The strong growth experienced in the first quarter of the year continued through into the second quarter and over the festive season. With the inclusion of the group's new Australian acquisition, Witchery from 29 September, sales for the first 26 weeks of the June 2013 financial year increased by 18.0% over the comparable period in 2012. Sales in comparable stores grew by 9.4%.

Sales growth was leveraged by improved gross margins and tight expense control in both the South African and Australian businesses, delivering a group profit before tax growth of 20.8%.

Earnings per share (EPS) increased 20.6% to 163.4 cents and headline earnings per share (HEPS) increased 21.0% to 164.2 cents. Included in both EPS and HEPS are the following: transaction costs of R52 million (Dec 2011: nill relating to the acquisition of the Witchery group, once-off store employee restructuring costs in Woolworths of R43 million (Dec 2011: nil) and net unrealised foreign exchange losses of R16 million (Dec 2011: R72 million gain), all stated before tax. Adjusting for these items, adjusted EPS and adjusted HEPS were 35.4% and 35.9% higher respectively than the corresponding period. Return on equity increased from 50.8% in December 2011 to 58.0% (excluding only the unrealised foreign exchange movements).

Woolworths

Food sales grew by 11.1% with a price movement of 7.4%. Sales in comparable stores grew by 7.8%. Gross profit margins improved from 25.2% to 25.4% and excluding the impact of store staff restructuring costs profit before tax grew 21.4%. Return on sales was 6.1%, up from 5.6% in the prior period.

Clothing and General merchandise sales grew 11.4%, with price movement of 5.9%. Clothing sales in South Africa (including Country Road's South African sales) grew by 13.0% with a price movement of 5.5%. Sales in comparable stores grew by 7.7%. General merchandise grew by 7.7% and by 4.0% in comparable stores. Gross profit margins improved in Clothing and General merchandise from 44.3% to 46.1%. Excluding the impact of store staff restructuring costs and unrealised foreign exchange movements, profit before tax grew 24.0%, and return on sales was 18.9%, up from 17.0% in the prior period.

Store costs were up 13.8% largely due to the addition of 5.7% more space in Woolworths, including stores in the rest of Africa, net of closures and excluding franchise conversions. Other operating costs grew by 4.3%, excluding the store staff restructuring costs and the impact of the unrealised foreign exchange movements.

Country Road

With the acquisition of the Witchery group on 29 September 2012, the number of stores and concessions operated by the group in Australasia increased from 195 to 505. Sales in Australasia increased 55.6%, in Australian dollars. Sales in comparable stores increased by 10.7% and net space, excluding the acquisition, contracted 2.0%. Country Road's South African sales are included in the South African clothing figures.

Gross margins improved significantly as a result of the Witchery acquisition and operating costs were well controlled, resulting in a strong increase in profit before tax of A$21 million and a 250% increase in rand profit. Return on sales at 10.6% was up from 6.4% in the prior period. Return on equity increased materially from 19.2% to 28.5%.

Woolworths Financial Services

The overall debtors' book reflected year-on-year growth of 12.0% at the end of December 2012, with the annualised impairment rate for the six months to December 2012 at 1.5% (six months to December 2011: 1.6%). Net interest income was impacted by lower interest rates, increasing by only 10.9% on the prior period, but costs excluding impairments were well controlled, up 5.9% on the previous period. Consequently profit before tax was up 35.8% from the previous period and the return on equity increased to 26.8% from 20.5%.

Outlook

We believe that economic conditions in South Africa will remain constrained, especially in the lower and middle income segments of the market where consumer debt levels remain under pressure. However, the upper income segment in which we operate continues to show some resilience. Trading for the first six weeks of the second half of the financial year has been positive, and we expect sales growth to be broadly in line with the first half.

In Australia we expect a gradual improvement in the retail environment and sales for the second half to be in line with the second quarter performance of both Country Road and Witchery.

