



**WOOLWORTHS HOLDINGS LIMITED**

*Notice of Annual General Meeting and Summarised Group Results  
for the 53 weeks ended 30 June 2019*



# HIGHLIGHTS

	<i>52:52 weeks</i>	<i>53:52 weeks</i>
<i>Turnover and concession sales*</i>	<b>+3.9%</b> <i>to R78.2 billion</i>	<b>+5.9%</b> <i>to R79.7 billion</i>
<i>Adjusted profit before tax</i>	<b>-3.7%</b> <i>to R4.6 billion</i>	<b>-0.2%</b> <i>to R4.8 billion</i>
<i>Headline earnings per share</i>	<b>-4.6%</b> <i>to 330.4 cps</i>	<b>-1.0%</b> <i>to 342.9 cps</i>
<i>Adjusted diluted headline earnings per share</i>	<b>-2.1%</b> <i>to 356.3 cps</i>	<b>+1.3%</b> <i>to 368.7 cps</i>
<i>Loss per share</i>	<b>-126.0<sup>cps</sup></b> <i>from -369.5 cps</i>	<b>-113.4<sup>cps</sup></b> <i>from -369.5 cps</i>
<i>Total dividend per share</i>	<b>-20.3%</b> <i>to 190.5 cps</i>	
<i>Return on equity**</i>	<b>17.5%</b> <i>from 18.0%</i>	

\* Excludes impact of IFRS 15

\*\* David Jones asset impairment added back

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## **OTHER DOCUMENTS IN OUR SUITE OF REPORTS:**

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- 2019 Integrated Annual Report
- Audited Annual Financial Statements for 2019
- Good Business Journey (GBJ) Report

All of the above reports are available on our website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za)

# CHAIRMAN'S LETTER TO SHAREHOLDERS

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## Dear Shareholder

This is my last letter to you as Chairman of Woolworths Holdings Limited ("the Company") as I will be stepping down from the Board, and as Chairman of the Company, after the Annual General Meeting ("AGM") to be held on Wednesday, 27 November 2019, at 10:00 in the Auditorium at Woolworths House in Cape Town. Full details of the AGM are provided in the notice of AGM ("Notice") which follows.

Tom Boardman, the Lead Independent Director, will also step down after the AGM. Tom and I were both appointed to the Board as Non-executive Directors in 2010 and will each have enjoyed a nine-year term by the date of the AGM. In line with the Board's succession planning and to promote continuity, Hubert Brody was appointed as Deputy Chairman in anticipation of being appointed by shareholders as the Chairperson of the Board and the Company after I step down. A resolution to this effect has been included in the Notice which follows.

Hubert is an experienced Independent Non-executive Director who has added a great deal of value to the Board since his appointment in July 2014 and is well suited to lead the Board and the Group into the future. He has spent a great deal of time this year further assimilating into the businesses in South Africa and Australia to enable a seamless transition into the role of Board Chairman.

With regard to the role of Lead Independent Director after Tom Boardman steps down, Zarina Bassa was identified as being eminently suitable for the role. Even though Hubert is classified as an Independent Non-executive Director, we believe that the role of Lead Independent Director is a critical one, as endorsed by the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™), and have elected to retain this role. Zarina is an effective and well-experienced Independent Non-executive Director who understands the Company and has contributed her diverse skills and experience to the Board and across the Group. I wish both Hubert and Zarina all the best in their new roles on the Board.

During the year there were a number of other changes to the Board. Ms Sizakele Mzimela resigned on 5 November 2018 while Mr Patrick Allaway and Ms Gail Kelly resigned on 8 February 2019, and I would like to thank them again for their contributions to the Board. Since then, the Board has appointed five additional Independent Non-executive Directors, namely, Mr David Kneale, Ms Thembisa Skweyiya, Ms Belinda Earl, Mr Christopher Colfer and Mr Clive Thomson. They collectively contribute fresh perspectives and a powerful mix of financial and global retail and e-commerce expertise, supplementing the already diverse skills and experience of the Board.

The five new Independent Non-executive Directors are required to retire at the AGM in terms of the Company's Memorandum of Incorporation, and, having offered themselves for election, resolutions to this effect have been included in the Notice which follows.

The Board has also previously announced that it has commenced the process of recruiting a successor for the Group Chief Executive Officer, Ian Moir. Whilst the process has been extensive, the Board is satisfied with its continued progress.

Many of you will recall that at the Annual General Meeting in 2018, our Remuneration Policy was endorsed by 79.91% of shareholders who participated in the meeting, while the Remuneration Implementation Report was endorsed by 60.26%, each by way of a non-binding advisory vote. As a result, we invited shareholders who had voted against the Remuneration Implementation Report to engage with us. Their inputs and comments, together with those received directly from key stakeholders prior to the 2018 Annual General Meeting, have been carefully considered by the Board, and the Remuneration Committee in particular, and a number of changes have been implemented as a result. The Board convened a separate Remuneration workshop to deliberate on the various issues. A summary of these deliberations is set out in the explanatory notes to the resolutions and the detailed changes incorporated into the 2019 Remuneration Policy and Implementation Report, which I trust will receive the appropriate level of endorsement by shareholders who participate in the 2019 AGM.

