



WOOLWORTHS HOLDINGS LIMITED

2018 Annual Results



PRESENTATION OUTLINE

01 / *Review of the year*

02 / *Financial review*

03 / *Strategy update*

04 / *Outlook*

01

REVIEW OF THE YEAR

Ian Moir



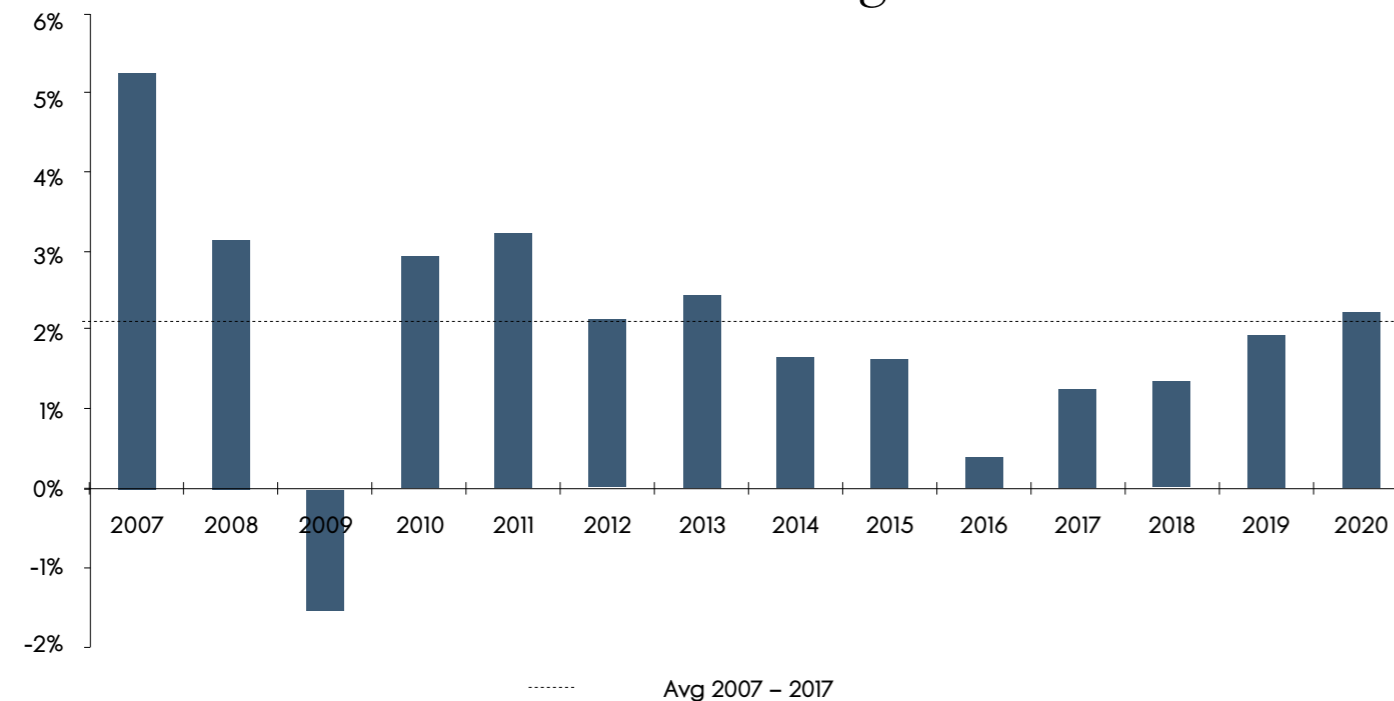
GROUP PERFORMANCE

- Cyclical challenges and structural changes continued
- Extremely tough trading conditions in both markets
- Poor product execution in Clothing in Woolworths
- Continued market-leading sales growth in Woolworths Food
- Significant disruption from transformational initiatives in David Jones
- Carrying value of David Jones assets reduced by A\$712.5 million in December 2017
- Strong performance from Country Road Group
- Turnover up **1.6%**, adjusted profit before tax down **13.8%**
- Headline earnings per share declined by **17.7%**
- Total dividend declined by **23.6%**

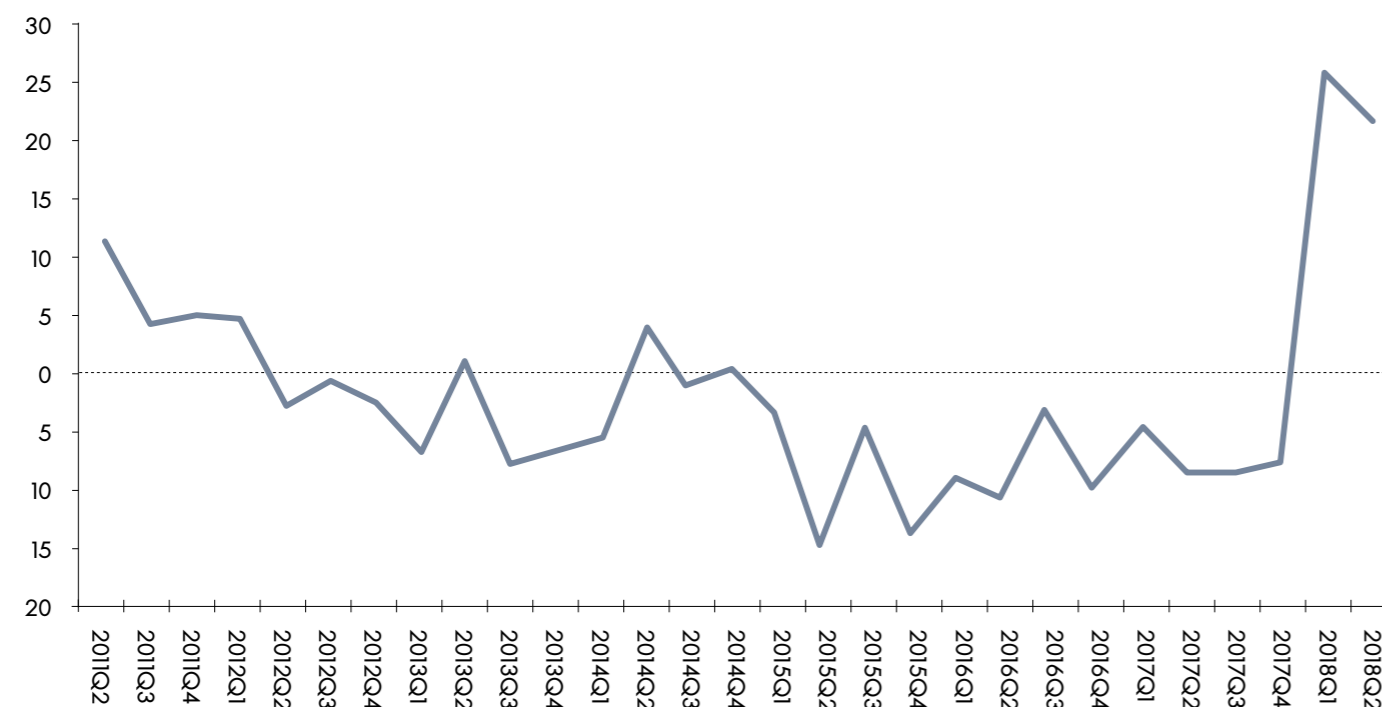


SOUTH AFRICAN MACRO ENVIRONMENT

Real annual GDP growth %



FNB/BER Consumer confidence index



- A turbulent year with political uncertainty and low economic growth impacting consumer confidence in H1
- Improved economic outlook and political change, moderating inflation, and lower interest rates boosted consumer confidence in H2
- However, consumer spending remained under pressure, hampered by increases in fuel and VAT, muted credit extension, and high unemployment

WOOLWORTHS FASHION, BEAUTY & HOME

- Sales **1.5%** lower, with comparable sales **4.1%** lower, price movement of **0.8%**, and **2.5%** net new space
 - Poor brand and product execution in clothing, particularly in womenswear
 - Improved womenswear ranges delivered in H2, but overall sales in clothing impacted by a more constrained consumer and promotional activity in Q4
 - Strong sales growth in Beauty
- Online sales up **77.3%** on LY due to increased availability and online promotions
- Gross profit margin **1.2%** lower due to higher promotional activity and higher summer season markdowns
- Tight inventory management in H2
- Operating profit **21.3%** lower