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

Changes to the Board of Directors

Norman Thomson, the group's Finance Director will be retiring at the November 2013 Annual General Meeting. Norman has been with the business for over 20 years, the last 11 years as Finance Director. During this time he has made a significant contribution to the group's performance and its stature in the market through his continued focus on generating shareholder wealth. Norman will continue to serve as a non-executive director of the group's Australian subsidiary Country Road, as well as on the boards of our African joint ventures in a non-executive capacity.

Chairman Simon Susman reflects: "Norman has always been passionate in challenging our strategic thinking and has been a real asset to Woolworths. He has brought both diligence and depth to our deliberations and has been meticulous in both his execution and his communication of our decisions. We thank him and his family and wish him well in his retirement."

The board is further delighted to announce that Reeza Isaacs has been appointed as Deputy CFO and group Finance Director Elect, with effect from 1 June 2013. He will assume the position of Finance Director immediately after the Annual General Meeting in November 2013.

Reeza was Ernst & Young's Regional Senior Partner for the Western Cape and in this capacity served on the firms South African Executive Committee. He has extensive experience and has been an engagement partner on a number of JSE-listed groups, including Woolworths Holdings up until its June 2012 year end.

Sindi Zilwa retired from the board at the conclusion of the Annual General Meeting held on 14 November 2012.

S N Susman	I Moir
Chairman	Group chief executive officer

Cape Town, 13 February 2013

Dividend Declaration

Notice is hereby given that the directors have declared an interim cash dividend of 86 cents (73.10 cents net of dividend withholding tax) per ordinary share for the 26 weeks ended 23 December 2012. 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 available.

The issued share capital at the declaration date is 840 676 176 ordinary shares and 89 192 096 preference shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Friday, 1 March 2013
Shares commence trading "ex" dividend	Monday, 4 March 2013
Record date	Friday, 8 March 2013
Payment date	Monday, 11 March 2013

Share certificates may not be dematerialised or rematerialised between Monday, 4 March 2013 and Friday, 8 March 2013 both days inclusive.

An interim cash dividend of 59 cents (50.15 cents net of dividend withholding tax) per preference share for the 26 weeks ended 23 December 2012 will be paid to the beneficiaries of the Woolworths Employee Share Ownership Scheme on Monday, 11 March 2013.

Thobeka Sishuba-Mashego
Group secretary

Cape Town, 13 February 2013

Directorate and statutory information

Non-executive directors:
Simon Susman (Chairman), Peter Bacon (British), Zarina Bassa, Lindiwe Bakoro, Tom Boardman, Andrew Higginson (British), Mike Leeming, Chris Nissen, Stuart Rose (British), Thina Siwendu

Executive directors:
Ian Moir (Group chief executive officer) (Australian), Zyda Rylands, Norman Thomson

