

WHL

WOOLWORTHS HOLDINGS LIMITED
ABRIDGED AUDITED GROUP RESULTS FOR THE 52 WEEKS ENDED 29 JUNE 2014

COMMENTARY

In line with industry practice, the group operates on a 52-week retail calendar basis. To realign the calendar, the 2013 financial year included a 53rd week and the group's earnings were approximately 2.0% higher last year as a result of this additional week. To aid comparison this commentary is based on pro-forma 52-week financial information for the prior period.

Group sales for the 52 weeks to 29 June 2014 increased 14.4% and adjusted profit before tax increased 20.1%. Headline earnings per share ("HEPS") increased by 9.0% to 365.2 cents per share and adjusted HEPS ("aHEPS") grew 17.1% to 398.0 cents per share. aHEPS excludes transaction costs of R182 million relating to the acquisition of David Jones Limited and the minority interest in Country Road Limited and the net impact of unrealised foreign exchange losses of R139 million - all stated before tax. June 2013 adjustments included transaction and integration costs of R77 million relating to the Witchery Group acquisition, unrealised foreign exchange gains of R67 million and store restructuring costs of R43 million (all stated before tax).

Earnings per share ("EPS") increased 10.5% to 367.3 cents.

WOOLWORTHS

CLOTHING AND GENERAL MERCHANDISE ("C&GM")

C&GM sales grew 9.0%. South African Clothing sales (including Country Road Group's sales in South Africa) grew ahead of the market by 10.6% with a price movement of 8.8% with clothing sales in comparable stores growing 8.6% and general merchandise growing 7.1% (4.2% in comparable stores). Africa also performed well, with the acquisition of the former franchise operations in Botswana, Namibia, Swaziland and Ghana adding scale to our operations in the sub-Saharan region.

Gross profit margin in C&GM grew 0.3% to 46.7% with sourcing gains offset to a degree by higher investment in entry price points and in-season promotions. Adjusted profit before tax grew 11.7% and return on sales increased 0.4% to 17.6%.

Store costs increased 12.6% with the addition of 4.0% net footage. Other operating costs (excluding the impact of unrealised foreign exchange movements and last year's restructuring costs) were well controlled, growing by just 2.5%.

FOOD

Food sales grew well ahead of the market at 14.8% with price movement of 7.9%. Our bigger store 'Supermarket' strategy continues to perform well and is encouraging our customers to complete their shop and spend more with us. Sales in comparable stores grew by 10.7%. Gross profit margin reduced 0.3% to 25.3% as a result of investment in price and increased promotions. Adjusted profit before tax grew 20.7% and return on sales improved 0.3% to 6.4%.

Store costs increased 12.6% with the addition of 8.1% net footage. Other operating costs (excluding the impact of unrealised foreign exchange movements and last year's restructuring costs) were well controlled, growing by 7.5%.

COUNTRY ROAD GROUP

With the inclusion of the Witchery Group for the full period (compared to three quarters in the prior period) sales increased 20.3% in Australian dollar terms. Sales in comparable stores increased 8.0% and net space (excluding the acquisition) increased by 4.2% in Australasia. The launch of Witchery and Mimco in South Africa was well received and presents a significant new opportunity for growth of these premium brands.

Gross margins were maintained and operating costs were well controlled resulting in a 46.9% increase in adjusted profit before tax from A\$64 million to A\$94 million. Earnings before interest and tax ("EBIT") margin increased by 2.0% to 11.5% and return on equity increased by 0.2% to 30.4%.

WOOLWORTHS FINANCIAL SERVICES

The business experienced growth in the average debtors book of 13.7%, with the impairment rate (including collection costs) increasing to 4.8% (June 2013: 3.0%), well below industry averages. Net interest income grew 17.7% with non-interest revenue up 13.2%. Operating costs were well controlled, up 7.2%. Profit before tax was flat as a result of the higher impairment charge although return on equity remains above the targeted 22.0% at 24.3% (June 2013: 27.6%).