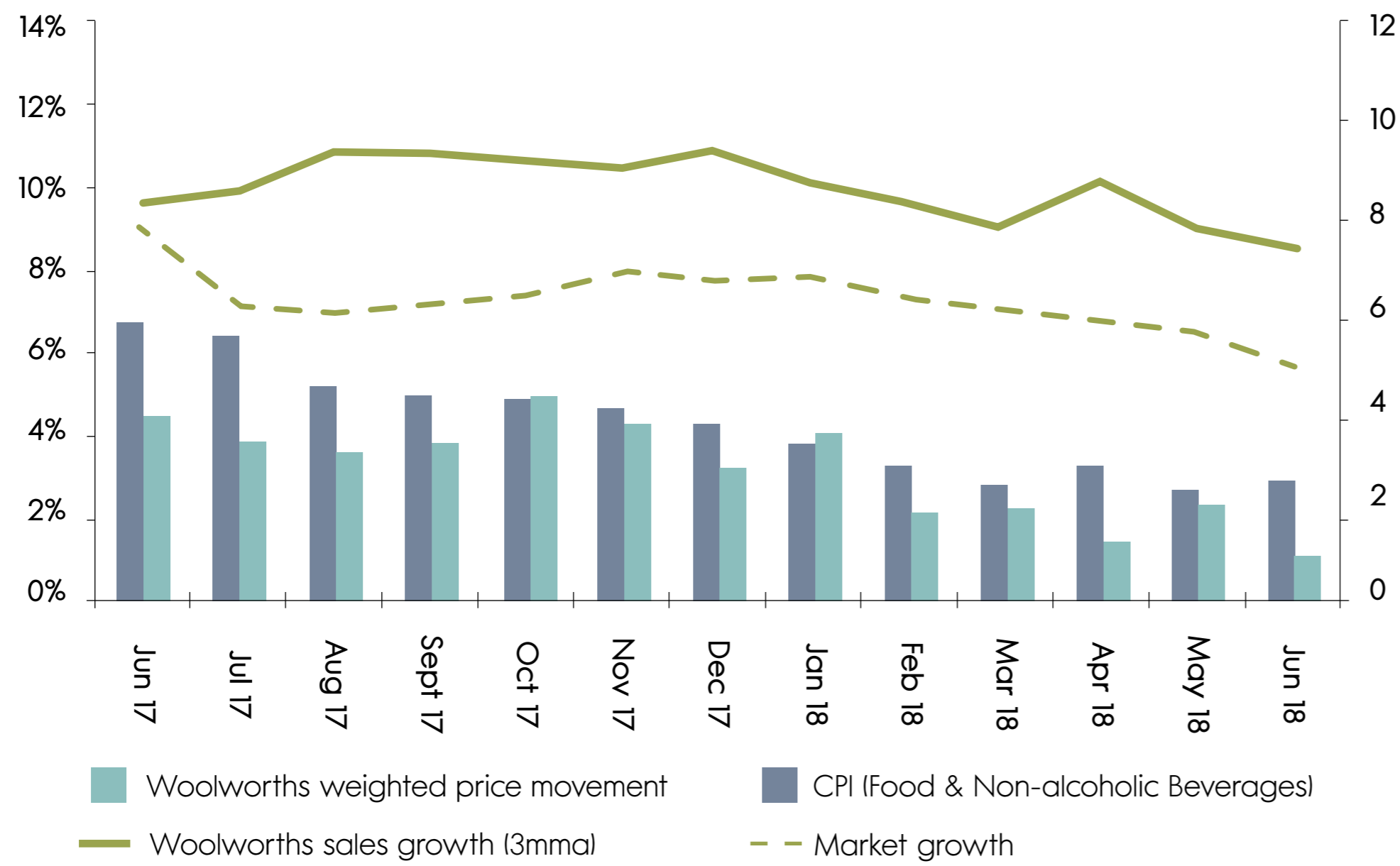
WOOLWORTHS FOOD

- Consistent growth ahead of market for the past 8 years
- Sales up **8.4%**, with comparable sales up **4.8%** and **3.5%** net new space
- Price movement of **3.2%**, **2.1%** in H2
- Positive volume growth of **1.6%** in comparable stores, **2.2%** in H2
- Strong online sales growth, up **17.6%** on LY
- Gross profit margin declined **0.1%**, due to competitive pricing and increased promotional activity
- Operating profit up **9.6%**



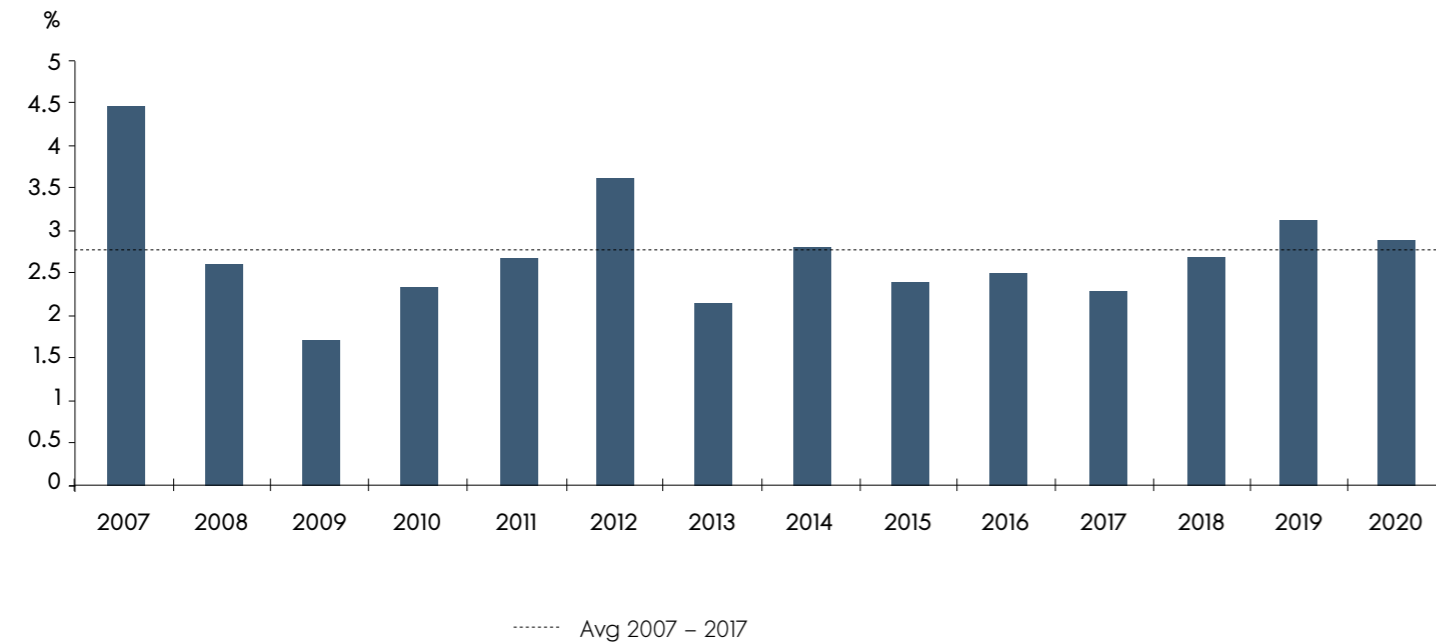
WOOLWORTHS FOOD MARKET SHARE

Woolworths vs market growth (3mma)

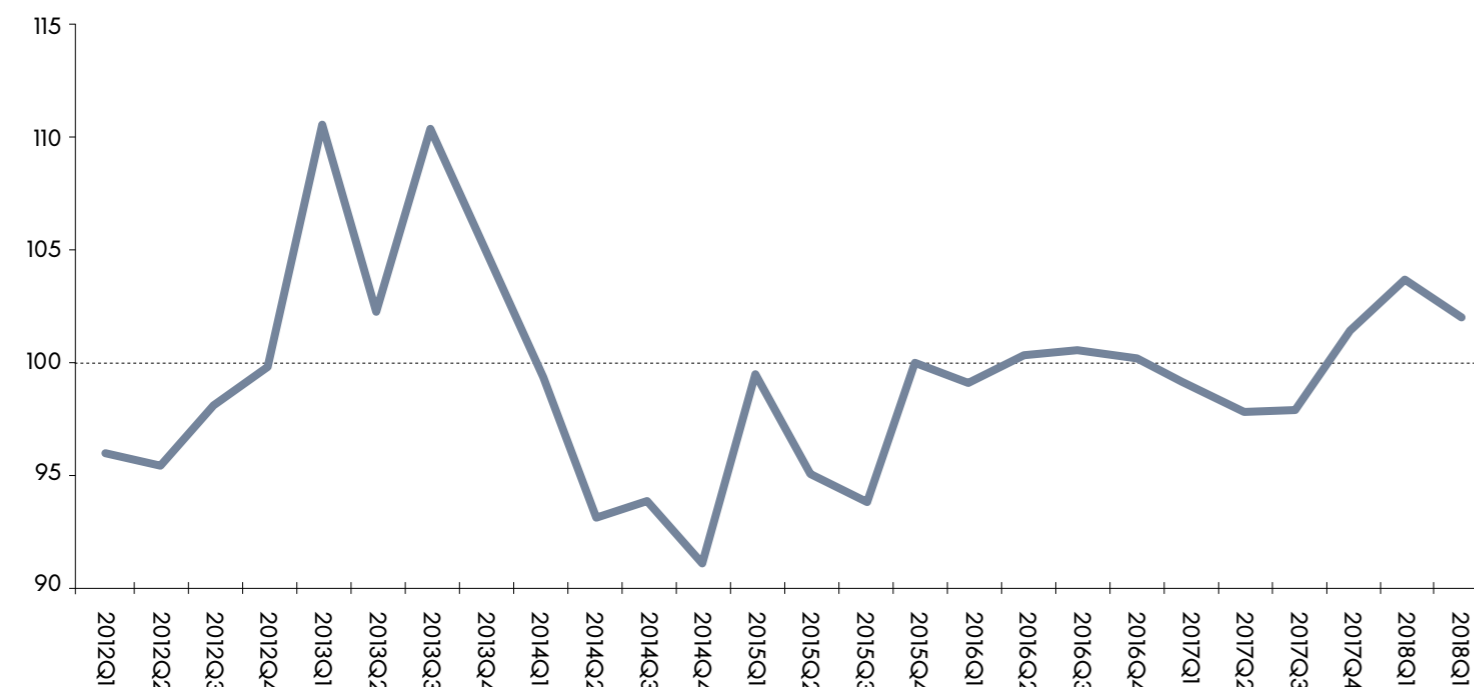


AUSTRALIAN MACRO ENVIRONMENT

Real annual GDP growth %



Westpac-Melbourne Institute Consumer Sentiment Index



- Despite low interest rates and strong job growth, consumer spending remained depressed by high levels of indebtedness, a cooling housing market, low wage growth, and rising non-discretionary costs
- The apparel sector was constrained, highly competitive and promotionally driven
- Continued reduction in shopping mall footfall as customers shift to online shopping