Group secretary:
Thobeka Sishuba-Mashego

Share code:
WHL

ISIN:
ZAE000063863

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

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

TURNOVER
+18.0%

PROFIT BEFORE TAX
+20.8%

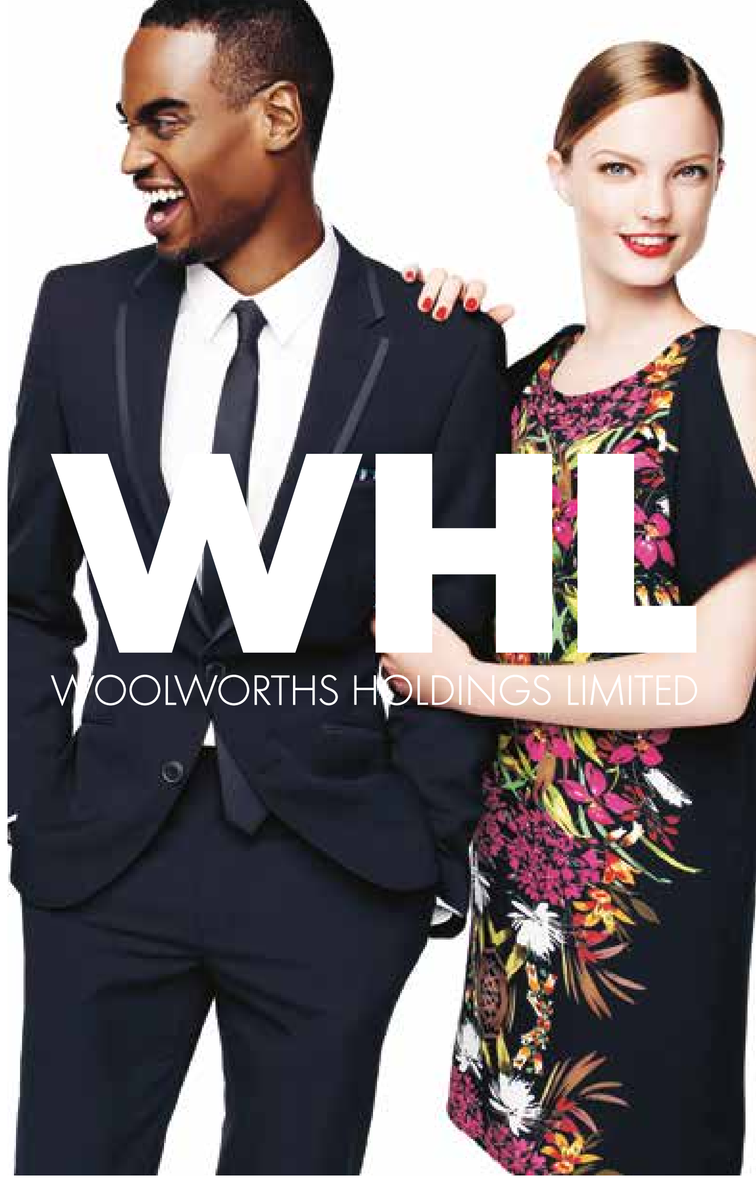
HEADLINE EARNINGS PER SHARE
+21.0%

ADJUSTED HEADLINE EARNINGS PER SHARE
+35.9%

RETURN ON EQUITY UP TO
+58.0%

www.woolworthsholdings.co.za

Ince



UNAUDITED INTERIM GROUP RESULTS
FOR THE 26 WEEKS ENDED 23 DECEMBER 2012

INTERIM GROUP STATEMENT OF COMPREHENSIVE INCOME

52 weeks to 24 Jun 2012 Rm		Notes	26 weeks to 23 Dec 2012 Rm	26 weeks to 25 Dec 2011 Rm	% change
28 813	Revenue		16 771	14 214	18.0
28 604	Turnover		16 683	14 137	18.0
18 419	Cost of sales		10 319	9 090	13.5
10 185	Gross profit		6 364	5 047	26.1
127	Other revenue		54	42	28.6
7 625	Expenses		4 720	3 681	28.2
5 165	Store costs		3 178	2 534	25.4
2 460	Other operating costs		1 542	1 147	34.4
2 687	Operating profit		1 698	1 408	20.6
82	Investment income		34	35	(2.9)
38	Finance costs		34	19	78.9
2 731	Profit before earnings from joint ventures and associate		1 698	1 424	19.2
133	Earnings from joint ventures		85	56	51.8
6	Earnings from associate		5	–	–
2 870	Profit before tax		1 788	1 480	20.8
811	Tax		505	431	17.2
2 059	Profit after tax		1 283	1 049	22.3
	Other comprehensive income:				
21	Net fair value adjustments on financial instruments, after tax		(4)	141	
117	Exchange differences on translation of foreign subsidiaries		39	3	
138	Other comprehensive income for the period		35	144	
2 197	Total comprehensive income for the period		1 318	1 193	
2 059	Profit attributable to:		1 283	1 049	
2 048	Shareholders of the parent		1 261	1 034	
11	Non-controlling interest		22	15	
2 197	Total comprehensive income attributable to:		1 318	1 193	
2 167	Shareholders of the parent		1 288	1 179	
30	Non-controlling interest		30	14	
	Reconciliation of headline earnings				
2 048	Earnings attributable to shareholders of the parent		1 261	1 034	22.0
38	BEE preference dividend		38	21	81.0
2 010	Basic earnings		1 223	1 013	20.7
(15)	Loss/(profit) on disposal of investment property, property, plant and equipment		9	2	
1	Impairment of property, plant and equipment		–	–	
–	Tax impact of adjustments		(3)	(1)	
1 996	Headline earnings		1 229	1 014	21.2
(43)	Abnormal foreign exchange related loss/(gain)		16	(72)	
27	Transaction costs		52	–	
–	Restructuring costs		43	–	
4	Tax impact of adjustments		(31)	20	
1 984	Adjusted headline earnings		1 309	962	36.1
