northern hemisphere retailers who are entering the market, as well as the growth of online retailing.

We have already improved the David Jones customer proposition with the introduction of a 16-box customer segmentation model, which has resulted in a significant editing of brands. A significant clearance of aged inventory allowed the business to sell more full-price merchandise. We have also introduced a new store service model that offers a much-improved value proposition to David Jones's employees. The impact of these changes has been evident in a much improved sales performance in the second half of the year. While the Australian consumer has remained under pressure and the department store segment has under performed, David Jones had an exceptional second half of the year with growth of 10.7%. Sales of A$1 885 million were 6.4% ahead of the comparative 11-month, ahead of both the department store segment and the overall Australian clothing market.

I am also pleased with how the longer term business transformation initiatives for David Jones are going: we have gained significant traction on all the targets that we set ourselves, rolling out over 300 Country Road, Trenery, Witchery and Mimco merchandise pads across David Jones's 38 department stores throughout the second half of the year. We will be adding more Country Road Group categories to David Jones stores during the year ahead, including homeware. We also introduced our South African fashion brands Studio.W, RE:, JTOne and Distraction into a number of stores during August 2015 and will continue to roll out these brands across the whole chain in the next year.

Work is progressing in other areas too: we are busy developing a loyalty programme for David Jones and have started collecting customer data for improved customer relationship management analytics. The business has historically under-invested in information systems and our plans are well advanced to leverage Country Road Group's scalable inventory planning and replenishment systems to improve the business's merchandise and supply chain capabilities. Other opportunities are being explored to unlock synergies in support services from a more regional and Group-wide approach.

We are also optimising the real estate portfolio of David Jones. This will see the reduction in the size of some existing stores as well as the introduction in the future of smaller store formats that will improve productivity and profitability. We are also planning to consolidate the Sydney and Melbourne flagship stores, which both operate from two locations, into single locations in each city.

Our vision for these flagship stores is to create the best department store experience in the southern hemisphere, while unlocking value for shareholders by selling the buildings that are surplus to our needs.

We are also developing a food strategy for David Jones to become the destination of choice for premium food customers. Based on the Woolworths Food model, the initial focus will be on the rejuvenation of the David Jones's iconic food halls.

The Group's strategic objectives are set out on pages 64 to 89. The new investment in Australia has not detracted from those objectives in South Africa and the rest of sub-Saharan Africa.

PERFORMANCE IN SOUTH AFRICA

Woolworths continues to perform well, despite the constrained economic environment and the impact of load shedding on our trading performance. In clothing, the late winter impacted sales, but we still managed to produce satisfactory growth of 9.6% with sales of R12.5 billion. Christo Claassen joined the business in July 2014 as Managing Director: Clothing and General Merchandise and has set a clear strategic direction that focuses on strengthening the value perception. Already, we saw an improvement in the second half of the year in our kidswear and women's footwear and accessories divisions that had underperformed earlier in the year. While the cost of extensive refurbishments and new stores, together with the conversion of previously franchised stores, weighed heavily upon this year's profits, the benefits of this investment will begin to accrue in the year ahead.

Food continued its strong performance, delivering sales of R22.3 billion: 13.5% up on the prior year. Our Food business is differentiated on quality, freshness and innovation and we continue to gain market share through our strategy of building larger format stores and extending our catalogue to offer a complete shop at competitive prices.

WFS delivered another pleasing result, with the debtor's book growing 10.5% and bad debts well under control – despite a credit environment that remains under pressure. We are repositioning our offer later this year that will see full integration with the Woolworths WRewards loyalty programme to deliver the best credit card offer in the South African marketplace.

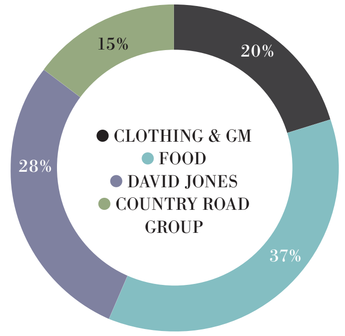
PERFORMANCE IN AFRICA

Our stores in the rest of Africa continue to perform well and we now have 24 stores in 11 African countries outside of South Africa.

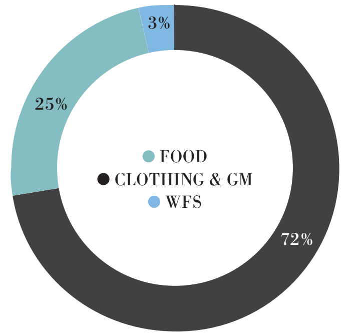
PERFORMANCE IN COUNTRY ROAD GROUP

During the year we acquired the 12% non-controlling interest in Country Road Group. Full ownership is a logical step towards unlocking regional synergy opportunities between David Jones and Country Road Group. In Australasia, sales grew by 11.5% (by 4.7% in comparable stores), trading well ahead of the Australian market.

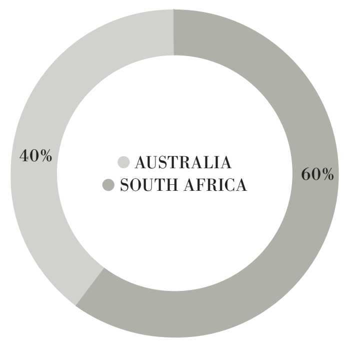
DIVERSIFIED EARNINGS BASE



TURNOVER BY SEGMENT



OPERATING PROFIT BY CATEGORY



OPERATING PROFIT BY GEOGRAPHY

David Jones, summer 2015.

SUSTAINABILITY

The Group's Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS) matured on 30 June 2015. It was launched in 2007 as part of the company's Good Business Journey, supporting socio-economic transformation. We were the first retailer to launch an empowerment scheme, with shares allocated to previously disadvantaged employees on the basis of both length of service and seniority. The scheme represented approximately 10% of the share capital of Woolworths at the time. The strong performance of the business since 2007 has created value of R2.4 billion for the participants, who also received dividends of R332 million over the life of the scheme. As part of the unwinding of the scheme, an Education Trust has been set up for the future benefit of the families of our black employees.

As a business we address the social challenges of food security, education and social transformation proactively by contributing meaningfully to developmental priorities. Our focus areas include creating ethical sourcing chains, building long-term partnerships with our suppliers and supporting or contributing to the growth of small- to medium-sized business enterprises. We are particularly excited by the launch of a values-based sustainability partnership with world music icon Pharrell Williams which we hope will give further momentum and exposure to our "Are You With Us?" campaign in support of education and environmental sustainability in South Africa. It is an important brand investment aimed at a younger market: our customers of the future.

WOOLWORTHS SOUTH AFRICA

In September 2015 we appointed Zyda Rylands to the new position of Chief Executive Officer of Woolworths South Africa. Zyda has worked in many parts of the Woolworths business during her 20 year career including Finance, Human Resources and Operations. Under her leadership, Woolworths Food has transformed into a sizeable foods business. It has delivered consistently strong results, growing both market share and margin, while understanding and anticipating our customers' needs. With the acquisition of David Jones, Zyda's appointment ensures each major business in the Group has a Chief Executive Officer clearly focused and responsible for driving growth and profitability, and positioning us to deliver our strategic objectives.

OUTLOOK

Looking to the year ahead, the South African customer continues to be under pressure, although the upper-income customer continues to show resilience. In Australia conditions are also not buoyant, with consumer confidence dipping. However with our largest competitors both in South Africa and Australia continuing to perform sub-optimally, we are presented with a real opportunity to further pursue market share gains in both sub-Saharan Africa and Australasia. We approach the year ahead with confidence that our strategies are clear and our businesses are well-positioned despite the prevailing conditions.

APPRECIATION

The Group now employs more than 41 000 employees across 15 different countries who deliver 'the difference' on a daily basis to our customers. I would like to thank them for their hard work and efforts to make this year a success. I would also like to thank the Board for their guidance and support during the year, and the senior teams of the Group for their leadership in driving the delivery of our strategic objectives.

I MOIR
Group Chief Executive Officer

OUR GROUP FINANCE DIRECTOR'S REPORT

A STRONG RESULT WITH GOOD MARKET SHARE GAINS IN BOTH SOUTH AFRICA AND AUSTRALIA.

During the year, the Group acquired David Jones Limited, the listed Australian department store business, as well as the remaining 12.12% non-controlling interests in Country Road Group. The David Jones acquisition on 1 August 2014 was funded by R10 billion cash raised from the refinancing of working capital facilities, A$264 million (R2.5 billion) Australian senior debt and a R9.9 billion equity bridge loan, which was repaid from the proceeds of a Rights Offer on 2 October 2014. The acquisition of the non-controlling interests in Country Road Group for a cash consideration of A$213 million (R2.1 billion) was funded by new Australian debt facilities. The full ownership was a logical step to unlocking the regional synergy opportunities between David Jones and Country Road Group, transforming the Group into a leading southern hemisphere retailer. The acquisitions have enabled us to step change the Group's operations into a retailer with significant scale across sub-Saharan Africa and Australasia.

PERFORMANCE FOR THE YEAR

Group sales, including concession sales, increased by 54.9% for the 52 weeks ended 28 June 2015. Excluding the impact of David Jones, Group sales grew 12.0%. This was a strong result with good market share gains in both South Africa and Australia.

Adjusted profit before interest and tax grew by 47.4% and basic earnings grew by 8.3%, with the Australian businesses now contributing 40% of Group earnings.

Headline earnings, which excludes the impairment of property, plant and equipment and other capital items, increased by 19.4%. Adjusted headline earnings grew by 24.3%. Adjustments include acquisition-related costs of R489 million (June 2014: R182 million) and unrealised foreign exchange gains of R29 million (June 2014: R139 million losses) relating to inventory hedging.

EARNINGS PER SHARE	52 weeks to 28 June 2015 cents	Restated 52 weeks to 29 June 2014 cents	% change
EPS	337.3	350.6	(3.8)
HEPS	369.7	348.6	6.1
Adjusted HEPS	419.4	379.9	10.4
Diluted EPS	334.9	346.2	(3.3)
Diluted HEPS	367.1	344.2	6.7
Adjusted diluted HEPS	416.4	375.1	11.0

Read more about the retail operating environment in our different target markets on page 26.

Headline earnings per share (HEPS) increased by 6.1%, and adjusted HEPS grew by 10.4%. For comparative purposes, Weighted Average Number Of Shares (WANOS) for the prior year has been adjusted by the bonus element of the Rights Offer, as required by IAS 33: Earnings per share.

Return on equity (ROE) (based on adjusted headline earnings and closing equity) was 26.3% at the end of the year. The decline in ROE results from the recognition of purchased goodwill and other intangible assets on the acquisition of David Jones and is therefore not comparable with the prior year.

The total dividend for the year of 247.0 cents per share increased by 2.9% on the 2014 dividend restated for the bonus element of the Rights Offer. The dividend is covered 1.45 times by headline earnings, in line with the Group's stated dividend policy.

PROFIT BEFORE TAX SEGMENTAL PERFORMANCE	2015 Rm	2014 Rm	% change
Woolworths Clothing and General Merchandise	2 095	2 029	3.3
Woolworths Food	1 580	1 259	25.5
Woolworths Financial Services	221	181	22.1
Woolworths	3 896	3 469	12.3
David Jones	1 532	–	–
Country Road Group	1 058	930	13.8
Profit before interest and tax	6 486	4 399	47.4
Treasury	(1 216)	(24)	>100
Adjusted profit before tax	5 270	4 375	20.5
Adjustments	(838)	(271)	
Transaction costs	(258)	(182)	
Integration and restructuring costs	(67)	–	
Non-recurring finance costs	(164)	–	
Impairment of property, plant and equipment	(378)	–	
Unrealised foreign exchange gains/(losses)	29	(139)	
Profit on sale of investment properties	–	50	
Profit before tax	4 432	4 104	8.0

20.5%

▲ ADJUSTED PROFIT BEFORE TAX

WOOLWORTHS CLOTHING AND GENERAL MERCHANDISE

The late winter impacted sales, but sales still grew by 9.6% and by 4.0% in comparable stores (including Country Road Group sales in South Africa). Importantly, we saw an improvement in our kidswear and women's footwear and accessories divisions that had underperformed earlier in the year. Total Clothing and General Merchandise sales grew 8.6%.

General merchandise sales increased by 7.7% and by 5.6% in comparable stores.

Gross profit margin improved from 46.7% to 47.4% as a result of the conversion of previously franchised stores, where we now earn the full retail margin and incur the full retail costs.

Store costs were impacted by extensive modernisations and 6.3% new space. Comparable costs – attributable to stores operating in the prior year – were well controlled, growing by 6.2%. Other operating costs were well managed and grew by 5.7%.

Adjusted profit before tax grew by 3.3% with return on sales declining by 0.8% to 16.8%.

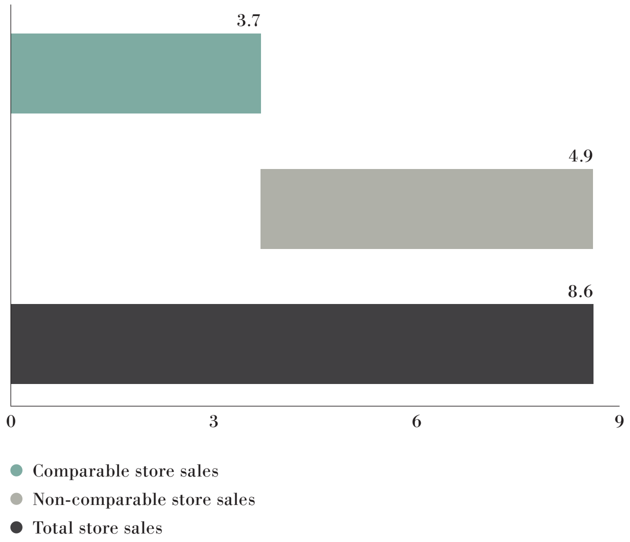
We plan to add 16% net new space to Woolworths Clothing and General Merchandise over the next three years.

8.6%

▲ TURNOVER

INCOME STATEMENT	2015 Rm	2014 Rm	% change
Turnover	12 499	11 505	8.6
Cost of sales	6 574	6 132	7.2
Gross profit	5 925	5 373	10.3
Other revenue	19	18	5.6
Expenses	3 850	3 364	14.4
Store costs	2 544	2 128	19.5
Other operating costs	1 306	1 236	5.7
Adjusted operating profit	2 094	2 027	3.3
Earnings from joint venture and associate	1	2	
Adjusted profit before tax	2 095	2 029	3.3

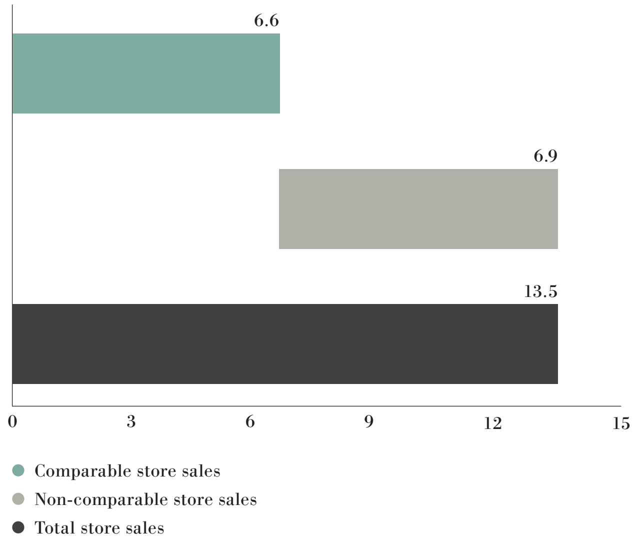
SALES GROWTH (% ON LAST YEAR)



WOOLWORTHS FOOD

INCOME STATEMENT	2015 Rm	2014 Rm	% change
Turnover	22 352	19 694	13.5
Cost of sales	16 598	14 711	12.8
Gross profit	5 754	4 983	15.5
Other revenue	93	73	27.4
Expenses	4 268	3 799	12.3
Store costs	2 898	2 555	13.4
Other operating costs	1 370	1 244	10.1
Adjusted operating profit	1 579	1 257	25.6
Earnings from joint venture and associate	1	2	
Adjusted profit before tax	1 580	1 259	25.5

SALES GROWTH (% ON LAST YEAR)



A strong performance, with growth well ahead of the market, saw Food sales grow by 13.5%, with price movement of 7.7%. Sales in comparable stores grew by 6.6%.

Investment in price competitiveness and range ensured that our core produce, protein and groceries departments performed strongly.

Gross profit margin increased by 0.4% to 25.7%, despite a slightly higher mix of branded products.

Store costs were impacted by extensive modernisations and 10.2% new space. Comparable costs – attributable to stores operating in the prior year – were well controlled, growing by 5.2%. Other operating costs were well controlled, increasing by 10.1%.

Adjusted profit before tax grew 25.5% and return on sales improved 0.7% to 7.1%, ahead of the 2016 7.0% medium-term target.

We plan to add 26% new space to Food over the next three years.

25.5%

▲ ADJUSTED PROFIT BEFORE TAX

WOOLWORTHS FINANCIAL SERVICES (WFS)

INCOME STATEMENT	2015 Rm	% to book	2014 Rm	% to book	% change
Interest income	1 718	18.6	1 473	17.7	16.6
Interest paid	497	5.4	416	5.0	19.5
Net interest income	1 221	13.2	1 057	12.7	15.5
Impairment charge	503	5.4	396	4.8	27.0
Risk-adjusted margin	718	7.8	661	7.9	8.6
Non-interest revenue	672	7.3	628	7.5	7.0
Operating costs	777	8.4	786	9.4	(1.1)
Profit before tax	613	6.6	503	6.0	21.9
Average financial services assets	9 232		8 339		10.7
Return on equity	26.6%		24.3%		
Joint venture profit before tax	613		503		
Taxation	171		141		
Profit after tax	442		362		
Less 50%	221		181		
Equity accounted	221		181		

26.6%

RETURN ON EQUITY

The joint venture with Barclays Africa Group operates three products: the Woolworths in-store card, Visa credit cards and personal loans. In addition to the interest yield on these assets, the business generates insurance and other non-interest revenue.

Interest income increased by 16.6% to R1 718 million due to strong portfolio growth, with the yield on average assets increasing by 0.9% due to the increases in the repo rate that is the basis upon which rates are set by the National Credit Act.

Borrowing costs also increased by 19.5% as a result of higher base rates. Net interest income rose 15.5% to R1 221 million.

The impairment charge (comprising bad debts written off during the year, collection costs and the movement in provision for doubtful debts) increased from 4.8% to 5.4%.

The risk-adjusted margin – the yield on the book after the impairment charge – grew by 8.6% to R718 million.

Non-interest revenue grew by 7.0% as a result of increased revenues from the growing mix of credit cards and insurance products.

Operating costs reduced by 1.1% as a result of investment in collection effectiveness and a focus on operational efficiencies, with some good progress in converting customers to electronic statements.

Profit before tax increased by 21.9%, with the profit to book ratio increasing from 6.0% to 6.6%.

The business experienced growth in the average debtors' book of 10.7%, with the closing book ending 10.5% ahead of the previous year.

The book has a gearing ratio of 84% funded by Barclays Africa Group at a three-month JIBAR-linked rate. This gearing leveraged the operating ratio to generate a return on equity of 26.6%, above the medium-term target of 22.0%.

WFS and loyalty cards

DAVID JONES

INCOME STATEMENT	2015 A$m	Comparative 11 months 2014 A$m	% change
Turnover and concession sales	1 885	1 772	6.4
Concession sales	(609)	(536)	13.6
Turnover - own buy	1 276	1 236	3.2
Cost of sales	670	679	(1.3)
Gross profit - own buy	606	557	8.8
Concession and other revenue	141	120	17.5
Gross profit	747	677	10.3
Expenses	603	574	5.1
Store costs	506	493	2.6
Other operating costs	97	81	19.8
Department store operating profit	144	103	39.8
Financial services operating profit	17	22	(22.7)
Adjusted operating profit	161	125	28.8
Investment income	1	–	–
Finance costs	5	6	(16.7)
Adjusted profit before tax	157	119	31.9

31.9%

▲ ADJUSTED PROFIT BEFORE TAX

The results of David Jones for the 11 months from acquisition on 1 August 2014 are included for the first time, with comparative figures presented to aid comparison.

A strong second half performance across most categories led to full-year sales (including concession sales) increasing by 6.4% in Australian Dollar terms. Sales in comparable stores grew by 3.7% and net space grew by 1.3%. The higher growth in concession sales results from mix and conversions from own-buy arrangements including the outsourcing of the electronics category to Dick Smith in the prior year, as well as the significant increase in space reallocated to Country Road Group during the final quarter of the year.

Gross profit from own-buy increased by 8.8% or A$49 million. The fair value of inventory upon acquisition was determined using the Comparable Sales Method by taking into account historical sales data of the age of inventory on hand and expected markdowns typically achieved, as well as costs of disposal and holding costs. Purchase price adjustments recognised on acquisition relating to inventory sold during the year have been unwound.

Financial services operating profit declined by 22.7% due to the annualisation of the termination of the American Express profit guarantee in the prior year.

Adjusted profit before tax of A$157 million was 31.9% higher than the comparative prior period.

We plan to add 12% net new space over the next three years.

COUNTRY ROAD GROUP

INCOME STATEMENT	2015 A$m	2014 A$m	% change
Turnover	952	849	12.1
Cost of sales	372	323	15.2
Gross profit	580	526	10.3
Other revenue	4	4	–
Expenses	473	432	9.5
Store costs	340	308	10.4
Other operating costs	133	124	7.3
Adjusted operating profit	111	98	13.3
Investment income	1	2	(50.0)
Finance costs	2	6	(66.7)
Adjusted profit before tax	110	94	17.0

Country Road, summer 2015.

Sales increased by 12.1% in Australian Dollar terms. In Australasia, sales grew by 11.5% and 4.7% in comparable stores, impacted by a poor season in Country Road's womenswear category in the first half and delayed store openings. Net new space of 23.1% was added, 17.0% within David Jones during the last quarter. This does not constitute additional space from a Group perspective.

South African (rand-denominated) sales were up by 19.2%.

Gross profit margin declined by 1.1% to 60.9% due to higher markdowns, particularly in Country Road womenswear.

Store costs growth of 10.4% was below sales growth, with other operating costs well controlled at 7.3% up on last year, as the business continues to be run in a highly efficient manner.

Adjusted profit before tax increased by 17.0%, and is in line with the return on sales targeted in the medium-term.