OUTLOOK

On 1st August 2014, the acquisition of David Jones Limited ("David Jones") was completed, transforming the business into a leading southern hemisphere retailer with combined revenue of R58 billion from over 1,150 stores across 16 countries. The group's enlarged scale will drive sourcing economies, improving value for the customer and increasing overall profitability. The key initiatives are expected to deliver synergies of at least R1.3 billion (A\$130 million) per annum by year five.

Subsequent to the year-end, we also acquired the 12% minority interests of the Country Road Group that we did not already own. This acquisition allows us to extract further benefits from the combination of services across our two wholly-owned Australian subsidiaries.

We believe that economic conditions in South Africa will remain constrained, especially in the lower and middle income segments of the market where consumer debt levels remain under pressure. However the upper income segment in which we operate continues to show resilience. Trading for the first eight weeks of the new financial year has been positive.

In Australia, where consumer confidence remains cautious, there are signs of an improved retail market and we expect sales to be ahead of the market.

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

RIGHTS OFFER

As previously announced, the company intends to undertake a Rights Offer. A further announcement in this regard shall follow in due course.

CHANGES TO THE BOARD OF DIRECTORS

After serving 10 years as a non-executive director and Chairman of the Social and ethics committee, Chris Nissen will retire from the board at the conclusion of the November 2014 Annual general meeting. His contribution to the board has been significant in overseeing the successful implementation of the transformation process and the establishment of the Social and ethics committee. The board expresses its gratitude to Chris for his contribution to the business.

Other changes to the Board of Directors announced during the year were as follows:

Norman Thomson and Lindiwe Bakoro both retired from the board at the conclusion of the Annual General Meeting on 26 November 2013 and Reeza Isaacs was appointed to the board as Finance Director on the same date. The Chief Operating Officer, Sam Ngumeni, was appointed to the board on 12 February 2014 and both Hubert Brody and Nombulelo Moholi were appointed to the board as non-executive directors on 1 July 2014.

S N Susman

Chairman

Cape Town, 27 August 2014

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Group chief executive officer

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross cash dividend of 150.5 cents (127.925 cents net of dividend withholding tax) per ordinary share, bringing the total dividend for the 52 weeks ended 29 June 2014 to 251.5 cents per share. The dividend has been declared from income reserves and a dividend withholding tax of 15% will be applicable to all shareholders who are not exempt. The company has no STC credits to be utilised to offset the 15% dividend withholding tax.

The issued share capital at the declaration date is 847 004 975 ordinary shares and 89 192 746 preference shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Friday, 5 September 2014
Shares commence trading "ex" dividend	Monday, 8 September 2014
Record date	Friday, 12 September 2014
Payment date	Monday, 15 September 2014

Share certificates may not be dematerialised or rematerialised between Monday, 8 September 2014 and Friday, 12 September 2014, both days inclusive.

A final gross cash dividend of 150.5 cents (127.925 cents net of dividend withholding tax) per preference share, bringing the total dividend for the 52 weeks ended 29 June 2014 to 251.5 cents per share, will be paid to the beneficiaries of the Woolworths Employee Share Ownership Scheme on Monday, 15 September 2014.

Thobeka Sishuba-Mashego

Group secretary

Cape Town, 27 August 2014

DISCLAIMER

This announcement does not constitute an offer of, or an invitation to purchase, any securities of the Company in any jurisdiction. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein (the "Securities") have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The Securities may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Securities in the United States, Canada and Japan.