DAVID JONES

- A **significantly disruptive and difficult year**, with major disruption from transformational initiatives and tough economic conditions
- Total sales **0.9%** lower, with comparable sales **0.4%** lower
- Sales improved progressively from mid-November – H2 total sales up **2.2%** and comparable sales up **2.7%**
- **Sales momentum continuing** into the new financial year
- Strong online sales growth of **21.4%**, **5.3%** of total sales, sales growth now >50% on LY since re-platform
- Gross profit margin increased **0.1%** to **37.1%**, despite increased promotional activity in the highly competitive market
- Net space increase of **0.1%**, with gross reductions of **4.1%** from space optimisation
- Adjusted operating profit margin decreased from **6.3%** to **3.8%**, impacted by transformational initiatives
- Ongoing savings of **A\$20 million** achieved post year end



COUNTRY ROAD GROUP

- Sales up **1.7%**, comparable sales **1.8%** lower (excluding Politix acquired in November 2016)
- Strong performance from Witchery, Mimco and Politix offset by poor performance in Country Road
- Gross profit margin up **2.5%** to **62.8%** due to strong focus on full-priced sales and good inventory management
- Continued strong online sales growth, up **20.8%**, now **18.0%** of sales
- Net space increase of **2.5%**, largely due to Politix roll-out in David Jones, with gross reduction of 7.0% from closures in other brands
- Operating profit up **5.1%**
- Operating profit margin up **0.3%** to **9.6%**
- Ongoing cost savings of **A\$5 million** achieved post year end
- New Country Road Managing Director, Elle Roseby, appointed in July 2018



02 FINANCIAL REVIEW

Reeza Isaacs



FINANCIAL OVERVIEW

<div>Turnover and concession sales</div> <div>+1.6%</div> <div>to R75.2 billion</div>	<div>Adjusted profit before tax</div> <div>-13.8%</div> <div>to R4.8 billion</div>	<div>HEPS</div> <div>-17.7%</div> <div>to 346.3 cps</div>	<div>HEPS – Adjusted diluted</div> <div>-12.8%</div> <div>to 364.1 cps</div>
	<div>EPS at</div> <div>-369.5 cps</div>	<div>Total dividend</div> <div>-23.6%</div> <div>to 239.0 cps</div>	<div>ROE*</div> <div>18.0%</div> <div>from 20.8%</div>

* DJ asset impairment added back

GROUP INCOME STATEMENT

	Jun 2018 Rm	Jun 2017 Rm	% change	
Woolworths Fashion, Beauty and Home	1 707	2 168	(21.3)	
Woolworths Food	2 167	1 977	9.6	
WFS (50% of PAT)	286	259	10.4	
Woolworths	4 160	4 404	(5.5)	Good performance from Food and WFS; further decline in FBH
David Jones	660	1 305	(49.4)	Improved H2 sales growth; costs and disruption of various transformational initiatives
Country Road Group	1 032	987	4.6	Slowdown in H2 sales growth in CR; margins and expenses well managed
Profit before interest and tax	5 852	6 696	(12.6)	Lower base rates and margins; strengthening of the rand
Net finance and other costs	(1 072)	(1 151)	(6.9)	
Adjusted profit before tax	4 780	5 545	(13.8)	
Adjustments	(7 214)	1 181		
(Loss)/profit before tax	(2 434)	6 726	>(100)	
Tax	(1 115)	(1 278)	(12.8)	
(Loss)/profit after tax	(3 549)	5 448	>(100)	
Adjusted effective tax rate	27.4%	27.5%		No tax shield on impairment; adjusted effective rate marginally lower than last year

	Jun 2018 Rm	Jun 2017 Rm
Adjustments		
Impairment of David Jones assets	(6 927)	–
Relocation and restructure costs	(146)	(173)
Onerous leases	(147)	–
Transaction and swap close-out costs	–	(77)
Forex gain	6	11
Profit on sale of Market Street, net of impairment	–	1 420
	(7 214)	1 181

WOOLWORTHS FASHION, BEAUTY AND HOME

INCOME STATEMENT

	Jun 2018 Rm	Jun 2017 Rm	% change	
Turnover	13 687	13 894	(1.5)	Comp store sales down 4.1%; price movement 0.8%; womenswear and Edition still in recovery
Cost of sales	7 297	7 244	0.7	
Gross profit	6 390	6 650	(3.9)	120 bps lower; higher levels of markdowns and promotions
Other revenue	18	19	(5.3)	
Expenses	4 702	4 502	4.4	
Store costs	3 269	3 071	6.4	2.5% new space, comp growth of 2.7%
Other operating costs	1 433	1 431	0.1	Focus on head office and discretionary costs
Adjusted operating profit	1 706	2 167	(21.3)	
Gross profit margin – on turnover	46.7%	47.9%		
Operating profit margin – on turnover	12.5%	15.6%		

WOOLWORTHS FOOD

INCOME STATEMENT

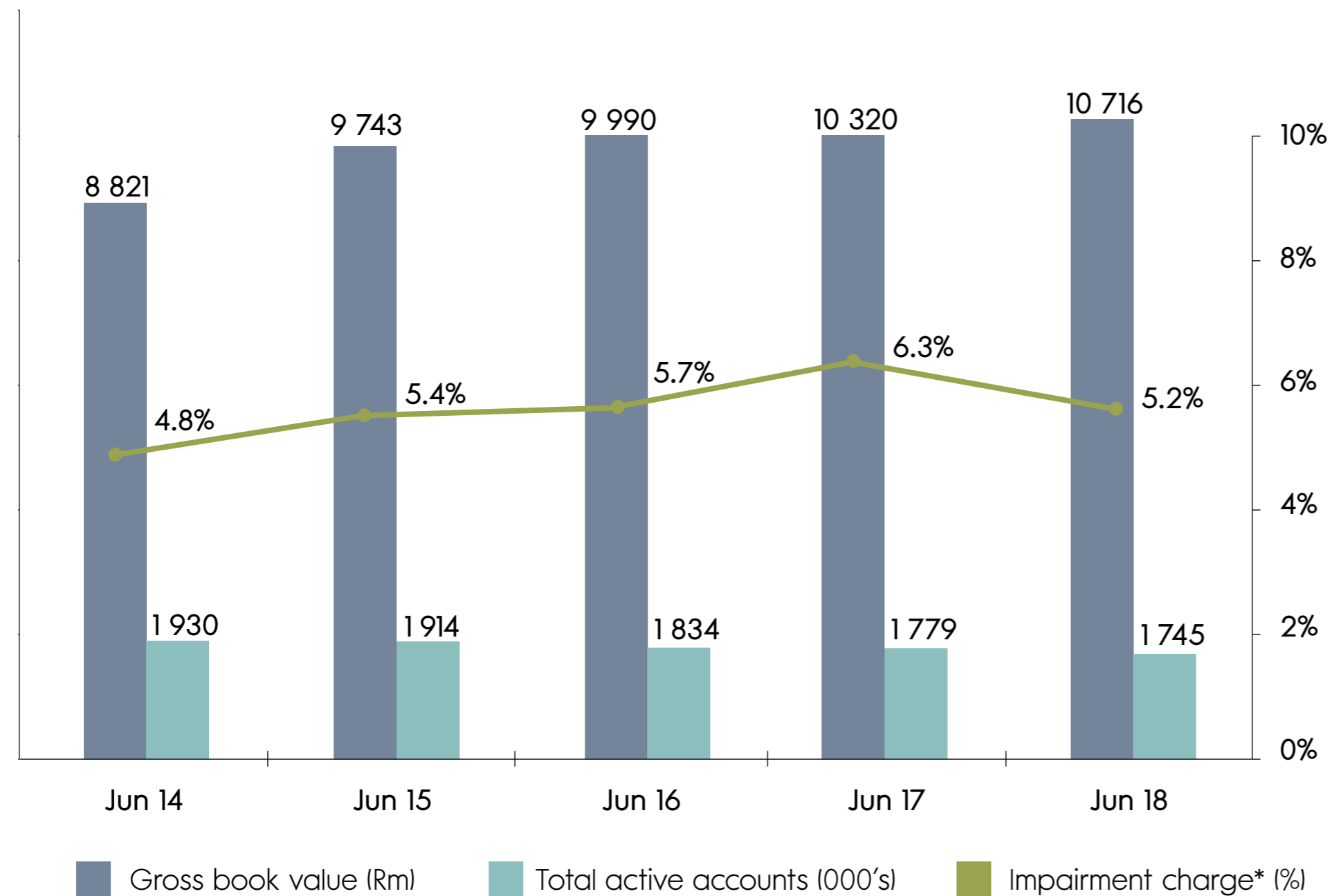
	Jun 2018 Rm	Jun 2017 Rm	% change	
Turnover and concession sales	30 019	27 688	8.4	Strong volume growth; comp store sales up 4.8%, with price movement of 3.2%
Concession sales	(687)	(613)	12.1	
Turnover – own buy	29 332	27 075	8.3	Margin 10 bps down; continued price investment and promotional activity; offset by better waste and rebates
Cost of sales	21 989	20 281	8.4	
Gross profit – own buy	7 343	6 794	8.1	Space growth of 3.5%; comp growth of 5.0%
Concession and other revenue	130	124	4.8	
Expenses	5 306	4 941	7.4	Focus on head office and discretionary costs
Store costs	3 848	3 513	9.5	
Other operating costs	1 458	1 428	2.1	
Adjusted operating profit	2 167	1 977	9.6	
Gross profit margin – on turnover	25.0%	25.1%		
Operating profit margin – on turnover	7.4%	7.3%		