In the Integrated Report last year, we reported that the Group would be targeting 2021 as the year in which mandatory audit firm rotation (MAFR) would be implemented unless there were unexpected delays, in which case MAFR would be implemented no later than the prescribed date. The decision to implement audit firm rotation before the prescribed date was based on various considerations and financial reporting requirements as these existed at that time.

During the course of this year, the Audit Committee has had cause to reconsider the timing of audit firm rotation in the Group and has decided to delay implementation by one year. The reasons for doing so are to provide additional time for new systems and processes to be refined and embedded in the Group due to the significant impact of the introduction of IFRS 16: Leases, on the Group's balance sheet. In addition, the delay provides time for the audit profession in South Africa to stabilise following the recent events and reputational concerns that have impacted this profession. Given that the Group will follow a tender process for the appointment of a new external auditor, this will provide time for audit firms to

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take corrective steps and all be in a more advanced position to report comprehensively on the progress regarding key issues that had surfaced in the profession over the recent past, and for the Audit Committee to consider progress made. While the committee remains of the view that it requires the services of a main tier audit firm for audit services, it is committed to growing medium tier firms through the provision of non-audit related services and potential sub-contracting of audit services by the main appointed audit firm.

Finally, I invite you to join us at the 2019 AGM, as your attendance is important to us and provides us with an opportunity to engage with you and respond to your

questions. We accordingly encourage you to attend the AGM or to arrange to vote by proxy if you are unable to attend. Instructions for voting by proxy are provided on the enclosed proxy form.

In closing, I would like to thank the Board members for their diligence, wise counsel and the engaged manner in which they have collectively contributed to the business of the Board. I also wish to thank the management team for their leadership of the business and extend my warmest wishes to all for every success in the future. I look forward to commencing my next chapter with the Company in the capacity of Honorary President.



**SN Susman**  
Chairman

## A TRIBUTE TO SIMON SUSMAN

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It is with gratitude that we say farewell to Simon Susman at our 2019 AGM.

Simon has been part of Woolworths for almost 40 years and his contribution to the Group has been invaluable. Notably, he was the architect and driving force behind our very successful Food business and further held a number of top executive positions in the Group before becoming the Chief Executive in 2000.

Simon was also particularly instrumental in inspiring and implementing our Good Business Journey. Through this programme, the Group continually strives to do business in a way that is deeply sustainable both socially and environmentally.

Simon will become Honorary President upon conclusion of the 2019 WHL AGM, following his stepping down as a director. He will provide support and advice to the Board and continue his deep association with the Group by devoting his time to the continued advancement of the Company's participation in civil and corporate society.

On behalf of the Board, management and all our employees, we wish to extend our deepest thanks and appreciation to Simon for the passion and wisdom that he has shared with us and for building Woolworths Holdings Limited into a company that is deeply rooted in values, passionately delivers on sustainability and brings real value to all stakeholders.

**Hubert Brody**  
Deputy Chairman

# NOTICE OF ANNUAL GENERAL MEETING

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Woolworths Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1929/001986/06)  
JSE Share code: WHL  
ISIN: ZAE000063863  
Bond company code: WHL  
Bond code: WHL01

Notice is hereby given that the 2019 Annual General Meeting (AGM) of the shareholders of Woolworths Holdings Limited (Woolworths Holdings or the Company) will be held on Wednesday, 27 November 2019, commencing at 10:00, in the Auditorium, 1st Floor, Woolworths House, 93 Longmarket Street, Cape Town 8001.

At the AGM, the resolutions set out below will be proposed, considered and, if deemed fit, passed with or without amendment and such other business will be conducted as is required to be dealt with at the AGM in terms of the Companies Act, No 71 of 2008, as amended (Companies Act).

## RECORD DATES

The Board of Directors of the Company have set the following record dates for determining shareholders rights:

Record date to receive this Notice of AGM:	Friday, 20 September 2019
Record date to participate in and vote at the AGM:	Friday, 22 November 2019
Last date to trade to be eligible to participate in and vote at the AGM:	Tuesday, 19 November 2019

## AGENDA

Please refer to the explanatory notes for the ordinary and special resolutions provided on pages 8 to 12 of this Notice.

### 1. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS AND REPORTS

The audited Annual Financial Statements of the Company and the Woolworths Holdings Group, incorporating the external auditor, Audit Committee and directors' reports, for the year ended 30 June 2019, are presented to shareholders.