GROUP STATEMENT OF COMPREHENSIVE INCOME

		52 weeks to 29 Jun 2014	Restated* 53 weeks to 30 Jun 2013	% change
	Notes	Rm	Rm	
Revenue		39 944	35 399	12.8
Turnover		39 707	35 227	12.7
Cost of sales		24 209	21 674	11.7
Gross profit		15 498	13 553	14.4
Other revenue		125	115	8.7
Expenses		11 680	10 199	14.5
Store costs	10.3	7 614	6 639	14.7
Other operating costs	10.3	4 066	3 560	14.2
Operating profit		3 943	3 469	13.7
Investment income		112	57	96.5
Finance costs		136	68	100.0
Profit before earnings from joint ventures and associate		3 919	3 458	13.3
Earnings from joint ventures		181	180	0.6
Earnings from associate		4	9	(55.6)
Profit before tax		4 104	3 647	12.5
Tax		1 114	1 009	10.4
Profit for the year		2 990	2 638	13.3
Other comprehensive income:				
Amounts that may be reclassified to profit or loss				
Net fair value adjustments on financial instruments, after tax		(182)	88	
Exchange differences on translation of foreign subsidiaries		177	92	
Amounts that may not be reclassified to profit or loss				
Post-retirement medical benefit liability-actuarial (loss)/gain, after tax	10.1	(6)	22	
Other comprehensive income for the year		(11)	202	
Total comprehensive income for the year		2 979	2 840	
Profit attributable to:		2 990	2 638	
Shareholders of the parent		2 888	2 597	
Non-controlling interests		102	41	
Total comprehensive income attributable to:		2 979	2 840	
Shareholders of the parent		2 868	2 770	
Non-controlling interests		111	70	
Reconciliation of headline earnings				
Earnings attributable to shareholders of the parent		2 888	2 597	11.2
BEE preference dividend		103	62	66.1
Basic earnings		2 785	2 535	9.9
(Profit)/loss on disposal of property, plant and equipment, intangible assets and investment properties		(35)	15	
Net impairment of property, plant and equipment and intangible assets		16	12	
Tax impact of adjustments		3	(8)	
Headline earnings		2 769	2 554	8.4
Abnormal foreign exchange related loss/(gain)		139	(67)	
Transaction and integration costs		182	77	
Restructuring costs		-	43	
Tax impact of adjustments		(72)	(15)	
Adjusted headline earnings		3 018	2 592	16.4
Earnings per share (cents)	2	367.3	337.9	8.7
Headline earnings per share (cents)		365.2	340.4	7.3
Adjusted headline earnings per share (cents)		398.0	345.5	15.2
Diluted earnings per share (cents)	2	362.7	331.3	9.5
Diluted headline earnings per share (cents)		360.6	333.8	8.0
Adjusted diluted headline earnings per share (cents)		393.0	338.7	16.0
Number of shares in issue (millions)		759.5	753.4	0.8
Weighted average number of shares in issue (millions)		758.2	750.3	1.1

*Certain comparative amounts shown do not correspond to the 2013 Annual Financial Statements and reflect adjustments made. Refer to note 10.

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	At 29 Jun 2014 Rm	Restated** At 30 Jun 2013 Rm	Restated** At 25 Jun 2012 Rm
ASSETS				
Non-current assets		8 192	6 773	5 015
Property, plant and equipment	3	3 404	2 683	2 225
Investment properties		115	43	106
Intangible assets	3	2 946	2 440	1 219
Investment in associate		2	60	51
Investment in joint ventures		799	713	616
Prepaid employment costs		–	–	13
Participation in export partnerships		30	38	49
Other loans		106	83	89
Deferred tax		790	713	647
Current assets		14 077	5 367	5 054
Inventories		3 436	2 901	2 216
Trade and other receivables		1 067	668	631
Derivative financial instruments		23	211	41
Tax		9	5	1
Cash and cash equivalents		9 542	1 582	2 165
Non-current assets held for sale	9	–	63	–
TOTAL ASSETS		22 269	12 203	10 069
EQUITY AND LIABILITIES				
TOTAL EQUITY		6 952	5 937	4 583
Equity attributable to shareholders of the parent	13	6 629	5 652	4 476
Non-controlling interests		323	285	107
Non-current liabilities		1 918	1 890	1 190
Interest-bearing borrowings		623	705	25
Operating lease accrual		614	487	457
Post-retirement medical benefit liability	10.1	349	338	348
Deferred tax		332	360	360
Current liabilities		13 399	4 376	4 296
Trade and other payables		4 625	3 837	3 172
Provisions		361	297	230
Derivative financial instruments		185	8	16
Tax		189	107	368
Interest-bearing borrowings		8 039	127	510
TOTAL LIABILITIES		15 317	6 266	5 486
TOTAL EQUITY AND LIABILITIES		22 269	12 203	10 069
Net asset book value – per share (cents)		873	750	600
GROUP ANALYSIS				
Total assets		22 269	12 203	10 069
Woolworths*		8 986	7 507	6 972
Country Road Group		4 500	3 901	1 156
Woolworths Treasury		7 989	87	1 326
Woolworths Financial Services		794	708	615
Inventories		3 436	2 901	2 216
Woolworths*		2 433	2 200	1 835
Country Road Group		1 003	701	381
Total liabilities		15 317	6 266	5 486
Woolworths*		4 871	4 395	4 529
Country Road Group		2 355	1 871	457
Woolworths Treasury		8 091	–	500
Approved capital commitments		26 445	2 063	1 216
Woolworths*		1 786	1 703	1 043
Country Road Group		955	360	173
Acquisition of David Jones limited		21 604	–	–
Acquisition of Country Road Group non-controlling interests		2 100	–	–