WOOLWORTHS FINANCIAL SERVICES

	Jun 2018 Rm		Jun 2017 Rm		% change	
Average financial services assets	10 659		10 194		4.6	Book growth driven by Credit Card portfolio growth
Income Statement		% to book		% to book		
Interest income	2 166	20.3	2 123	20.8	2.0	
Interest paid	640	6.0	633	6.2	1.1	Lower net yield due to 2 repo rate adjustments
Net interest income	1 526	14.3	1 490	14.6	2.4	
Impairment charge	551	5.2	638	6.3	(13.6)	Improved book shape; strong collections and lower debt counselling inflows
Risk-adjusted margin	975	9.1	852	8.4	14.4	
Non-interest revenue	810	7.6	769	7.5	5.3	Higher credit card spend and monthly fees
Operating costs	985	9.2	906	8.9	8.7	Growth-related costs; investments in customer acquisition campaigns
Profit before tax	800	7.5	715	7.0	11.9	
Return on equity	29.6%		26.4%			Ahead of medium-term target

WOOLWORTHS FINANCIAL SERVICES

BOOK PERFORMANCE



* Includes collection costs

DAVID JONES

INCOME STATEMENT

	Jun 2018 A\$m	Jun 2017 A\$m	% Change	
Turnover and concession sales	2 212	2 214	(0.1)	Full year comp sales down 0.4%; H2 sales up 2.2% and 2.7% in comp stores; online up 21.4%
Concession sales	(763)	(750)	1.7	
Turnover – own buy	1 449	1 464	(1.0)	
Cost of sales	829	832	(0.4)	
Gross profit – own buy	620	632	(1.9)	
Concession and other revenue	200	188	6.4	GP margin up 10bps; change in mix between own buy and concession; higher number of serviced concessions
Gross profit	820	820	–	
Expenses	775	712	8.8	
Store costs	623	585	6.5	Impacted by store openings, and new Food formats
Other operating costs	152	127	19.7	
Department store operating profit	45	108	(58.3)	
Financial services operating profit	19	19	–	
Adjusted operating profit	64	127	(49.6)	Impact of transformational initiatives – Food, value chain, online re-platforming, increased depreciation, head office rental, Elizabeth Street refurbishment
Strategic initiatives	38	31		
Food and Value Chain	20	16		Cost and structure review will remove A\$20m from base
Elizabeth and Market Street costs	18	15		
Adjusted operating profit before strategic initiatives	102	158	(35.4)	
Gross profit margin	37.1%	37.0%		
Operating profit margin*	3.8%	6.3%		

* Department store operating profit (before strategic initiatives) as a percentage of turnover and concession sales

COUNTRY ROAD GROUP

INCOME STATEMENT

	Jun 2018 A\$m	Jun 2017 A\$m	% change	
Turnover	1 074	1 056	1.7	• Comp sales down 1.8% impacted by CR womenswear; online up 20.8%
Cost of sales	400	419	(4.5)	
Gross profit	674	637	5.8	• Up 250 bps from higher full-priced sales and reduced promotions; sourcing gains
Other revenue	5	4	25.0	
Expenses	576	543	6.1	• Includes non-comp Politix costs; comp store costs 1.9% up on last year
Store costs	412	387	6.5	
Other operating costs	164	156	5.1	
Adjusted operating profit	103	98	5.1	
Gross profit margin – on turnover	62.8%	60.3%		
Operating profit margin – on turnover	9.6%	9.3%		

NET FINANCE AND OTHER COSTS

	Capital	Rate*	Jun 2018 Rm	Jun 2017 Rm	
ZAR long-term debt	R9.4bn	8.88%	870	935	<div>Reduction in gearing and decrease in SA base rates and margins</div> <div>Average debt marginally higher; lower average base rates and margins; stronger rand</div>
AUD long-term debt	A\$431m	4.48%	183	197	
Net finance costs			1 053	1 132	
Other costs			19	19	
Net finance and other costs			1 072	1 151	
Interest cover (times)			7.5	7.3	

* Partially hedged all-in rate including amortisation of upfront costs

GROUP BALANCE SHEET

	Jun 2018 Rm	Jun 2017 Rm	% change	Constant currency % change	
Assets					
Property, plant and equipment	13 959	13 846	0.8	(0.7)	
Intangible assets	13 410	19 595	(31.6)	(32.7)	• Decrease due to impairment of DJ assets
Investments in joint ventures	978	1 015	(3.6)	(3.6)	
Inventories	7 542	6 990	7.9	6.7	• Impact of space growth and inflation
Trade and other receivables and loans	1 602	1 325	20.9	19.8	• Increased due to timing of receivables and prepayments
Derivative financial instruments	192	43	>100	>100	
Tax and deferred tax assets	441	392	12.5	12.0	
Cash and cash equivalents	2 023	1 787	13.2	12.3	
Total assets	40 147	44 993	(10.8)	(12.0)	
Equity and liabilities					
Shareholders' funds	13 126	19 066	(31.2)	(32.7)	•
Borrowings and overdrafts	13 860	13 325	4.0	3.3	
Other non-current liabilities	2 607	2 522	3.4	1.9	
Derivative financial instruments	77	195	(60.5)	(60.5)	
Tax and deferred tax liabilities	882	684	28.9	26.3	
Trade and other payables and provisions	9 595	9 201	4.3	3.3	
Total equity and liabilities	40 147	44 993	(10.8)	(12.0)	
Net gearing	11 837	11 538	2.6	2.0	
Year-end exchange rate (R/A\$)	10.0	9.8			

NET GEARING

	Jun 2018	Jun 2017
WHL Net debt (Rm)	(11 837)	(11 538)
Interest-bearing term debt	(13 715)	(13 325)
Net cash and cash equivalents	1 878	1 787
Unutilised committed facilities – Group	10 216	11 033
Net debt to EBITDA (times)	1.5	1.4
SA Net debt (Rm)	(8 289)	(8 701)
Interest-bearing term debt	(9 414)	(9 881)
Net cash and cash equivalents	1 125	1 180
Rate*	8.88%	9.29%
Unutilised committed facilities – SA	6 661	5 795
Australia Net debt (A\$m)	(355)	(290)
Interest-bearing term debt	(431)	(352)
Net cash and cash equivalents	76	62
Rate*	4.48%	3.78%
Unutilised committed facilities – AUS	356	535

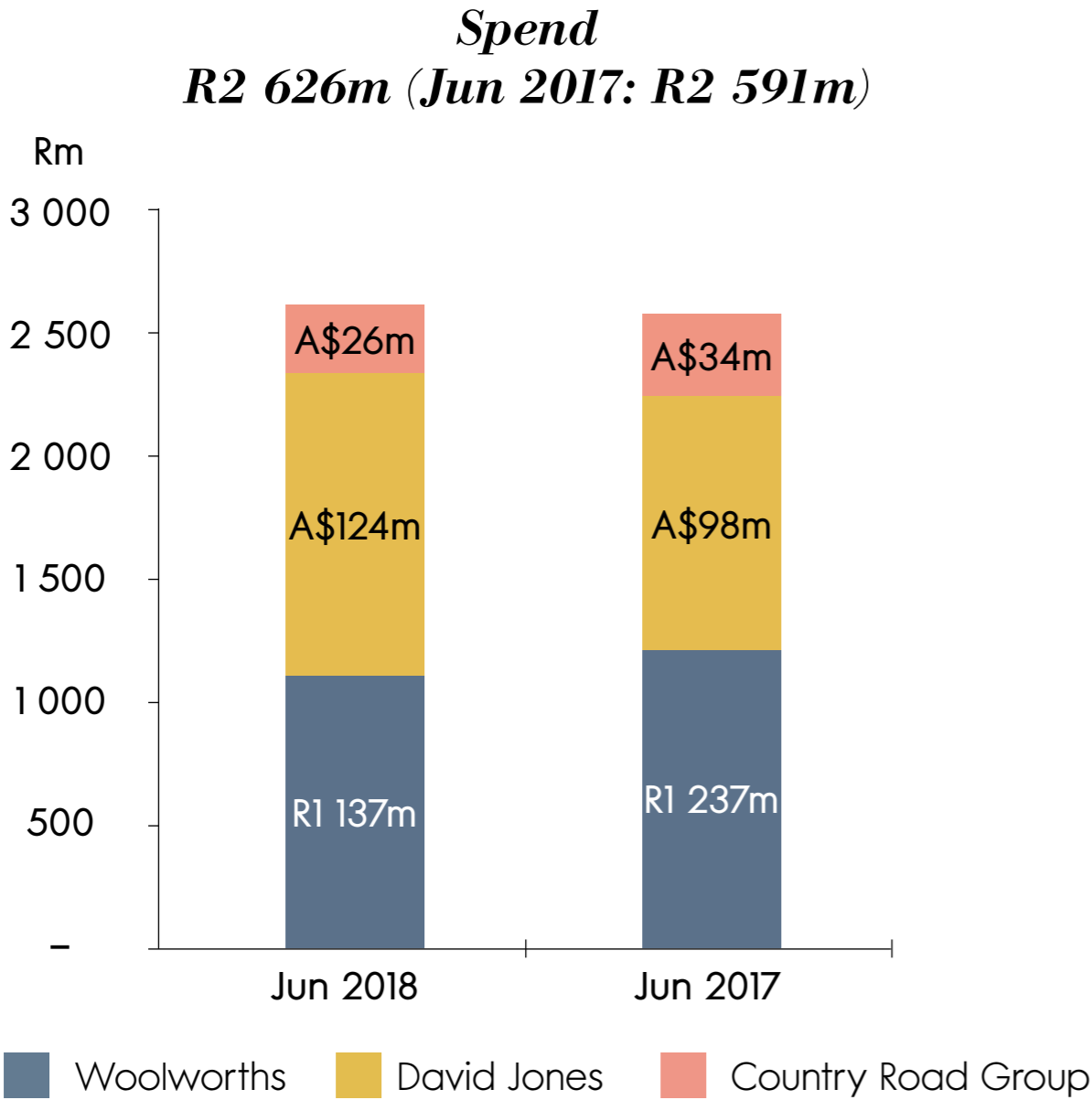
Liquidity remains strong with significant unutilised committed facilities