The summarised financial statements accompanying this Notice of AGM are set out in Annexure A to this Notice. The complete audited Annual Financial Statements for the year ended 30 June 2019 are available on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

### 2. REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee report, in terms of regulation 43(5)(c) pursuant to the Companies Act, is included on pages 139 to 152 of the Integrated Report, available on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

### 3. ORDINARY RESOLUTIONS

#### ORDINARY RESOLUTION 1: APPOINTMENT OF CHAIRPERSON

"Resolved, in accordance with the provisions of article 23.6 of the Company's Memorandum of Incorporation, that

Mr Hubert Brody be and is hereby appointed as Chairperson of the Company with effect from the conclusion of the Company's AGM."

A brief biography of Mr Brody is set out in Annexure B to this Notice.

#### ORDINARY RESOLUTION 2: ELECTION OF DIRECTORS

"Resolved that the following independent non-executive directors of the Company who, being eligible, have offered themselves for election, are elected by separate resolution:

- 2.1 Mr David Kneale
- 2.2 Ms Thembisa Skweyiya
- 2.3 Ms Belinda Earl
- 2.4 Mr Christopher Colfer
- 2.5 Mr Clive Thomson."

Brief biographies of each of the directors offering themselves for election as members of the Company's Board are set out in Annexure B to this Notice.

#### ORDINARY RESOLUTION 3: ELECTION OF AUDIT COMMITTEE MEMBERS

"Resolved that the following independent non-executive directors are elected by separate resolution, as members of the Company's Audit Committee until the conclusion of the next Annual General Meeting:

- 3.1 Ms Zarina Bassa
- 3.2 Ms Thembisa Skweyiya\*
- 3.3 Mr Andrew Higginson
- 3.4 Mr Christopher Colfer\*
- 3.5 Mr Clive Thomson\*."

\* Subject to election as directors pursuant to resolutions numbers 2.2, 2.4 and 2.5 above.

Brief biographies of each of the directors offering themselves for election as members of the Company's Audit Committee are set out in Annexure B to this Notice and details of their attendance at Audit Committee meetings during their respective tenures on the Committee, are set out in Annexure C to this Notice.

The report of the Company's Audit Committee is included on pages 30 to 33 of the Annual Financial Statements available on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

#### ORDINARY RESOLUTION 4: RE-APPOINTMENT OF EXTERNAL AUDITOR

"Resolved, on the recommendation of the Audit Committee, that Ernst & Young Inc., and the designated audit partner, be and are hereby re-appointed as external auditor of the Company until the conclusion of the 2020 Annual General Meeting of the Company in terms of Section 90(1) of the Companies Act."

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**ORDINARY RESOLUTION 5: AMENDMENTS TO THE RULES OF THE WOOLWORTHS PERFORMANCE SHARE PLAN ESTABLISHED IN TERMS OF THE WOOLWORTHS HOLDINGS SHARE TRUST DEED**

“Resolved as an Ordinary Resolution, that the amendments to the Rules of the Woolworths Performance Share Plan (PSP Rules) established in terms of the Woolworths Holdings Share Trust Deed (Trust Deed), as indicated in the conformed copy of the PSP Rules tabled at the Annual General Meeting at which this resolution will be considered and initialled by the Chairman of such meeting for the purposes of identification, be and are hereby approved and the Board be and is hereby authorised to take any action required to implement the amendment to the PSP Rules.”

**4. NON-BINDING ADVISORY VOTES**

**ORDINARY RESOLUTION 6: ENDORSEMENT OF THE COMPANY’S REMUNERATION POLICY**

“Resolved by means of a non-binding advisory vote that the Company’s Remuneration Policy be and is hereby endorsed”.

**ORDINARY RESOLUTION 7: ENDORSEMENT OF THE COMPANY’S REMUNERATION IMPLEMENTATION REPORT**

“Resolved by means of a non-binding advisory vote that the Company’s Remuneration Implementation Report be and is hereby endorsed.”

**5. SPECIAL RESOLUTIONS**

**SPECIAL RESOLUTION 1: GENERAL AUTHORITY TO ACQUIRE (REPURCHASE) SHARES**

“Resolved that the Company and/or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire issued ordinary shares of the Company from any person (including any director or prescribed officer of the Company or any person related to any director or prescribed officer of the Company) from time to time, on such terms and conditions as the directors of the Company may determine in accordance with the requirements of the Company’s Memorandum of Incorporation, the Companies Act and the Listings Requirements of the Johannesburg Stock Exchange (JSE) from time to time, which requirements currently provide that:

- any such repurchase shall be implemented through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty (reported trades being prohibited);
- this general authority shall be valid until the earlier of the Company’s next Annual General Meeting or the expiry of a period of 15 months from the date of passing of this Special Resolution 1;