267.3	Headline earnings per share (cents)		164.2	135.7	21.0
269.2	Earnings per share (cents)	2	163.4	135.5	20.6
265.7	Adjusted headline earnings per share (cents)		174.9	128.7	35.9
260.6	Diluted headline earnings per share (cents)		160.2	131.3	22.0
262.4	Diluted earnings per share (cents)	2	159.4	131.2	21.5
259.0	Adjusted diluted headline earnings per share (cents)		170.6	124.6	36.9
745.7	Number of shares in issue (millions)		750.9	745.9	0.7
746.6	Weighted average number of shares in issue (millions)		748.4	747.4	0.1

INTERIM GROUP STATEMENT OF FINANCIAL POSITION

At 24 Jun 2012 Rm		Notes	At 23 Dec 2012 Rm	At 25 Dec 2011 Rm
	ASSETS			
5 011	Non-current assets		6 564	4 333
2 225	Property, plant and equipment	3	2 522	2 134
106	Investment properties		43	121
1 219	Intangible assets	3	2 438	992
51	Investment in associate		56	45
616	Investment in joint ventures		666	580
13	Prepaid employment costs		8	20
49	Participation in export partnerships		49	55
89	Other loans		66	55
–	Derivative financial instruments		–	1
643	Deferred tax		716	330
5 034	Current assets		4 808	4 885
2 216	Inventories		2 667	2 271
631	Trade and other receivables		944	771
41	Derivative financial instruments		25	67
1	Tax		–	1
2 145	Cash		1 172	1 775
–	Non-current assets held for sale		63	–
10 045	Total assets		11 435	9 218
	EQUITY AND LIABILITIES			
4 572	Capital and reserves		4 882	4 003
4 465	Interest of shareholders of the parent		4 649	3 904
107	Non-controlling interest		233	99
1 177	Non-current liabilities		1 845	919
25	Interest-bearing borrowings		695	24
457	Operating lease accrual		467	458
335	Post-retirement medical benefit liability		347	327
360	Deferred tax		336	110
4 296	Current liabilities		4 708	4 296
3 172	Trade and other payables		4 070	3 246
230	Provisions		343	307
16	Derivative financial instruments		8	7
368	Tax		200	228
510	Interest-bearing borrowings		87	508
10 045	Total equity and liabilities		11 435	9 218
599	Net asset book value – per share (cents)		619	523
	GROUP ANALYSIS			
10 045	Total assets		11 435	9 218
6 948	Woolworths Retail		7 420	6 571
1 156	Country Road		3 431	1 128
1 326	Woolworths Retail Treasury		(81)	940
615	Woolworths Financial Services		665	579
2 216	Inventories		2 667	2 271
1 835	Woolworths Retail		2 029	1 932
381	Country Road		638	339
1 216	Approved commitment for capital expenditure		876	592
1 043	Woolworths Retail		730	488
173	Country Road		146	104
–	Approved commitment for franchise acquisitions	9	28	122