SA funding expanded throughout the year with issuances of R2.5bn under the Domestic Medium-Term Note programme

Period end rates; base rates increased during the year together with a tiered margin increase; excess facilities trimmed

* Partially hedged all-in rate including amortisation of upfront costs

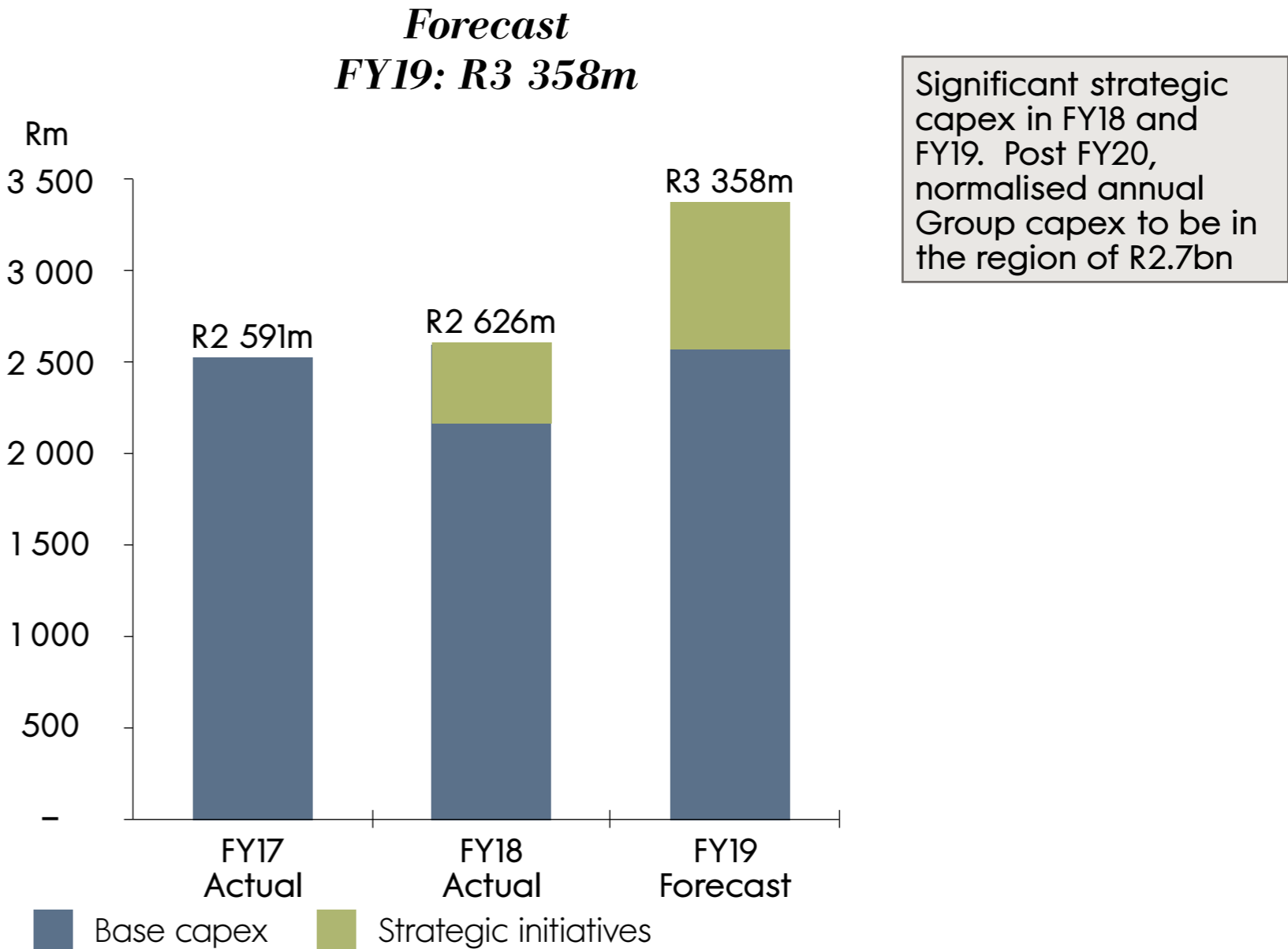
CAPITAL EXPENDITURE



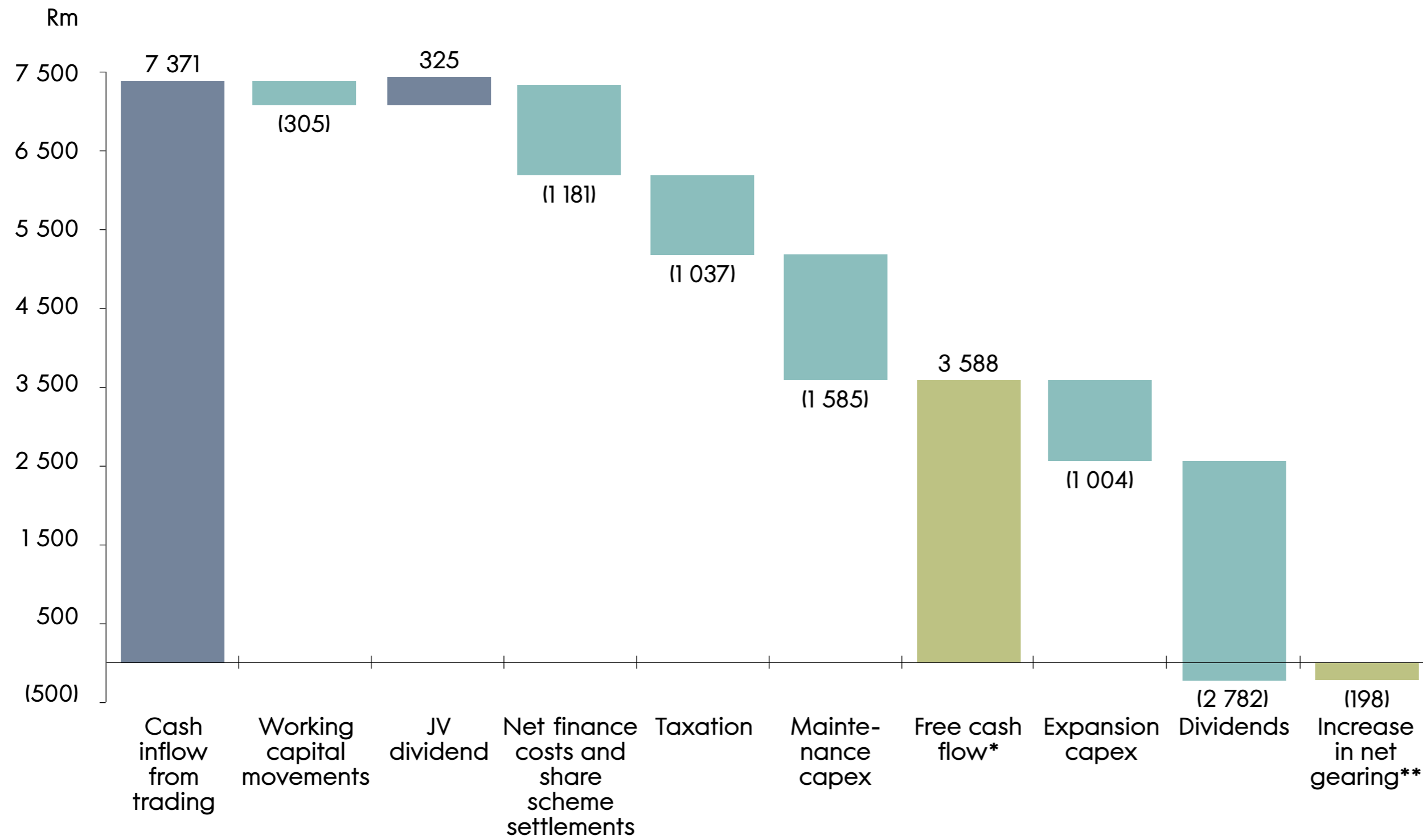
Depreciation and Amortisation

	Jun 2018	Jun 2017	% change
Woolworths (Rm)	1 011	904	12
David Jones (A\$m)	63	63	– *
Country Road Group (A\$m)	39	37	5
Total Group (Rm)	2 018	1 935	4

* Lower depreciation in DJ due to asset impairment in current and prior year



CASH GENERATION FOR THE 52 WEEKS ENDED 24 JUNE 2018



* Free cash flow per share: 373.4 cps (2017: 364.7 cps)

** Net gearing excludes R101 million currency translation impact
Cash conversion ratio (Adjusted PAT and Free cash flow (ex dividends)): 74.5% (2017: 59.2%)