- acquisitions by the Company may not, in aggregate, exceed 5% of the Company’s issued share capital as at the date of the passing of this Special Resolution 1;
- ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined for the five business days immediately preceding the date of acquisition of such ordinary shares;
- an announcement in accordance with paragraph 11.27 of the JSE Listings Requirements is published as soon as the Company, or any of its subsidiaries, has cumulatively acquired not less than 3% of the ordinary shares in issue as at the date of the passing of this Special Resolution 1 and for each subsequent acquisition constituting on a cumulative basis, not less than 3% in aggregate of the number of ordinary shares in issue as at the date of the passing of this Special Resolution 1;
- the Company and/or its subsidiaries may not acquire any ordinary shares during a prohibited period as defined in the JSE Listings Requirements unless a repurchase programme is in place where the date and quantities of the ordinary shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE prior to the commencement of the prohibited period;
- the Company’s subsidiaries may not acquire ordinary shares issued by the Company if the acquisition of such shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the Company;
- no voting rights attached to the ordinary shares acquired by the Company’s subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the Company;
- the Board of Directors shall have authorised the acquisition, the Company shall have passed the solvency and liquidity test in terms of Section 4 of the Companies Act and since the solvency and liquidity test was considered, no material changes to the financial position of the Company and its subsidiaries have occurred; and
- the Company only appoints one agent at any point in time to effect the repurchases on its behalf.”

**SPECIAL RESOLUTION 2: REMUNERATION OF NON-EXECUTIVE DIRECTORS**

“Resolved as a Special Resolution that the VAT exclusive fees payable to non-executive directors for the period 1 January to 31 December 2020, details of which are set out below, be and are hereby approved.”

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Remuneration payable to non-executive directors for their services as members of the Board and Board committees *	Current approved fees R'000	Proposed fees R'000	% Increase
Chairman	R1 728 200	R2 250 000	30.2
Lead Independent Director	R662 500	R795 000	20
South Africa-based director	R400 600	R420 630	5
United Kingdom based director	£75 975	£77 495	2
Australia-based director	A\$158 900	A\$134 000	(15.7)
Audit Committee chairman	R345 100	R362 355	5
Audit Committee member	R189 200	R198 660	5
Nominations Committee chairman	R178 100	R187 005	5
Nominations Committee member	R111 300	R116 865	5
Remuneration Committee chairman	R233 800	R245 490	5
Remuneration Committee member	R122 400	R128 520	5
Risk and Compliance Committee chairman	R233 800	R245 385	5
Risk and Compliance Committee member	R122 400	R128 520	5
Social and Ethics Committee chairman	R189 200	R198 660	5
Social and Ethics Committee member	R111 300	R116 865	5
Sustainability Committee chairman	R189 200	R198 660	5
Sustainability Committee member	R111 300	R116 865	5
Treasury Committee chairman	n/a	R245 385	new fee
Treasury Committee member	R44 500	R129 864	191.83
Hourly rate for additional services	R5 342	R5 609	5

### VOTING AND PROXIES

In terms of the Companies Act and to the extent applicable, the JSE Listings Requirements, no voting rights attached to the treasury shares held by the Company or shares held by the Woolworths Holdings share scheme (except for those shares held in favour of employees to whom voting rights have already accrued) and unlisted securities may be exercised.

Ordinary shareholders holding dematerialised shares in their own name, or who hold shares that are not dematerialised (certificated shares), who are entitled to attend, participate in, and vote at the AGM may appoint one or more proxies to attend, participate and vote in their stead. A proxy does not have to be a shareholder of the Company. The appointment of a proxy will not preclude the shareholder who appointed the proxy from attending the AGM and participating in and voting at the AGM to the exclusion of any such proxy. Forms of proxy for use by ordinary shareholders at the AGM are enclosed with this Notice.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their CSDP or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions (failing which the CSDP or broker will assume the shareholder does not wish to attend the AGM or appoint a proxy); and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so by way of a letter of representation.

Proxy forms must be delivered to Computershare Investor Services Proprietary Limited (the Company's Transfer Secretaries) by one of the following methods:

By hand: Rosebank Towers, 15 Biermann Avenue, Rosebank 2196;

By post: PO Box 61051, Marshalltown 2107; or

By email: proxy@computershare.co.za

For administrative purposes proxy forms must be delivered to reach any of the above addresses by no later than 10:00 on Monday, 25 November 2019, or thereafter may be delivered to the Group Company Secretary by hand at Woolworths House, 93 Longmarket Street, Cape Town 8001 or electronically to Governance@woolworths.co.za. Any forms of proxy not delivered by this time may be delivered to the Transfer Secretaries or the Chairman of the AGM prior to a proxy exercising a shareholder's rights at the AGM.

\* Fees are exclusive of VAT which will be payable subject to the director being registered for VAT and to the director submitting a valid VAT invoice to the Company in accordance with prevailing legislation.