INTERIM GROUP STATEMENT OF CHANGES IN EQUITY

52 weeks to 24 Jun 2012 Rm		Notes	Shareholders of the parent Rm	Non-controlling interest Rm	Total 26 weeks to 23 Dec 2012 Rm	Total 26 weeks to 25 Dec 2011 Rm
4 093	Interest at the beginning of the period		4 465	107	4 572	4 093
	Movements for the period:					
–	Issue of shares	5	233	–	233	–
(655)	Shares repurchased	5	(198)	–	(198)	(614)
(1)	Share repurchase costs		(1)	–	(1)	(2)
–	Settlement of share-based payments through share issue	5	(233)	–	(233)	–
(1 313)	Dividends to shareholders		(965)	–	(965)	(719)
245	Share-based payments		60	–	60	52
6	Business acquisitions		–	96	96	–
2 197	Total comprehensive income for the period		1 288	30	1 318	1 193
4 572	Interest at the end of the period		4 649	233	4 882	4 003
198.0	Distribution per ordinary share (cents)				86.0	–
1.4	Distribution cover (based on headline earnings per share)				1.9	–
121.0	Distribution per preference share (cents)				59.0	–

INTERIM GROUP STATEMENT OF CASH FLOWS

52 weeks to 24 Jun 2012 Rm		Notes	26 weeks to 23 Dec 2012 Rm	26 weeks to 25 Dec 2011 Rm
	Cash flow from operating activities			
3 259	Cash inflow from trading		2 207	1 637
(131)	Working capital movements		192	(129)
3 128	Cash generated by operating activities		2 399	1 508
73	Interest income		30	31
(38)	Finance costs		(37)	(19)
(356)	Tax paid		(740)	(61)
2 807	Cash generated by operations		1 652	1 459
1	Dividends received from associate		–	–
95	Dividends received from joint venture		35	55
(1 275)	Dividends to ordinary shareholders		(927)	(698)
(38)	Dividends to preference shareholders		(38)	(21)
1 590	Net cash inflow from operating activities		722	795
	Cash flow from investing activities			
(615)	Net investment in PPE and intangible assets		(392)	(361)
–	Acquisition of subsidiary	10	(1 490)	–
(494)	Acquisition of franchise operations	4	(6)	(304)
8	Other		28	36
(1 101)	Net cash outflow from investing activities		(1 860)	(629)
	Cash flow from financing activities			
(655)	Shares repurchased	5	(198)	(614)
(1)	Share repurchase costs		(1)	(2)
(25)	Finance lease payments		(6)	(11)
–	Long-term borrowings raised		746	–
–	Short-term borrowings repaid		(500)	–
6	Acquisitions – non-controlling interest contribution		96	–
(675)	Net cash inflow/(outflow) from financing activities		137	(627)
(186)	Decrease in cash and cash equivalents		(1 001)	(461)
2 293	Net cash and cash equivalents at the beginning of the period		2 145	2 293
38	Effect of foreign exchange rate changes		28	(57)
2 145	Net cash and cash equivalents at the end of the period		1 172	1 775
	GROUP ANALYSIS			
3 259	Cash inflow from trading		2 207	1 637
2 975	Woolworths Retail		1 857	1 429
284	Country Road		350	208
798	Gross capital expenditure		373	383
697	Woolworths Retail		341	343
101	Country Road (excluding Witchery acquisition)		32	40