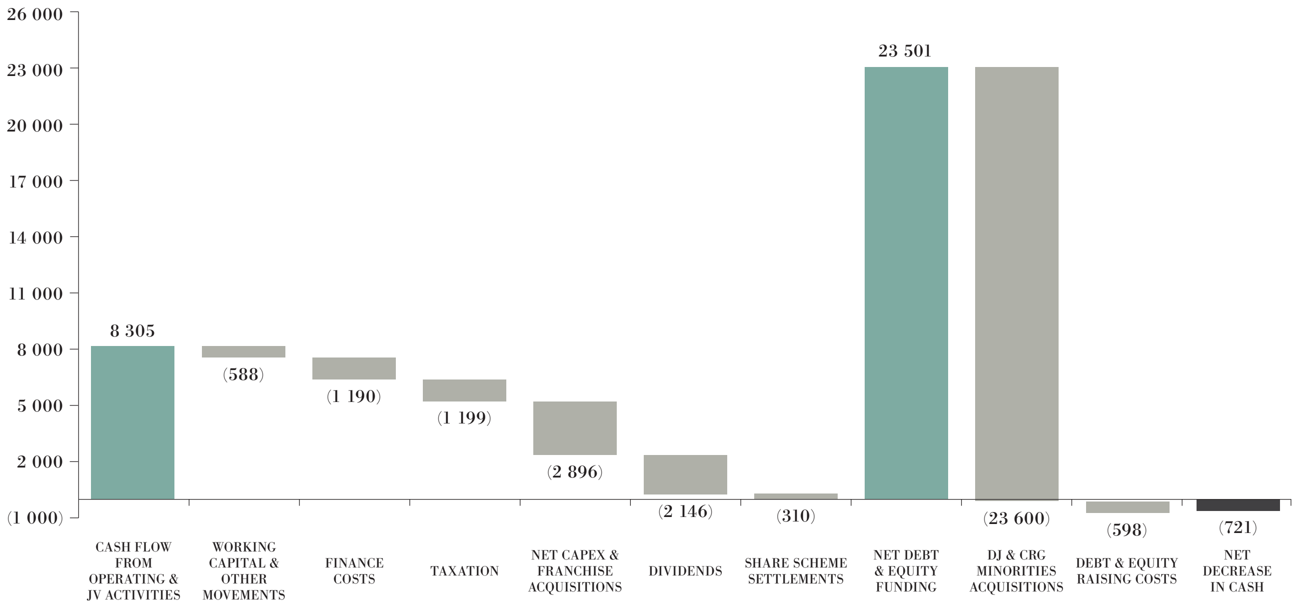
Net new space of 10% is planned over the next three years.

11.7%

OPERATING PROFIT MARGIN

TREASURY OPERATIONS AND CASH POSITION

CASH GENERATION (R MILLION)



The business generated cash from operating and joint venture activities of R8 305 million.

Tax paid amounted to R1 199 million.

The net cash outflow on capital expenditure (net of R103 million proceeds from disposals), amounted to R2 896 million, and is explained in more detail below.

The Group's dividend is covered 1.45 times by headline earnings.

BEEESOS UNWIND

The Group's Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS) matured subsequent to the year end on 30 June. The scheme was launched in 2007 as part of the company's Good Business Journey commitment to socio-economic transformation. We were the first retailer to launch an empowerment scheme with BEEESOS shares allocated to previously disadvantaged employees on the basis of both length of service and seniority. The scheme represented approximately 10% of the ordinary share capital of Woolworths at the time. The strong performance of the business since 2007 created R2.4 billion for the participants, who also enjoyed dividends of R332 million during the scheme.

In terms of the unwind, the accelerated book build was successfully completed with 21 million shares placed with institutional investors at R97 – a premium of 1.3% to the 30 day VWAP and a 2.3% premium to the closing price of the previous day. The unwind of the BEEESOS is marginally accretive.

CAPITAL EXPENDITURE

The Group invested R2.9 billion in property, plant and equipment, of which R1.4 billion was spent on Woolworths store development, supply chain property and equipment, IT and other infrastructure projects.

David Jones invested R496 million in store development and other infrastructure projects, while Country Road Group's R936 million investment related to store development and a new distribution centre in Melbourne.

We acquired five previously franchised stores in South Africa for a total purchase consideration of R39 million and the remaining 49% non-controlling interest in our Zambian operations for R29 million.

FINANCIAL RISK MANAGEMENT

Financial risks related to funding (liquidity and counterparty risks), interest rate risk and foreign exchange risk are managed by the Group treasury function.

The Group Treasury Committee is an executive function that reports its findings to the Audit Committee on a quarterly basis. Short- and long-term funding requirements are assessed to optimise funding structures and liquidity risk associated with borrowings. These are managed by staggering the timing of maturities of borrowings and maintaining appropriate short-term committed and uncommitted banking and debt facilities. The committee is currently engaged in the re-profiling and extension of the Group's long-term funding to provide for improved liquidity and refinancing risk profiles.

Unutilised banking and debt facilities totalled R7 102 million at June 2015 (2014: R3 181 million).

Interest-bearing borrowings carry interest rate risk. As part of the process of managing the Group's fixed and floating rate borrowings' mix, the Group has swapped approximately 60% of its floating rate interest for fixed rate interest.

It is the Group's policy to cover foreign currency exposures arising from the acquisition of goods and services with forward exchange contracts.

ACCOUNTING STANDARDS

The Group and Company Annual Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), South African Institute of Chartered Accountants (SAICA), the Financial Reporting Standards Committee (FRSC) and the Companies Act of South Africa.

Various IFRS and IFRIC interpretations and amendments were adopted during the current year, which had no impact on the Group's reported results. Details can be found in note 1 on page 38 of the Annual Financial Statements which can be downloaded from our corporate website www.woolworthsholdings.co.za. All additional disclosures required by these standards have been provided for both the current and comparative periods.

PROSPECTS AND FINANCIAL TARGETS

We believe that economic conditions in South Africa and Australia will remain constrained, especially in the lower- and middle-income segments of the market. The upper-income segment in which we operate continues to show some resilience.

We will continue investing in competitive price points and are committed to maintaining gross margins from continued improvements in sourcing and efficiencies. Inflationary pressures emanating from a weaker rand will remain a key risk.

We continue to trade ahead of the market and trading for the first ten weeks of the new financial year has been positive.

Attention will remain on improving underperforming stores by a critical analysis of costs and operational activities (especially those that impact availability and food waste). Detailed cost-to-sell ratios continue to be set for all departments.

M R ISAACS
Group Finance Director

OUR FINANCIAL RESULTS

SUMMARY GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	52 weeks to 28 Jun 2015 Rm	Restated* 52 weeks to 29 Jun 2014 Rm	% change
Revenue		58 069	39 944	45.4
Turnover and concession sales	4.2	61 970	40 012	54.9
Concession sales	4.2	(5 464)	(305)	>100
Turnover		56 506	39 707	42.3
Cost of sales		33 356	24 209	37.8
Gross profit		23 150	15 498	49.4
Other revenue		1 447	125	>100
Expenses		19 010	11 680	62.8
Store costs		13 511	7 614	77.4
Other operating costs		5 499	4 066	35.2
Operating profit		5 587	3 943	41.7
Investment income		116	112	3.6
Finance costs		1 494	136	>100
Profit before earnings from joint ventures and associate		4 209	3 919	7.4
Earnings from joint ventures		221	181	22.1
Earnings from associate		2	4	(50.0)
Profit before tax		4 432	4 104	8.0
Tax		1 312	1 114	17.8
Profit for the year		3 120	2 990	4.3
Other comprehensive income:				
Amounts that may be reclassified to profit or loss				
Net fair value adjustments on financial instruments, after tax		225	(182)	
Exchange differences on translation of foreign subsidiaries		(1 150)	177	
Amounts that may not be reclassified to profit or loss				
Post-retirement medical benefit liability-actuarial loss, after tax		(6)	(6)	
Other comprehensive income for the year		(931)	(11)	
Total comprehensive income for the year		2 189	2 979	
Profit attributable to:		3 120	2 990	
Shareholders of the parent		3 116	2 888	
Non-controlling interests		4	102	
Total comprehensive income attributable to:		2 189	2 979	
Shareholders of the parent		2 180	2 868	
Non-controlling interests		9	111	
Reconciliation of headline earnings				
Earnings attributable to shareholders of the parent		3 116	2 888	7.9
BEE preference dividend		99	103	(3.9)
Basic earnings		3 017	2 785	8.3
Loss/(profit) on disposal of property, plant and equipment, intangible assets and investment properties		19	(35)	
Net impairment of property, plant and equipment and intangible assets		384	16	
Tax impact of adjustments		(113)	3	
Headline earnings		3 307	2 769	19.4
Transaction costs		258	182	
Integration and restructuring costs		67	–	
Non-recurring finance costs		164	–	
Unrealised foreign exchange (gains)/losses		(29)	139	
Tax impact of adjustments		(16)	(72)	
Adjusted headline earnings		3 751	3 018	24.3
Earnings per share (cents)	2 & 4.1	337.3	350.6	(3.8)
Headline earnings per share (cents)		369.7	348.6	6.1
Adjusted headline earnings per share (cents)		419.4	379.9	10.4
Diluted earnings per share (cents)	2 & 4.1	334.9	346.2	(3.3)
Diluted headline earnings per share (cents)		367.1	344.2	6.7
Adjusted diluted headline earnings per share (cents)		416.4	375.1	11.0
Number of shares in issue (millions)		930.3	759.5	22.5
Weighted average number of shares in issue (millions)		894.4	794.4	12.6

* *Certain comparative amounts shown do not correspond to the 2014 Annual Financial Statements and reflect adjustments made. Refer to note 4.*

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

	Notes	At 28 Jun 2015 Rm	Restated* At 29 June 2014 Rm
ASSETS			
Non-current assets		33 174	8 192
Property, plant and equipment	3	14 430	3 404
Investment properties	3	78	115
Intangible assets	3	15 700	2 946
Investment in associate		3	2
Investment in joint ventures		891	799
Participation in export partnerships		19	30
Fair value lease adjustment	5	76	–
Other loans		55	106
Derivative financial instruments		82	–
Deferred tax		1 840	790
Current assets		8 251	14 077
Inventories		5 881	3 436
Trade and other receivables		1 051	1 067
Derivative financial instruments		219	23
Tax		209	9
Cash and cash equivalents		891	9 542
Non-current assets held for sale	3	30	–
TOTAL ASSETS		41 455	22 269
EQUITY AND LIABILITIES			
TOTAL EQUITY		14 297	6 952
Equity attributable to shareholders of the parent		14 251	6 629
Non-controlling interests		46	323
Non-current liabilities		18 072	1 918
Interest-bearing borrowings		14 922	623
Operating lease accrual and fair value lease adjustment	5	2 037	614
Post-retirement medical benefit liability		374	349
Provisions		197	–
Derivative financial instruments		26	–
Deferred tax		516	332
Current liabilities		9 086	13 399
Trade and other payables		7 699	4 625
Provisions		738	361
Operating lease accrual and fair value lease adjustment	5	122	–
Derivative financial instruments		72	185
Tax		259	189
Interest-bearing borrowings		196	8 039
TOTAL LIABILITIES		27 158	15 317
TOTAL EQUITY AND LIABILITIES		41 455	22 269
Net asset book value – per share (cents)		1 532	873
GROUP ANALYSIS			
Total assets		41 455	22 269
Woolworths**		10 812	8 986
David Jones		24 139	–
Country Road Group		5 619	4 500
Woolworths Financial Services		885	794
Treasury – Cash and cash equivalents		–	7 989
Inventories		5 881	3 436
Woolworths**		2 912	2 433
David Jones		1 864	–
Country Road Group		1 105	1 003
Total liabilities		27 158	15 317
Woolworths**		5 216	4 871
David Jones		5 229	–
Country Road Group		1 834	2 355
Treasury – Interest bearing borrowings		14 879	8 091
Approved capital commitments		3 636	26 445
Woolworths**		2 032	1 786
David Jones		1 017	–
Country Road Group		587	955
Acquisition of David Jones		–	21 604
Acquisition of Country Road Group non-controlling interests		–	2 100

* *Certain comparative amounts shown do not correspond to the 2014 Annual Financial Statements and reflect adjustments made. Refer to note 4.*
** *Includes Woolworths Clothing and General Merchandise, Woolworths Food and Woolworths Logistics.*

SUMMARY GROUP STATEMENT OF CASH FLOWS

	Notes	52 weeks to 28 Jun 2015 Rm	52 weeks to 29 Jun 2014 Rm
Cash flow from operating activities			
Cash inflow from trading		8 016	5 375
Working capital movements		(657)	(407)
Cash generated by operating activities		7 359	4 968
Interest income		160	104
Finance costs paid		(1 190)	(106)
Tax paid		(1 199)	(1 047)
Cash generated by operations		5 130	3 919
Dividends received from joint ventures		129	95
Dividends received from associate		–	62
Dividends to ordinary shareholders		(2 047)	(1 969)
Dividends to preference shareholders		(99)	(103)
Net cash inflow from operating activities		3 113	2 004
Cash flow from investing activities			
Net investment in property, plant and equipment, intangible assets and investment properties		(2 828)	(1 314)
Acquisition of subsidiary, net of cash acquired	5	(21 447)	–
Acquisition of non-controlling interests	6	(2 153)	–
Acquisition of franchise operations		(68)	(396)
Other		69	18
Net cash outflow from investing activities		(26 427)	(1 692)
Cash flow from financing activities			
Settlement of share-based payments through share purchase		(308)	(71)
Share purchase costs		(2)	(1)
Rights issue proceeds		9 984	–
Finance lease payments		(15)	(46)
Long-term borrowings raised		15 364	55
Short-term borrowings raised		10 044	–
Borrowings repaid		(11 876)	(94)
Costs associated with debt and equity raising		(598)	(169)
Net cash inflow/(outflow) from financing activities		22 593	(326)
Decrease in cash and cash equivalents		(721)	(14)
Net cash and cash equivalents at the beginning of the year		1 666	1 582
Effect of foreign exchange rate changes		(54)	98
Net cash and cash equivalents at the end of the year		891	1 666
GROUP ANALYSIS			
Cash inflow from trading		8 016	5 375
Woolworths		5 168	4 329
David Jones		1 784	–
Country Road Group		1 064	1 046
Additions to property, plant and equipment, intangible assets and investment properties (gross)		2 891	1 939
Woolworths		1 422	1 552
David Jones		504	–
Country Road Group		965	387

SUMMARY GROUP STATEMENT OF CHANGES IN EQUITY

	Notes	Share-holders of the parent Rm	Non-controlling interests Rm	Total 52 weeks to 28 Jun 2015 Rm	Share-holders of the parent Rm	Non-controlling interests Rm	Total 52 weeks to 29 Jun 2014 Rm
Shareholders' interest at the beginning of the year		6 629	323	6 952	5 652	285	5 937
Movements for the year:							
Profit for the year		3 116	4	3 120	2 888	102	2 990
Other comprehensive income		(936)	5	(931)	(20)	9	(11)
Total comprehensive income for the year		2 180	9	2 189	2 868	111	2 979
Shares issued		10 124	–	10 124	246	–	246
Rights issue costs		(421)	–	(421)	–	–	–
Settlement of share-based payments and share purchase		(308)	–	(308)	(60)	–	(60)
Share purchase costs		(2)	–	(2)	(1)	–	(1)
Settlement of share-based payments through share issue		(140)	–	(140)	(246)	–	(246)
Share-based payments		202	–	202	169	–	169
Dividends to shareholders		(2 146)	–	(2 146)	(1 999)	(73)	(2 072)
Acquisition of non-controlling interests	6	(1 867)	(286)	(2 153)	–	–	–
Shareholders' interest at the end of the year		14 251	46	14 297	6 629	323	6 952
							Restated
Dividend per ordinary share (cents)				247.0			240.0
Dividend cover (based on headline earnings)				1.4			1.4
Dividend per preference share (cents)				96.5			240.0

SELECTED EXPLANATORY NOTES

1. BASIS OF PREPARATION

Accounting policies used in the abridged Group Annual Financial Statements are consistent with the prior year, and are the same as those used to prepare the 28 June 2015 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 (SAICA) and the Financial Reporting Standards Committee (FRSC), and the Companies Act of South Africa. The abridged Group Annual 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.

These summary Group Annual Financial Statements have not been audited but have been extracted from the audited Group Annual Financial Statements, upon which EY have issued an unqualified report, that is available for inspection at the company's registered office.

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. Furthermore, the weighted average number of shares in issue and the earnings per share measures have been restated by a factor of 1.0477 to reflect the bonus element of the Rights Offer, in terms of IAS 33: Earnings per share (refer to note 4.1).

3. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group acquired property, plant and equipment at a fair value of R13 329 million (2014: R1 338 million) and acquired intangible assets (including goodwill and brands) at a fair value of R14 100 million (2014: R601 million). This included acquisitions related to business combinations (refer to note 5).

Investment property amounting to R37 million was transferred to property, plant and equipment due to a change in use in the current year.

Two fixed properties, amounting to R30 million, previously disclosed under property, plant and equipment (within the Woolworths segment) have been reclassified as non-current assets held for sale. These properties are subject to suspensive conditions under sale agreements. The directors consider the conclusion of the sales to be highly probable. At year end, these properties are recognised at the lower of their carrying amounts and fair value, less costs to sell. No depreciation has been recognised on these properties.

4. RESTATEMENT OF COMPARATIVE FIGURES AND ADDITIONAL DISCLOSURES

4.1 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).

4.2 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.

5. 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.

ASSETS ACQUIRED AND LIABILITIES ASSUMED

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

5. ACQUISITION OF DAVID JONES LIMITED (CONTINUED)

	Rm	A$m
Non-current assets	17 616	1 770
Property, plant and equipment	10 703	1 076
Intangible assets	6 042	607
Fair value lease adjustment	95	9
Deferred tax assets	776	78
Current assets	2 499	251
Inventories	1 675	168
Trade and other receivables	236	24
Tax	431	43
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	2 986	300
Provisions	233	24
Fair value lease adjustment	134	13
Derivative financial instruments	7	1
Interest-bearing borrowings	1 129	113
Total identifiable net assets at fair value	13 811	1 388
Goodwill arising from acquisition	7 793	761
Purchase consideration	21 604	2 149
Purchase consideration transferred	21 383	2 149
Loss on hedging instrument	221	–
Cash and cash equivalents acquired	(157)	(16)
Cash outflow on acquisition	21 447	2 133

Goodwill of A$760.5 million (R7.8 billion) and the David Jones brand amounting to A$583.5 million (R5.8 billion) have been recognised. Goodwill represents the value paid in excess of the fair value of net assets and consists largely of synergies and economies of scale expected from strategic initiatives. Transaction costs of R247 million have been expensed in the current period and are included in other operating costs.

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 R1.5 billion non-current liabilities and R122 million current liabilities on the statement of financial position. These will unwind over the duration of the leases through the statement of comprehensive income.

The Australian Dollar values have been translated at the closing exchange rate at 1 August 2014 of A$1: R9.95.

6. ACQUISITION OF NON-CONTROLLING INTERESTS

6.1 COUNTRY ROAD LIMITED

The Group acquired the remaining 12.12% shares in Country Road Limited (Country Road Group) for a cash consideration of A$213 million (R2.1 billion). As a wholly-owned subsidiary within the Group, Country Road Group was delisted from the Australian Securities Exchange (ASX). The full ownership was a logical step to unlocking the regional synergy opportunities between David Jones and Country Road Group, transforming the Group into a leading southern hemisphere retailer. The acquisition was funded by new Australian debt facilities.

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

6.2 WOOLIES (ZAMBIA) LIMITED

The Group acquired the remaining 49% shareholding in Woolies (Zambia) Limited not already owned by the WHL Group for a total purchase consideration of R29 million.

Studio.W, summer 2015.

OUR STRATEGY

OUR STRATEGY

The Group follows a formal annual strategy development and review process. The strategy is formally reviewed by the Board in November each year. The outcome of these discussions cascades down into more detailed company and business unit strategies and financial plans. The more detailed plans are presented along with an updated view of the Group strategy to the Board in May for approval. The approved strategy and performance measures are included in the short- and long-term incentive schemes and into individual performance plans.

The strategy review and risk management identification process are integrated. This ensures that all risks related to the implementation of the strategic objectives are considered and managed in line with the strategic objectives and risk tolerance levels.

Progress on implementation of the strategy is measured on a monthly basis at operating company level. Measurement at an individual employee level takes place biannually. The Board reviews the strategic objectives quarterly against a scorecard measuring progress towards the achievement of targets.

The strategy, focused on eight strategic objectives, has remained constant from 2014. The acquisition of David Jones provided further momentum for the growth plans of the Group and full ownership of Country Road Group provided further opportunity to realise synergies.

The strategic objectives are supported by two key enablers: infrastructure and people.

THE ACQUISITION OF DAVID JONES PROVIDED FURTHER MOMENTUM TO THE GROWTH PLANS OF THE GROUP

CASE STUDY: #PHARRELLWITHWOOLIES

Woolworths entered into a partnership with Grammy Award-winning musician, record producer and philanthropist, Pharrell Williams during the year. The collaboration is values-based and relates to sustainability through social cohesion, advancement through education and environmental awareness.

The call-to-action for the collaboration is "Are you with us?" and it asks customers to pledge their allegiance and support for the Woolworths Good Business Journey.

We have used the collaboration to reposition our credentials around fashion with a difference, highlighting our ability to innovate and be sustainable, thereby growing our appeal to a younger, largely black customer base in South Africa.

The campaign is also aimed at acquiring new WRewards cardholders and increasing the spend of existing cardholders, while at the same time re-launching the MySchool programme in 2016. By growing our insights through cardholder interaction we will ensure relevant, meaningful offers and improve ranging, store location and product development.

We are continuously monitoring customer and public sentiment around the collaboration, bringing key influencers on board and working with relevant stakeholders to make sure the initiative delivers on our expectations.

1 BUILD STRONGER, MORE PROFITABLE CUSTOMER RELATIONSHIPS

3.1 MILLION ACTIVE WOOLWORTHS CARDHOLDERS TRACKING

74% OF SALES

1.5 MILLION COUNTRY ROAD GROUP CARDHOLDERS TRACKING

77% OF SALES

DAVID JONES TRACKING

18% OF SALES

In all our trading regions, we target mid- to upper-end customers – this segment continues to grow and represents a disproportionate share of market spend. Customer Relationship Management allows us to develop a deeper understanding of the customer to better meet their needs. We leverage our customer insights and data to inform all our business decisions, improve our loyalty proposition and offer our customers a total retail experience.

In South Africa, our WRewards programme continued its strong performance. We overachieved against our new customer acquisition target and now have an active customer base of 3.1 million customers. 74% of revenue is tracked on cards – up from 3 million and 71% tracked last year.

Our collaboration with Pharrell Williams aims to increase the number of card holders, especially among the younger, black, LSM 8-10 market, while raising money for education and making sustainability "cool."

We will continue to focus on building our customer relationships and leveraging data and insights by combining our various customer databases to offer a single view of the customer. This will drive significant campaign optimisation and a scaled social hub capability.

We expanded our WFS mobile app with new functionality, which now includes WRewards vouchers, and we will further improve our loyalty proposition by integrating WRewards with our WFS products.

We have also launched WRewards across sub-Saharan Africa. The data we are now able to collect will be used to better understand local customer preferences and to tailor our merchandise offering to meet local country requirements.

In Australia, Country Road Group operates successful loyalty programmes with an active customer base of 1.5 million customers (up 100 000 from last year), which enables us to track 77% of revenue. We will continue to leverage the combined customer databases across all four Country Road Group brands in order to drive revenue synergies through cross-shopping opportunities.

David Jones tracks 18% of sales through its card and is also collecting customer data at point of sale, growing the pool of customers with whom we can directly communicate. We will deliver the first phase of a new Customer Relationship Management programme in David Jones in 2016 with the launch of a full regional loyalty scheme in 2017.

RISKS	HOW WE ADDRESS THEM
Failure to enhance customer relationships through our loyalty schemes	– Continue improving communication with our customers with a high level of personalisation – Use of customer segmentation models to inform all business decisions – Leverage Group capability in building data capture and analysis processes to support loyalty initiatives – Plans to create a regional loyalty scheme in Australia while maintaining individual brand loyalty and brand experience – Increase focus on customer experience by measuring and tracking customer satisfaction and brand equity

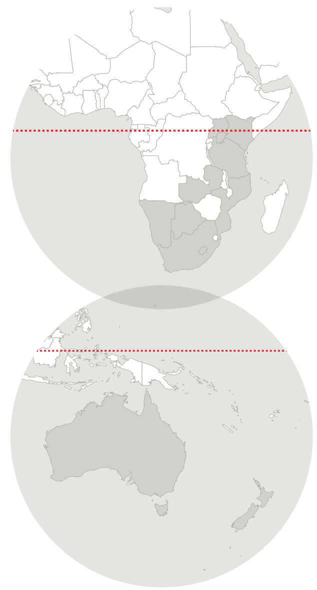
CASE STUDY: WREWARDS RELAUNCH

As part of our on-going innovation in building customer relationships, we are making changes to our WRewards programme, with a relaunch towards the end of 2015. These changes will include a major communication programme focusing on additional benefits to Woolworths cardholders. These will enhance our value proposition, drive deeper integration with our WFS business and give greater rewards to customers who pay with a Woolworths card.

