



WOOLWORTHS

Woolworths Holdings Limited

Unaudited group results for the six months ended 31 December 2001

- From continuing operations:
  - Revenue up 19.1%
  - Profit before exceptional item up 33.6%
  - Headline earnings per share up 32.3%
- Interim dividend per share up 15.4% to 7.5c
- Woolworths net profit before exceptional item up 26.9%
- Country Road exits the US



## income statement

Year ended 30 June 2001 (audited) Rm	Six months ended 31 December 2001 2000 Rm Rm	% Change	
7 411.1	4 385.3	3 670.7	19.5
7 173.1	4 190.2	3 517.7	19.1
238.0	195.1	153.0	27.5
6 994.5	4 098.5	3 440.2	19.1
6 746.1	3 888.7	3 293.1	18.1
4 511.7	2 654.2	2 223.8	19.4
201.3	99.9	100.0	(0.1)
383.4	221.2	196.9	12.3
1 050.9	586.8	499.3	17.5
562.7	303.1	248.6	21.9
36.1	23.5	24.5	(4.1)
248.4	209.8	147.1	42.6
1.7	1.4	-	-
414.9	285.4	230.5	23.8
425.3	300.1	224.6	33.6
(10.4)	(14.7)	5.9	-
-	133.1	-	-
-	(120.3)	-	-
-	(8.0)	-	-
-	(4.8)	-	-
414.9	152.3	230.5	(33.9)
425.3	295.3	224.6	31.5
(10.4)	(143.0)	5.9	-
147.2	100.5	80.7	24.5
267.7	51.8	149.8	(65.4)
3.6	15.9	(0.3)	-
271.3	67.7	149.5	(54.7)
30.5	18.7	16.4	14.0
31.5	20.9	15.8	32.3
30.1	7.4	16.7	(55.7)
31.1	21.2	16.2	30.9
29.9	7.3	16.4	(55.5)
15.0	7.5	6.5	15.4
2.0	2.5	2.5	-
908.1	907.0	900.1	0.8
899.8	912.0	895.5	1.8
7 069.3	4 199.5	3 525.7	19.1
5 955.4	3 499.5	2 957.9	18.3
3 258.9	1 863.5	1 654.3	12.6
2 566.0	1 547.8	1 244.6	24.4
130.5	88.2	59.0	49.5
1 113.9	700.0	567.8	23.3
875.9	504.9	414.8	21.7
238.0	195.1	153.0	27.5
294.6	164.6	137.1	20.1
47.2	21.2	7.9	168.4
7 411.1	4 385.3	3 670.7	19.5
446.4	289.8	228.3	26.9
(31.5)	(4.4)	2.2	-
(21.1)	10.3	(3.7)	-
(10.4)	(14.7)	5.9	-
414.9	285.4	230.5	23.8

## statement of changes in ordinary shareholders' interest

Year ended 30 June 2001 (audited) Rm	Six months ended 31 December 2001 2000 Rm Rm	
2 023.5	2 238.4	2 023.5
2 103.9	2 334.5	2 103.9
(28.0)	(36.2)	(28.0)
(52.4)	(59.9)	(52.4)
28.0	25.5	6.8
(38.5)	(38.5)	-
186.9	116.4	107.8
169.8	38.1	106.3
271.3	67.7	149.5
(103.4)	(77.9)	(44.6)
1.9	48.3	1.4
17.1	78.3	1.5
2 238.4	2 341.8	2 138.1

## balance sheet

Year ended 30 June 2001 (audited) Rm	Six months ended 31 December 2001 2000 Rm Rm	
1 458.3	1 518.8	1 475.0
980.4	895.3	1 011.1
24.7	63.4	21.3
115.6	179.0	110.9
229.0	219.0	241.6
-	27.1	-
102.8	130.2	86.2
5.8	4.8	3.9
2 272.2	2 780.3	2 139.3
503.9	636.0	511.9
1 148.5	1 222.8	1 072.0
327.4	464.5	381.7
171.6	178.2	81.9
120.8	278.8	91.8
3 730.5	4 299.1	3 614.3
2 270.1	2 371.2	2 173.1
2 238.4	2 341.8	2 138.1
31.7	29.4	35.0
335.5	319.1	339.7
0.5	0.4	0.6
94.5	102.8	86.2
240.5	215.9	252.9
1 124.9	1 608.8	1 101.5
756.6	998.9	676.1
66.7	86.2	67.4
116.8	88.1	82.9
184.8	435.6	275.1
3 730.5	4 299.1	3 614.3
246.5	258.2	237.5
3.7%	9.4%	9.1%
3 730.5	4 299.1	3 614.3
3 347.1	3 835.5	3 215.5
383.4	463.6	398.8
503.9	636.0	511.9
324.8	416.0	331.9
179.1	220.0	180.0

**NOTES** 1. The interim financial statements comply with South African Statements of Generally Accepted Accounting Practice. Accounting policies used are consistent with those applicable for the June 2001 financial statements, except as follows: The group's policy for providing for post-retirement medical-aid benefits of retired employees has changed following the introduction of AC116, Employment Benefits. Consequently the actuarial gains and losses are accounted for in the income statement during the period in which they arise. This change has the effect of decreasing reported profit after tax by R5.8m (2000: R3.8m). Following the introduction of AC134, Investment properties, depreciation is now provided on owner-occupied property in accordance with AC123, Property, Plant and Equipment. This change has the effect of decreasing reported profit after tax by R4.1m (2000: R3.7m). Comparative figures have been restated. In addition certain other comparative figures have been changed to bring them in line with classifications used in the current period. 2. On 17 January 2002, Country Road's US operation was placed into Chapter 7 liquidation. Due to the uncertainty of the amounts receivable in respect of the groups' claims against Country Road's US operation, the net assets have been written off in full as at 31 December 2001, resulting in an exceptional charge, after

## COMMENTARY

### group results

The group achieved an increase of 32.3% in headline earnings per share from continuing operations during the period under review. Profit before tax and exceptional items from continuing operations was R300.1m (2000: R224.6), an increase of 33.6%.