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

**Certain comparative amounts shown do not correspond to the 2013 Annual Financial Statements and reflect adjustments made. Refer to note 10.

GROUP STATEMENT OF CASH FLOWS

		52 weeks to 29 Jun 2014	Restated* 53 weeks to 30 Jun 2013
	Notes	Rm	Rm
Cash flow from operating activities			
Cash inflow from trading		5 375	4 450
Working capital movements		(407)	(196)
Cash generated by operating activities			
Interest income		104	48
Finance costs paid		(106)	(63)
Tax paid		(1 047)	(1 140)
Cash generated by operations			
Dividends received from joint ventures		95	83
Dividends received from associate		62	-
Dividends to ordinary shareholders		(1 969)	(1 578)
Dividends to preference shareholders		(103)	(62)
Net cash inflow from operating activities			
2 004			
Cash flow from investing activities			
Net investment in property, plant and equipment, intangible assets and investment property		(1 314)	(781)
Acquisition of subsidiary, net of cash acquired		-	(1 490)
Acquisition of franchise operations	4	(396)	(67)
Other		18	26
Net cash outflow from investing activities			
(1 692)			
Cash flow from financing activities			
Shares repurchased	5	(71)	(192)
Share repurchase costs		(1)	(1)
Finance lease payments		(46)	(15)
Borrowings raised		55	872
Borrowings repaid		(94)	(607)
Costs associated with debt and equity raising		(169)	-
Acquisitions – non-controlling interest contribution		-	108
Net cash (outflow)/inflow from financing activities			
(326)			
Decrease in cash and cash equivalents			
(14)			
Net cash and cash equivalents at the beginning of the year			
1 582			
Effect of foreign exchange rate changes			
98			
Net cash and cash equivalents at the end of the year			
1 666			
GROUP ANALYSIS			
Cash inflow from trading			
Woolworths		5 375	4 450
Country Road Group		4 329	3 512
		1 046	938
Additions to property, plant and equipment, intangible assets and investment property (gross)			
		1 939	2 313
Woolworths		1 552	788
Country Road Group		387	1 525

*Certain comparative amounts shown do not correspond to the 2013 Annual Financial Statements and reflect adjustments made. Refer to note 10.