The relaunched WRewards programme will grow our customer base, number and volume of transactions and further entrench customer loyalty. It will give customers greater rewards and more reasons to engage with Woolies. We continue using customer insights and information in every decision we make and have made significant shifts towards personalisation.

FOCUS AREAS FOR 2016

- *Continue targeting LSM 8 – 10 customers in South Africa and mid- to upper-tier customers in Australia*
- *Further grow and enhance loyalty programmes in all geographies*
- *Leverage data and insights to provide personalised, relevant and targeted communication to increase frequency and spend*



LOYALTY IN SOUTH AFRICA, AUSTRALIA AND SUB-SAHARAN AFRICA

2 BE A LEADING FASHION RETAILER IN THE SOUTHERN HEMISPHERE

279

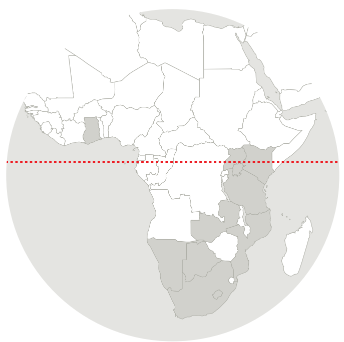
STORE LOCATIONS (2014:259)

+26 000m²

INCREASE IN STORE SPACE

8.6%

SALES GROWTH



STORE FOOTPRINT

WOOLWORTHS CLOTHING & GENERAL MERCHANDISE

Our Woolworths Clothing and General Merchandise business offers a broad range of products appealing to the classic, modern and contemporary customer, balanced with price and value. Clothing and General Merchandise offers womenswear, menswear, childrenswear, accessories, footwear and beauty products along with a range of home accessories and soft furnishings. Our offering is anchored by the Woolworths brand, as well as exclusive private label brands such as RE:, Studio.W, JTOne and Distraction. The beauty offering is anchored by Woolworths-branded products, and supported by premium cosmetics, fragrance and skincare products from leading global brands.

Performance in 2015 was mixed, with good performance in both womenswear and menswear where the product ranges appealed to both the modern and classic customers. The first half performance in childrenswear, accessories and footwear was impacted by significant price movement, but with a more targeted focus on Key Value Lines (KVLs) we saw improved performance in the second half. We will actively focus on strengthening our value perception through the combination of KVLs and customer awareness and understanding of the 'difference': the combination of quality, innovation, sustainability and price that underpins our value proposition.

Highlighting products through WRewards is seen as an important lever in driving value perception.

As explained in our industry trends, the profile of the South African LSM8-10 market continues to shift towards a younger, black customer. We have focused on building the modern and contemporary wardrobe to cater for these customers. The private label brands of RE:, Studio.W, JTOne and Distraction are also targeted to attract and retain this target market. We have further driven growth in these brands through the opening during the year of a stand-alone RE: store in Menlyn and four JTOne stand-alone stores. We will actively explore real estate sites to open additional stand-alone private label stores during 2016. We have also launched these brands into 38 David Jones stores and are pleased with the initial customer reaction.

We also recognise the importance of the classic customer and we continue to update the classic range and product to entrench Woolworths as a destination in the mind of this important customer segment.

We focus on leading the market in quality and range by delivering superior product through fabric innovation, quality, fit and our sustainability credentials. We also use our customer insights to tailor space and catalogues to accommodate local customer demands.

We continue to build fashion credibility through design-led collections.

While stores will remain the dominant channel for Woolworths South Africa in the coming years, our customers are increasingly researching our products online before buying in store or online. Consequently we remain committed to improving our service for online customers and growing and improving our digital presence.

We will extend our online offer to neighbouring countries.

By leveraging our scale and integrating our sourcing across the Group, we will enhance our profit margins. We will continue with our efforts to improve speed to market and source more products directly in support of delivering more fashionable products. We are investing in our supply chain infrastructure and continue to grow capacity and improve efficiency.

RISKS	HOW WE ADDRESS THEM
Unable to meet the fashion and fit requirements of our target market	– Increase focus on fashion trend forecast capability – Use local fit and sizing data to better cater for our customers – Continue to increase our speed to market, improving our ability to deliver the right product, to the right stores, at the right time
Unable to deliver high quality, innovative product at good value	– Develop the Group sourcing strategy – Ongoing investment in fabric and product innovation, including ensuring that our Good Business Journey principles are embedded in our products – More competitive pricing for all product tiers – Price matching on KVLs
Inability to grow due to increased competition from northern hemisphere clothing retailers	– Leverage southern hemisphere focus and scale – Fast fashion processes – Collective sourcing strategy

FOCUS AREAS FOR 2016

- *Attract younger, black customers*
- *Own the Classic category*
- *Lead the market in quality and range*
- *Strengthen value perception*
- *Build fashion credibility*
- *Leverage scale through increased volumes*

47.4%

GROSS PROFIT MARGIN: (2014: 46.7%)

16.8%

ADJUSTED OPERATING MARGIN: (2014: 17.6%)

BRANDS

WOOLWORTHS
RE:
studio·w
DISTRACTION
JTONE

38

STORES (2014: 37)

+31.9%

ADJUSTED PROFIT BEFORE TAX

+6.4%

TURNOVER AND CONCESSION SALES

STORE FOOTPRINT

DAVID JONES

David Jones was acquired by WHL in August 2014. At the time, we presented an inspiring strategic plan for the future of David Jones and our initial views on the key initiatives that could transform the business. Since then we have commenced the implementation of our business transformation initiatives and have identified additional value-enhancing strategies.

Since the acquisition, David Jones' performance has shown significant improvement, with growth well ahead of the Australian department store market. This growth is set to continue with the introduction of the Woolworths private label brands and the expansion of Country Road Group's brands into David Jones.

The development of a 16-box price/fashionability grid has improved our merchandise by optimising our brand assortment using market insights. We have exited insignificant or underperforming brands while increasing the number of meaningful brands to build brand credibility within our ranges. We are implementing a world-class merchandise and planning system for better stock management and to improve stock turn and markdowns.

We aim to drive space productivity and profit with a new space management model and to continue to optimise our store portfolio with new stores and new formats. In 2016, we will open the first David Jones store outside Australia in Wellington, New Zealand, marking a significant moment in the department store's history. A new David Jones store concept opens in the Eastland suburb of Melbourne in October 2015 and a new, 1 400m^2 city store format will open in the new Sydney waterfront precinct of Barangaroo in late 2016. This store will be four times smaller than the current smallest format and offer the Sydney city commuter an edited beauty, apparel and food offering.

While our online channel is growing rapidly, our online sales are still below the industry average. We continue to focus on improvements to our systems and customer experience and have expanded "live chat" functionality, improved in-store customer touch points and improved processes between the fulfilment centre and the customer. We will continue to invest in this channel to increase online sales to greater than 10% of total sales through continued development of content strategy to drive traffic and conversion, targeted promotions to increase repeat purchase frequency and development of range initiatives such as multi-buys, online-only promotions and trend edits to drive conversions.

We focus on our customer to gain a deeper understanding of their expectations and requirements. Our focus is to deliver an improved service proposition and introduce theatre and experience in all stores to better meet their needs. The introduction of a new Customer Relationship Management Programme in 2016 will provide us with an even richer and deeper understanding of our customers and we will use the resulting customer insights to further drive and inform all our decisions and to provide personalised, relevant and targeted communications.

RISKS	HOW WE ADDRESS THEM
Inability to meet the fashion requirements of our target market hampering our growth strategies	– Continue strengthening and deepening our relationships with the world's best international and local brands to create meaningful joint growth opportunities supported by increased marketing
Inability to generate private label strategy benefits	– Customer research and pilot tests of production and transactional flows before launch – Develop the full roadmap required for planning, information technology and supply chain integration across business units

FOCUS AREAS FOR 2016

- *Focus on customer*
- *Improvement in merchandise assortment*
- *Introduction of Woolworths private label brands and expansion of Country Road Group brands*
- *Margin improvement through Group sourcing*
- *Introduction of new Customer Relationship Management programme*
- *Optimise store portfolio*
- *Enhance digital performance*
- *Upgrade systems to support improvements in the value chain*

Studio.W in David Jones

609

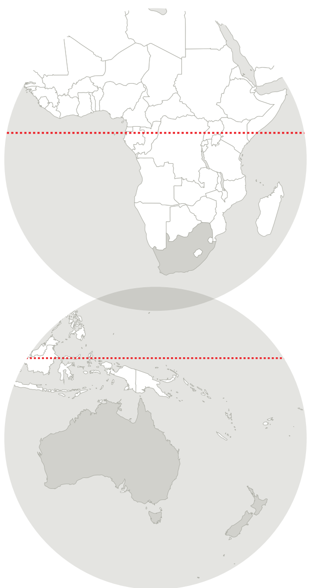
STORE LOCATIONS (2014:529)

+13.3%

ADJUSTED PROFIT BEFORE TAX

11.7%

ADJUSTED OPERATING MARGIN: (2014: 11.5%)



STORE FOOTPRINT

COUNTRY ROAD GROUP

The Country Road, Trenery, Witchery and Mimco brands are positioned in the mid- to upper-tier of the Australian speciality fashion market. The brands are sold in Australia, New Zealand and South Africa.

We continue to drive and grow the four brands, ensuring that each brand appeals to its specific target customers, while driving the significant growth opportunity of cross pollination. We continue to focus on design and the leverage of Group sourcing in order to deliver both superior product and profitability.

The consolidation of all four brands under Country Road Group has resulted in a sizeable customer database. We have leveraged this database to drive higher customer engagement through personalised, data-driven marketing and will continue to increase our focus on our customer and use these insights to drive all aspects of the Group.

The acquisition by WHL of David Jones provided an opportunity to significantly grow the footprint of Country Road Group brands in Australia. We increased space in David Jones from 6 800m^2 to 22 500m^2 with over 300 category store locations rolled out or expanded. An additional 50 apparel, footwear, home and Mimco store locations are planned for completion during 2016.

Online contributed close to 10% of total sales. CRG continues to invest in innovative digital development focused on digital accessibility and personalisation through enhanced mobile platforms, targeted communication based on customer behaviour and integrated customer experience such as click and collect.

The new Melbourne-based omni-channel fulfilment centre was opened during the year. The centre will be fully operational during 2016 and will offer increased capability for store replenishment and online fulfilment, transport efficiencies and supplier compliance improvements.

Seven focus areas, aligned to the Good Business Journey programme – ethical trade, sustainable farming and sourcing of raw materials, energy efficiency, waste reduction, water stewardship, social development and health and wellness have been identified during the year. A number of projects have been identified to start driving progress across CRG in 2016.

RISKS	HOW WE ADDRESS THIS
Unable to differentiate and execute brand strategies	– Clearly define and articulate market positioning framework for each brand – Manage and operate each brand independently to keep strategies unique to the brand – Use customer data to inform strategies
Unable to deliver effective logistics solutions to support growth initiatives	– Bring the new omni-channel fulfilment centre fully on-stream
Inability to grow given increased competition from northern hemisphere retailers	– Southern hemisphere focus and scale – Ability to leverage common seasonality – Collective sourcing strategy

Country Road, summer 2015.

FOCUS AREAS FOR 2016

- *Drive and grow the four brands*
- *Increased focus on customer using insights to drive all aspects of our business*
- *Leverage David Jones to grow the footprint of brands*
- *Enhance digital performance*
- *Optimise existing systems and processes*
- *Transition to omni-channel fulfilment centre*
- *Embed Good Business Journey*

61%

GROSS PROFIT MARGIN: (2014: 62%)

12.1%

SALES GROWTH

+18 000m^2

INCREASE IN STORE SPACE

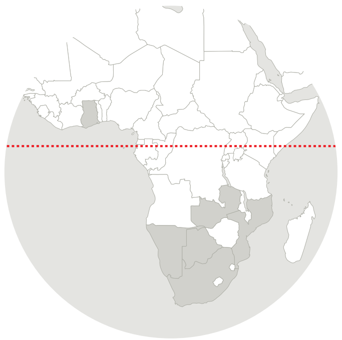
BRANDS

COUNTRY ROAD
TRENERY
MIMCO
WITCHERY

3 BECOME A BIG FOOD BUSINESS WITH A DIFFERENCE

397

STORE LOCATIONS (2014: 374)



STORE FOOTPRINT

CONTINUED GROWTH AHEAD OF MARKET

+19 000m²

INCREASE IN STORE SPACE

OUR COMPETITIVE FOCUS IS ON IMPROVING PRICE AND VALUE, AND OFFERING A COMPLETE SHOP

Our vision is to be the destination of choice in our customers' world of food through having the "mind of a supermarket and the soul of a deli". We are on a journey to become a Big Food Business with a difference, maintaining our leadership positioning in fresh produce, innovation and quality, while expanding our ranges at competitive prices to deliver value to our customers.

We continue targeting the upper-income customer, with 80% of our customers in LSM 8 – 10.

We have significant market share in fresh produce and prepared food categories, but we under-index in groceries. This category accounts for nearly half of the typical basket spend in South Africa. In order to capture a greater share of spend from our existing target customers we have extended the breadth and depth of our range, particularly in long-life. We now stock 11 000 stock-keeping units (SKUs) – three times the number in 2010 – and we expect to increase this by a further 2 500 SKUs over the next three years. Third party brands sold in Woolworths are selectively chosen to represent our customers' most desired brands, encouraging them to 'complete' their shop at Woolworths.

We have increased the trading space by in excess of 18 000m², opening two larger format stores during the year. We now have five stand-alone large format supermarkets and two more within our full-line stores.

We have continued to focus on delivering convenience across all formats and channels and with seven new stores opened in the year we are now trading in 62 Engen forecourts.

We continue to focus on improving our customers' price and value perceptions. We conduct a weekly basket check against the prices of our competitors to ensure that our prices are comparable to other food retailers and actively identify and address products which erode our value perception. We also undertake marketing initiatives that convey our price competitiveness to customers, such as limited period promotions, focusing on long-life and bulk product.

We will maintain our food authority credentials through our offer of high quality, innovative products and also enhance the in-store experience through the ongoing rollout of interactive bakery, fish, butchery and sushi counters, and through the Woolworths Café. We will continue to deliver high-quality, ethically sourced products through our Good Business Journey, supplier relationships and the technological innovations implemented in the value chain process.

In order to ensure that we are appropriately geared to become a Big Food Business, we will continue to invest in the capacity and efficiency of our supply chain to accommodate the growing number of SKUs as well as growth in volume flowing through the business. A new replenishment system has been introduced for long-life product that has resulted in a decrease in long-life stockholding of 10% during the year.

We recognise that our relationships with our suppliers provide us with a competitive advantage and we will grow and protect these relationships by integrating even more closely with them and bolstering our sourcing capability to leverage scale.

RISKS	HOW WE ADDRESS THIS
Failure to expand our range and grow sales without compromising the quality of our product, in-store experience, or Good Business Journey standards	– Product development standards maintained with Good Business Journey attributes – Store design and layout to ensure stores remain modern, fresh and innovative.
Failure to build a big food business and sustain growth above the market	– Building on our position of strength in fresh product and our quality credentials – Grow range depth and strengthen the value proposition
Inability to expand distribution capacities and operations to accommodate growing demand	– Acquisition of additional distribution centre capacity – Refurbishment of existing centres to make more efficient use of current floor space – Investment in replenishment systems to further support growth
Inability to ensure the quality and safety of products	– Supplier code of conduct with strict requirements – Supplier audits and testing with rigid process control measures
Non-availability of suitable locations for new stores	– Proactive management of lease contracts – Early take-up of future expansion in existing stores – Store conversions

FOCUS AREAS FOR 2016

- *Complete the refresh of the perishable offering by focusing on key categories*
- *Improve our value perception by investing in price*
- *Optimise our value chain and drive efficiencies to fund investment in price*
- *Develop world-class merchandise processes and systems to drive improved efficiencies and effectiveness*

+25.6%

ADJUSTED PROFIT BEFORE TAX

25.7%

GROSS PROFIT MARGIN: (2014: 25.3%)

7.1%

ADJUSTED OPERATING MARGIN: (2014: 6.4%)

CASE STUDY: WATERSTONE – THE FUTURE CONCEPT STORE

Woolworths Food's flagship Waterstone store in Somerset West won the Grand Prize for Design in the Supermarket/ Grocery category awarded by the Association for Retail Environments (ARE) in Las Vegas last year. This store proved to be so successful that the Group is rolling out the concept in new stores such as the recently opened Maroun Square, Dainfern, Johannesburg. At the core of the Waterstone design and identity is the "fresh face" of the entrance and interactive food counters. Waterstone is now used as a trial store for new concepts and products, such as the relaunch of the bakery, meat and prepared offerings and the repositioning of long-life – which we do without detracting from the core offering and winning food concept.

WOOLWORTHS FOOD'S FLAGSHIP WATERSTONE STORE IN SOMERSET WEST WON THE GRAND PRIZE FOR DESIGN IN THE SUPERMARKET/ GROCERY CATEGORY

Woolworths Waterstone Village

Woolworths Waterstone Village

4 BECOME AN OMNI-CHANNEL BUSINESS

10%

ONLINE SALES IN COUNTRY ROAD: (2014: 8%)

FOOD MAKES UP THE MAJORITY OF SOUTH AFRICAN ONLINE SALES

As customers become ever more "connected", they are becoming more demanding and discerning. They expect a unique, hyper-personalised experience and consistency in how they experience our brand and flexibility in how and where they browse and purchase goods and services.

We are on a journey to provide customers with a total retail experience, supported by an integrated back office operating model run with agile and innovative technology.

Our customer databases and insights are critical to enable us to recognise and reward in real time, in a hyper-personalised, seamless and consistent manner across all channels. In Woolworths, we are combining our customer databases to develop a single view of the customer while in Country Road Group we will continue to leverage the combined customer databases across all four brands. In David Jones we will deliver the first phase of the new Customer Relationship Management system in the new financial year.

We will continue to invest in mobile commerce and in digitally transforming our stores by improving connectivity to enable staff and customers to engage differently. We are investigating the potential opportunity to leverage our scale and introduce a single e-commerce platform across the Group.

In Woolworths, the majority of Woolworths' food, clothing and general merchandise offering can be viewed and purchased online. Food sales comprise the majority of our South African online revenue, however stronger growth in clothing and general merchandise is now being experienced. We have improved the digital user interface and improved product range visibility, availability and fulfilment rates. We will continue to improve our customers' journey by upgrading our fulfilment processes, launching new channels (transactional app, social commerce) and improved services such as national delivery/returns for clothing, home and beauty, and with "click and collect" functionality.

In Australia, Country Road Group continues its strong online growth across all brands with online sales representing nearly 10% of total sales, up from 5% in 2012. In the past year, we improved our users' experience by enabling "click and collect" functionality and redesigned the mobile sites across all brands. We are developing a roadmap to determine the longer term focus to ensure that all brands benefit from innovative digital development to increase online penetration. We are transitioning to our purpose-built Omni Fulfilment centre where all stores and online fulfilment will be run from the same location across all brands.

David Jones saw significant growth in online sales due to improvements to systems and customer experiences including expanded "live chat" functionality, improved in-store customer touch points for online and improved processes between the fulfilment centre and customer service. We will continue to invest in our digital strategy to enhance the online performance and penetration.

RISKS	HOW WE ADDRESS THIS
Unable to deliver to the objective of being a southern hemisphere omni-channel leader	– Detailed project plans covering all work streams in place – Group and brand omni-channel strategies defined to stabilise, integrate, optimise and grow – Group real estate plan has been devised to support each of the brand omni-channel strategies
Failure to meet customer omni-channel expectations	– Strengthen omni-channel thinking across the Group – Monitor customer feedback and implement changes to service model in response – Implement ongoing upgrades to customer shopping experience, in-store and online

FOCUS AREAS FOR 2016

- *Enrich customers' digital experience of the Group*
- *Grow online revenue and profitability*

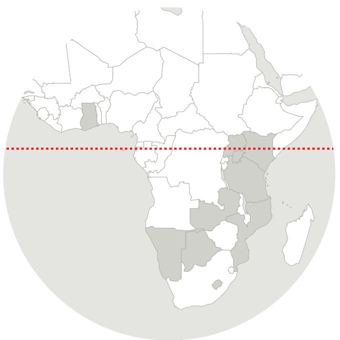
ONLINE FULFILMENT FOOTPRINT

5 EXPAND INTO THE REST OF AFRICA

11
NUMBER OF COUNTRIES

89
STORE LOCATIONS: (2014: 82)

48 000m²
TRADING SPACE



STORE FOOTPRINT

During the year, we successfully completed the buyback of our African franchises. We currently have 89 store locations in 11 countries. Five Clothing and General Merchandise and two Food locations were opened during the year. We are satisfied with our current geographic footprint, with all businesses trading profitably and offering attractive growth prospects. We will continue the pace of real estate expansion in existing markets to aggressively build scale and capture regional synergies now that franchise conversions are complete. We will also continue to investigate potential new territories for expansion opportunities where we can leverage our existing infrastructure in East Africa.

Our product offering in sub-Saharan Africa predominantly focuses on Clothing and General Merchandise although we are growing our food offering in bordering countries. Food currently has a complete offering in Namibia, Botswana, Swaziland and Mozambique and a long-life/frozen model in Zambia. We will further grow our sales and brand in Africa by extending our online offering of Clothing and General Merchandise product into neighbouring countries.

We have focused on enhancing the customer experience and building the Woolworths brand in Africa by improving ranges, catalogues and availability and delivering a pricing strategy which provides value for our customers. To further enable this, we are step changing our "cost to sell" ratios and driving supply chain efficiencies.

All African countries, apart from Ghana, have the WRewards loyalty programme which was very well received with applications exceeding targets. We use our customer data to better understand local customer preferences and to segment stores, tailoring our offer to local requirements. We are also leveraging WRewards to build a better understanding of the Woolworths brand amongst our customers and drive customer acquisition.

We currently offer our customers in-store cards in Namibia through WFS. We will roll out financial services into other countries in the medium term, and where appropriate, partner with local financial service providers.

Stores in Africa have the same look and feel as in South Africa with formats appropriate to market size and location to ensure good trading densities and profitable operations. New stores opened in Westhills (Accra, Ghana), the Grove (Windhoek, Namibia), Makhuba Mall (Kitwe, Zambia), Garden City (Nairobi, Kenya), Acacia Mall (Kampala, Uganda) and Port Louis (Mauritius). We intend to open 23 new store locations in Africa in the next three years and will aggressively seek new space and invest capital in store extensions and modernisations as we continue to build a profitable African business of scale.