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In accordance with the provisions of the Companies Act and good corporate governance, all resolutions will be voted via a poll and not a show of hands. On a poll, every shareholder of the Company holding an ordinary share has one vote for every ordinary share in the Company held by such shareholder.

Voting percentages required for the passing of resolutions are as follows:

- Ordinary resolutions 1 to 4, 6 and 7: 50% or more of votes cast
- Ordinary resolution 5: 75% or more of votes cast
- Special resolutions 1 and 2: 75% or more of votes cast

## **ELECTRONIC PARTICIPATION**

Shareholders may participate (but not vote) at the AGM by way of a webcast. To obtain webcast access details, shareholders or their proxies should email the Group Company Secretary at [Governance@woolworths.co.za](mailto:Governance@woolworths.co.za) by no later than 17:00 on Tuesday, 26 November 2019, providing suitable identification to the satisfaction of the Group Company Secretary. Shareholders will be billed separately by their service providers for accessing the webcast.

Voting will not be possible via the webcast and shareholders wishing to vote their shares should be represented at the meeting either by proxy or by letter of representation, as provided for in this Notice.



**CA Reddiar**  
Group Company Secretary

# EXPLANATORY NOTES TO THE RESOLUTIONS

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## ORDINARY RESOLUTIONS

### ORDINARY RESOLUTION 1: APPOINTMENT OF CHAIRPERSON TO THE WOOLWORTHS HOLDINGS BOARD

Shareholders were notified on 12 November 2018, by way of SENS announcement, that Mr Simon Susman would step down from the Woolworths Holdings Board and as Chairman of the Company, after the conclusion of the Company's 2019 AGM. Mr Hubert Brody was appointed as Deputy Chairman in anticipation of facilitating succession and a smooth transition of the Chairmanship after Mr Susman steps down.

In terms of article 23.6 of the Company's Memorandum of Incorporation, shareholders are entitled, on the recommendation of the Board, to appoint any non-executive director to be the chairperson of the Company.

Mr Brody was appointed to the Board on 1 July 2014 and has been subject to annual independence reviews by the Nominations Committee since then. He has also served as the Chairman of the Audit Committee. Having been found to be independent of mind and objective in his judgement on matters affecting Woolworths Holdings and the Group, the Board of Directors propose Mr Hubert Brody for appointment as Chairman of the Company with effect from the conclusion of the AGM. Mr Brody is not over-committed in terms of time and has stepped down from other roles to provide him with the necessary time to devote to the Group's business. Mr Brody will step down from the Company's Audit Committee at the AGM and there are no impediments to him taking on the role of Chairman.

A brief biography in respect of Mr Brody is set out in Annexure B to this Notice and a record of Mr Brody's attendance at Board and Committee meetings during the year is set out in Annexure C to this Notice.

### ORDINARY RESOLUTION 2: ELECTION OF DIRECTORS

In accordance with the Company's Memorandum of Incorporation, one-third of directors are required to retire at each Annual General Meeting and, being eligible, may offer themselves for election or re-election, as the case may be. The directors who are to retire are firstly those who have been appointed subsequent to the last Annual General Meeting of shareholders and should this number be less than one third, then in such instance, those who have been in office longest since their last election or appointment.

Mr David Kneale, Ms Thembisa Skweyiya, Ms Belinda Earl, Mr Christopher Colfer and Mr Clive Thomson were appointed subsequent to the 2018 Annual General Meeting and will retire at this AGM. Being eligible, the directors offer themselves for election. Mr Simon Susman and Mr Tom Boardman also retire at this AGM and are not available for re-election as they will be stepping down from the Board after the AGM, having served nine-year terms.

Brief biographies in respect of the directors offering themselves for election are set out in Annexure B to this Notice.

Each director standing for election is a recently appointed director. In considering a director's suitability for appointment or election to the Board, the Nominations Committee considers several factors, such as: the director's independence and

capacity to dedicate time to Company business and meeting attendance, noting that between five and seven days are taken up twice a year to attend meetings in Australia; the Board's gender and race diversity policy; whether a director's election will bring a mixture of skills and experience relevant to the Company and the industry and will balance the continuity and succession planning requirements of the Board. Having given due consideration to these factors and the directors' performance since being appointed, the Nominations Committee is of the view that the candidates being nominated for election meet all the requirements and, accordingly, recommends the directors for election by shareholders.