GROUP STATEMENT OF CHANGES IN EQUITY

	Notes	Total			Restated Total		
		Shareholders of the parent Rm	Non-controlling interests Rm	52 weeks to 29 Jun 2014 Rm	Shareholders of the parent Rm	Non-controlling interests Rm	53 weeks to 30 Jun 2013 Rm
Shareholders' interest at the beginning of the year as previously reported		5 652	285	5 937	4 465	107	4 572
Post-retirement medical benefit liability restatement	10.1	–	–	–	(9)	–	(9)
Consolidation of trust	10.2	–	–	–	20	–	20
Shareholders' interest at the beginning of the year as restated		5 652	285	5 937	4 476	107	4 583
Movements for the year:							
Profit for the year		2 888	102	2 990	2 597	41	2 638
Other comprehensive income	10	(20)	9	(11)	173	29	202
Total comprehensive income for the year		2 868	111	2 979	2 770	70	2 840
Shares issued	5	246	–	246	337	–	337
Shares repurchased	5	(60)	–	(60)	(192)	–	(192)
Share repurchase costs		(1)	–	(1)	(1)	–	(1)
Dividends to shareholders		(1 999)	(73)	(2 072)	(1 640)	–	(1 640)
Share-based payments		169	–	169	239	–	239
Settlement of share-based payments through share issue	5	(246)	–	(246)	(337)	–	(337)
Non-controlling interest arising on business acquisitions		–	–	–	–	108	108
Shareholders' interest at the end of the year		6 629	323	6 952	5 652	285	5 937
Dividend per ordinary share (cents)				251.5			234.0
Dividend cover (based on headline earnings per share)				1.4			1.4
Dividend per preference share (cents)				251.5			207.0

SEGMENTAL ANALYSIS

	52 weeks to 29 Jun 2014 Rm	53 weeks to 30 Jun 2013 Rm	%
			change
Revenue			
Turnover	39 707	35 227	12.7
Woolworths Clothing and General Merchandise	11 505	10 764	6.9
Woolworths Food	19 694	17 469	12.7
Woolworths Logistics	418	561	(25.5)
Country Road Group	8 090	6 433	25.8
Other revenue and investment income	237	172	37.8
Woolworths Clothing and General Merchandise	18	14	28.6
Woolworths Food	73	74	(1.4)
Country Road Group	55	45	22.2
Woolworths Treasury	91	39	>100
Total group	39 944	35 399	12.8
Gross profit			
Woolworths Clothing and General Merchandise	5 373	4 994	7.6
Woolworths Food	4 983	4 475	11.4
Woolworths Intragroup	133	100	33.0
Country Road Group	5 009	3 984	25.7
Total group	15 498	13 553	14.4
Profit before tax-adjusted			
Woolworths Clothing and General Merchandise	2 029	1 856	9.3
Woolworths Food	1 259	1 060	18.8
Country Road Group	891	588	51.5
Woolworths Financial Services	181	180	0.6
Woolworths Treasury	15	16	(6.3)
Total group-adjusted	4 375	3 700	18.2
Adjustments	(271)	(53)	
Profit on sale of investment properties	50	-	
Abnormal foreign exchange related (loss)/gain	(139)	67	
Transaction and integration costs	(182)	(77)	
Restructuring costs	-	(43)	
Profit before tax	4 104	3 647	12.5

NOTES

1. BASIS OF PREPARATION

These abridged group annual financial statements comply with IAS 34 Interim Financial Reporting.

Accounting policies used in the abridged group annual financial statements are consistent with the prior year, except for the changes in accounting policies disclosed in note 10, and are the same as those used to prepare the 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.

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.

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the financial year, the group acquired property, plant and equipment at a cost of R1 338 million (2013: R937 million) and acquired intangible assets (including goodwill) at a cost of R601 million (2013: R1 376 million). This includes acquisitions related to business combinations (refer to note 4), as well as an R8 million goodwill adjustment arising from the finalisation of the business combination accounting for the acquisition of the Witchery Group.

4. ACQUISITION OF FRANCHISE OPERATIONS

During the year, the group acquired nine previously franchised stores in South Africa and 33 in the rest of Africa, for a total purchase consideration of R425 million. In the prior year, eight previously franchised stores in the rest of Africa were acquired for a total purchase consideration of R67 million.

	2014 Rm	2013 Rm
Fair value of assets acquired at the date of acquisition		
Property, plant and equipment	18	13
Reacquired rights	67	-
Deferred tax liability	(19)	-
Goodwill arising on acquisition	359	54
Consideration	425	67
Amount payable	(29)	-
Cash outflow	396	67

Goodwill of R359 million (2013: R54 million) comprises the fair value of intangible assets that do not qualify for separate recognition, and represents growth and synergies expected to accrue from the acquisitions.