RISKS	HOW WE ADDRESS THIS
Failure to meet expectations for profitable growth	– Build management capability – New stores assessed and viabilities approved – Improve availability, catalogue and range – Centralise and standardise key systems, leveraging our South African processes, systems and head office structures
Lack of real estate limits growth plan	– Actively seek new real estate opportunities in Africa and invest in store extensions
Non-reliability and speed of supply chain	– Leverage critical mass – Drive supply chain efficiencies and lead times
Political, social or economic risks associated with operating in African countries	– Viability studies conducted prior to entering a new market – Full understanding of legislative and compliance requirements in each market, tailoring our approaches accordingly and building appropriate stakeholder relations

FOCUS AREAS FOR 2016

- *Improving our customer value proposition, continue enhancing our processes and systems to reduce costs*
- *Rolling out financial services into appropriate countries through a partnership model*
- *Step changing new space acquisition and store modernisation*

+6 000m²
INCREASE IN TRADING SPACE

6 SIMPLE, CONVENIENT AND REWARDING FINANCIAL SERVICES

R9 743m

CLOSING PORTFOLIO BALANCES (+10.5% ON LY) (2014: R8 821m)

16.8%

CARD CONTRIBUTION (2014: 18.8%)

5.4%

IMPAIRMENT CHARGE (2014: 4.8%)

26.6%

RETURN ON EQUITY (2014: 24.3%)

3.4%

CONTRIBUTION TO PROFIT (2014: 4%)

+21.9%

PROFIT BEFORE TAX

WFS offers financial services to Woolworths customers in South Africa and Namibia in the form of store cards, credit cards and personal loans. WFS was launched in 1994 and became a joint venture operation in 2008, when Barclays Africa Group acquired a 50% + 1 share controlling interest in WFS.

WFS offers customers both a Woolworths store card and a Woolworths-branded credit card, which together comprise approximately 1.7 million active customers with more than 120 000 new in-store cards and 40 000 credit cards activated during 2015. The Woolworths store card, accounted for 23% of Clothing and General Merchandise sales and 11% of Food sales in 2015. The Woolworths credit card provides customers with access to the full range of Visa benefits and can be used outside Woolworths stores. Both cards are linked to the Group's WRewards loyalty programme and offer a variety of rewards to customers, including vouchers and immediate discounts on purchases.

WFS also offers a revolving personal loan to its customers. The majority of loans are for 12- to 24-month terms and are backed by debit orders to ensure consistent customer payments. There were in excess of 200 000 personal loan accounts by the end of 2015.

Having successfully embedded customer process improvements, system enhancements and the Barclays risk and compliance framework, we have recently been focusing on transforming the WFS customer experience to one that is consistent with and aligned to the Woolworths brand. The WFS customer sees Woolworths and WFS as one, and expects us to deliver one brand experience across all our channels including stores, the contact centre, the Woolworths website and the WFS mobile app. WFS is an integral part of the Woolworths omni-channel strategy.

In South Africa, we rolled out new financial services hubs in key Woolworths stores with new in-store kiosk software to deliver a more user-friendly experience and enable improved credit management. Customers can now obtain instant credit and card issuance within 15 minutes in 31 stores. We have transitioned to electronic statements with more than 60% of our customers now receiving their statements electronically, which not only improves their experience but reduces costs and supports our Good Business Journey initiatives.

Mobile will continue dominating the WFS digital functionality to enrich the customer experience. WFS re-launched the mobile app in the current year to include WRewards vouchers, with almost 200 000 customers actively using the app and just short of 700 000 interactions per month.

We are repositioning the WFS card proposition within WRewards to deliver a simpler, richer programme combining instant differentiated rewards at point of sale and cumulative rewards (WRewards and vouchers.) This will make it easier to communicate with new and existing customers, encourage the use of WFS cards as tender and allow us to upsell and cross-sell, growing revenue from an increased basket, frequency and spend.

The National Credit Amendment Act became effective on 13th September 2015. The new, prescriptive requirements for the calculation of affordability are similar to our existing procedures and are therefore not expected to have a material impact. Changes to documentation requirements for both new accounts and credit limit increases are likely to result in some level of lower account growth.

THE WOOLWORTHS CREDIT CARD PROVIDES CUSTOMERS WITH ACCESS TO THE FULL RANGE OF VISA BENEFITS AND CAN BE USED OUTSIDE WOOLWORTHS STORES.

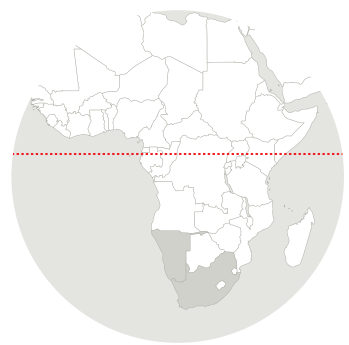
RISKS	HOW WE ADDRESS THIS
Unpredictability of information technology service delivery	– Business continuity and availability monitored, reported and tracked with detailed accountabilities allocated to ensure mitigation
Compliance with new legislation	– Full compliance with the new legislative requirements under the National Credit Amendment Act, including, inter alia, income and expense validation – Adapt processes and scorecards to implement new requirements
Fraud, credit and operational risk	– Adoption of Barclays risk and compliance framework requiring monthly reporting and tracking to manage and mitigate risk
Unable to integrate WFS customer experience with Woolworths	– Additional products developed and delivered – Mobile voucher solution available – Closer integration of loyalty programme

FOCUS AREAS FOR 2016

- *Transform customer experience*
- *Closer integration with Woolworths through the WRewards programme*
- *Increased penetration of Woolworths customer base*
- *Ongoing compliance with NCA and other relevant legislation*

31

FINANCIAL SERVICES HUBS IN WOOLWORTHS STORES (2014: 27)



STORE FOOTPRINT

7 DRIVE SYNERGIES AND EFFICIENCIES ACROSS THE GROUP

1 323

STORE LOCATIONS

The acquisition of David Jones and the non-controlling interests of Country Road Group has created the platform for the Group to leverage scale. The savings generated by operating more efficiently will enable us to achieve our growth profitability targets. The Group transformation office plays a key role in co-ordinating and driving the acquisition benefits, regional scale and other improvement opportunities.

SOURCING

To improve synergies and efficiencies we continue to develop a more global sourcing strategy, integrate the Group's supply chain, develop our real estate at lower cost and operate our stores and head offices more efficiently.

The majority of Woolworths Food products is sourced locally from South Africa and neighbouring countries. We have focused on improving sourcing and have streamlined the number of food suppliers, developing fewer, more strategic relationships. Many of these suppliers have exclusive arrangements with Woolworths Food to supply its private label products.

Woolworths Clothing and General Merchandise has five key sourcing regions: Southern Africa, Mauritius/Madagascar, China, Bangladesh and India. We focus primarily on those suppliers who are vertically integrated to deliver reduced production lead times, high quality, innovation and value. The repositioning of our supply base has been a key focus since 2008, resulting in 70% of our merchandise procured from our top 30 suppliers. This process has enabled us to clearly differentiate ourselves in the South African market through quality, innovation and sustainability and has delivered significant gross profit improvement. Our well-established Shanghai sourcing office plays a crucial role in maintaining our quality and compliance standards and has during the course of last year been extended to include Country Road Group product.

We developed a Group three-year sourcing strategy to develop world-class supplier partners to drive scale, flexibility and speed and to enable fashion relevance. Implementation is progressing well, evidenced by the launch of Country Road Group and Woolworths private label brands in David Jones stores. The combined approach has also driven improved product development, price accessibility and margins. We will continue to leverage our scale in our sourcing platform across the Group.

SUPPLY CHAIN

We are investing in our supply chain to enhance store replenishment and online fulfilment capabilities at lower cost with increased control and elimination of capacity risk. This will also facilitate decreased transport costs and improved delivery lead times.

In South Africa, Woolworths has three distribution centre hubs: Cape Town, Johannesburg and Durban. These distribution centres distribute both food and clothing and general merchandise to stores throughout South Africa and sub-Saharan Africa. We continue to invest in capacity to support our growth and drive cost efficiencies. During 2015 we acquired land at a cost of R400 million in Cape Town adjacent to our existing distribution centre to facilitate our capacity growth requirements.

In Melbourne, Australia, we invested A$50 million in our first owned and operated Omni Fulfilment Centre. This is the first time that all Country Road Group stores and online fulfilment will be run from the same location. The centre will also serve to support the growth in David Jones volumes.

SOUTHERN HEMISPHERE FOCUS

REAL ESTATE BENEFITS

We have been able to capture additional rental benefits in Australia by pursuing a collaborative rental negotiation process across David Jones and Country Road Group.

The combined Australian operation enables us to identify opportunities of scale which are leveraged in landlord negotiations.

David Jones owns the Elizabeth and Market Street buildings that comprise the Sydney CBD store, and the two Bourke Street Mall buildings that comprise its Melbourne CBD store. We intend to sell one of the properties in each of the cities and consolidate into single flagship stores. Some of the proceeds of the disposals will be reinvested to create world-class department store experiences for our customers.

RISKS	HOW WE ADDRESS THIS
Unable to generate sourcing benefits across the Group	– Improve Group sourcing capability – Rationalise and identify key suppliers to leverage sourcing synergies – Workstream established to consolidate supplier database across the Group
Inability to reduce the cost of doing business	– Lowering the cost of doing business reflected in all business unit strategies – Clear cost to sell targets designed to improve operational gearing – Analysing and improving the profitability of key initiatives
Distribution capacity may not support future growth targets	– New distribution centre built in Australia to support increase in volumes across the Group – Investment in distribution centre capacity in South Africa – Introduce new processes to drive efficiencies in existing distribution centres
Suppliers do not adhere to supplier code of conduct	– Independent audits conducted – Code to be revised to include more stringent requirements in line with international best practice
Reliance on IT systems	– Diverse range of systems effectively manages various aspects of operations – Extensive investment in recent years to update and maintain IT systems, including the development of backup IT infrastructure

FOCUS AREAS FOR 2016

- *Drive margin gains from Group sourcing*
- *Lower the cost of doing business*
- *Leverage Group scale to drive synergies and efficiencies*
- *Build distribution centre capacity*

3

DISTRIBUTION CENTRE HUBS IN SOUTH AFRICA

1

DISTRIBUTION CENTRE IN AUSTRALIA (THE NEW A$50m OMNI FULFILMENT CENTRE)

CASE STUDY: COUNTRY ROAD GROUP OMNI FULFILMENT CENTRE IN AUSTRALASIA

To accommodate the growth forecast for the Group in Australia – particularly in online sales – required dedicated planning for the Country Road Group Omni Fulfilment Centre (OFC) to consolidate supply chain functions. The fulfilment centre is located in Melbourne's western suburbs and is well-served with seaport and airport facilities in close proximity. Country Road Group's plans to create the central specialised facility, with reduced fulfilment costs and improved service consistency, were accelerated and expanded to include David Jones from 2016.

The storage and handling technologies at the centre include a range of racking options, scanning and storage systems. Packing benches for online, for example, are ergonomically designed and integrated with the product flow, allowing packing employees to remain within their own personal workspace, minimising any additional travel time.

The facility has received a 5-star Green Star Industrial v1 rating 'As Built' from the Green Building Council of Australia – the first in the state of Victoria. It features energy-efficient sensor lighting powered by solar panels and has committed to a recycling target of 90% of supplier cartons outbound to stores.

Country Road Group Omni Fulfilment Centre (OFC) in Australia.It will open in July 2015.

CASE STUDY: REDESIGNING OUR SUPPLY CHAIN IN SOUTH AFRICA

In the past 10 years the mix of products in our Food business has seen an increasing volume of long-life product. We have extended our ranges, which has resulted in more stock keeping units (SKUs), which in turn has demanded more shelf space and storage facilities. With more variants on the shelf, stock turn per SKU has reduced, resulting in further storage challenges.

The challenge has been to enable this growth in catalogue and customer facing metrics – such as availability – while improving efficiency. This resulted in a comprehensive plan to build capacity and save cost, time and distances travelled in our South African operations.

We reviewed our supply chain by starting with the customer in the store and taking an end-to-end economic view all the way back to the supplier. We asked the design team to take a zero-base approach and design activities according to where these will achieve the best rates (per hour and per square metre), placing these where they are potentially scalable.

We measured cost from supplier to shelf, including despatch, handling, logistics, receiving and replenishment. We measured time and transporting distance to achieve the least movement of people and product.

Above all, we had to make sure that the new supply chain design was not only efficient, but store and customer friendly.

The required investment to build supply chain scale and efficiency to support the Food business's long-term targets has been approved and implementation of the multi-year project will commence in the new financial year.

8 EMBED SUSTAINABILITY THROUGHOUT OUR BUSINESS

87%

GOOD BUSINESS JOURNEY SCORE (2014: 91%)

>41 000

EMPLOYEES (2014: >31 000)

Sustainability is one of the Group's core values and one of our eight strategic objectives. The Good Business Journey has been the vehicle we have used to entrench sustainability in Woolworths South Africa and our expanded southern hemisphere footprint provides an opportunity to further entrench the Good Business Journey across the David Jones and Country Road Group operations.

Customers are increasingly examining the ethics of the sourcing and production of goods they purchase. As a predominantly private label business, our ability to influence and manage the complete life cycle of our products with both primary and secondary suppliers means that we can work closely with them to drive and embed our sustainability issues.

The Good Business Journey programme has two main objectives:

- measuring and managing our direct and indirect impact on the community and world around us, right across our value chain, and
- educating and influencing our customers towards responsible consumption.

The programme has eight key focus areas with targets set for 2015 and 2020. We are pleased with the progress we have made against those targets, having obtained an annual score of 87% achievement for 2015 and meeting or exceeding our targets in over 80% of the indicators. Working towards these targets has not only served to reduce the Group's environmental and social impact, but has also resulted in Group-wide cost savings of almost R570 million since 2008. Initiatives have also provided opportunities for driving innovation and differentiating the Group's brands.

Country Road Group formally launched their Good Business Journey programme in August 2015, integrating initiatives around ethical trade, energy efficiency, waste management and social development. This includes benchmarking initiatives, identifying the most significant risks and opportunities for the business and scoping new sustainability projects and goals.

Engagement during the year on sustainability issues at David Jones focused on internal stakeholders, customers, key NGOs and the community. We built awareness and capacity through buyer training and briefing, updated content on the David Jones website and have expanded our participation in industry alliances, such as the UN Global Compact and Better Cotton Initiative. At the end of the financial year, we completed a Work Insights Report that will form the basis of our strategic plan and performance measures.

ETHICAL SOURCING

Ensuring that the products we sell are responsibly sourced from suppliers that share our values is the foundation of our Good Business Journey.

We are committed to ensuring that the Group and our suppliers operate in a way that respects workers' rights, maintains safe working conditions, upholds local employment laws and protects the environment and the welfare of animals. The Group uses the conventions of the International Labour Organisation and the Ethical Trading Initiative Base Code to underpin our ethical sourcing principles.

All Woolworths suppliers are bound by the Woolworths Code of Business Principles and all first-tier suppliers are regularly assessed against it by a third-party audit to ensure compliance to the Code. All manufacturers providing product to Country Road Group must sign the CRG Code of Labour Practice and the Environmental Code of Practice, ensuring that they adhere to the principles of ethical sourcing. During the year, David Jones launched an Ethical Sourcing programme aligned to the Group's ethical sourcing principles, with more than two-thirds of their suppliers signing the new David Jones Supplier Code of Conduct to date.

SUSTAINABLE FARMING

In Southern Africa one of our key achievements has been the development of our Farming for the Future programme which, through independent auditing, assists our produce suppliers to incrementally improve environmental performance. Now in its sixth year, we have 98% of our primary Woolworths fruit, vegetable, wine and horticulture producers working as part of this scheme. This programme has proved to be a great success and we are seeing improvements in farm level environmental management, greater productivity, efficiency, awareness and innovation among food suppliers.

WATER SCARCITY

Our operations span across sub-Saharan Africa and Australasia which are among the most 'at risk' regions in the world in respect of current and future projected water scarcity.

We continue driving water reduction and the responsible management of waste-water across our operations and supply chain, an especially important focus given the drought experienced in many parts of South Africa during 2015. Much of the focus on managing water usage has been confined to our South African operations, with Farming for the Future a key enabler to reduce water consumption in our Food business, together with our water stewardship work in conjunction with WWF-SA.

ENERGY

In South Africa, significant investment in energy efficiency, initial renewable energy pilots and an advanced real-time metering system throughout our property portfolio has resulted in relative energy reduction of 40% since 2004. This is particularly valuable given the marked increased in the instability of electricity supply and tariff increases faced by our operations across South Africa.

We have been tracking our carbon emissions for a number of years, primarily confined to our South African operations and David Jones in Australia. We have now expanded our scope to include all operations, with Country Road Group also developing energy reduction targets.

THE FARMING FOR THE FUTURE PROGRAMME, ONE OF OUR KEY ACHIEVEMENTS

ENTRENCH SUSTAINABILITY IN THE SOUTHERN HEMISPHERE

R60m

MYSCHOOL SUPPORTER CONTRIBUTION (2014: R52m)

R2.7bn

VALUE CREATED FOR BEEESOS SCHEME

WASTE MANAGEMENT

In 2015, we made significant strides in downsizing our packaging by 511 tons, resulting in more efficient transportation, increased carbon savings and reduced raw material usage. In addition to light-weighting, we have worked towards improving product design for ease of separation, increasing the use of recycled materials in packaging and the development of an on-pack labelling system for recyclability – an industry first in South Africa.

Although the recycling infrastructure network in South Africa is still developing, our combined efforts are helping to create the market for recycled goods – an industry that supports approximately 40 000 direct and indirect jobs in South Africa.

SOCIAL DEVELOPMENT

In 2015, we donated almost R600 million to various projects and charities across South Africa, and contributed directly to upliftment projects through the Woolworths Trust and the donation of surplus food and clothing supplies. In South Africa we have contributed nearly R60 million in 2015 to over 8 200 schools and charities through the MySchool programme, which now has 885 000 active customer supporters.

In Australia, David Jones contributed R12.8 million to various Breast Cancer initiatives and charities and Country Road Group R35.6 million, with the Ovarian Cancer Research Foundation being the largest single beneficiary.

HEALTH AND WELLNESS

The focus of health and wellness has a two-pronged approach in the Group – offering food that is better for our customers, and promoting healthy eating programmes to manage the health, safety and wellbeing of our employees.

Through the Good Food Journey we aim to keep Woolworths Food customers as well informed as possible about the food they are eating and how it impacts on health.

TRANSFORMATION

In our South African operations, the need to adapt to changing regulations presents an ongoing challenge. We believe that we have developed a strong framework to build upon, and remain committed to enterprise development as key to addressing the challenge of job creation in South Africa by supporting emerging black-owned businesses in the Woolworths supply chain. Woolworths currently supports over 40 small enterprises and, during 2015, had made loans of R10.7 million.

At the end of the financial year, we concluded our Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS). The scheme created R2.4 billion for more than 7 000 participants who also enjoyed dividends of R332 million in dividends over the eight-year life of the scheme.

RISKS	HOW WE ADDRESS THIS
Unable to maintain leadership position in southern hemisphere resulting in loss of competitive advantage	– Group-wide sustainability strategy developed and entrenched – Drive innovation at product process level
Suppliers do not adhere to the Group's supplier code of conduct	– Independent audits conducted – Code to be revised to include more stringent requirements in line with international best practice

FOCUS AREAS FOR 2016

- *Firmly entrenching WHL as the most sustainable retailer in the southern hemisphere*
- *Developing the David Jones well-being strategy and programme for 2020*
- *Making an ongoing impact to alleviate critical environmental and social issues in our supply chain*

WOOLWORTHS UNVEILS NEW ECO MANNEQUIN AT RE: MENLYN STORE IN MAY 2015

Global Display's Eco-mannequin is the result of over three years research and development of a truly green mannequin produced from natural plant fibres and bio-resins which come from an indigenous sustainable source. It also uses a higher level of recyclable and biodegradable raw material content without sacrificing strength or aesthetics.

Compared to conventional fibreglass mannequins, the Eco-mannequin has up to 20% less styrene content. There is also less mineral content as glass fibres have been replaced by natural plant fibres, and can be finished in a bio-degradable, water-based coating.

The Eco mannequin material is 45–55% biodegradable versus its fibreglass counterpart that is not biodegradable. It provides a reduction in CO_2 emissions of approximately 60% over a conventional fibreglass mannequin. It also allows for substantially more opportunities for recycling at the end of life but can alternatively be burned to provide energy with a calculated calorific value that is higher than wood or paper.

The Eco-mannequin has subsequently been rolled out to our RE: pods in David Jones stores in Australia as well.

Studio.W, summer 2015.

OUR GOVERNANCE

DIRECTORS

SIMON SUSMAN (65)
(South African)
- Non-independent, Non-executive Director and Chairman
- Member of the Nominations, Remuneration, Risk and Compliance, Social and Ethics, and Sustainability committees
- Expertise: Retail
- Joined the Board in 1995 and appointed as Chairman in 2011

IAN MOIR (56)
(Australian)
- Group Chief Executive Officer
- Member of the Risk and Compliance, Social and Ethics, and Sustainability committees
- Expertise: Retail
- Joined the Board in 2010

PATRICK ALLAWAY (54)
(Australian)
- Independent Non-executive Director
- Member of the Audit, Remuneration, and Risk and Compliance committees
- Expertise: Finance and banking
- Joined the Board in 2014

PETER BACON (69)
(British)
- Independent Non-executive Director
- Member of the Audit and Remuneration committees
- Expertise: Business leadership, hotels, gaming and leisure
- Joined the Board in 2006

ZARINA BASSA (51)
(South African)
- Independent Non-executive Director
- Chairman of Risk and Compliance committee
- Member of the Audit and Nominations committees
- Expertise: Banking and finance
- Joined the Board in 2011

TOM BOARDMAN (65)
(South African)
- Independent Non-executive Director
- Lead Independent Director
- Chairman of the Remuneration and Nominations committees
- Member of the Sustainability, and Social and Ethics committees
- Expertise: Business leadership, banking and retail
- Joined the Board in 2011

HUBERT BRODY (51)
(South African)
- Independent Non-executive Director
- Member of the Audit, and Risk and Compliance committees
- Expertise: Business leadership, finance and banking
- Joined the Board in 2014

ANDREW HIGGINSON (58)
(British)
- Independent Non-executive Director
- Member of the Audit, Remuneration, and Risk and Compliance committees
- Expertise: Retail
- Joined the Board in 2012

MIKE LEEMING (71)
(South African)
- Independent Non-executive Director
- Chairman of the Audit committee
- Member of the Nominations, and Risk and Compliance committees
- Expertise: Banking, finance and manufacturing
- Joined the Board in 2004

NOMBULELO MOHOLI (55)
(South African)
- Independent Non-executive Director
- Member of the Remuneration, Risk and Compliance, and Social and Ethics committees
- Expertise: Business leadership and telecommunications
- Joined the Board in 2014

LORD ROSE (66)
(British)
- Independent Non-executive Director
- Chairman of the Sustainability committee
- Member of the Remuneration, Risk and Compliance, and Nominations committees
- Expertise: Retail
- Joined the Board in 2011

THINA SIWENDU (49)
(South African)
- Independent Non-executive Director
- Chairman of the Social and Ethics committee
- Member of the Risk and Compliance committee
- Expertise: Legal and corporate governance
- Joined the Board in 2009

REEZA ISAACS (46)
(South African)
- Group Finance Director
- Member of the Risk and Compliance, and Sustainability committees
- Expertise: Retail and financial
- Joined the Board in 2013

SAM NGUMENI (47)
(South African)
- Group Chief Operating Officer
- Member of the Risk and Compliance committee
- Expertise: Operations and financial services
- Joined the Board in 2014

ZYDA RYLANDS (50)
(South African)
- Chief Executive Officer – Woolworths South Africa
- Member of the Risk and Compliance, and Sustainability committees
- Expertise: Retail
- Joined the Board in 2006





ADDING VALUE TO BUSINESS, GAINING STAKEHOLDER CONFIDENCE.