### ORDINARY RESOLUTION 3: ELECTION OF AUDIT COMMITTEE MEMBERS

Section 94(2) of the Companies Act requires that an Audit Committee comprising at least three members must be elected by shareholders at each Annual General Meeting. Similarly, King IV™ and the JSE Listings Requirements, require the shareholders of a public Company to elect members of an Audit Committee at each Annual General Meeting. Accordingly, the Nominations Committee presents the following suitable candidates for election as members of the Company's Audit Committee:

Ms Zarina Bassa  
Ms Thembisa Skweyiya  
Mr Andrew Higginson  
Mr Christopher Colfer  
Mr Clive Thomson

In considering the above candidates for election as members of the Company's Audit Committee, the Nominations Committee took the provisions of regulation 42 pursuant to the Companies Act into account. Regulation 42 requires that at least one-third of the members of the Company's Audit Committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs, or human resource management.

The Nominations Committee, at a meeting on 26 August 2019, satisfied itself that the independent non-executive directors offering themselves for election to the Company's Audit Committee:

- are independent non-executive directors as contemplated in King IV™ and the JSE Listings Requirements;
- are suitably qualified and experienced to be members of the Audit Committee;
- collectively possess skills and experience appropriate to the Company's size, industry and circumstances;
- have an understanding of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice, and other financial and sustainability reporting standards, regulations, and guidelines applicable to the Company; and
- adequately keep up to date with key developments affecting their required skills sets.

The biographies of the directors being proposed for election to the Audit Committee set out in Annexure B to this Notice,

provide details evidencing their appropriate experience in auditing, finance, law, corporate governance, accounting and commerce. In light of Mr Hubert Brody stepping down from the Audit Committee this year, the Board specifically recruited Ms Skweyiya and Messrs Colfer and Thomson for, amongst their other skills, their ability to supplement the composition of the Audit Committee. Ms Bassa and Mr Higginson provide Audit Committee continuity having served on the committee since February 2012 and August 2012, respectively. The Board accordingly recommends the directors for election as members of the Company's Audit Committee.

For details regarding the activities of the Company's Audit Committee during the 2019 financial year, please refer to the Audit Committee's report on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

#### **ORDINARY RESOLUTION 4: APPOINTMENT OF EXTERNAL AUDITOR**

Ernst & Young Inc. (EY) has indicated its willingness to continue as external auditor of the Company for the 2020 financial year and Ordinary Resolution 4 proposes the reappointment of EY. Ms Johanna Cornea de Villiers who is accredited with the JSE, will remain as the designated individual auditor.

At the Audit Committee meeting on 26 August 2019, the committee reviewed the independence of the external auditor in accordance with the provisions of sections 90 and 94 of the Companies Act and assessed the performance and accreditation of the external auditor and designated auditor in terms of the applicable regulations and legislation, and is satisfied with their independence, JSE accreditation, and performance. Accordingly, the Audit Committee nominates EY as the external auditor for the 2020 financial year, subject to shareholder approval.

The Audit Committee is working towards implementation of audit firm rotation ahead of the mandatory date of 1 April 2023. The Audit Committee's previously stated intention to be in the position to propose the appointment of a new external auditor at the Company's Annual General Meeting in 2020 (to perform the audit in respect of the Group's financial statements for the year ending in June 2021) has been delayed by one year. The impact of IFRS 16: Leases on the balance sheet is significant to the Group and it is necessary to allow time for new systems and procedures to be embedded and refined in the Group before appointing a new external auditor.

The Audit Committee, furthermore, deems it prudent to allow time for the audit profession in South Africa to stabilise following the recent events and reputational concerns that have impacted this profession. Given that the Group will follow a tender process for the appointment of a new external auditor, this will provide time for audit firms to take corrective steps and all be in a more advanced position to report comprehensively on the progress regarding key issues that had surfaced in the profession over the recent past, and for the Audit Committee to consider progress made. While the committee remains of the view that it requires the services of a main tier audit firm for audit services, it is committed to growing medium tier firms through the provision of non-audit related services and potential sub-contracting of audit services by the main appointed audit firm.

#### **ORDINARY RESOLUTION 5: AMENDMENT OF THE RULES OF THE WOOLWORTHS PERFORMANCE SHARE PLAN**

The Company's Performance Share Plan (PSP) is classified as a Schedule 14 scheme in terms of the JSE Listings Requirements, i.e., a dilutive scheme as shares can be issued to settle awards.

Paragraph 14.2 of Schedule 14 to the JSE Listings Requirements provides that where inter alia amendments regulating the basis upon which share awards are made under a Schedule 14 scheme is proposed by the Board, such amendments must be approved by Ordinary Resolution as contemplated in paragraph 14.1 of Schedule 14. This provision is encapsulated in the Woolworths Holdings Share Trust Deed (Trust Deed) which governs this share plan.

As a result, in order to be effective for the purposes of the JSE Listings Requirements and the Trust Deed, this resolution must be approved by a 75% majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy at the Annual General Meeting and entitled to vote on the resolution, excluding all the votes attaching to all equity securities owned or controlled by persons who are existing participants in the scheme. Only the equity securities which have been acquired in terms of the relevant scheme and may be impacted by the changes will be excluded from the said vote.