From the dates of acquisitions, R105 million of additional revenue has accrued, with no impact on profit before tax. Had the acquisitions been effective from the beginning of the year, the directors consider that, on a pro-forma basis, the contribution to revenue for the 52 weeks ended 29 June 2014 would have been a further R99 million, with no impact on profit before tax.

5. ISSUE AND REPURCHASE OF SHARES

During the year, 4 361 450 (2013: 7 265 192) ordinary shares totalling R246 million (2013: R337 million) were issued and allocated to employees and 723 060 (2013: 2 710 328) ordinary shares were purchased from the market and transferred to employees at a net cost of R52 million (2013: R151 million) in settlement under the group's share incentive schemes.

288 026 (2013: 623 011) ordinary shares totalling R19 million (2013: R41 million) were purchased from the market by Woolworths (Proprietary) Limited and are held as treasury shares by the group. 1 904 651 (2013: 1 066 402) ordinary shares totalling R46 million (2013: R23 million) were allocated to employees in terms of the group's Restricted Share Plan.

6. CONTINGENT LIABILITIES

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

7. BORROWING FACILITIES

Unutilised banking facilities amounted to R3 181 million (2013: R3 025 million). There is no limit imposed by the Memorandum of Incorporation on the group's authority to raise interest-bearing debt.

8. RELATED PARTY TRANSACTIONS

During the year the group entered into related party transactions, the substance of which is similar to those explained in the group's annual financial statements.

9. NON-CURRENT ASSETS HELD FOR SALE

Two fixed properties, previously disclosed as non-current assets held for sale (within the Woolworths segment) were sold in the current financial year for R110 million.

	2014 Rm	2013 Rm
Investment properties	–	63
Non-current assets held for sale	–	63

10. CHANGE IN ACCOUNTING POLICY AND RESTATEMENT OF COMPARATIVE FIGURES

10.1 Post-retirement medical benefit liability-actuarial (loss)/gain

In terms of the revised IAS 19: Employee Benefits, comparative figures have been restated to recognise actuarial gains and losses in other comprehensive income. The opening balance of the post-retirement medical benefit liability as at 25 June 2012 has been restated by R13 million (from R335 million as previously reported, to R348 million) and the liability as at 30 June 2013 has been further restated by R18 million (from R356 million as previously reported, to R338 million) representing the net gain during the 2013 financial year. As a result, the opening balance of the deferred tax asset as at 25 June 2012 has been restated by R4 million (from R643 million as previously reported, to R647 million) and has been further restated at 30 June 2013 by R5 million (from R718 million as previously reported, to R713 million). The adjustments have no impact on earnings per share or headline earnings per share. The group's policy is to perform an annual valuation at the end of the financial year.

10.2 Consolidation of trust

In terms of IFRS 10: Consolidated Financial Statements, the Woolworths Trust, which was not previously consolidated, is now included as part of the group. The consolidation resulted in a restatement of cash and equity at 25 June 2012 by R20 million, representing the net assets of the Woolworths Trust. There has been no movement in the net assets of the trust for the financial year ending 30 June 2013, and no impact on previously reported earnings per share or headline earnings per share.

10.3 Reclassification of comparative figures

Marketing and administration expenses totalling R189 million previously disclosed in store costs have been included in other operating costs.

The adoption of other new standards becoming effective in the current year resulted in minor changes to accounting policies, which did not have a material impact on the financial position or performance of the group.

11. APPROVAL OF ABRIDGED GROUP ANNUAL FINANCIAL STATEMENTS

The abridged group annual financial statements were approved by the board of directors on 27 August 2014.

12. EVENTS SUBSEQUENT TO THE REPORTING DATE

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 R21.4 billion (A\$2.1 billion).