WHL GROUP EXECUTIVES

IAN MOIR (56)
– Group Chief Executive Officer

REEZA ISAACS (46)
– Group Finance Director

RALPH BUDDLE (48)
– Director Strategy and Business Development

ZYDA RYLANDS (50)
– Chief Executive Officer – Woolworths South Africa

THOBEKA SISHUBA (44)
– Group Secretary and Group Director Governance, Risk and Compliance

SAM NGUMENI (47)
– Group Chief Operating Officer

SIVI PILLAY (48)
– Chief Executive Officer – Woolworths Financial Services

MATT KEOGH (42)
– Chief Executive Officer – Country Road Group

IAIN NAIRN (53)
– Chief Executive Officer – David Jones





DRIVING DELIVERY OF OUR STRATEGIC OBJECTIVES




OUR GOVERNANCE REPORT

AWARDS

- *At EY's Excellence in Integrated Reporting Awards 2015 the WHL Integrated Report was rated as excellent.*
- *Woolworths won three awards at the 2014 National Business Awards, which recognise service excellence, ethical behaviour and environmental sustainability. Woolworths won awards in the following categories: National Business of the Year, Sustainability and Corporate Citizenship.*
- *Woolworths won the Energy Excellence Award at the South African Association for Energy Efficiency Awards 2014.*
- *WHL was again included in the Dow Jones World Sustainability Index for 2015 and the JSE Socially Responsible Investment (SRI) Index for 2014.*

WE ARE PRIVILEGED TO HAVE A STRONG AND DIVERSE BOARD THAT BRINGS A COMBINATION OF BUSINESS EXPERIENCE THAT MAKES OUR DISCUSSIONS STIMULATING AND DEEPLY HELPFUL TO THE EXECUTIVE TEAM

GROUP GOVERNANCE FRAMEWORK

Following the acquisition of David Jones and achieving full ownership of Country Road Group, the governance framework and the structures to support it were reviewed and approved by the WHL Board.

We were fortunate that, as both David Jones and Country Road Group were previously listed on the Australian Stock Exchange, many of the structures required for good governance were already in place. Patrick Allaway was appointed as an Independent Non-executive Director to the Boards of David Jones and Country Road Group and is Chairman of their Audit, Risk and Remuneration committees. The David Jones reporting calendar, governance structure and processes are now fully aligned with WHL. Country Road Group was already aligned to the WHL Board processes.

There are three operating company boards reporting into the WHL Board:

- Woolworths South Africa
- David Jones
- Country Road Group

The Group governance framework is illustrated opposite.

This governance structure reflects the transformation of WHL into the investment holding company of the Group and the WHL's Board's commitment to ensure there are appropriate governance processes and procedures throughout the Group.

David Jones and Country Road Group boards have committees that report to their respective boards on their activities in line with their delegated powers and authority. These committees, in turn, report to the relevant Group committees who consolidate and report to the Group Board on a quarterly basis. This gives the appropriate level of oversight of the business and affairs at operating company level. During the year the WHL Board committees provided direct oversight over the affairs of Woolworths South Africa.

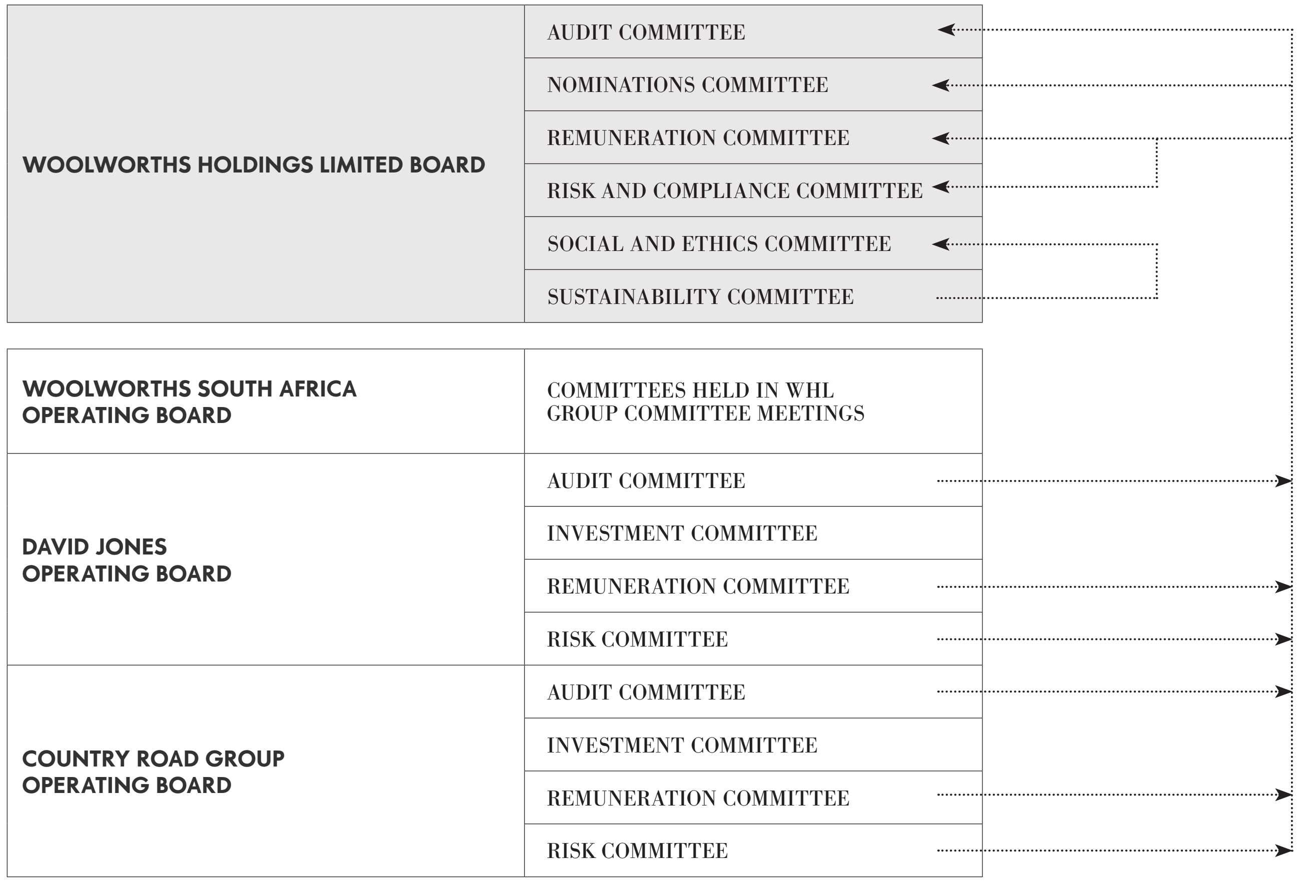
Business transformation steering committees have also been established to oversee business transformation and change management programmes associated with the acquisition of David Jones. The governance includes executive oversight, the establishment of a project management office and a programme governance plan.

Further executive committees that are in place to support Group governance structures include:

- Executive committees for each of Woolworths, David Jones and Country Road Group, which deal with operational governance.
- Investment committees to manage the approval of capital planning allocations.
- Group treasury committee to facilitate optimum debt and capital management model.

Certain executive group functions were identified as being required to support the Group governance framework. These functions include: Treasury, Finance, Internal Audit, Risk Management and the role of Group Chief Operating Officer, who has the responsibility to manage transformation and change management programmes across the Group. It is expected that further functions will be identified and implemented as the Group more fully integrates David Jones and Country Road Group operations.

We believe that the new governance structure and framework is appropriate for the changing stakeholder base and the geographies in which we operate.



OUR REPORTING AND ENGAGEMENT APPROACH

The Board embraces the notion of integrated reporting and considers the full spread of financial and non-financial reporting with a balanced approach to performance and compliance. The Board is committed to transparency and accountability as the fundamentals to safeguard the Group's assets and protect value for all stakeholders, including shareholders.

We actively communicate and engage with the investment community to provide updates on our progress and strategy implementation.

RISK AND COMPLIANCE MANAGEMENT

The Board recognises that risk management is an integral part of the Group strategy setting process and delegates the responsibility of designing, implementing and monitoring the risk management plan to management. Risk management is facilitated by the Group Head of Enterprise Risk Management who ensures that a consistent approach is applied across the Group. The Group's combined assurance model is tabled on an annual basis at the Risk and Compliance Committee to ensure that the Board is comfortable with the level and type of assurance that the Group obtains. The effective use and the extent of the types of assurance in the three lines of defence model remain integral to the way in which the operational governance of the Group is managed.

The Board is satisfied that the risk process is effective in continuously identifying and evaluating risks and ensuring that these risks are managed in line with business strategy. We highlight our key risks per strategic objective in the strategy section from pages 64 to 89.

The Group has made progress in managing significant risks that could have a material impact on the business. Key risk metrics and risk indicators are clearly defined both at a Group and operational business unit level. The risk management process is embedded within the operations of the business.

The Board is satisfied that the Group has applied all significant governance principles and is compliant with all significant Listings Requirements of the JSE. The Group has not breached any regulatory requirements and has not failed any statutory obligation. A review of the application of King III is provided below. Compliance with statutory and legislative requirements is managed through an integrated compliance framework. The compliance monitoring plan is approved on an annual basis. The plan provides independent objective assurance that material legislation applicable to the Group has been monitored and ensures that process and compliance controls are in place to manage compliance risk.

Group-wide regulatory requirements are identified, assessed, categorised, and controls implemented, monitored and reported in terms of the processes set out in our Compliance Framework.

The business monitors and anticipates changes to any regulations that could impact our business strategy and operations, such as changes to legislation relating to labour, consumer protection, protection of personal information, transformation, product labelling and advertising. Action plans are tracked, monitored and reported to the Risk and Compliance Committee on a quarterly basis.

The Group has reviewed and developed action plans to deal with a number of regulatory and legislation changes impacting business operations.

KING III APPLICATION

The Board is responsible for the holistic application of the principles contained in the King III Code. Where the Board has deemed that recommended practices are not in the best interests of WHL, this report follows King III in explaining the reasons for an alternative approach.

The principle relating to the election of an independent director as Chairman of the Board has not been applied. The WHL Chairman, Simon Susman, is classified as a Non-independent Director by virtue of his previous position of Group Chief Executive Officer up until November 2010. King III principles state that it is preferable for a three-year cooling-off period after which a director may be considered independent. Giving consideration to international governance best practice which considers a five-year cooling-off period to be more acceptable, and the number of WHL shares he holds, the Board has decided to maintain Simon's classification as a Non-independent Director. Consequently, the Board has decided to maintain the position of Lead Independent Director held by Tom Boardman. The Lead Independent Director oversees matters discussed by the Board when the Chairman may, or is seen to have a conflict of interest. The Lead Independent Director is also the Chairman of the Nominations Committee.

The Board will monitor developments with the drafting of the King IV Code and will proactively evaluate our structures against new requirements.

Read more about our stakeholder approach in the Chairman's report on page 36 and the stakeholder section on page 30.

The complete King III register is available on our corporate website www.woolworthsholdings.co.za

CASE STUDY: BUSINESS CONTINUITY – POPI PREPARATION AT WOOLWORTHS

The Protection of Personal Information Act was signed into law in November 2013 and a programme of work commenced in 2014 to ensure that we met all the necessary regulatory deadlines.

We recognise that POPI changes how we engage with people regarding their personal information, particularly our customers. We have always looked after our customer information and we want to reassure our customers that this will continue.

Even if POPI didn't exist, we have a responsibility to treat the information that people give us with respect. Information is one of our greatest assets and it must be properly managed. We are making sure that it is protected from unauthorised access and use, and we must also be transparent about what personal information we have, why we need it and what we do with it. This will help us build even stronger relationships with our customers. In addition, as we expand our business across the southern hemisphere, we need to be aware of international privacy requirements.

Our approach:

The Woolworths POPI approach is focused on business needs and geared towards enabling our strategic initiatives. Our POPI programme has taken a business driven, risk based approach to protecting personal information. Legal compliance will be the outcome of this business focused approach.

A detailed investigation was conducted across all business units during which all policies, procedures and systems that involve the flow of personal information through the organisation were identified.

POPI centres on eight principles (called conditions) which specify how the Personal Information (PI) of individuals and organisations must be managed. The implementation of these eight principles requires extensive change across multiple dimensions of our entire business.

- *Customer dimension – changes to the way in which we obtain and manage marketing consent; notification of how we use PI*
- *Legal dimension – contractual agreements, terms and conditions between customers, employees, suppliers and other business partners*
- *Process dimension – changes to business processes where PI is created, managed or used in order to comply with the eight principles of POPI*
- *Systems dimension – changes to systems where PI is processed, updated or stored*
- *People dimension – training and awareness of Woolworths staff to ensure that PI is managed in accordance with the eight principles*

Business owners, supported by a full programme team, have defined risk response plans and are currently implementing detailed solutions to mitigate the risks.

Our programme is well advanced in meeting our key stakeholder expectations.

POPI
PROTECTION OF PERSONAL INFORMATION

OUR BOARD AND REPORTING STRUCTURE

The Board process is managed by the Group Secretary. The Board and Board committees meet on a quarterly basis and the Board engages with management on performance against the strategy on a quarterly basis.

The Executive committees of Woolworths, David Jones and Country Road Group oversee operational governance and meet monthly. Each business unit has a leadership team that reviews the strategic objectives and capital initiatives and assesses the risks and opportunities within their unit.

The Board committees report back to the Board on how they carried out their responsibilities. The committees assess their mandates annually as documented in their respective terms of reference and undertake internal reviews of their effectiveness.

WHL Board meetings are held on a regular basis in Australia to ensure that directors receive adequate exposure to the Australian retail market and the dynamics within which the WHL Group operates.

BOARD ROLE AND FUNCTION

The WHL Board is guided by a charter that is reviewed annually. The charter includes a delegation of authority, which sets out the delegation of matters by the Board to its committees and the Chief Executive Officer. There are a number of governance policies that complement the delegation of authority. These policies are reviewed annually and the Board approves all amendments.

COMPOSITION

The Group has a unitary Board. The directors (see page 92 for their profiles) bring a wide range of skills and experience to the Board. No individual director has unfettered powers of decision-making or influence over the Board.

The responsibilities of the Chairman and Group Chief Executive Officer are clearly defined and separate. The Chairman is responsible for providing overall leadership of the Board and ensuring that the Board receives accurate, timely and clear information to ensure that the directors can perform effectively. The Group Chief Executive Officer is responsible for the execution of the approved strategy.

The Nominations Committee considers succession and conducts an assessment of the Board's combined skills on an annual basis to identify gaps. The committee recommends candidates for Board vacancies based on skills, experience and the need to ensure diversity and balance in the composition of the Board. Potential board members are interviewed by the Chairman and the members of the Nominations Committee, who will then recommend any potential candidate's appointment to the Board for approval.

During the year the Board approved the appointment of Hubert Brody and Nombulelo Moholi on 1 July 2014, Patrick Allaway on 1 December 2014 and more recently the appointment of Gail Kelly effective 1 October 2015. These appointments have enhanced the skill-set of the Board and provided additional diversity.

An induction programme is in place for new directors, which includes site visits to business operations in South Africa and Australia. New directors are provided with all the necessary documents to familiarise themselves with the Group. An ongoing programme ensures that existing Board members gain an understanding of the business, governance and compliance environment. In addition, the Board receives regular updates on economic, legislation and topical matters relevant to the retail industry.

DIRECTOR INDEPENDENCE

The independence of non-executive directors is reviewed annually by the Chairman of the Board and the Nominations Committee. A formal independence test is performed on those directors retiring by rotation at the Annual General Meeting.

The Board applies the direction provided by King III and international governance practice in its determination of a director's independence.

The Board charter and key governance policies are available on our corporate website www.woolworthsholdings.co.za

BOARD AND COMMITTEE SUCCESSION

The Nominations Committee reviews Board and committee succession on an annual basis. The committee proposed changes to committee memberships, which were effective after the Annual General Meeting.

To comply with the new JSE Listings Requirements, Simon Susman resigned as Chairman of the Nominations Committee. Lead Independent Director, Tom Boardman, was appointed in his stead with effect from the May 2015 meeting. Simon continues to attend the meetings as a committee member.

Simon Susman resigned as Chairman of the Sustainability Committee with effect from the May 2015 meeting. Lord Rose was appointed as his replacement and Simon attends the meetings as a member of the committee.

Further changes to the chairmanship of the Board committees include Zarina Bassa's appointment as Chairman of the Risk and Compliance Committee in place of Mike Leeming and Thina Siwendu's appointment as Chairman of the Social and Ethics Committee on the retirement of Chris Nissen.

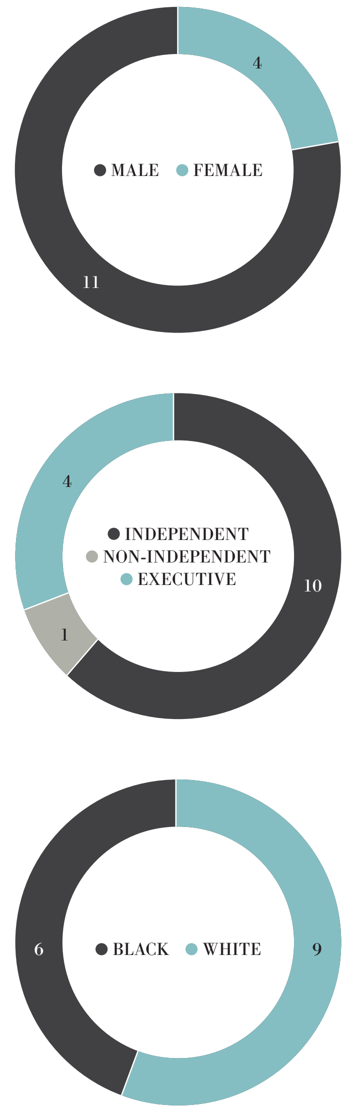
These changes ensure the committees are well resourced, diverse in composition and provide appropriate succession opportunities.

TENURE OF DIRECTORS

As set out by the WHL's Memorandum of Incorporation (MOI), non-executive directors may serve office for a continuous period of nine years, unless otherwise agreed by the Board on an annual basis.

Last financial year, the Board extended the tenure of Mike Leeming for a further year to November 2015. Mike will retire from the Board at the conclusion of the November 2015 Annual General Meeting after which Hubert Brody will assume the role of Chairman of the Audit Committee.

Peter Bacon has served on the Board for nine years. As a key member of the Audit Committee, the Board agreed to extend his tenure for an additional year to November 2016.



BOARD COMPOSITION

BOARD, COMMITTEE AND DIRECTOR PERFORMANCE EVALUATIONS

An internal evaluation of the Board, committees and directors was conducted during 2015. The evaluation included input on the following:

- major strategic issues facing the Group
- critical capabilities required by the Board to face these issues
- key risks facing the enlarged entity

Based on the evaluation, focus areas were developed to include:

- succession plans
- tracking delivery on the integration of the David Jones business case
- review of the Group's capital management model
- development of a focused stakeholder engagement strategy

An informal performance evaluation of individual directors takes place on an ongoing basis. A formal review by the Chairman is conducted prior to any director standing for re-election, which is shared with the Nominations Committee and the Board. The review of the Chairman is carried out by the Lead Independent Director in consultation with the Nominations Committee.

GROUP SECRETARY

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 Group Secretary is not a director of the company. The directors have unlimited access to the advice and services of the Group Secretary.

The Board is satisfied that the Group Secretary is competent and has the appropriate qualifications and experience required by the Group. The Group Secretary's qualifications are outlined on page 24 of the 2015 Notice of Annual General Meeting Report. The Board is satisfied that the Group Secretary has maintained an arm's length relationship with the Board. The Group Secretary acts as secretary to the Board committees.

ETHICS

The WHL values (see page 10) determine behaviour and decision-making processes in the Group, and form a material part of each employee's performance appraisal assessment.

The annual Woolworths employee survey, Let's Ask, is an opportunity for employees to rate their experience of the Woolworths culture, values and leadership, and to measure the level of engagement and the effectiveness of the employee value proposition.

Ethical sourcing is one of the eight key focus areas of the Good Business Journey. David Jones implemented several ethical sourcing initiatives during the year. The relationships with suppliers in the Group are regulated by either, the Woolworths Code of Business Principles, the Country Road Group Code of Labour Practice and the David Jones Supplier Code of Conduct.

The Group maintains policies on gifts, insider trading and conflict of interests, and a zero-tolerance policy towards fraud, theft, corruption or any similar illegal behaviour. In South Africa, we continue promoting the anonymous tip-off line run by Deloitte. The Group has adopted a whistle-blowing policy and an anti-corruption and sanctions policy to align with the OECD guidelines on corruption.

BOARD COMMITTEES

The role and responsibilities of each Board committee are set out in their respective terms of reference, which are reviewed on an annual basis and approved by the Board. A Board sub-committee was established in February 2014, to deal specifically with the acquisitions of David Jones and the non-controlling interest in Country Road Group. Members of this committee were Peter Bacon, Zarina Bassa, Tom Boardman, Andrew Higginson, Mike Leeming, Simon Susman and Hubert Brody. The Board approved a payment to the non-executive directors for the additional work they performed for this sub-committee based on the approved hourly rate for additional services. Hubert Brody was remunerated for the services he provided prior to his appointment as a director.

In line with the delegated powers and authorities, the committees report to the Board quarterly on how they carried out their responsibilities. All committees reviewed their responsibilities and are satisfied that they have carried these out during the year.

BOARD ATTENDANCE AND ACTIVITIES

MEMBERS	ATTENDANCE		2015 ACTIVITIES
	Board	Strategy	
Simon Susman[1]	3/4	2/2	– Approved the strategy, three-year financial plan and one-year budget for 2016 – Approved the half-year and year-end financial results, dividend declarations and JSE announcements – Approved the Integrated Report for 2015 – Discussed and considered material issues relating to the execution of strategy – Approved the acquisitions of David Jones and the non-controlling interest in Country Road Group – Approved the Rights Offer circular – Monitored the Group's debt, cash flow and projected performance following the acquisitions and related financing – Monitored the Group's business transformation programme relating to the acquisitions – Approved the appointment of new directors – Approved the non-executive directors' fees for tabling at the Annual General Meeting – Considered the declaration of directors' personal financial interests at each meeting – Considered the key risk profile for the Group
Ian Moir	3/4	1/2	
Patrick Allaway[2]	2/2	1/1	
Peter Bacon	4/4	1/2	
Zarina Bassa	4/4	2/2	
Tom Boardman[3]	4/4	2/2	
Hubert Brody[4]	4/4	2/2	
Andrew Higginson	3/4	2/2	
Reeza Isaacs	4/4	2/2	
Mike Leeming	4/4	2/2	
Nombulelo Moholi[4]	4/4	2/2	
Sam Ngumeni	4/4	2/2	
Chris Nissen[5]	2/2	1/1	
Lord Rose	4/4	2/2	
Zyda Rylands	4/4	2/2	
Thina Siwendu	4/4	2/2	

1 = Chairman of the Board or committee
2 = Appointed to the Board and committees on 1 December 2014
3 = Lead Independent Director
4 = Appointed to the Board and committees on 1 July 2014
5 = Retired from the Board and committees on 26 November 2014
x/x denotes number of meetings attended/maximum number of meetings held
Apologies tendered and accepted when absent from meetings

NOMINATIONS COMMITTEE

The Nominations Committee ensures that there is proper succession planning for the Board, Group Chief Executive Officer and the executives.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Tom Boardman[1,3]	4/4 (1 as chairman, 3 as member)	– Approved the shareholder engagement strategy – Reviewed the composition of the Board and Board committees – Approved the appointment of the Lead Independent Director as the new Chairman of the Nominations Committee – Reviewed succession planning for the Board and approved the appointment of an additional independent non-executive director – Recommended the appointment of the new Chairman of the Audit Committee upon the retirement of Mike Leeming – Approved the Group governance framework and structure – Approved performance goals for the Group Chief Executive Officer and measurement of his performance – Reviewed succession plans for key executive positions within the Group – Reviewed the results of the Board and committees' evaluations – Evaluated the performance of the Group Secretary
Zarina Bassa	4/4	
Mike Leeming	4/4	
Chris Nissen[5]	2/2	
Lord Rose	4/4	
Simon Susman	4/4 (3 as chairman, 1 as member)	

The full terms of reference of each committee can be found on our corporate website at www.woolworthsholdings.co.za.

RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee is tasked to ensure that all significant risks are identified, evaluated and effectively managed. The metrics that track progress of business unit strategic objectives are tested and verified through application of a combined assurance model. These form the basis of the risk appetite presented to the Board for approval, in line with the strategic objectives of the Group.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Zarina Bassa[1]	4/4 (2 as chairman, 2 as member)	– Approved the alignment of the risk management processes across the Group following the acquisition of David Jones and the Country Road Group non-controlling interests – Reviewed the key risk profile to ensure alignment with the Group's performance objectives – Approved the revised Risk Assessment framework – Reviewed operational risks, including legal and information technology risks – Approved the combined assurance model and the compliance monitoring and training plan – Reviewed the assessment of the risk management process – Reviewed the Group's business continuity strategy and processes – Reviewed and evaluated the Group's insurance programme – Reviewed integration risks associated with the acquisition of David Jones – Received regular updates on changes to the regulatory landscape of the Group
Patrick Allaway[2]	2/2	
Hubert Brody[4]	4/4	
Paula Disberry	2/4	
Andrew Higginson	3/4	
Reeza Isaacs	4/4	
Mike Leeming	4/4 (2 as chairman, 2 as member)	
Ian Moir	3/4	
Nombulelo Moholi[4]	2/2	
Sam Ngumeni	4/4	
Lord Rose	4/4	
Zyda Rylands	4/4	
Thina Siwendu	4/4	
Simon Susman	4/4	

AUDIT COMMITTEE

The Audit Committee ensures that the internal financial controls are adequate and effective through a process of combined assurance, it approves the external auditors fees and ensures that the internal audit department is well resourced. It also considers the Group's going concern assumption and makes recommendations for the Board to approve.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Mike Leeming[1]	4/4	– Approved all financial information contained in the Rights Offer circular – Reviewed and recommended the Group's interim results, Annual Financial Statements and Integrated Report to the Board for approval – Approved the appointment of the external auditors – Reviewed the adequacy the Group's internal controls and reviewed the extent of assurance coverage on the combined assurance model – Reviewed the competence and experience of the Group Finance Director and the finance function – Approved the internal audit plan – Approved the revised Group treasury policy – Satisfied itself with the independence of both the internal and external auditors – Approved the insider trading, price sensitive information, complaints and external auditor's independence policies
Patrick Allaway[2]	2/2	
Peter Bacon	4/4	
Zarina Bassa	4/4	
Hubert Brody[4]	4/4	
Andrew Higginson	2/4	

The statutory report from the Audit committee is included in the Annual Financial Statements report and can also be downloaded from our corporate website at www.woolworthsholdings.co.za

REMUNERATION COMMITTEE

The Remuneration Committee ensures that the Group offers a compelling employee value proposition. The committee ensures that short-term and long-term incentives are commensurate to the Group's performance against strategy with challenging performance conditions and trigger points for achievement of targets.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Tom Boardman[1, 3]	4/4	– Approved the remuneration policy – Approved the increase of the normal retirement age in the Group's South African operations from 60 to 63 and the age for early retirement from 50 to 53, to align with local and international trends – Approved remuneration packages for the Group Chief Executive Officer and key executives – Approved the Group's new short- and long-term incentive schemes, performance conditions and targets for the 2016 financial year – Approved the vesting of applicable share awards – Reviewed the winding up of the BEEESOS – Recommended the increase in non-executive director fees for 2016 – Approved succession and talent plans for senior management
Patrick Allaway[2]	2/2	
Peter Bacon	4/4	
Andrew Higginson	3/4	
Nombulelo Moholi[4]	3/3	
Lord Rose	4/4	
Simon Susman	4/4	

Read more in the Remuneration report on page 108 and in the Annual Financial Statements Report.

The Remuneration report can be downloaded from our corporate at www.woolworthsholdings.co.za

SUSTAINABILITY COMMITTEE

The Sustainability Committee focuses on ethical trade and environmental issues including water scarcity, sustainable farming, waste management, energy usage and climate change, and their impact on our supply chain and how we deliver products to our customers. The committee ensures that all the business units embed the Good Business Journey principles in their decision-making.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Lord Rose[1]	2/3 (1 as chairman, 1 as member)	– Reviewed and approved the Group's Good Business Journey programme, targets and key focus areas for the period to 2020 – Reviewed the execution of the environmental aspects of the Good Business Journey programme – Monitored and analysed international best practice on sustainability matters – Reviewed the risk report on sustainability matters – Appointed external assurance providers for key metrics in the Good Business Journey report – Reviewed the external assurances provided on key metrics – Reviewed environmental legislation and assessed their impact on the business
Tom Boardman	3/3	
Ian Moir	3/3	
Chris Nissen[5]	1/1	
Zyda Rylands	3/3	
Simon Susman	2/3 (1 as chairman, 1 as member)	

Read more in the strategy report on embedding sustainability throughout our business on page 86.

Read more in the Good Business Journey report which can be downloaded from our corporate at www.woolworthsholdings.co.za.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee focuses on social economic development and transformation. The role of the committee has matured in its oversight to ensure that the Group plays a strong corporate citizenship role in the geographies in which it operates. The committee monitors the company's activities against international ethical and social standards, including the principles of the UN Global Compact.

MEMBERS	ATTENDANCE	2015 ACTIVITIES
Thina Siwendu[1]	4/4 (2 as a member, 2 as chairman)	– Reviewed the targeted BBBEE contributor strategy and plans – Approved the appointment of external BBBEE verification agency – Reviewed employment equity and skills development plans for the Group's South African operations – Reviewed social and ethics framework policies – Reviewed the activities of The Woolworths Trust and its donations – Reviewed the activities of the BEEESOS Trust including the winding up of the Scheme
Chris Nissen[5]	2/2 (as chairman)	
Tom Boardman	4/4	
Nombulelo Moholi[4]	4/4	
Ian Moir	3/4	
Simon Susman	3/4	

Read more in the strategy report on embedding sustainability throughout our business on page 86.

Read more in the Good Business Journey report which can be downloaded from our corporate website at www.woolworthsholdings.co.za.

OUR REMUNERATION REPORT

This report compromises three sections:

SECTION 1

A report from the Chairman of the Remuneration Committee highlighting material matters covered by the committee during the year.

SECTION 2

The remuneration philosophy, policy and framework tabled at the Annual General Meeting for a non-binding advisory vote by the Group's shareholders.

SECTION 3

The application of the remuneration policy in the 2015 financial year.

SECTION 1: REMUNERATION CHAIRMAN'S REPORT

I am pleased to present the Remuneration report for Woolworths Holdings Limited. The report deals with the material matters dealt with by the Remuneration Committee during the year. Additional matters are covered in the Governance report found on page 106.

REPORT STRUCTURE

The structure, content and layout of the Remuneration report has changed from the 2014 report.

The committee has adopted components of international best practice remuneration reporting. The new reporting style will provide a clearer distinction between the remuneration policies of the Group and the application thereof in respect of the remuneration paid for the year ended 28 June 2015. Disclosures required as a result of the Group being headquartered in South Africa and listed on the JSE are also included.

The report will evolve as the Group continues to adopt further components of international best practice and as and when any new requirements from King IV emerge.

Subsequent to year end, the Board announced the appointment of Zyda Rylands as the CEO of Woolworths South Africa. By virtue of Zyda being an Executive Director of the Group, the details of her remuneration are disclosed in the Remuneration Report. The Remuneration Committee agreed that it would be appropriate to disclose the remuneration details for the chief executive officers of the other operating subsidiaries of the Group – David Jones and Country Road. The remuneration and participation in the long-term share incentive schemes for Ian Nairn, the CEO of DJ and Matt Keogh, the CEO of CRG, are disclosed as appropriate in Section 2 and 3 of the Remuneration Report.

RIGHTS OFFER

IMPACT ON LONG-TERM SHARE INCENTIVE SCHEMES

The Group undertook a Rights Offer during October 2014 to finance, in part, the acquisition of David Jones. The variation of capital as a result of the Rights Offer had a significant impact on the Group's long-term share incentive schemes. The committee was guided by the rules of the share schemes and the principle that a share scheme participant should not be in a worse-off position as a result of the Rights Offer when considering the adjustments required for each of the share scheme instruments.

Adjustments for unvested and/or unexercised instruments were applied in the following manner:

- Share Appreciation Rights Scheme – strike price adjusted downwards
- Long Term Incentive Share Plan – increase in number of awards
- Restricted Share Plan and share purchase scheme – participants could elect to follow rights or sell nil-paid letters
- Share option scheme – no guidance provided in rules. The committee applied the principle of 'no worse-off' and agreed to pay a discretionary cash bonus in compensation for the lost value
- Deferred Bonus Plan – no action was required as the vesting of the final allocations occurred prior to the date of the Rights Offer.

IMPACT ON EMPLOYEE SHARE OWNERSHIP SCHEME

The Group's broad-based black economic empowerment Employee Share Ownership Scheme (BEEESOS) is administered by Independent trustees. The trustees considered the impact of the Rights Offer on the BEEESOS shares and it was agreed to adjust the hurdle rate of the scheme which resulted in a lower closing target price for the vesting of those shares.

IMPACT ON HEADLINE EARNINGS PER SHARE PERFORMANCE CONDITION

Headline earnings per share (HEPS) is used as a performance condition in the long-term incentive schemes. To ensure direct comparability of actual and target HEPS, adjustments were made to the 2012, 2013 and 2014 target HEPS for the purposes of testing the long-term incentive schemes. The adjustment has been explained in our Group Finance Director's report on page 45.

CHANGES TO REMUNERATION POLICY

The Group's remuneration philosophy ensures that employees are rewarded appropriately for their contribution in the execution of the strategy of the Group with an appropriate balance between short- and long-term objectives. The Employee Value Proposition (EVP) has been designed so that it will continue to attract, engage, retain and motivate the best diverse talent required to deliver sustainable profit growth.

Both the remuneration philosophy and the EVP are becoming increasingly critical as the Group continues to grow, specifically within the context of an increasing number of international players entering the South African and Australian retail markets.

In 2014, the Group acquired David Jones Limited and the remaining shares in Country Road Group, which it did not already own. These acquisitions have significantly changed the make-up of the Group and necessitated a review and alignment of the remuneration policies across the main operating subsidiaries – Woolworths, David Jones and Country Road Group.

The committee considered the proposed changes to the Group remuneration policies and believe that they more fairly reflect the requirements arising from the Group structure. The policies recognise and reward individual responsibility, performance and behaviour in the achievement of business goals and are applicable to all Group employees.

Specifically the changes have impacted the design of the corporate short-term performance bonus scheme and the share instruments used in the long-term incentive schemes. The committee engaged the services of PwC to advise on the design of these schemes.

Interim policies were applied for the 2015 financial year with the new policies applicable from the 2016 financial year onwards. Changes made to the share instruments used for the long-term incentive scheme are explained further on page 118.

NEW RESPONSIBILITIES ARISING FROM GROUP STRUCTURE

The WHL Group is a significantly larger and more complex entity with multiple geographic locations and differing business operations. This additional size and complexity has brought additional responsibilities to both non-executive and executive directors.

The Remuneration Committee reviewed the base salaries of certain executive directors who now have increased Group responsibilities. Adjustments to the base salaries for the Group Chief Executive Officer (Group CEO), the Group Chief Operating Officer (COO) and the Group Finance Director (FD) were approved. The adjustments made to the guaranteed pay of the Group CEO and Executive Directors are shown on page 122.

The committee engaged DG Capital, an independent remuneration consultant, to conduct a detailed benchmarking review of non-executive directors' fees. The review determined that the Chairman's and Directors' fees should be adjusted to adequately remunerate them for the additional responsibilities that they now hold. The new fees are set out on page 124. The committee believes that the fees are appropriate and has recommended them to the Board for final approval by shareholders at the Annual General Meeting.

NON-BINDING ADVISORY VOTE

The Group received the support of more than 95% of shareholders voting in favour of the remuneration policies tabled in the 2014 Integrated Report. During the 2014 proxy voting process, we engaged with a number of shareholders on aspects of the remuneration policies. In particular we received feedback on the performance conditions for the long-term incentive schemes. These discussions were useful and we have reviewed and revised the performance conditions in the design of the new long-term incentive schemes.

I am confident that the Group's remuneration philosophy and policies are aligned to its strategy and have contributed to the progress the Group has made in establishing itself as a major southern hemisphere retailer.

The committee is pleased to present the remuneration philosophy and policy of the Group found on pages 110 to 121, to shareholders for a non-binding advisory vote.

T A BOARDMAN
Chairman of Remuneration Committee

SECTION 2: REMUNERATION PHILOSOPHY, POLICY AND REWARD FRAMEWORK

This report specifically deals with the remuneration for the Group Chief Executive Officer (Group CEO), Executive Directors and key senior executives (Execs). Disclosure is also provided in line with the requirements of South African legislation and guidelines of King III. To provide a more comprehensive view, policies applicable either to different level of employees and/or different geographic areas are included where appropriate.

The following colours are used in the Remuneration report to denote the following:

REMUNERATION	GUARANTEED PAY	VARIABLE PAY	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES	DIRECTORS FEES	NON-FINANCIAL REWARDS

REMUNERATION PHILOSOPHY

The Group's remuneration philosophy is to ensure that employees are rewarded appropriately for their contribution in the execution of the strategy of the Group. The Employee Value Proposition (EVP) has been designed so that it will continue to attract, engage, retain and motivate the best diverse talent required to deliver sustainable profit growth. The Group has to compete internationally for top talent and therefore its remuneration policies must be globally competitive.

The remuneration policies are designed to achieve alignment between the Group's business strategy and the behaviours of all employees against the values of the Group. The policies recognise and reward individual responsibility, performance and behaviour in the achievement of business goals.

These policies are applicable to all Group employees and participation in short- and long-term incentive schemes is dependent on an individual's role and level within the Group.

The remuneration policy and the implementation thereof is focused on achieving a fair and sustainable balance between guaranteed pay, short-term incentives, long-term incentives and retention schemes for these employees.

The EVP balances remuneration (financial rewards) with other non-financial rewards to drive and deliver a high performance culture. The EVP framework is described in the diagram below.

EMPLOYEE VALUE PROPOSITION (EVP)					
REWARDS (FINANCIAL)				NON-FINANCIAL	
GUARANTEED PAY (GP)		VARIABLE PAY (VP)		OPPORTUNITY – career development – training	ORGANISATION – diversity – ethics – brand
BASE PAY	BENEFITS	SHORT-TERM INCENTIVES (STI)	LONG-TERM INCENTIVES (LTI)	WORK – recognition – innovation – job impact	PEOPLE – leadership – work environment

REMUNERATION FRAMEWORK

Remuneration is made up of two elements – Guaranteed Pay (GP) and Variable Pay (VP) as illustrated below:

Guaranteed pay (GP) is benchmarked against applicable retail and non-retail companies within geographic locations to ensure the GP is competitive to attract and retain the required level of experience and expertise required for the Group. Included in GP are benefits including annual leave, retirement or superannuation, healthcare, vehicle allowances and discounts on purchases made in the Group's stores. The details and quantum of the benefits will vary according to Group's operating units and the market in which they trade.

Variable Pay (VP) consists of short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years.

Short-term incentives (STI) are designed to reward the achievement of short-term strategic, financial and non-financial objectives in the one-year business plan. The majority of employees in the WHL Group participate in a STI scheme appropriate to the level and role that they perform in the Group.

Long-term incentives (LTI), at Group Chief Executive Officer, Executive Director, Execs and senior to middle management levels, are an integral part of total remuneration. Allocations of LTI are designed to motivate employees to achieve the three-year strategy aligning shareholder and employee interests. The Group has adopted a number of share scheme instruments for LTI.

Current LTI share schemes in operation are:

- for Group Chief Executive Officer, Executive Directors, Execs and selected Woolworths employees:
  - – Share appreciation rights (SARS)
  - – Long-term incentive plan (LTIP)
  - – Restricted share plan (RSP)
- for Country Road Exco members:
  - – Executive Long-term Incentive Scheme (ELTIS)
- for David Jones Exco members:
  - – the acquisition of David Jones triggered change of control clauses in the DJ share schemes and pro-rata vesting of the schemes in operation occurred. As an interim measure, the Remuneration Committee agreed to include the DJ Exco members on the LTIP scheme applicable to Woolworths employees for the 2015 financial year.

Previous LTI share schemes applied by the Group for Group Chief Executive Officer, Executive Directors, Exco members and selected Woolworths employees were:

- Share purchase scheme, last allocation made in 2006 with awards expiring in October 2016
- Share option scheme, last allocation made in 2008 with awards expiring in October 2018
- Deferred Bonus Plan (DBP), last allocation made in 2011 with vesting in August 2014.

No allocations have been made in terms of these schemes during the year and they will cease to exist once the last vesting and/or expiry dates occur.

REMUNERATION			
GUARANTEED PAY (GP)		VARIABLE PAY (VP)	
BASE PAY	BENEFITS	SHORT-TERM INCENTIVES (STI)	LONG-TERM INCENTIVES (LTI)
Market-related salary tailored to roles and performance	Market related benefits including pension/ superannuation, healthcare, vehicle allowances, discounts on purchases	Annual performance bonus paid on the achievement of one-year financial targets	Share schemes designed to incentivise delivery of long-term strategic goals aligned with shareholder expectations: – Share Appreciation Rights (SARS) – Long-Term Incentive Plan (LTIP) – Restricted Share Plan (RSP) – Executive Long-term Incentive sceme (ELTIS)

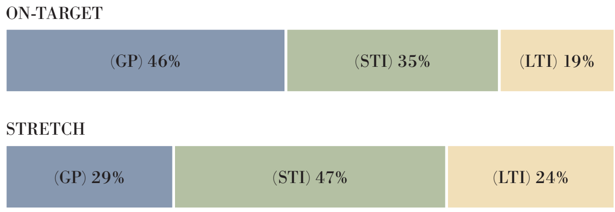
REMUNERATION MIX AND ALIGNMENT TO STRATEGY

REMUNERATION MIX

To achieve a performance culture and an alignment with shareholders through value creation, the total reward mix for the Group Chief Executive Officer, Executive Directors, Execs and senior management is geared towards a higher percentage of variable pay 'at risk' for the achievement of stretch goals.

The opposite chart illustrates the potential composition for the aggregate of the Group Chief Executive Officer and Executive Directors at on-target and stretch levels.

On-target level assumes 50% vesting of annual LTI allocations and on-target STI performance. Stretch assumes 100% vesting of annual LTI allocations and stretch STI performance.



AGGREGATED EXECUTIVE DIRECTORS (INCLUDING GROUP CEO)

ALIGNMENT TO STRATEGY

The goals and performance measures are aligned with Group, company and individual performance. The Group performance conditions underpinning the vesting of "at risk" remuneration have been selected as measures that encourage sustainable growth, without undue excessive risk taking.

The alignment with stakeholders and especially our customers is supported by the individual goals that incorporate selected metrics of the Good Business Journey programme as well as goals and metrics aligned with the delivery of the Group and operating subsidiaries' strategies.

The WHL Group's strategic objectives are set out in the integrated report and the composition of the Group Chief Executive Officer, Executive Directors, Execs and senior management's total remuneration packages reflect and reward achievement of these objectives through the delivery of key individual and business unit goals that are linked to these objectives.

The table opposite illustrates how the measures at an individual, company and Group level support the Group's strategy and are aligned to expectations of shareholders in creating sustainable growth and value creation.

	SHORT-TERM INCENTIVES (STI)			LONG-TERM INCENTIVES (LTI)
STRATEGY	INDIVIDUAL METRICS (EXAMPLES)	COMPANY/BUSINESS AREA METRIC	GROUP METRIC	SHAREHOLDER METRICS*
Build stronger, more profitable customer relationships	Operating profit margin	PBTAE	GROUP PBTAE	HEPS
Be a leading fashion retailer in the southern hemisphere	Market growth/share			
Become a big food business with a difference	Integration of DJ			
Become an omni-channel business	Cost to sell			
Expand into the rest of Africa	Stock turn	EBIT		TSR Performance
Simple, convenient and rewarding financial services	Online sales			
Drive synergies and efficiencies across the Group	Employment Equity			
Embed sustainability throughout our business				

**RoCE implemented as a performance condition for 2016 financial year onwards. (See page 119)*

WOOLWORTHS HOLDINGS SHARE TRUST

The Woolworths Holdings Share Trust, managed by two trustees, administers the utilisation of shares for the purposes of the long-term incentive share schemes. The Trust is guided by the Trust Deed and share scheme rules approved by shareholders in November 2010. The Trust Deed and share scheme rules comply in all aspects with the JSE Limited Listings Requirements.

The maximum number of shares available for allocation in terms of the long-term incentive share schemes is 85 000 000, representing approximately 8% of the current issued share capital. 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 GP. The aggregate total number of shares awarded to an individual participant in terms of the long-term incentive scheme may not exceed 12 700 000.

Shares allocated to participants under the LTI may be purchased on the open market or new shares may be issued. Shares and grants may not be awarded or exercised during a closed period.

SERVICE CONTRACTS AND NOTICE PERIODS

It is the policy that the Group Chief Executive Officer, Executive Directors and Execs have employment agreements with the company which may be terminated with notice periods of between three and six months. Employment agreements may also include restraint of trade agreements.

Expatriate Execs are employed on a fixed term contract subject to obtaining and maintaining applicable work permits.

EXECUTIVE DIRECTORS

REMUNERATION POLICY APPLICABLE TO 2015 FINANCIAL YEAR

The tables below set out the remuneration policies applied by the WHL Group in the 2015 financial year for the Group Chief Executive Officer (Group CEO), Executive Directors and key senior executives (Execs). Components of the policies may differ between the three main operating subsidiaries of the WHL Group and where elements are different, the details per subsidiary are highlighted.

In addition, components which are applicable to all employees, are also highlighted. As explained in the Remuneration Chairman's report on page 109, the remuneration policies have been reviewed to align Woolworths (WSA), David Jones (DJ) and Country Road Group (CRG) to the WHL Group policies. The new Group policies will be applicable for the 2016 financial year and are explained in more detail on pages 118 and 119.