The Board proposes to amend the PSP Rules to introduce malus and clawback provisions to align the PSP with best governance practices and to provide a legal mechanism to recover the value of share awards from a participant or to lapse unvested awards should it be required in defined Malus Events. A Malus Event includes, for example, a participant committing an act of gross misconduct or causing material reputational and/or financial damage to the Group.

The Board has introduced the same amendments to both the Company's Retention Share Plan (RSP) and to the Company's Short Term Incentive (STI) award rules. It is not required that the Board put these amendments to the AGM as the RSP is not a Schedule 14 scheme. Similarly there is no requirement to obtain shareholder approval for this amendment to the Group's STI rules. The Board, however, wishes to notify shareholders that the malus and clawback provisions will also be applicable to the RSP and to the STI with effect from 1 July 2019 onward.

The proposed amendments to the PSP rules will be effective on, and as from, the date on which they are approved by shareholders, and will relate to awards made after such approval becomes effective.

A copy of the conformed copy of the PSP Rules reflecting the proposed amendments is available for inspection by the shareholders of the Company at the Company's principal place of business, Woolworths House, 93 Longmarket Street, Cape Town 8001 and at Rand Merchant Bank, a division of FirstRand Bank Limited, 1 Merchant Place, Corner Rivonia Road and Fredman Drive, Sandton 2194, during normal business hours. A copy may also be accessed on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

# EXPLANATORY NOTES TO THE RESOLUTIONS (CONTINUED)

## NON-BINDING ADVISORY VOTES

### ORDINARY RESOLUTIONS 6 AND 7: ENDORSEMENT OF THE COMPANY'S REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

In accordance with the remuneration governance principles of King IV™, read with the relevant JSE Listings Requirements, a company is required to table its Remuneration Policy and Remuneration Implementation Report at its Annual General Meeting. This affords shareholders the opportunity to express their views on the Company's Remuneration Policy and the manner in which the policy was implemented during the year under review.

The Company's Remuneration Policy and Remuneration Implementation Report may be accessed in the Integrated Report on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za). The Remuneration Policy deals with, among others, the Company's approach to remuneration governance, executive remuneration and reward, and guidelines on the various components making up the remuneration packages of the Company's executives, including the remuneration structure in place for non-executive directors. With regard to the remuneration of non-executive directors for their services as directors, a separate resolution is being tabled (refer to Special Resolution 2) for shareholder consideration and approval.

The Remuneration Committee and the Board have paid special attention to addressing shareholders' comments in respect of the 2018 Remuneration Implementation Report, which was endorsed by 60.26% of shareholders who participated in the 2018 Annual General Meeting. The Chairmen of the Board and the Remuneration Committee engaged extensively with shareholders pre and post the 2018 Annual General Meeting. The Board subsequently held a Remuneration workshop to deliberate on the various matters. The table below includes a summary of the concerns that were raised by shareholders and the manner in which the Board has elected to address them:

Shareholder comments	Board's response
Malus and clawback provisions should be implemented.	The Remuneration Committee and the Board have agreed to implement malus and clawback provisions in the rules of the Woolworths Holdings Share Scheme and Ordinary Resolution 5 gives effect to this. These provisions have already been effected to the Group's STI and RSP Rules.
A minimum shareholding requirement (MSR) should be implemented for executive directors.	The Remuneration Committee has carefully considered the impact of implementing MSR and has agreed to further investigate this during the forthcoming year. Executive directors individually all currently hold more than 150% of their TCOE in WHL securities.
Prospective disclosure of long-term incentive (LTI) targets should be provided, as opposed to the retrospective form of disclosure previously provided.	The Remuneration Committee has agreed to prospectively disclose LTI performance measures and targets. These are included in the 2019 Remuneration Policy and Implementation Report.
Shareholders requested more transparent disclosure on actual performance targets and the quantum of the short-term incentive (STI) opportunity that would be payable for achieving each performance target.	The Remuneration Committee has agreed to revise the STI and individual performance measures disclosures. These are included in the 2019 Remuneration Policy and Implementation Report.
Detail should be provided on the individual performance measures to enable assessment of actual performance against the set targets, as well as the appropriateness of the targets.	The Remuneration Committee has agreed to provide additional disclosures. These are included in the 2019 Remuneration Policy and Implementation Report.
Additional disclosure was requested on non-financial targets and the linkage to the business strategy and individual goals.	The Remuneration Committee agreed to provide more detail. The 2019 Remuneration Policy and Implementation Report illustrate the manner in which the individual performance measures support the strategic focus areas.

## Shareholder comments Board's response

The Group's GINI co-efficient be reported on.

The Remuneration Committee remains of the view that disclosure of the GINI coefficient alone does not provide assurance that remuneration was fair and responsible. The Group has adopted the Fair and Responsible Barometer as set out in the 2019 Remuneration Policy. The Board believes that this reporting mechanism is more appropriate in terms of fair pay.