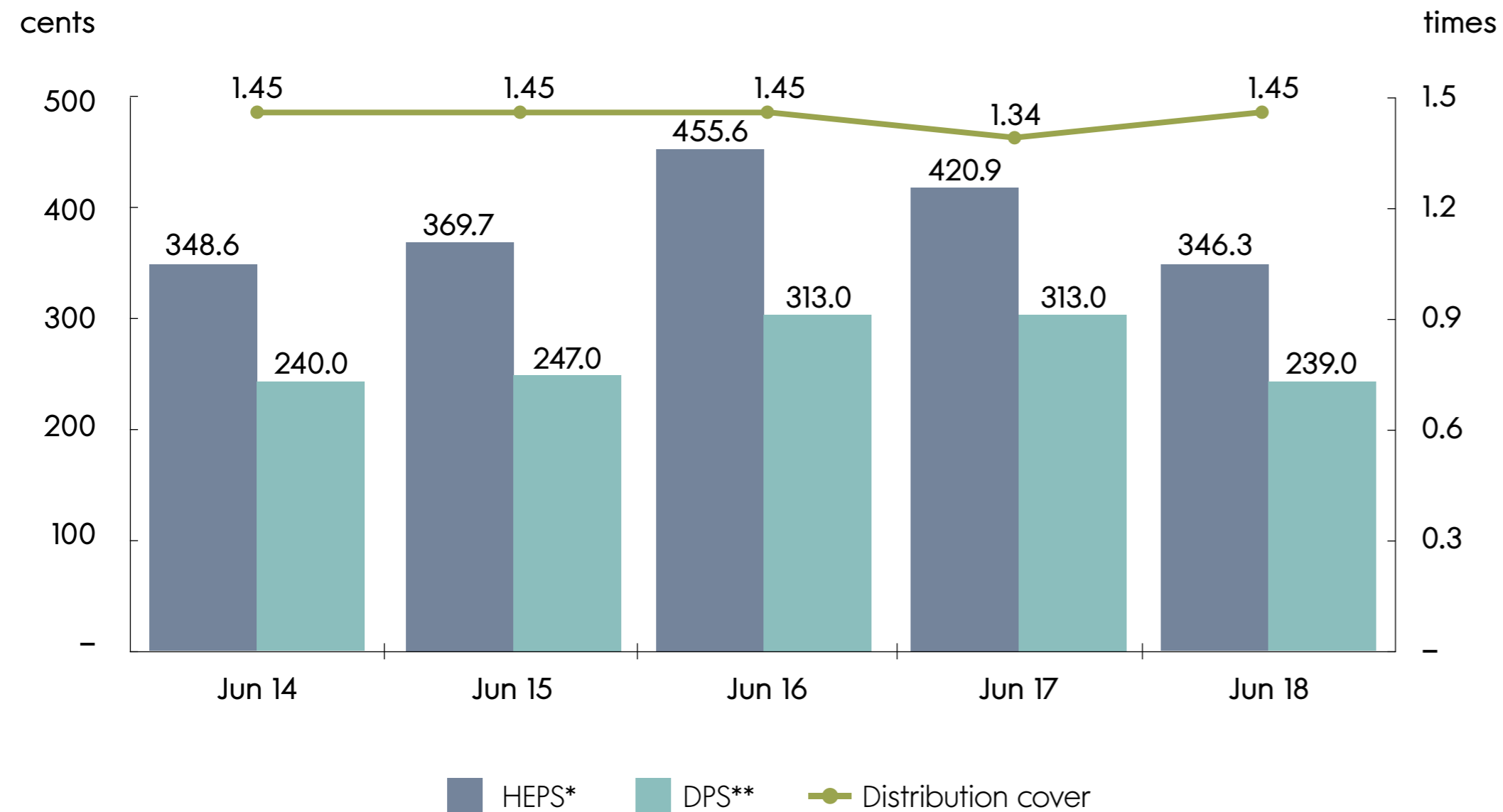
FREE CASH FLOW AND DIVIDENDS

	Jun 2016 Rm	Jun 2017 Rm	Jun 2018 Rm
Free cash flow pre working capital and capital expenditure	6 276	5 356	5 288
Working capital movements	(311)	(615)	(305)
Cash generated by operations	5 965	4 741	4 983
Capital expenditure	(2 849)	(2 413)	(2 005)
Strategic capex, business acquisitions and property disposals	(65)	2 827	(584)
Strategic capex	(65)	(139)	(584)
Acquisition of Politix	–	(711)	–
Sale of Market Street	–	3 677	–
Share-based payments and share scheme settlements	(15)	(33)	(135)
Effect of currency translation	(907)	525	(101)
Free cash flow	2 129	5 647	2 158
Excluding strategic capex, business acquisitions and property disposals	65	(2 827)	584
Net gearing before dividends	2 194	2 820	2 742
Dividends	(2 295)	(2 792)	(2 457)
(Increase)/decrease in net gearing excluding strategic capex	(101)	28	285

Impact of strategic capex excluded from normal free cash flow calculation

Positive free cash flow, excluding strategic capex

EARNINGS AND DISTRIBUTION



* HEPS based on weighted average number of shares

** DPS based on closing number of shares

03 STRATEGY UPDATE

Ian Moir



WOOLWORTHS FASHION, BEAUTY & HOME

- **Fix the Fashion offer**
 - Balance **clearly-segmented sub-brands with the Woolworths brand** to ensure each customer segment has the right brand and the right offer
 - Better **management oversight and improved disciplines** in the design review process and critical path management
 - Ensure every brand is **underpinned by beautiful, simple, well-made basics**
 - **Improve the value and price perception**, particularly on key items and entry price points
 - Focus on **quality and fit**
 - **Be design-led** by entrenching an elevated new design team structure and critical focus on talent
- Continue to **build Beauty as a destination** category and enhance customer experience with leading international brands, a strong private label business and online offer



WOOLWORTHS FOOD

- Absolute **focus on delivering 'the difference'** through best-in-class, innovative product with uncompromising quality and provenance
- **Strengthen the value perception** to make Woolworths more affordable, with ongoing price investment in our iconic lines, everyday low prices and promotional activity
- Claim an **increased share of the convenience market** through a variety of store formats and expanded Food Services offer
- Build an **integrated 'World of Wellbeing'**, becoming our customers' partner in healthy living
- Provide **inspiring meal solutions** to meet a range of customer needs
- Continue to **improve availability** while minimising waste
- Leverage new **Cape Town Food distribution centre** capability and capacity



DAVID JONES

- **Major transformational initiatives now completed** including introduction of new systems, new online platform, repositioned Food business and re-located head office
- Optimise **new merchandise planning and finance systems**, allowing for better planning, assortment and buying decisions
- **Enhance the digital experience** to deliver online sales of 10% by 2020
 - Continue to enhance the new website – launched in May 2018
 - Leverage omni-channel fulfilment centre and regional supply chain expertise
- An **absolute focus on cost control**
 - Reduced cost of doing business by A\$25 million with a more cost efficient and focused Australian structure and reduced regional operating costs in supply chain, non-trade procurement and facilities management

DAVID JONES

- **Refurbish Elizabeth Street** store by investing A\$200m and a further A\$200m from concession partners to create a world-class department store – due for completion in FY2019
 - Luxury ‘Shoe Heaven’ floor and immersive children’s world to open by December 2018
 - Both new offerings underpinned by unique brand partnerships e.g. Louis Vuitton, Gucci, Chanel and Disney to create a premium customer experience
- **Optimise our real estate footprint**, new space offset by space reduction of 7% by 2021
- Drive **performance of private label brands**
 - New David Jones private label brand designed by CRG launched in March 2018
 - Improve WSA brands performance with Australian-based edit
 - Continue to roll-out Politix in David Jones stores, to 43 stores by 2020
- Develop market leading, differentiated Food experience, **evaluate and refine Food design formats and offers** by November 2018
 - Malvern Central trading well
 - First Food stand alone store to open in South Yarra in 2019
 - Focus on reducing waste and driving cost efficiencies
- **Relaunch the David Jones loyalty programme**, introducing new member reward benefits, a virtual card and regular exclusive offers

DAVID JONES – DEPARTMENT STORE EXCLUSIVITY

- The key to future department store success is through **brand exclusivity** and private label
- Exclusivity provides brand differentiation and builds brand equity, by creating a compelling assortment by **curating a desirable and exclusive offer**
- We already have key exclusive arrangements with **international luxury houses and leading Australian designer brands**, including Louis Vuitton, Chanel, Gucci and Givenchy
- We have also entered into an exclusive **children's partnership arrangement with Disney**, the world's biggest entertainment company
- We have secured **new exclusive arrangements** with Scotch & Soda, Nautica, Loewe, Kenzo, Isabel Marant, Burberry Beauty and Christian Louboutin Beauty
- We are now also pleased to announce that **CRG Brands Country Road, Mimco and Politix will be exclusive to David Jones from September 2019** (Witchery and Trenery are already exclusive)
- We are **in advanced discussions with other key international and Australian brands** and look forward to announcing new exclusive arrangements soon

COUNTRY ROAD GROUP

- Continue to implement **customer-led strategies and clear visions** for each brand, informed by customer segmentation
- **Refresh Country Road** brand vision and product direction, particularly in womenswear
- Continue to **drive full-price sales** with targeted, loyalty-based promotions and less generic discounting
- **Increase speed to market** through new sourcing routes and more flexibility in buying decisions
- Design and refine **David Jones private label**
- Deliver a **market-leading digital experience**, with online sales of over 20% by 2020
- **Optimise our real estate footprint**, further space reduction of 10% by 2020
- **Relocate to regional head office** in September 2018
- **Integrate Politix** into the Group and introduce loyalty programme off CRG platform

04 OUTLOOK

Ian Moir



OUTLOOK

South Africa

- Despite lower interest rates and muted inflation, consumer spending expected to remain constrained
- Price movement in H1 expected to be 3% for Food and 5% for Fashion, Beauty and Home

Australia

- Growth and consumer sentiment expected to slowly improve on back of supportive economic conditions and strengthening labour market
- Heightened levels of competition and promotional activity expected to continue



TRADING FOR THE FIRST SEVEN WEEKS

	FY2019 First 7 weeks sales growth	FY2018 H2 sales growth
WOOLWORTHS FASHION, BEAUTY & HOME	-1.7%	-2.9%
WOOLWORTHS FOOD	+7.6%	+7.5%
DAVID JONES	+3.7%	+2.2%
COUNTRY ROAD GROUP	+2.1%	-1.7%

MEDIUM-TERM TARGETS

	FY2021
OPERATING PROFIT MARGIN	
WOOLWORTHS FASHION, BEAUTY & HOME	14% – 16%
WOOLWORTHS FOOD	7%
DAVID JONES*	6% – 8%
COUNTRY ROAD GROUP	12%
RETURN ON EQUITY	
WOOLWORTHS FINANCIAL SERVICES	27.5%

* Department store operating profit as a percentage of turnover and concession sales

QUESTIONS?
THANK YOU

DISCLAIMER

Shareholders are advised that the information in this presentation has not been reviewed and reported on by Woolworths Holdings' external auditors and it does not constitute a profit forecast.