SEGMENTAL ANALYSIS

52 weeks to 24 Jun 2012 Rm		26 weeks to 23 Dec 2012 Rm	26 weeks to 25 Dec 2011 Rm	% change
	Revenue			
28 604	Turnover	16 683	14 137	18.0
25 231	Woolworths Retail	13 749	12 383	11.0
9 585	Clothing and General merchandise	5 249	4 713	11.4
15 140	Food	8 238	7 415	11.1
506	Logistics	262	255	2.7
3 373	Country Road	2 934	1 754	67.3
209	Other revenue and investment income	88	77	14.3
105	Woolworths Retail	45	38	18.4
21	Clothing and General merchandise	8	5	60.0
84	Food	37	33	12.1
29	Country Road	19	5	
75	Woolworths Retail Treasury	24	34	(29.4)
28 813	Total group	16 771	14 214	18.0
	Gross profit			
8 174	Woolworths Retail	4 564	4 001	14.1
4 264	Clothing and General merchandise	2 420	2 088	15.9
3 817	Food	2 094	1 867	12.2
93	Intragroup	50	46	8.7
2 011	Country Road	1 800	1 046	72.1
10 185	Total group	6 364	5 047	26.1
	Profit before tax – adjusted			
2 495	Woolworths Retail	1 498	1 217	23.1
1 611	Clothing and General merchandise	993	801	24.0
884	Food	505	416	21.4
185	Country Road	310	117	
133	Woolworths Financial Services	85	56	51.8
41	Woolworths Retail Treasury	6	18	(66.7)
2 854	Total group – adjusted	1 899	1 408	34.9

NOTES

1 Basis of preparation

The abridged interim group financial statements comply with IAS 34 Interim Financial Reporting.

Accounting policies used in the abridged interim group financial statements are the same as those used to prepare the June 2012 group annual financial statements, and are consistent with the prior period, which have been prepared in compliance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa. These abridged interim group financial statements have been prepared under the supervision of the group finance director, Norman Thomson BCom (Hons), CA(SA).

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 26 weeks to 23 December 2012, the group acquired property, plant and equipment at a cost of R495 million (2011: R331 million) and acquired intangible assets (including goodwill, brands and reacquired rights) at a cost of R1 336 million (2011: R358 million). Refer to notes 4 and 10.

4 Acquisition of franchise operations

During the period the group acquired one previously franchised store in Lesotho for a cash consideration of R6 million. In the prior period 25 South African and seven African previously franchised stores were acquired for a total cash consideration of R292 million.

Fair value of assets acquired at the date of acquisition	Rm
Goodwill arising on acquisition	6
Consideration	6

The full purchase price of R6 million, which has been allocated to goodwill, represents growth and synergies expected to accrue from the acquisition. The acquisition has been effective from the beginning of the period and has contributed additional revenue of R6 million and profit before tax of R2 million.

5 Issue and repurchase of shares

391 512 (2011: nil) shares totalling R25 million (2011: nil) were purchased from the market by Woolworths (Proprietary) Limited and held as treasury shares by the group. In the prior period 9 298 259 shares totalling R286 million were purchased from the market and cancelled.

2 710 328 (2011: 8 836 665) shares totalling R173 million (2011: R328 million) were purchased from the market in the current period and allocated to employees in terms of the group's executive incentive schemes.

5 297 843 (2011: nil) shares totalling R233 million (2011: nil) were issued in terms of the group's executive incentive schemes, of which 64 424 shares issued at par are held as treasury shares.

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 amount to R2 379 million (2011: R2 607 million). There is no limit in the Memorandum of Incorporation on the group's authority to raise interest-bearing debt.

8 Related party transactions

The group entered into related party transactions during the period, the substance of which are similar to those explained in the group's 2012 annual financial statements.

9 Events subsequent to the reporting date

An agreement to purchase a further seven stores totalling R28 million is effective from the date subsequent to this report.

10 Acquisition of Witchery group

On 2 October 2012 Country Road Limited ("Country Road") acquired all of the ordinary shares of unlisted Australian company Witchery Australia Holdings (Pty) Ltd ("Witchery group") from funds associated with Gresham Private Equity and management vendors (together "Gresham") for a total value of R1 555 million (A$180.9 million) under a Share Sale Agreement. Witchery and its subsidiaries ("Witchery group") comprise both the Witchery and Mimco brands. Economic ownership of the Witchery group commenced on 29 September 2012 for reporting purposes.