The acquisition was funded via a combination of cash on hand and South African Senior Debt Facilities of R10 billion, a A\$264 million (R2.5 billion) Australian Senior Debt Facility and a R9 billion Equity Bridge Facility. The Equity Bridge Facility will be repaid out of the proceeds of an underwritten, renounceable rights offer by WHL, expected to commence during September 2014.

Assets acquired and liabilities assumed

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

	Rm	A\$m
Non-current assets	11 164	1 121
Property, plant and equipment	9 972	1 002
Intangible assets	561	56
Deferred tax assets	631	63
Current assets	2 818	283
Inventories	2 309	232
Trade and other receivables	297	30
Tax	123	12
Cash and cash equivalents	89	9
Non-current liabilities	(854)	(86)
Long-term provisions	(127)	(13)
Operating lease accrual	(243)	(24)
Deferred tax liability	(484)	(49)
Current liabilities	(4 122)	(415)
Trade and other payables	(2 951)	(297)
Provisions	(237)	(24)
Derivative financial instruments	(7)	(1)
Interest-bearing borrowings	(927)	(93)
Total identifiable net assets at fair value	9 006	903
Goodwill arising from acquisition	12 598	1 246
Purchase consideration	21 604	2 149
Loss on hedging instrument	221	-
Purchase consideration transferred	21 383	2 149
Cash and cash equivalents acquired	(89)	(9)
Cash outflow on acquisition	21 515	2 140

Intangible assets arising from the acquisition of R12.6 billion comprise goodwill and the David Jones brand. Goodwill represents the value paid in excess of the provisional fair value of net assets (including the brand) and consists largely of synergies and economies of scale expected from strategic product and customer initiatives. Transaction costs, excluding debt commitment fees and raising costs, are estimated at R347 million. These include R182 million already expensed.

The fair values currently presented are provisional and as a result, all the required disclosures have not been included. These are subject to further review for a period of up to one year from the acquisition date, as prescribed by International Financial Reporting Standards. The Australian dollar values have been translated at the closing exchange rate at 1 August 2014 of A\$: R9.95.

Acquisition of non-controlling interests in subsidiaries

Country Road Limited

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

The excess of the purchase price over the carrying value of the related non-controlling interest in Country Road, estimated at R1.9 billion, will be accounted for in retained profit.

Woolies (Zambia) Limited

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

Acquisition of franchise operations

Agreements to purchase a further four stores totalling R32 million are effective from dates subsequent to this report.

13. CONVERSION TO STATED CAPITAL

In terms of the Companies Act of South Africa and schedule 26 of the JSE Listing Requirements, WHL applied to amend the company's listing to reflect a conversion of the company's ordinary shares from par value ordinary shares to shares of no par value and to increase the company's authorised share capital by 11 000 million ordinary shares of no par value. This change was effective from 18 June 2014.

The authorised share capital of the company before and after the conversion and increase in authorised share capital is as follows:

Before the conversion and increase:

1 410 600 000 authorised ordinary shares of 0.15 cents each and 89 400 000 unlisted authorised preference shares of 0.15 cents each.

After the conversion and increase:

12 410 600 000 authorised ordinary shares of no par value and 89 400 000 unlisted authorised preference shares of 0.15 cents each.

14. AUDIT OPINION

These abridged group annual financial statements have not been audited but have been correctly 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.

15. IMPACT OF THE 53RD WEEK IN THE PRIOR YEAR

In line with industry practice, the group operates on a 52-week retail calendar basis. To realign the calendar, the 2013 financial year included a 53rd week and the group's earnings were approximately 2.0% higher last year as a result of this additional week. To aid comparison this commentary is based on pro-forma 52-week financial information for the prior period.