Woolworths Holdings has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements' within the meaning of United States securities legislation.

Forward-looking statements are not statements of fact, but statements by the management of Woolworths Holdings based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this presentation include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic business and market conditions; changes in the domestic regulatory and legislative environments; changes to domestic operational, social, economic and political risks; and the effects of both current and future litigation.

Woolworths Holdings does not undertake to update any forward-looking statements contained in this presentation and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.

ADDITIONAL INFO

TRADING SPACE

	Jun 2018 000m ²	Jun 2017 000m ²	% change	Projected Jun 2019 000m ²	% change	Projected Jun 2020 000m ²	% change	Projected Jun 2021 000m ²	% change
Woolworths Fashion, Beauty and Home	479	468	2.5	486	1.5	488	0.4	494	1.2
South Africa	436	426	2.5	441	1.1	442	0.2	446	0.9
Rest of Africa	43	42	2.4	45	4.7	46	2.2	48	4.3
Woolworths Food	249	241	3.5	257	3.2	266	3.5	275	3.4
South Africa	241	233	3.5	249	3.2	258	3.5	266	3.1
Engen	3	3	–	3	–	3	–	3	–
Rest of Africa	5	5	–	5	–	5	–	6	20.0
David Jones	474	473	0.1	486	2.5	488	0.4	474	(2.9)
Country Road Group*	125	122	2.5	120	(4.0)	119	(0.8)	117	(1.7)
Australasia	103	100	3.0	98	(4.9)	97	(1.0)	95	(2.1)
South Africa	15	16	(6.3)	15	–	15	–	15	–
Politix	7	6	16.7	7	–	7	–	7	–

* Includes 27 165m² Country Road Group brand concessions in David Jones stores

PROJECTED TRADING SPACE ADDITIONS/REDUCTIONS

000m ²	Woolworths Fashion, Beauty and Home	Woolworths Food	David Jones	Country Road Group
Jun 2018	479	249	474	125
Additions	10	9	14	2
Reductions	(3)	(1)	(2)	(7)
Jun 2019	486	257	486	120
Additions	5	9	13	2
Reductions	(3)	–	(11)	(3)
Jun 2020	488	266	488	119
Additions	9	9	6	1
Reductions	(3)	–	(20)	(3)
Jun 2021	494	275	474	117

STORE LOCATIONS

	Jun 2018	Jun 2017	Growth	Projected Jun 2019	Growth	Projected Jun 2020	Growth	Projected Jun 2021	Growth
Woolworths Fashion, Beauty and Home	282	282	–	286	4	286	–	291	5
South Africa	218	217	1	218	–	219	1	220	1
Rest of Africa	64	65	(1)	68	4	67	(1)	71	4
Woolworths Food	430	421	9	444	14	459	15	471	12
South Africa*	334	327	7	342	8	352	10	358	6
Engen	74	72	2	79	5	84	5	89	5
Rest of Africa	22	22	–	23	1	23	–	24	1
David Jones	45	43	2	48	3	49	1	50	1
Country Road Group**	799	741	58	776	(23)	772	(4)	766	(6)
Australasia	618	573	45	589	(29)	580	(9)	574	(6)
South Africa	82	93	(11)	82	–	82	–	82	–
Politix	99	75	24	105	6	110	5	110	–

* Of which 174 are standalone Food stores

** Includes 242 Country Road Group (CRG) brand concessions in David Jones stores, which may extend over multiple pads

WOOLWORTHS FINANCIAL SERVICES

CONTRIBUTION TO SALES

% of sales spent on Woolworths cards	Jun 2018	Jun 2017
Fashion, Beauty and Home	21.4%	21.2%
Food	9.1%	9.7%
Aggregate Woolworths card contribution	13.1%	13.8%
Credit card	2.2%	1.9%
Aggregate Woolworths card and credit card contribution	15.1%	15.6%

DAVID JONES

INCOME STATEMENT (IN RANDS)

	Jun 2018 Rm	Jun 2017 Rm	% change
Turnover and concession sales	22 074	22 725	(2.9)
Concession sales	(7 619)	(7 695)	(1.0)
Turnover – own buy	14 455	15 030	(3.8)
Cost of sales	8 249	8 524	(3.2)
Gross profit – own buy	6 206	6 506	(4.6)
Concession and other revenue	2 001	1 924	4.0
Gross profit	8 207	8 430	(2.6)
Expenses	7 738	7 316	5.8
Store costs	6 222	6 014	3.5
Other operating costs	1 516	1 302	16.4
Department store operating profit	469	1 114	(57.9)
Financial services operating profit	191	191	–
Adjusted operating profit	660	1 305	(49.4)

DAVID JONES

BALANCE SHEET

	Jun 2018 A\$m	Jun 2017 A\$m	% change
Assets			
Property, plant and equipment	838	849	(1.3)
Goodwill and brands	568	1 246	(54.4)
Intangible assets	93	66	40.9
Inventories	275	224	22.8
Trade and other receivables, tax and deferred tax	75	185	(59.5)
Cash and cash equivalents	37	18	>100
Total assets	1 886	2 588	(27.1)
Non-current and current non-interest bearing liabilities	(587)	(689)	(14.8)
Capital employed	1 299	1 899	(31.6)
Year-end exchange rate (R/A\$)	10.0	9.8	

COUNTRY ROAD GROUP

INCOME STATEMENT (IN RANDS)

	Jun 2018 Rm	Jun 2017 Rm	% change
Turnover	10 689	10 815	(1.2)
Cost of sales	3 977	4 295	(7.4)
Gross profit	6 712	6 520	2.9
Other revenue	50	43	16.3
Expenses	5 730	5 576	2.8
Store costs	4 102	3 973	3.2
Other operating costs	1 628	1 603	1.6
Adjusted operating profit	1 032	987	4.6

COUNTRY ROAD GROUP

BALANCE SHEET*

	Jun 2018 A\$m	Jun 2017 A\$m	% change
Assets			
Property, plant and equipment	148	158	(6.3)
Intangible assets	372	376	(1.1)
Inventories	119	128	(7.0)
Trade and other receivables, tax and deferred tax	84	71	18.3
Cash and cash equivalents	38	44	(13.6)
Total assets	761	777	(2.1)
Non-current and current non-interest bearing liabilities	(196)	(224)	(12.5)
Capital employed	565	553	2.2
Year-end exchange rate (R/A\$)	10.0	9.8	

* Per reporting segment

CREDIT METRICS



CREDIT METRICS

Group	Jun 2018	Jun 2017	
Net debt to EBITDA	1.5	1.4	•
Net interest cover	7.5	7.3	
Debt to Equity	0.9	0.6	•
South African Covenant Group	Jun 2018	Jun 2017	
Net debt to EBITDA	1.5	1.4	•
Net interest cover	7.2	6.3	