Country Road's exit from the US market resulted in a write-off of net assets amounting to A\$18.9m and other costs and provisions of A\$5m (R112.8m after minority interests). The loss in discontinued US operations limited the increase in headline earnings from all operations to 14.0% for the period under review and net profit before tax and exceptional items to 23.8%.

A dividend of 7.5 cents has been declared, a 15.4% increase on the previous period.

### woolworths

Trading in all divisions of Woolworths was encouraging and profit before tax for the six months to December 2001 rose by 26.9% to R289.8m.

The textiles business concentrated on better styled, classic and modern merchandise of superior quality and improved availability. This resulted in a rise in sales of 12.6% and a growth in market share on a twelve month moving average to 16.7% (2000 – 15.9%). Like on like turnover improved by 7.1%.

Foods sales increased by 24.4% and market share rose to 6.3% (2000 – 5.8%) for the period. This was attributable to the positive response of our customers to improved innovation and the increased number of locations where Woolworths quality food is to be found. Like on like turnover improved by 13.9%.

Woolworths Financial Services continued to grow the Woolworths card and the personal loan books. The books are in a low risk part of the market and management remains vigilant. Net bad debts were within budgeted levels.

### country road

Having exited the US market, Country Road in Australasia returned a small profit of A\$0.3m (2000: A\$1.2m loss) mainly due to tight expense control. The R10.3m profit resulted from second quarter profits being translated at an exchange rate significantly weaker than the rate at which first quarter losses were sustained.

This information is also available on the Internet: [www.woolworths.co.za](http://www.woolworths.co.za)

## cash flow statement

Year ended 30 June 2001 (audited) Rm	Six months ended 31 December 2001 2000 Rm Rm	
392.3	274.5	198.2
(106.8)	(92.4)	(148.9)
285.5	182.1	49.3
294.8	165.2	137.3
(37.0)	(24.2)	(25.2)
(97.5)	(160.0)	(45.5)
445.8	163.1	115.9
(103.4)	(77.9)	(44.6)
342.4	85.2	71.3
347.0	88.9	67.3
(4.6)	(3.7)	4.0
(103.3)	(45.1)	(42.0)
(149.6)	(130.3)	(83.6)
55.3	152.9	19.7
-	(25.7)	-
(5.1)	(46.6)	-
(0.3)	-	(0.4)
(145.6)	(70.0)	(51.2)
23.7	10.0	11.1
(15.9)	(27.0)	(2.3)
(340.8)	(181.8)	(148.7)
(333.2)	(180.1)	(142.6)
(7.6)	(1.7)	(6.1)
28.0	25.5	6.8
(11.4)	(38.5)	-
16.6	(13.0)	(3.7)
18.2	(109.6)	(81.1)
(101.3)	(64.0)	(101.3)
19.1	16.8	(1.0)
(64.0)	(156.8)	(183.4)
(60.4)	(156.8)	(186.0)
(3.6)	-	2.6

outside shareholders' interest, of R105.7m. In due course, any amounts received will be set off against this write-off. There is no effect on taxation as the US operation was in an assessed loss position. 3. The effective tax rate of 35.2% before exceptional items is due to the incidence of STC, the effect of the losses of certain subsidiaries and the amortisation of goodwill. 4. Headline earnings per share is based on net profit attributable to the ordinary shareholders adjusted by the provision for discontinuance of Country Road's US operation of R105.7m, the write-down of a listed investment of R4.8m goodwill amortisation of R3.0m, and the net profit on sale of property, plant and equipment of R10.2m. 5. The difference between earnings per share and diluted earnings per share results from outstanding options in terms of the share purchase scheme. 6. Other turnover is derived mainly from logistics services. Sales occur approximately evenly during the first and second six months. 7. Investments include listed securities with a carrying value of R15.9m (2000: R20.2m) and a market value of R16.8m (2000: R15.7m). 8. Unutilised banking facilities amount to R1 215m (2000: R983m), with no limit on the group's ability to raise interest bearing debts. 9. Approved capital commitments for capital expenditure amount to R133.7m (2000: R93.5m).

Country Road is now able to concentrate on the core Australasian market and markets with similar climates. The production of one range will result in significant cost savings and importantly will ensure greater focus on the design and delivery of that range.

### directorates

The board was strengthened by the appointment of Sindi Zilwa as a non-executive director with effect from 1 January 2002. Sindi brings to the board a wealth of financial expertise and business acumen, and will enrich board deliberations.

### prospects

If the current performance in both South Africa and Australia continues, we expect a positive second half.

### dividends

Notice is hereby given that an interim dividend of 7.5 cents per share has been declared in respect of dividend no 9 for the six months ended 31 December 2001.

Shareholders are advised that the last day of trade ("cum" the dividend) in order to participate in the dividend will be Friday, 8 March 2002. The shares will trade "ex" the dividend from commencement of business on Monday, 11 March 2002 and the record date will be Friday, 15 March 2002. The dividend will be payable on Monday, 18 March 2002.

Share certificates may not be dematerialised or re-materialised between Monday, 4 March 2002 and Friday, 15 March 2002, both days inclusive.

On behalf of the Board of Directors.

CA Hall

Chairman

Cape Town  
21 February 2002

SN Susman

Chief executive officer