	GUARANTEED PAY (GP)		SHORT-TERM INCENTIVES (STI)		
	WOOLWORTHS, DAVID JONES AND COUNTRY ROAD GROUP		WOOLWORTHS	DAVID JONES	COUNTRY ROAD GROUP
	BASE SALARY	RETIREMENT/SUPERANNUATION, HEALTHCARE AND OTHER BENEFITS	SHORT-TERM PERFORMANCE BONUS	SHORT-TERM INCENTIVE PLAN (STIP)	SHORT-TERM INCENTIVE PROGRAMME (STIP)
PURPOSE AND LINK TO STRATEGY	Market-related level of remuneration with consideration to specific requirements of the role.	Benefits and allowances of a compulsory and non-compulsory nature appropriate to the market and contribute to well-being of employees, in line with EVP.	Motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan.		
MECHANICS	Reviewed annually against retail peer companies in South Africa, Australia and other countries in which the Group trades. Market conditions, company performance, internal comparability, individual performance and responsibility are taken into consideration. Includes performance against financial and non-financial objectives and individual behaviour against Group values. No obligation to increase base salary. Audited GP for Group CEO and Executive Directors is shown on page 128.	Benefits include: – retirement funding, superannuation – healthcare – motor vehicle allowance and vehicle leasing options – discount provided on purchases made in the Group's stores – other benefits as per specific country	The target is determined annually in advance. The performance bonus is weighted: – 70% financial performance allocated depending on role between overall WHL Group and specific WSA business area performance – 30% individual performance. On-target performance allocations of GP: – Group CEO: 150% – Executive Directors and Execs (WSA): 50% Payments commence when threshold incentive trigger is achieved. Earnings potential is applied on a sliding scale between threshold, on-target and stretch performance. Audited STI for Group CEO and Executive Directors is shown on page 128.	The target is determined annually in advance. The performance bonus is weighted: – 30% – 90% overall DJ financial performance, including customer service – 0% – 40% financial performance of specific DJ business area – 10% – 40% achievement of strategic priorities, including integration programme On-target performance allocations of GP: – DJ CEO: 80% – DJ Exco members: 40% to 80% dependent on role	The target is determined annually in advance. The performance bonus is weighted: – 70% financial performance allocated depending on role between overall CRG performance and specific CRG business area performance – 30% individual performance. On-target performance allocations of GP: – CRG CEO: 80% – CRG Exco members: 30% Payments commence when threshold incentive trigger is achieved. Earnings potential is applied on a sliding scale between on-target and stretch performance.
OPPORTUNITY AND MAXIMUM LIMIT	Base salary reviewed in context of company and Group performance, inflation and affordability.	Some benefits and the quantum of the benefits will vary according to Group's subsidiaries and the market in which they trade.	Stretch performance allocations of GP capped at: – Group CEO: 200% – Executive Directors and Execs (WSA): 150%	Stretch performance allocations of GP capped at: – DJ CEO: 125% – DJ Exco members: 100% – 115%	Stretch performance allocations of GP capped at: – CRG CEO: 125% – CRG Exco members: 115%
PERFORMANCE CONDITIONS	Adjustments influenced by individual performance metrics aligned with strategy and behaviours to Group values.	n/a	Target: % growth of Group PBTAE. In finalising STI payments, the Remuneration Committee may exercise discretion to mitigate any unintended consequences.	Target: Budgeted PBTAE.	Target: percentage growth of Country Road Group PBTAE.
OTHER	n/a	n/a	All employees in Woolworths are entitled to participate in a STI scheme at different levels of % of GP at on-target and stretch level. The Remuneration Committee has the discretion to exercise reasonability and discretion to pay ex gratia payments where extraordinary value has been created by executives.	Employees in some roles in David Jones did not participate in a STI scheme for 2015 financial year.	All employees in Country Road Group are entitled to participate in a STI scheme at different levels of % of GP at on-target level and stretch level.

REMUNERATION POLICY APPLICABLE TO 2015 FINANCIAL YEAR (CONTINUED)

	LONG-TERM INCENTIVES (LTI)		LONG-TERM INCENTIVES (LTI)	
	WOOLWORTHS		WOOLWORTHS	COUNTRY ROAD GROUP
	SHARE APPRECIATION RIGHTS SCHEME (SARS SCHEME)	LONG-TERM INCENTIVE PLAN (LTIP)	RESTRICTED SHARE PLAN (RSP)	EXECUTIVE LONG-TERM INCENTIVE SCHEME (ELTIS)
PURPOSE AND LINK TO STRATEGY	Motivate employees to achieve three-year strategy aligning shareholder and executive interests.		Retain and motivate employees who are key to the delivery of the Group's long-term strategy. Enables the recruitment of key executives to address value forfeited on resignation from a previous employer.	Attract, retain and motivate employees to achieve three-year strategy aligning shareholder and executive interests.
MECHANICS	Participants are awarded a conditional right to receive shares equal to the value of the difference between the share price at grant date and the share price when the rights are exercised (should the share appreciate in value). Vesting occurs subject to the achievement of performance conditions over a three-year performance period. Participants must exercise rights within seven years of grant date. Audited SARS allocations for Executive Directors are shown on page 124.	Participants are entitled to the delivery of conditional awards in shares after three years from date of grant provided that certain performance conditions are met. Vesting occurs subject to the achievement of performance conditions over a three-year performance period. Vesting occurs on a linear scale in accordance with an agreed threshold and stretch 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. Audited LTIP allocations for Executive Directors are shown on page 124.	Participants allocated the unrestricted delivery of shares after a three- to five-year period from the date of grant or shorter period at the discretion of the Remuneration Committee. Vesting occurs on condition that the participant is still in the employ of the Group on the expiry of the agreed vesting period and any applicable performance conditions are achieved. Staggered vesting occurs from year three to year five. The Remuneration Committee has the discretion to amend vesting periods where appropriate. Participants entitled to receive dividends during the vesting period. Audited RSP allocations for Group CEO and Executive Directors are shown on page 124.	For the 2015 financial year, the CRG CEO participates as an Exec and received an allocation of LTIP. Participants are entitled to receive a cash award based on the value of units granted after three years from date of grant provided that performance conditions are met. Vesting occurs subject to the achievement of performance condition over a three-year performance period.
OPPORTUNITY AND MAXIMUM LIMIT	Grants are made annually at the discretion of the Remuneration Committee based on GP at grant date. Allocations capped at: – Executive Directors and Execs (WSA): 60% – DJ and CRG CEO: not applicable With effect from 1 July 2014, the Group CEO did not receive an annual allocation of SARS.	Grants are made annually at the discretion of the Remuneration Committee based on GP at grant date. Allocations capped at: – Executive Directors and Execs (WSA): 65% – DJ and CRG CEO: 100% 2015 DJ specific allocations capped at: – DJ COO: 100% – DJ Exco members: 46% With effect from 1 July 2014, the Group CEO did not receive an annual allocation of LTIP.	Grants are made at the discretion of the Remuneration Committee based on GP at grant date. Allocations: – Group CEO: 150% – Other categories: Minimum award: 100% Maximum award: 300% Allocations limited to the Group CEO, Executive Directors, Execs and selected core and scarce employees. With effect from 1 July 2014, it was agreed that the Group CEO would receive an annual allocation of RSP with performance conditions in line with those of the LTIP.	Grants are made annually at the discretion of the Remuneration Committee based on GP at grant date. Unit allocations: – Award: 100% for existing participants – Award: 150% for new participants in the first year only There is no capping on the resultant cash award paid to a participant.
PERFORMANCE CONDITIONS	Core measure of headline earnings per share (HEPS) growth of Consumer Price Index (CPI) plus 6% over a three-year performance period. Performance conditions agreed annually taking into account market conditions and three-year Group strategy. No retesting of performance conditions for awards made after June 2011. Awards lapse if performance conditions are not achieved.	Measures equally weighted between HEPS growth of CPI plus an agreed percentage year-on-year and Total Shareholder Return (TSR) of WHL relative to the TSR of a selected peer group index for the same period. HEPS performance condition: – minimum threshold for 30% vesting – stretch target for 100% vesting TSR performance condition: – TSR performance of Woolworths is equal to or below the lower quartile (i.e. if 75% of peer group perform better than Woolworths) no vesting of TSR condition – TSR performance of Woolworths is equal to or exceeds the upper quartile performance (or 75% of our peers) 100% vesting No retesting of performance conditions. Awards lapse if performance conditions are not achieved.	100% vesting on condition that the participant is still in the employ of the Group on the expiry of the agreed vesting periods. Performance conditions imposed for vesting are at the discretion of the Remuneration Committee. No retesting of performance conditions. Awards lapse if performance conditions are not achieved.	Core measure of EPS growth of CPI plus 2% compounded over the three-year performance period. No retesting of performance conditions. Awards lapse if performance conditions are not achieved.
OTHER ELEMENTS	Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King III recommendations. No allocations will be made from SARS scheme post-June 2015.	Peer group consists of a selection of JSE-listed companies based on PwC closeness metric approach which selects peer group based on following factors: sector, EBITDA, total assets, market capitalisation and price earnings ratio. Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King III recommendations.	Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King III recommendations. Shares are purchased on the open market and held by third-party in escrow.	No allocations will be made from ELTIS scheme post-June 2015.
NUMBER OF PARTICIPANTS	520	68	74	10

REMUNERATION POLICY APPLICABLE TO 2016 FINANCIAL YEAR ONWARDS

The table below sets out the remuneration policies for STI and LTI which will be applied for the 2016 financial year onwards for the Group Chief Executive Officer, Executive Directors, key senior executives (Execs) and all employees in Woolworths, David Jones and Country Road Group. The LTIP scheme will in future be called the Performance Share Plan (PSP) scheme.

The details for Guaranteed Pay (GP) and Restricted Share Plan (RSP) remain unchanged from the 2015 polices detailed on page 114 and 117. No allocations will be made in terms of the SARS, LTIP and ELTIS schemes for 2016.

	SHORT-TERM INCENTIVES (STI)	LONG-TERM INCENTIVES (LTI)
	SHORT-TERM PERFORMANCE BONUS	PERFORMANCE SHARE PLAN (PSP)
PURPOSE AND LINK TO STRATEGY	Motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan.	Motivate employees to achieve three-year strategy aligning shareholder and executive interests.
MECHANICS	The target is determined annually in advance. STI calculated as follows: – Group CEO: 100% based on WHL Group performance – Group COO and Group FD: 100% based on WHL Group performance – Executive Directors and Execs: 50%–75% based on WHL Group performance with remaining 50%–25% based on company and/or specific business area performance Individual performance scores (IPM) and specific company EBIT performance are multipliers for the final payments. On-target performance allocations of GP: – Group CEO: 100% – Group COO and Group FD: 80% – WSA, DJ and CRG CEO: 80% – Execs: 50% Payments commence when threshold incentive trigger is achieved. Earnings potential is applied on a sliding scale between threshold, on-target and stretch performance.	Participants are entitled to the delivery of conditional awards in shares after three years from date of grant provided that certain performance conditions are met. Vesting occurs subject to the achievement of performance conditions over a three-year performance period. Vesting occurs on a linear scale in accordance with an agreed threshold and stretch 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.
OPPORTUNITY AND MAXIMUM LIMIT	Stretch performance allocations of GP capped at: – Group CEO: 125% – Group COO and Group FD: 150% – WSA CEO: 150% – Execs (WSA): 150% – DJ and CRG CEO: 125%	Grants are made annually at the discretion of the Remuneration Committee based on GP at grant date. Allocations capped at: – Executive Directors and Execs (WSA): 79% – WSA, DJ and CRG CEO: 100% – DJ and CRG Exco members: 46%

	SHORT-TERM INCENTIVES (STI)	LONG-TERM INCENTIVES (LTI)
	SHORT-TERM PERFORMANCE BONUS	PERFORMANCE SHARE PLAN (PSP)
PERFORMANCE CONDITIONS	Target: % growth of WHL Group PBTAE and/or company EBIT WHL Group PBTAE acts as a gatekeeper for profit pool accumulation. In finalising STI payments, the Remuneration Committee may exercise discretion to mitigate any unintended consequences.	WHL Group measures weighted: – HEPS: 50% – TSR: 30% – RoCE: 20% HEPS performance condition: – minimum threshold for 30% vesting – stretch target for 100% vesting TSR performance condition: – TSR performance of Woolworths is equal to or below the median quartile (i.e. if 50% of peer group perform better than Woolworths) no vesting of TSR condition – TSR performance of Woolworths is equal to or exceeds the upper quartile performance (or 75% of our peers) 100% vesting RoCE performance condition: – minimum threshold for 30% vesting – stretch target for 100% vesting. Stretch target based on average of three-year projected performance. No retesting of performance conditions. Awards lapse if performance conditions are not achieved.
OTHER	All employees in the WHL Group will participate in a STI scheme at different levels of % of GP at on-target and stretch level. All participants of the corporate STI have a percentage of WHL Group performance included in the STI calculation regardless of whether they work for WSA, DJ or CRG. Store and supply chain employees participate in gain-share or commission schemes appropriate to their employer company. The Remuneration Committee has the discretion to exercise reasonability and discretion to pay ex gratia payments where extraordinary value has been created by executives.	Peer group consists of a selection of JSE-listed companies based on PwC closeness metric approach which selects peer group based on following factors: sector, EBITDA, total assets, market capitalisation and price earnings ratio. Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King III recommendations.

NON-EXECUTIVE DIRECTORS

REMUNERATION POLICY

The table below sets out the remuneration policies applied by the Group for the 2015 financial year for the Non-executive Directors.

These policies will be applicable for the 2016 financial year and form the underlying basis for the fees tabled for shareholder approval at the Annual General Meeting to be held in November 2015.

	NON-EXECUTIVE DIRECTOR REMUNERATION			
	CHAIRMAN	DIRECTOR AND LEAD INDEPENDENT DIRECTOR	COMMITTEE	BENEFITS
PURPOSE	A market-related fee to attract and retain Non-executive Directors.		Fees to reflect the additional responsibilities undertaken through membership of committees. Committee Chairmen receive an additional amount.	
MECHANICS	Fees are reviewed annually against retail peer companies in South Africa, Australia and the United Kingdom. Directors based in the United Kingdom are paid director fees in Sterling and directors based in Australia in Australian Dollars. Non-executive Directors who perform a similar role for the main operating subsidiaries are remunerated for those functions – Patrick Allaway is a Non-executive Director of DJ and CRG and Gail Kelly will be appointed as a Non-executive Director of DJ and CRG. Fees reflect the time commitment, demands and responsibility of the role. The Board believes that it is appropriate to propose an annual fee structure as the directors are required to provide input on an on-going basis throughout the year which is not just confined to attendance at meetings. Fees are proposed by Executive Directors based on independently benchmarked fees. The Remuneration Committee recommends the fees to the Board for final approval by shareholders. Audited Non-executive Directors' fees for the 2015 financial year are shown on page 134.			Non-executive Directors receive discount provided on purchases made in WHL Group stores. No other benefits are provided. Non-executive Directors do not participate in any STI or LTI schemes. The Chairman receives post-retirement healthcare by virtue of him previously holding the role of Group CEO and retiring from that position.
PAYMENTS	Fees are paid quarterly in arrears in cash.			

PROPOSED NON-EXECUTIVE DIRECTORS' FEES

As explained in the Chairman's report on page 109, the fees for Non-executive Directors have been independently benchmarked.

The benchmarks used were the higher of the top quartile of the South African retail market, the median of the Top 30 and the median of the Top 10 companies listed on the JSE that earned more than 40% of their revenue from outside South Africa. These benchmarks are more closely aligned to the new WHL Group structure post the acquisition of David Jones.

Fees for international directors were benchmarked against directors' fees paid in the United Kingdom and Australian retail markets.

The proposed fees are shown in the table below:

	Current approved fees (R000's)	Proposed fees (R000's)	% increase
Chairman	1 075.0	1 510.0	40%
Lead Independent Director	322.5	550.0	71%
South Africa based director	268.8	350.0	30%
United Kingdom based director (paid in £)	£46.2	£73.0	58%
Australia based director (paid in A$)	–	A$150.0	–
Audit Committee chairman	246.4	310.0	26%
Audit Committee member	123.2	170.0	38%
Nominations Committee chairman	95.7	160.0	67%
Nominations Committee member	58.1	100.0	72%
Remuneration Committee chairman	195.7	210.0	7%
Remuneration Committee member	97.8	110.0	12%
Risk and compliance Committee chairman	175.0	210.0	20%
Risk and compliance Committee member	87.5	110.0	26%
Social and Ethics Committee chairman	155.9	170.0	9%
Social and Ethics Committee member	78.5	100.0	27%
Sustainability Committee chairman	155.9	170.0	9%
Sustainability Committee member	78.5	100.0	27%
Attendance at executive committee meetings (paid per meeting)	–	10.0	–
Hourly rate for additional service	R3 900	R4 800	23%

SERVICE CONTRACTS

Non-executive Directors do not have service contracts, but serve the company through a letter of appointment which may be terminated without liability for compensation. Directors must be elected by shareholders at an Annual General Meeting on a rotational basis, usually being three year intervals.

SECTION 3: APPLICATION OF REMUNERATION POLICY FOR THE YEAR ENDED 28 JUNE 2015

This section of the report specifically deals with the remuneration for the Group Chief Executive Officer (Group CEO), Executive Directors and Non-executive Directors and where appropriate details are included for Execs and other employees.

PRESCRIBED OFFICERS

Following the acquisition of David Jones, the Board reviewed the roles which were previously classified as prescribed officers in 2014 and concluded that there were no prescribed officer roles for the 2015 financial year.

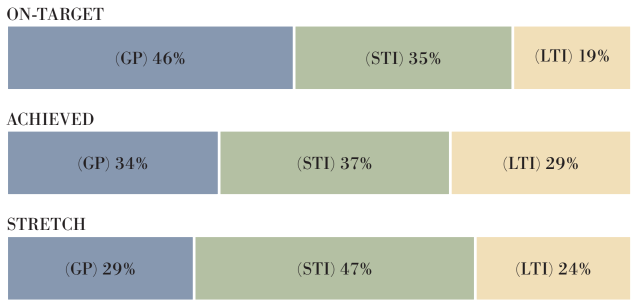
GROUP CEO AND EXECUTIVE DIRECTORS

REMUNERATION MIX (AUDITED)

The opposite chart has been prepared on the same basis as the chart on page 112 representing the potential mix of guaranteed pay, short-term performance bonus and long-term incentives compared with the actual mix achieved for the year ended 28 June 2015. The chart reflects the composition of the aggregation for the Group CEO and Executive Directors.

On-target level assumes 50% vesting of annual LTI allocations and on-target STI performance. Stretch (maximum) assumes 100% vesting of annual LTI allocations and stretch STI performance.

The achieved remuneration mix is as a result of the STI achieved for the year, explained in more detail on page 123.



AGGREGATED EXECUTIVE DIRECTORS (INCLUDING GROUP CEO)

GUARANTEED PAY (GP) (AUDITED)

The annual GP increases effective 1 October 2014 are set out in the table opposite.

As explained in the Chairman's report on page 108, the GP for those Executive Directors who perform a significant Group role was adjusted to more appropriately reflect the responsibility that they now hold. These adjustments were benchmarked taking into account the sizeable portion of Group revenue and contribution to Group PBTAE generated from the Australian operations. The benchmarks used were the higher of the top quartile of the South African retail market and against the median of the Top 30 and the Top 10 companies (with offshore revenue greater than 40%) listed on the JSE dependent on the role being considered. These increases are shown in the table opposite.

	GUARANTEED PAY (GP)
	% increase
Group CEO and Executive Directors	32.02%
Key senior executives (Execs)	10.28%
Management South Africa Management Australia	6.32% 2.50%
Staff South Africa Staff Australia	7.06% 2.63%

SHORT-TERM INCENTIVES (STI) (AUDITED)

Performance for the period – Woolworths

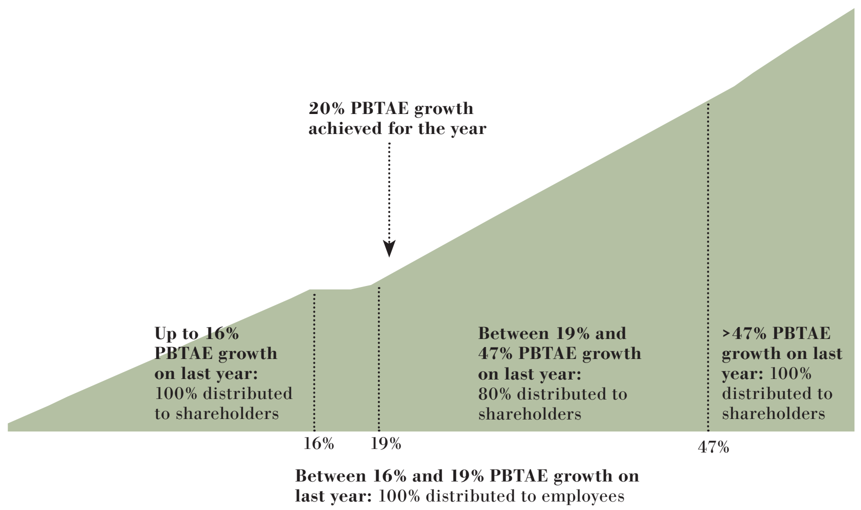
The performance conditions for the short-term performance bonus were tested to determine if the minimum incentive trigger had been achieved.

The trigger for the 2015 financial year was 16% growth of PBTAE.

The graph below shows the profit sharing between shareholders and employees. The threshold target equated to a pre-incentive comparable PBTAE growth of 16%. The stretch target was 47%.

The Group performed well, for the year ended 28 June 2015, achieving a pre-incentive PBTAE growth of 20% on the base comparable PBTAE, and therefore the STI performance bonuses were paid at the level shown in the graph below.

The Group CEO, Group COO and Managing Director – Food all received STI payments based on stretch performance at an individual level.



Performance for the period – David Jones

The performance conditions for the short-term performance bonus were tested to determine if the minimum incentive trigger had been achieved.

The incentive trigger was achieved and payments were made in line with the scheme rules.

Performance for the period – Country Road Group

The performance conditions for the short-term performance bonus were tested to determine if the minimum incentive trigger had been achieved.

The performance of CRG for 2015 fell below the corporate incentive trigger and therefore no corporate STI was paid out. However, payments have been made in terms of the stores gain-share and commission schemes available to CRG store employees.

LONG-TERM INCENTIVES (LTI) (AUDITED)

Allocations for the period

The allocations for the Group CEO and Executive Directors for components of LTI were approved by the Remuneration Committee during the 2015 financial year and are shown in the table below.

In line with the remuneration policy detailed on page 117, with effect from 1 July 2014, the Group CEO received an annual allocation on the RSP scheme and would not be entitled to receive annual rolling allocations of SARS and LTIP. He received an annual allocation of 150% of GP (258 210 RSP shares), which are subject to performance conditions for vesting in line with the LTIP performance conditions.

The Group CEO received an award of 355 000 RSP shares with the aim of retaining him until retirement. The award has individual performance conditions applicable to the different vesting percentages. This award was previously announced on SENS in 2014, effective 5 January 2015 and was only allocated to him once the closed period was lifted after the interim financial results were announced.

LTI allocations in 2015 to Executive Directors and Execs were made in line with the percentage allocations described in the remuneration policy table on pages 114 to 117.

As a result of the Rights Offer, individuals elected to follow their rights on shares that they held at the date of the Rights Offer. The number of rights followed by Group CEO and Executive Directors are shown in the table below. As explained in the Remuneration Chairman's report on page 108, the number of unvested LTIP awards held by participants at the date of the Rights Offer was increased to ensure that participants were not in a worse off position as a result of the Rights Offer. The adjustments made are reflected in the table below.

More details on LTI shares held by the Group CEO and Executive Directors can be found on pages 129 to 133.

	LONG-TERM INCENTIVES						RIGHTS OFFER IMPACT			
	SARS AWARDS		LTIP AWARDS		RSP AWARDS		RIGHTS OFFER FOLLOWED		ADJUSTMENTS TO LTIP	
	Number	Price	Number	Price	Number	Price	Number	Price	Number	Price
Ian Moir					258 210	R69.71	270 812	R59.50	11 321	R58.68
Ian Moir					355 000	R92.14				
Reeza Isaacs	25 115	R74.06	27 208	R74.06			23 065	R59.50	2 093	R60.72
Sam Ngumeni	55 092	R74.06	59 682	R74.06			135 335	R59.50	2 792	R58.20
Zyda Rylands	32 358	R74.06	35 055	R74.06			485 965	R59.50	3 850	R58.31
Ian Nairn			150 212	R78.13						
Matt Keogh			100 141	R78.13					1 742	R55.68
Total	112 565		372 298		613 210		915 177		21 798	

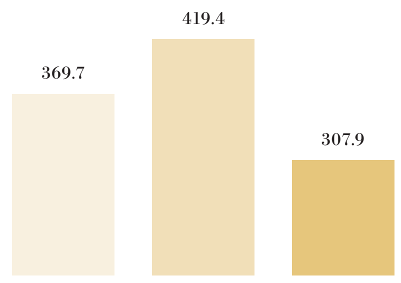
Performance conditions for the period – Woolworths SARS

The performance conditions for SARS and LTIP August 2012 allocations were tested to determine if vesting had been achieved.