The primary purpose of the acquisition is to create one of Australia's largest specialty fashion retailers with leading complementary brands and a market-leading position in the mid to upper tier of the specialty fashion market segment, enabled through leveraging Country Road's scalable information systems and business process infrastructure.

The acquisition was funded in part by cash raised from a 1 for 2 renounceable rights issue by Country Road on 31 August 2012. On acceptance of the rights issue Country Road issued 34 528 411 new shares for a consideration of R789 million (A$91.8 million). The balance of the purchase consideration was funded by a new five-year term amortising debt facility of R791 million (A$92.0 million) through a Senior Syndicated Facility Agreement.

Assets acquired and liabilities assumed

Country Road is required to measure the Witchery group's identifiable assets acquired and liabilities assumed at their acquisition-date fair values. The consolidated provisional fair values are presented below:

	Rm	A$m
Assets		
Cash and cash equivalents	65	8
Trade and other receivables	42	5
Inventories	279	32
Other assets	8	1
Plant and equipment	202	23
Intangibles	563	65
Deferred tax assets	32	4
Liabilities		
Trade and other payables	(252)	(29)
Provisions	(63)	(7)
Total identifiable net assets at fair value (provisional)	876	102
Goodwill arising from acquisition (provisional)	679	79
Purchase consideration transferred	1 555	181
Cash and cash equivalents acquired	(65)	(8)
Cash outflow on acquisition	1 490	173

The gross amount of trade and other receivables is equal to the fair value. No impairment has been recognised as it is expected that the full contractual amounts will be recovered.

Goodwill arising on acquisition of R679 million (A$78.9 million) represents the value paid for the Witchery group in excess of the provisional fair value of its net assets at balance sheet date. Goodwill consists largely of the synergies and economies of scale expected from combining the operations of Country Road and the Witchery group. Expected synergies include supply chain efficiencies, systems integration, administration and shared service efficiencies, and optimisation of sourcing arrangements, product categories and sales channels. Goodwill recognised is not expected to be deductible for income tax purposes. There was no goodwill recognised in the consolidated balance sheet at the start of the period.

Due to the limited time between the acquisition date and balance sheet date, the fair values currently presented are provisional and are subject to further review until the period ended 31 December 2013 as prescribed by Australian Accounting Standards. At the date of this report it is not practicable to reliably estimate the income tax consequences of the acquisition of the Witchery group on goodwill, deferred tax and the income tax provision at balance sheet date.

In the event of a disposal of the Mimco business prior to 2 April 2014, Country Road is obliged under the Share Sale Agreement to share with Gresham any gain in the value of the Mimco business. At the date of this report the directors have no intention to dispose of the Mimco business and hence no value has been ascribed to this contingent consideration.

From the date of acquisition the Witchery group has contributed R772 million (A$87.2 million) of revenue from the sale of goods to total group revenue from the sale of goods of R2 934 million (A$331.3 million) for the period. The net profit before tax of the Witchery group from the date of acquisition is R99 million (A$11.5 million), determined after allocating interest incurred on borrowings attributable to the acquisition. If the acquisition had occurred at the beginning of the period, the Witchery group would have contributed approximately R1 277 million (A$148.5 million) to total revenue from the sale of goods for the period.

Transaction costs directly associated with the acquisition of the Witchery group totalling R52 million (A$5.9 million) have been expensed. Costs attributable to the issuance of shares totalling R5 million (A$0.6 million) have been recognised in equity. Costs associated with the establishment of the amortising syndicated debt facilities totalling R23 million (A$2.7 million) have been recognised in borrowings and will be amortised to the income statement over the term of the facility.

At balance sheet date management was not aware of any contingent liabilities that would necessitate measurement or disclosure in this abridged interim group financial statements.

11 Approval of abridged interim group financial statements

The abridged interim group financial statements were approved by the board of directors on 13 February 2013.

12 Interim audit opinion

These abridged interim group financial statements have not been reviewed or audited.