GROUP STATEMENT OF COMPREHENSIVE INCOME

	52 weeks to 29 Jun 2014 Audited Rm	Restated 53 weeks to 30 Jun 2013 Audited Rm	53rd week adjustments Rm	Restated 52 weeks to 23 Jun 2013 Pro-forma Rm	Change on prior period 53 weeks %	Change on prior period 52 weeks %
Turnover	39 707	35 227	(532)	34 695	12.7	14.4
Cost of sales	24 209	21 674	(347)	21 327	11.7	13.5
Gross profit	15 498	13 553	(185)	13 368	14.4	15.9
Other revenue	125	115	-	115	8.7	8.7
Expenses	11 680	10 199	(128)	10 071	14.5	16.0
Store costs	7 614	6 639	(81)	6 558	14.7	16.1
Other operating costs	4 066	3 560	(47)	3 513	14.2	15.7
Operating profit	3 943	3 469	(57)	3 412	13.7	15.6
Investment income	112	57	-	57	96.5	96.5
Finance costs	136	68	-	68	100.0	100.0
Profit before earnings from joint ventures and associate	3 919	3 458	(57)	3 401	13.3	15.2
Earnings from joint ventures	181	180	-	180	0.6	0.6
Earnings from associate	4	9	-	9	(55.6)	(55.6)
Profit before tax	4 104	3 647	(57)	3 590	12.5	14.3
Tax	1 114	1 009	(16)	993	10.4	12.2
Profit for the year	2 990	2 638	(41)	2 597	13.3	15.1
Earnings per share (cents)	367.3	337.9		332.4	8.7	10.5
Headline earnings per share (cents)	365.2	340.4		334.9	7.3	9.0
Adjusted headline earnings per share (cents)	398.0	345.5		340.0	15.2	17.1
Diluted earnings per share (cents)	362.7	331.3		325.9	9.5	11.3
Diluted headline earnings per share (cents)	360.6	333.8		328.4	8.0	9.8
Adjusted diluted headline earnings per share (cents)	393.0	338.7		333.4	16.0	17.9

SEGMENTAL ANALYSIS

	52 weeks to 29 Jun 2014 Audited Rm	53 weeks to 30 Jun 2013 Audited Rm	53rd week adjustments Rm	52 weeks to 23 Jun 2013 Pro-forma Rm	Change on prior period 53 weeks %	Change on prior period 52 weeks %
Profit before tax-adjusted						
Woolworths Clothing and General Merchandise	2 029	1 856	(40)	1 816	9.3	11.7
Woolworths Food	1 259	1 060	(17)	1 043	18.8	20.7
Country Road Group	891	588	-	588	51.5	51.5
Woolworths Financial Services	181	180	-	180	0.6	0.6
Woolworths Treasury	15	16	-	16	(6.3)	(6.3)
Total group-adjusted	4 375	3 700	(57)	3 643	18.2	20.1

Notes

1. The accounting policies adopted by the group in the prior year audited group annual financial statements, which have been prepared in accordance with IFRS, have been used in preparing the prior year pro-forma 52-week comparative information.
2. The turnover and other information for the one-week period from 24 June to 30 June 2013 has been extracted from the group's accounting records.
3. The 53rd week adjustments are calculated with reference to actual turnover and cost of sales for the 53rd week, expenses based on an assessment of management information and an effective tax rate of 27.7%.
4. The calculation of earnings per share and headline earnings per share for the pro-forma 52-week comparative period is based on the weighted average number of shares in issue during the prior year.
5. This information is the responsibility of the directors. The group's external auditors issued an assurance report on the pro-forma 52-weeks information. A copy of their report is available at the group's registered office.

DIRECTORATE AND STATUTORY INFORMATION

Non-executive directors:

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

Executive directors:

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

Group secretary:

Thobeka Sishuba-Mashego

Share code:

WHL

ISIN:

ZAE000063863

Registered address:

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

Registration number:

1929/001986/06

Tax number:

9300/149/71/4

JSE sponsor:

Rand Merchant Bank (A division of FirstRand Bank Limited)

Transfer secretaries:

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

FINANCIAL HIGHLIGHTS ON A 52:52 WEEK BASIS

REVENUE

+14.4%

ADJUSTED PROFIT BEFORE TAX

+20.1%

ADJUSTED HEADLINE EARNINGS PER SHARE

+17.1%

RETURN ON EQUITY

46.7%

WOOLWORTHS COUNTRY ROAD

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