Group covenants are used internally only

Increase as a result of impairment

SA covenant group is aligned with existing bank debt

ISSUER AND GUARANTOR COMBINED INCOME STATEMENT

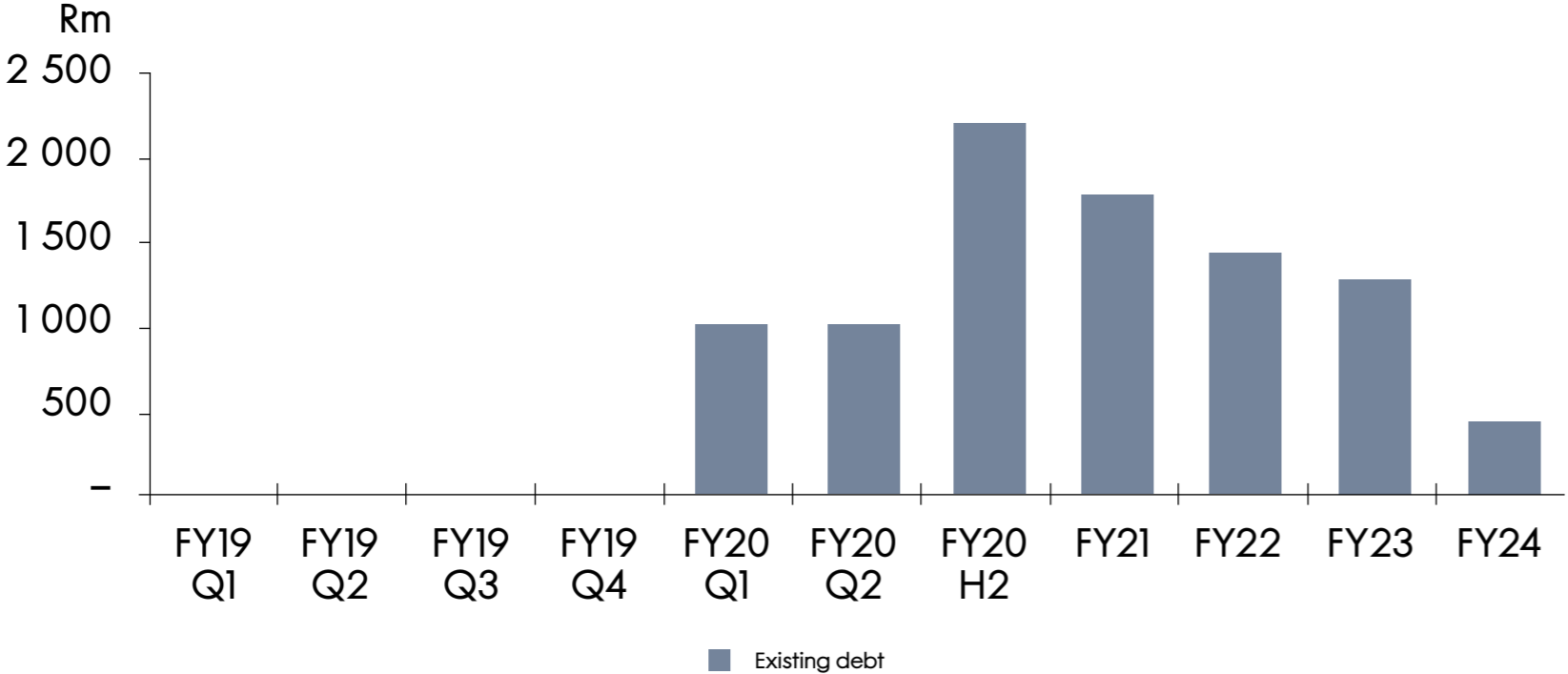
	Jun 2018 Rm	Jun 2017 Rm
Woolworths Holdings Ltd operating (loss)/profit	(3 207)	3 288
Woolworths (Pty) Ltd operating profit	3 773	4 175
Woolworths (Pty) Ltd dividend received included in investment income	461	394
Woolworths Holdings Ltd dividends received from Woolworths (Pty) Ltd	(2 212)	(2 248)
Woolworths (Pty) Ltd dividend received from Woolworths Holdings Ltd (treasury shares)	(116)	(126)
Issuer and Guarantor (loss)/earnings before interest and tax	(1 301)	5 483
Depreciation and amortisation	803	743
Impairment of investment in David Jones	6 212	0
Issuer and Guarantor EBITDA	5 714	6 226

ISSUER AND GUARANTOR COMBINED BALANCE SHEET

	Issuer WHL Company		Guarantor WW (Pty) Ltd	
	Jun 2018 Rm	Jun 2017 Rm	Jun 2018 Rm	Jun 2017 Rm
Assets				
Property, plant and equipment and investment properties	–	–	3 476	3 399
Intangible assets	–	–	939	953
Investments in subsidiaries and treasury shares	17 915	21 528	2 804	3 149
Investments in JVs and associate	–	–	15	15
Inventories	–	–	3 383	3 282
Trade and other receivables and loans	8	10	1 113	871
Intercompany loans	535	544	9 723	9 751
Tax and deferred tax assets	24	24	230	176
Cash	35	34	716	800
Total assets	18 517	22 140	22 399	22 396
Equity and liabilities				
Shareholders' funds	6 750	12 851	5 874	5 766
Borrowings – long-term	2 498	–	4 911	8 877
– short-term	–	–	2 004	1 005
Other non-current liabilities	–	–	864	966
Intercompany loans	9 233	9 279	3 396	722
Tax and deferred tax liabilities	–	–	221	279
Trade and other payables and provisions	36	10	5 129	4 781
Total equity and liabilities	18 517	22 140	22 399	22 396
Net gearing	2 463	(34)	6 199	9 082
Year-end exchange rates (R/A\$)	10.0	9.8	10.0	9.8

MATURITY PROFILE OF LONG-TERM DEBT

South Africa

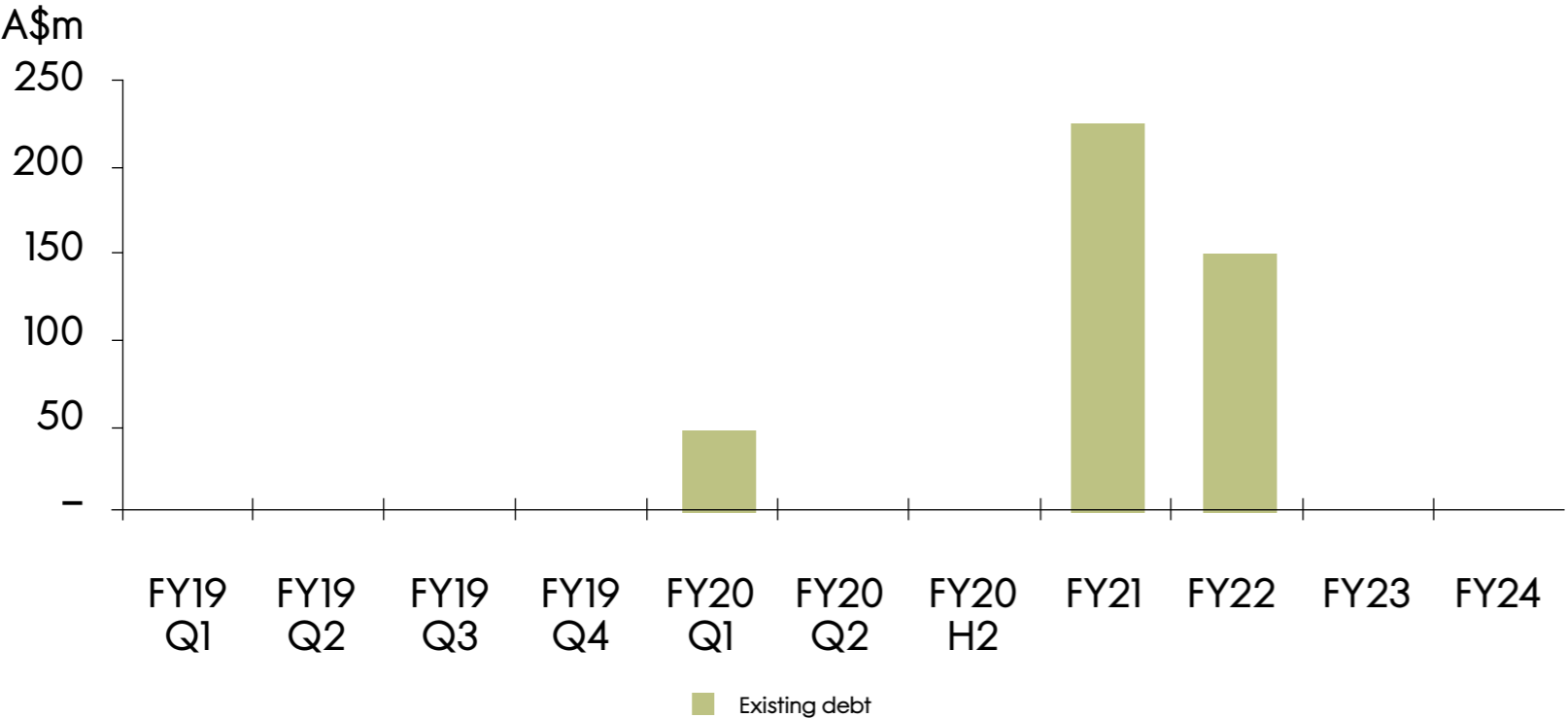


The maturity profile is after settlement of the FY19 Q1 and Q2 tranches. The tranches were settled after year-end

As at FY19 Q1 48% of debt is hedged using interest rate swaps

At year-end, 53% of debt was hedged

Australia



31% of debt is hedged using interest rate swaps

CREDIT – OTHER METRICS

Debt levels

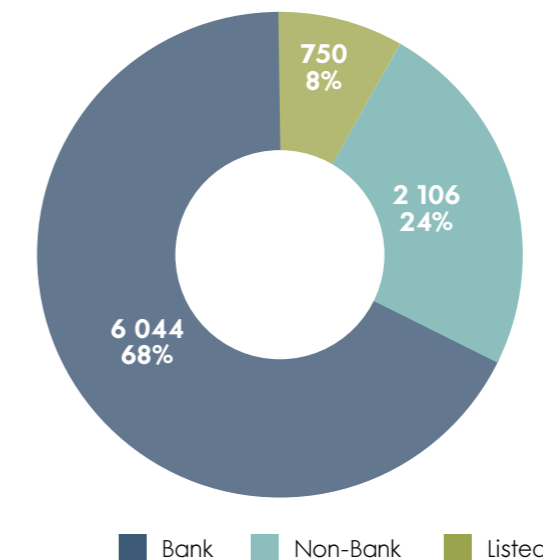
	Capital	Rate*	Jun 2018 Rm	Jun 2017 Rm
ZAR denominated debt	R9.4bn	8.88%	9 413	9 882
AUD denominated debt	A\$431m	4.48%	4 302	3 443
			13 715	13 325

* Partially hedged all-in rate including amortisation of upfront costs

Liquidity and Facilities (SA only)

Jun 2018	Facilities Rm	Utilisation Rm	Available Rm
Term debt	9 400	(9 400)	–
Revolving credit facilities	5 000	–	5 000
Committed facilities	1 950	(289)	1 661
Uncommitted facilities	500		500
Cash in transit and on hand			971
Total available liquidity			8 132

Sources of funding (SA only) – Sept 2018



South Africa – Maturity profile – Sept 2018