The performance condition for SARS is HEPS growth of CPI plus 6% over the three-year performance period. HEPS has been adjusted for certain once-off costs and any unrealised foreign exchange gains or losses. For the 2015 financial year, adjustments amounted to R444 million, being transaction and associated costs of R473 million and unrealised foreign exchange gain reversal of R29 million.

The opposite graph shows the target HEPS, which was required for the full vesting of the August 2012 SARS against actual HEPS and adjusted HEPS.

Adjusted HEPS achieved was 419.4 cps, 36% growth on target HEPS of 307.9 cps.



HEPS PERFORMANCE – SARS

- Actual HEPS
- Adjusted HEPS
- Target HEPS

Performance conditions for the period – Woolworths LTIP

The performance conditions for LTIP are:

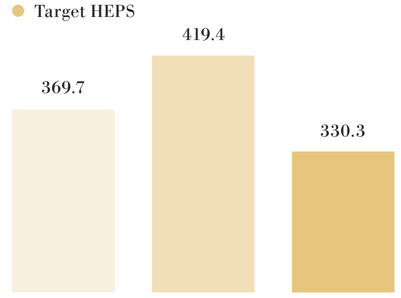
- 50% based on HEPS growth of CPI plus 5% per annum and
- 50% based TSR performance compared to the peer group TSR performance.

The opposite graph shows the target HEPS, which was required for the full vesting of the August 2012 LTIP against actual HEPS and adjusted HEPS.

Adjusted HEPS achieved was 419.4 cps, 27% growth on target HEPS of 330.3 cps.

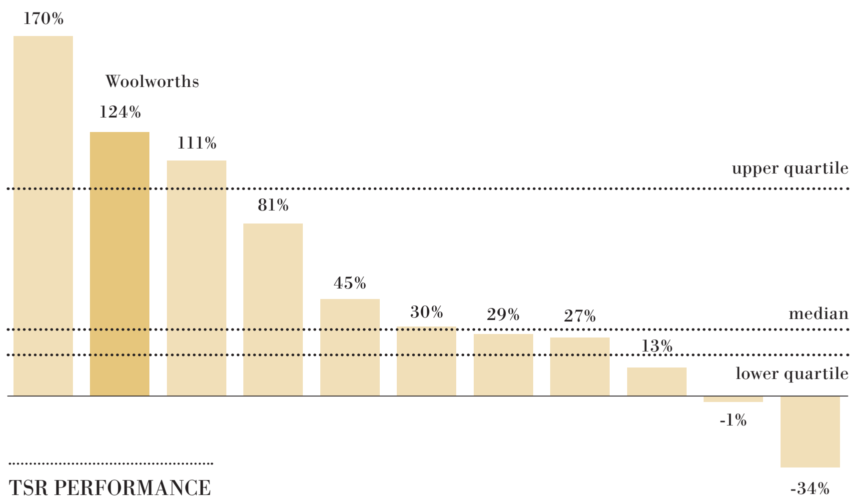
The graph below compares the TSR performance of the company to the TSR index of the peer group at the lower, median and upper quartile. These comparisons are for the August 2012, August 2013 and August 2014 LTIP awards.

Actual TSR performance was 124% growth, above the peer group in the upper percentile. This, together with the HEPS performance shown above has resulted in the LTIP 2012 allocations vesting for all participants of the LTIP scheme.



HEPS PERFORMANCE – LTIP

THE AUGUST 2012 ALLOCATIONS OF SARS AND LTIP ACHIEVED FULL VESTING



TSR PERFORMANCE

LONG-TERM INCENTIVES (LTI) (AUDITED) (CONTINUED)

Performance conditions for the period – David Jones

There were no LTI allocations applicable to DJ. All LTI plans were subject to pro-rata vesting at the date of the acquisition of DJ by WHL in August 2014.

Performance conditions for the period – Country Road Group – ELTIS

The performance conditions for 2012 ELTIS plan in CRG were tested to determine if vesting had been achieved.

The performance condition for ELTIS is EPS growth of CPI plus 2% compounded over the three-year performance period.

The performance conditions for the ELTIS 2012 allocations have been met with vesting for all participants of the ELTIS scheme.

The ELTIS scheme has been discontinued, however performance conditions for vesting will be tested for allocations made in 2013 and 2014.

UTILISATION OF SHARES HELD BY WOOLWORTHS HOLDINGS SHARE TRUST

In line with the JSE requirements, an analysis of the shares utilised for the purposes of LTI is shown in the table below:

Opening balance available	23 254 043
Allocations made to participants	(4 647 303)
Exercised/lapsed	5 546 501
Sold by participants	(3 925 119)
Closing balance available	20 228 122

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REMUNERATION FOR YEAR ENDED 28 JUNE 2015 (AUDITED)

As detailed in the remuneration policy on pages 114 to 117, remuneration paid to Executive Directors and prescribed officers (2014 only) of Woolworths Holdings Limited in connection with the affairs of the company and its subsidiaries during the year ended 28 June 2015 and comparatives for 29 June 2014 are set out below:

2015		GUARANTEED PAY			SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES		RETENTION	REMUNERATION
	Notes	Base salary (1) R000's	Benefits (2) R000's	Total guaranteed pay R000's	Performance bonus R000's	Fair value of shares, options, SARS, LTIP and DBP granted (3) R000's	Interest-free loan benefit (4) R000's	Fair value of restricted shares (5) R000's	Total remuneration R000's
EXECUTIVE DIRECTORS									
Ian Moir		11 187	138	11 325	20 866	5 336	–	11 650	49 177
Reeza Isaacs	(6)	3 839	433	4 272	2 410	1 534	–	2 163	10 379
Sam Ngumeni	(7)	3 835	807	4 642	3 013	2 610	259	950	11 474
Zyda Rylands	(8)	3 775	1 001	4 776	2 792	2 781	771	–	11 120
		22 636	**2 379**	**25 015**	**29 081**	**12 261**	**1 030**	**14 763**	**82 150**
OPERATING SUBSIDIARIES (AMOUNTS EXPRESSED IN A$000's)									
Ian Nairn	(9)	1 048	41	1 089	1 155	16	–	–	2 260
Matt Keogh	(9)	629	159	788	_	11	–	–	799
		1 677	**200**	**1 877**	**1 155**	**27**	**–**	**–**	**3 059**
2014									
EXECUTIVE DIRECTORS									
Ian Moir		8 959	77	9 036	9 595	6 711	–	2 185	27 527
Reeza Isaacs	(6)	2 802	326	3 128	2 430	853	–	2 163	8 574
Sam Ngumeni	(7)	2 632	598	3 230	3 065	1 698	255	1 615	9 863
Zyda Rylands		3 623	711	4 334	3 601	2 811	808	507	12 061
Norman Thomson	(10)	1 324	351	1 675	1 029	253	301		3 258
		19 340	**2 063**	**21 403**	**19 720**	**12 326**	**1 364**	**6 470**	**61 283**
PRESCRIBED OFFICERS									
Paula Disberry	(11)	503	79	582	311	387	–	110	1 390
Brett Kaplan		3 069	368	3 437	1 921	2 197	–	663	8 218
		3 572	**447**	**4 019**	**2 232**	**2 584**	**–**	**773**	**9 608**
		22 912	**2 510**	**25 422**	**21 952**	**14 910**	**1 364**	**7 243**	**70 891**

NOTES

1. Base salary includes Non-executive Director fees paid by Country Road Group: 2015: Ian Moir A$24 375 and Zyda Rylands A$7 576, (2014: Ian Moir A$97 500, Norman Thomson A$20 000, Zyda Rylands A$40 000 and Paula Disberry A$6 667).
2. Benefits include retirement, healthcare, related benefits and discounts received on purchases made in WHL Group stores.
3. IFRS 2 Share-based payments has been used to equate the annual expense value of shares, options, SARS, LTIP and DBP (2014 only) held at the end of the financial year. It also includes the allocation of BEEESOS scheme shares granted to Zyda Rylands and Sam Ngumeni.
4. The interest-free loan relates to the purchases of shares under the Woolworths Holding Share Trust. The benefit has been calculated at 6.729% (2014: 6.167%) (average) on the value of the outstanding loan.
5. IFRS 2 Share-based payments has been used to equate the annual expense value of RSP shares.
6. Reeza Isaacs was appointed as Finance Director on 26 November 2013, (2014: remuneration disclosed for the full financial year, including the five-month period prior to him being appointed as a director).
7. Sam Ngumeni was appointed to the Holdings Board on 12 February 2014, (2014: remuneration disclosed for the full financial year, including the seven-month period while he was a prescribed officer).
8. Zyda Rylands was paid a discretionary cash bonus of R168 090 (included in benefits) in compensation for the lost value on share options held at the time of the Rights Offer.
9. The disclosure of the remuneration of Ian Nairn (as DJ CEO) and Matt Keogh (as CRG CEO) is voluntary. Figures are extracted from the DJ and CRG Audited Annual Financial Statements.
10. Norman Thomson retired from the Board on 26 November 2013. Other benefits included his leave pay and retirement gift. He earned A$20 000 as a Non-executive Director of Country Road up to his retirement. He remained a Non-executive Director of Country Road Group and earned A$45 000 for the remainder of the financial year. Norman was appointed a Non-executive Director for certain African countries from 26 November 2013 and earned fees of R175 000 for the period 26 November 2013 to 29 June 2014.
11. Paula Disberry was appointed as Group Director: ROG with effect 1 September 2013. The position is not considered to be a prescribed officer and therefore remuneration from that date is not disclosed. She remained a Non-executive Director of Country Road Group and was paid fees of A$33 333 for the period 1 September 2013 to 29 June 2014.

SHAREHOLDING IN TERMS OF LTI SHARE SCHEMES AS AT 28 JUNE 2015 (AUDITED)

As detailed in the remuneration policy on pages 114 to 117, shares and/or awards held by the Group Chief Executive Officer and Executive Directors of Woolworths Holdings Limited in terms of the LTI share schemes are shown in the tables below.

Restricted share plan (RSP) scheme

	AS AT 29 JUNE 2014		PURCHASED		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015
Name and offer date	Number	Price	Number	Price	Number	Price	Number
Ian Moir							
January 2010	793 280	R16.89			793 280	R91.06	–
October 2014			258 210	R69.71			258 210
January 2015			355 000	R92.14			355 000
Total	793 280		613 210		793 280		613 210
Reeza Isaacs							
June 2013	104 840	R73.92					104 840
Total	104 840						104 840
Sam Ngumeni							
February 2011	215 174	R25.56			161 380	R88.91	53 794
August 2012	27 812	R59.25					27 812
Total	242 986				161 380		81 606
Zyda Rylands							
May 2010	103 125	R23.34			103 125	R99.53	–
Total	103 125				103 125		

SHAREHOLDING IN TERMS OF LTI SHARE SCHEMES AS AT 28 JUNE 2015 (AUDITED) (CONTINUED)

As detailed in the remuneration policy on pages 114 to 117, shares and/or awards held by the Group Chief Executive Officer and Executive Directors of Woolworths Holdings Limited in terms of the LTI share schemes are shown in the tables below.

Share purchase scheme

	AS AT 29 JUNE 2014		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price	Number	Price	Vested	Unvested	Total
Sam Ngumeni							
December 2004	26 036	R10.59	26 036	R10.59			–
August 2005	35 332	R11.31	35 332	R11.31			–
August 2006	33 050	R13.30			33 050		33 050
November 2006	190 216	R15.74			190 216		190 216
Total	284 634		61 368		223 266		223 266
Zyda Rylands							
December 2004	221 839	R10.59	221 839	R10.59			–
December 2004	37 734	R10.59	37 734	R10.59			–
March 2005	120 000	R10.18	120 000	R10.18			–
August 2005	132 626	R11.31			132 626		132 626
August 2005	144 923	R11.31			144 923		144 923
August 2006	129 699	R13.30			129 699		129 699
October 2006	291 758	R13.71			291 758		291 758
Total	1 078 579		379 573		699 006		699 006

Share option scheme

	AS AT 29 JUNE 2014		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price*	Number	Price*	Vested	Unvested	Total
Zyda Rylands							
October 2008	65 279	R8.81			65 279		65 279
Total	65 279				65 279		65 279

** Cash payments made due to adjustments to the fair value of the unexercised options as a result of the Rights Offer and in terms of the Trust Deed.*

Deferred bonus plan (DBP) Scheme

	AS AT 29 JUNE 2014		SHARES PURCHASED		SHARES SOLD OR TRANSFERRED		AS AT 28 JUNE 2015
Name and offer date	Number	Price	Number	Price	Number	Price	Number
Ian Moir							
August 2011	29 600	R34.19	31 949	R78.91	61 549	R78.91	–
Total	29 600		31 949		61 549		
Sam Ngumeni							
August 2011	9 600	R34.19	10 362	R78.91	19 962	R78.91	–
Total	9 600		10 362		19 962		
Zyda Rylands							
August 2011	14 700	R34.19	15 867	R78.91	30 567	R78.91	–
Total	14 700		15 867		30 567		
Matt Keogh							
August 2011	13 800	R36.96	14 895	R78.91	28 695	R80.82	–
Total	13 800		14 895		28 695		

BEEESOS Shares

	AS AT 29 JUNE 2014		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price	Number	Price	Vested	Unvested	Total
Sam Ngumeni							
June 2007	475 000	R20.75				475 000	475 000
Total	475 000					475 000	475 000
Zyda Rylands							
June 2007	1 250 000	R20.75				1 250 000	1 250 000
Total	1 250 000					1 250 000	1 250 000

SHAREHOLDING IN TERMS OF LTI SHARE SCHEMES AS AT 28 JUNE 2015 (AUDITED) (CONTINUED)

Share appreciation rights (SARS) scheme

	AS AT 29 JUNE 2014		AWARDED		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price*	Number	Price	Number	Price	Vested	Unvested	Total
Ian Moir									
August 2010	117 823	R19.85					117 823		117 823
August 2011	87 468	R27.89					87 468		87 468
August 2012	72 288	R51.48						72 288	72 288
August 2013	103 755	R56.06						103 755	103 755
Total	381 334						205 291	176 043	381 334
Reeza Isaacs									
August 2013	43 396	R56.06						43 396	43 396
September 2014			25 115	R74.06				25 115	25 115
Total	43 396		25 115					68 511	68 511
Sam Ngumeni									
August 2011	34 987	R27.89					34 987		34 987
August 2012	29 095	R51.48						29 095	29 095
August 2013	28 281	R56.06						28 281	28 281
September 2014			55 092	R74.06				55 092	55 092
Total	92 363		55 092				34 987	112 468	147 455
Zyda Rylands									
April 2008	167 851	R6.61			167 851	R92.43			–
August 2008	125 628	R6.57					125 628		125 628
August 2009	107 000	R11.35					107 000		107 000
August 2011	53 538	R27.89					53 538		53 538
August 2012	38 304	R51.48						38 304	38 304
August 2013	40 790	R56.06						40 790	40 790
September 2014			32 358	R74.06				32 358	32 358
Total	533 111		32 358		167 851		286 166	111 452	397 618
Matt Keogh									
August 2011	50 334	R31.44			50 334	R80.82			–
August 2012	36 261	R51.48						36 261	36 261
Total	86 595				50 334			36 261	36 261

* *Adjustments made to the strike price of unexercised SARS as a result of the Rights Offer and in terms of the Trust Deed.*

Long-term incentive plan (LTIP) scheme

	AS AT 29 JUNE 2014		AWARDED*		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price	Number	Price	Number	Price	Vested	Unvested	Total
Ian Moir									
August 2011	148 696	R31.44	11 797	R78.91	160 493	R78.91			–
August 2012	103 269	R55.68	4 578	R55.68				107 847	107 847
August 2013	148 221	R60.72	6 743	R60.72				154 964	154 964
Total	400 186		23 118		160 493			262 811	262 811
Reeza Isaacs									
August 2013	45 949	R60.72	2 093	R60.72				48 042	48 042
September 2014			27 208	R74.06				27 208	27 208
Total	45 949		29 301					75 250	75 250
Sam Ngumeni									
August 2011	34 987	R31.44	2 776	R78.91	37 763	R78.91			–
August 2012	31 519	R55.68	1 398	R55.68				32 917	32 917
August 2013	30 637	R60.72	1 394	R60.72				32 031	32 031
September 2014			59 682	R74.06				59 682	59 682
Total	97 143		65 250		37 763			124 630	124 630
Zyda Rylands									
August 2011	53 538	R31.44	4 248	R78.91	57 786	R78.91			–
August 2012	41 496	R55.68	1 840	R55.68				43 336	43 336
August 2013	44 189	R60.72	2 010	R60.72				46 199	46 199
September 2014			35 055	R74.06				35 055	35 055
Total	139 223		43 153		57 786			124 590	124 590
Ian Nairn									
November 2014			150 212	R78.13				150 212	150 212
Total			150 212					150 212	150 212
Matt Keogh									
August 2011	50 334	R31.44	3 994	R78.91	54 328	R80.82			–
August 2012	39 283	R55.68	1 742	R55.68				41 025	41 025
November 2014			100 141	R78.13				100 141	100 141
Total	89 617		105 877		54 328			141 166	141 166

* *Additional LTIP awarded for allocations prior to September 2014 as a result of the Rights Offer and in terms of the Trust Deed.*

NON-EXECUTIVE DIRECTORS

FEES FOR YEAR ENDED 28 JUNE 2015 (AUDITED)

As detailed in the remuneration policy on page 120, Non-executive Directors receive fees reflective of the time commitment, demands and responsibilities of the role. The fees paid to Non-executive Directors of Woolworths Holdings Limited in connection with the affairs of the company and its subsidiaries during the year ended 28 June 2015 and comparatives for 29 June 2014 are set out below:

2015	Notes	Directors' fees (1) R000's	Audit committee member R000's	Remuneration committee member R000's	Risk and compliance committee member R000's	Nominations committee member R000's	Sustainability committee member R000's	Social and ethics committee member R000's	Benefits (2) R000's	Total non-executive directors' remuneration R000's
Simon Susman	(3)(10)	1 343		94	80	83	131	76	667	2 474
Patrick Allaway	(4)	1 735	90	72	62					1 959
Peter Bacon		604	117	94					13	828
Zarina Bassa	(10)	599	118		124	56			15	912
Tom Boardman	(10)	591		189		65	76	76	17	1 014
Hubert Brody	(5)	389	118		80					587
Andrew Higginson	(6)	1 074	118	94	80				1	1 367
Mike Leeming	(10)	719	235		116	56			15	1 141
Nombulelo Moholi	(7)	259		94	80			76	9	518
Chris Nissen	(8)	250				27	37	73	17	404
Lord Rose	(9)	910		94	80	56	95			1 235
Thina Siwendu		309			80			115	21	525
		8 782	**796**	**731**	**782**	**343**	**339**	**416**	**775**	**12 964**
2014										
Simon Susman	(3)	955		89	71	87	140	71	1 900	3 313
Peter Bacon		235	107	89					14	445
Lindiwe Bakoro	(11)	110	51	44	34				6	245
Zarina Bassa		235	107		71				13	426
Tom Boardman		288		178		52	71	71	14	674
Andrew Higginson	(6)	705	107	89	70					971
Mike Leeming		235	213		140	53			14	655
Chris Nissen		235				53	71	140	35	534
Lord Rose	(9)	704		89	71	53	71			988
Thina Siwendu		235			71			71	15	392
		3 937	**585**	**578**	**528**	**298**	**353**	**353**	**2 011**	**8 643**

NOTES

1. Directors' fees include an amount paid in respect of the additional work performed for the acquisition of David Jones. The amounts are based on the approved hourly rate for additional services. Hubert Brody received payment for the work he performed prior to his appointment as a Director.
2. Benefits are discounts received on purchases made in WHL Group stores.
3. Simon Susman, the Chairman of the Board, previously held the role of Group Chief Executive Officer. On his retirement as Group Chief Executive Officer (in 2010) and in terms of the rules of the LTI share scheme the directors approved that he had the balance of 10 years (of which the last allocation was in October 2006) to settle the interest-free share loan relating to the purchases of shares under Woolworths Holdings Share Trust while he was an employee of Woolworths. He settled the loan on 15 October 2014 and transferred the shares into his own share trading account.

   Benefits of R666 751 (2014: R1 899 817) include the following:
   - post-retirement healthcare benefit of R34 212 (2014: R31 320);
   - discounts received on purchases made in WHL Group stores of R62 942 (2014: R56 892);
   - interest-free share loan benefit relating to the purchases of shares under the Woolworths Holdings Share Trust while he was an employee of Woolworths of R569 597 (2014: R1 811 604). The benefit has been calculated at 6.729% (2014: 6.167%) (average) on the value of the outstanding loan at the end of each applicable month.
4. Patrick Allaway was appointed to the Board on 1 December 2014. He was appointed to the Audit, Risk and Compliance and Remuneration committees on the same date. His fees as a director are paid in Australian Dollars. He was appointed as a Non-executive Director for David Jones and Country Road Group and earned fees of A$65 754 for the period. He was paid R303 998 for services rendered to the Group prior to his appointment as a WHL director.
5. Hubert Brody was appointed to the Board on 1 July 2014 and to the Audit and Risk and Compliance committees on the same date.
6. Andrew Higginson's fees as a director are paid in Sterling as a British resident.
7. Nombulelo Moholi was appointed to the Board on 1 July 2014 and was appointed to the Remuneration, Risk and Social and Ethics committees.
8. Chris Nissen retired from the Board on 26 November 2014.
9. Lord Rose's fees as a director are paid in Sterling as a British resident.
10. Changes made to committee membership during the period have had the following impact:
    - Simon Susman relinquished the Chairmanship of the Nominations and Sustainability committees at the conclusion of February 2015 meetings. He remains a member of these committees;
    - Tom Boardman was appointed as Chairman of the Nominations Committee from May 2015 meetings;
    - Lord Rose was appointed as Chairman of the Sustainability Commitee from May 2015 meetings;
    - Mike Leeming relinquished the Chairmanship of the Risk and Compliance Committee at the conclusion of November 2014 meetings. He remains a member of this committee;
    - Zarina Bassa was appointed as Chairman of the Risk and Compliance Committee from February 2015 meetings and became a member of the Nominations Committee from August 2014 meetings;
    - Thina Siwendu was appointed as Chairman of the Social and Ethics Committee from February 2015 meetings.
11. Lindiwe Bakoro resigned from the Board on 26 November 2013.

SHAREHOLDING IN TERMS OF LTI SHARE SCHEMES AS AT 28 JUNE 2015 (AUDITED)

Simon Susman was previously the Group CEO and was a participant of the LTI share schemes while he held that position. On his retirement as Group CEO, the Remuneration Committee agreed that he had until October 2016 to settle the interest-free loan on those shares. In October 2014, after repaying the loan, Simon transferred the remaining shares that he held in the WHL Group LTI scheme into his own share trading account. As a result of this transfer, he is no longer a participant in any Group LTI scheme.

	AS AT 29 JUNE 2014		SOLD OR TRANSFERRED		AS AT 28 JUNE 2015		
Name and offer date	Number	Price	Number	Price	Vested	Unvested	Total
Simon Susman							
December 2004	440 755	R10.59	440 755	R10.59	–	–	–
August 2005	412 697	R11.31	412 697	R11.31	–	–	–
August 2006	378 947	R13.30	378 947	R13.30	–	–	–
October 2006	1 094 092	R13.71	1 094 092	R13.71	–	–	–
Total	**2 326 491**		**2 326 491**		–	–	–

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