The Board will continue its remuneration engagements with shareholders prior to the 2019 AGM.

As the two resolutions are tabled for non-binding advisory votes, the results are not binding on the Board and will not have any legal consequences for existing arrangements. The Board and Remuneration Committee will nevertheless take shareholder sentiment (based on the results of the votes cast in respect of the two resolutions) into account when determining the Remuneration Policy for future years. The Board will, furthermore, engage with shareholders should 25% or more of the votes be cast against either or both of these resolutions.

## SPECIAL RESOLUTIONS

### SPECIAL RESOLUTION 1: GENERAL AUTHORITY TO ACQUIRE (REPURCHASE) SHARES

The purpose of this Special Resolution 1 is to authorise the Company and any of its subsidiaries, by way of general approval, to acquire the Company's issued shares on the terms and conditions and in such amounts to be determined from time to time by the directors of the Company, subject to the terms of Special Resolution 1. The general authority shall be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 months from the date of passing of this Special Resolution 1.

The Company has not acquired or repurchased shares during the year under review.

Any decision of the directors to use the general authority to acquire shares of the Company, will be taken in the best interests of the Company and shareholders, and will be subject to the Board determining that for a period of 12 months after the date of the acquisition (repurchase):

- the Company and the Group will in the ordinary course of business be able to pay its debts;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group;
- the share capital and reserves of the Company and the Group will be adequate for the Company and Group's ordinary business purposes; and
- the working capital of the Company and the Group will be adequate for the Company and Group's ordinary business purposes.

### DISCLOSURE IN TERMS OF THE JSE LISTINGS REQUIREMENTS

In terms of section 11.26 of the JSE Listings Requirements, the following disclosures in relation to Special Resolution 1 are required:

- major shareholders – refer to page 34;
- share capital of the Company – refer to page 34;
- directors' interests in securities – refer to page 34.

The detailed disclosures are all available on the Company's website at [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

### STATEMENT OF BOARD'S INTENTION

The directors of the Board have no specific intention at present for the Company or its subsidiaries to acquire any of the Company's ordinary shares but will continually review the Group's position with due regard to prevailing circumstances and market conditions.

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to Special Resolution 1, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements in relation to this Special Resolution 1 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Special Resolution 1 contains all the information required by law and the JSE Listings Requirements.

# EXPLANATORY NOTES TO THE RESOLUTIONS (CONTINUED)

## MATERIAL CHANGES

Other than the facts and developments reported on in respect of Special Resolution 1, the Annual Financial Statements and the 2019 Integrated Annual Report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the Audit Committee report and up to the date of this Notice.

## SPECIAL RESOLUTION 2: REMUNERATION OF NON-EXECUTIVE DIRECTORS

The fees currently paid to the Company's non-executive directors have been in effect for the past two years, following a decision by the Remuneration Committee and the Board in 2018 not to increase the fees given the Group's trading performance. After consideration and in order to ensure that non-executive director fees do not fall below market, the Board has elected to propose an increase in fees for 2020 for shareholder approval.

The proposed fees for 2020 have been comprehensively and independently benchmarked against a peer group comprising direct and indirect competitors and other JSE-listed companies. Furthermore, the fees payable to non-executive directors based in South Africa, the United Kingdom and Australia have similarly been independently benchmarked to each of the regions concerned to attract relevant and specialised international expertise to enhance diversity. The Board adopts this principle in order to attract high calibre non-executive directors who bring international skill and are paid comparatively to their international jurisdictions.

The Board agreed to propose a 5.0% increase for all fees with the exception of increases for the Chairman and the Lead Independent Director to take into account the increase in time and responsibilities of the Australian business and managing a relatively new Board. The Treasury Committee was previously a management committee overseen by the Audit Committee, with participation by non-executive directors. The committee is being formalised as a sub-committee of the Board and consequently a new fee is being proposed for the Treasury Committee chairman, with a proposed increase in the fee for a Treasury Committee member.

The Board further elected to retain the current single fee structure on the grounds that the contributions of non-executive directors extend beyond their attendance at Board and committee meetings.

The Board deems it appropriate to make provision for an hourly fee in the event that it may be necessary to remunerate non-executive directors for work performed over and above the scheduled Board and committee meetings. The hourly fee will only be applied in exceptional circumstances as is evidenced by the fact that there have been only two instances over the past four years when the hourly fee has been paid, namely, to remunerate directors who performed additional work in respect of the impairment in the 2018 financial year and, more recently, to remunerate the deputy chairman for additional work performed in preparation to take on the Chairmanship of the Group.

The fees are exclusive of VAT.

## NOTICE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT

At the Company's Annual General Meeting of shareholders held on 30 November 2018, shareholders adopted Special Resolution Number 3, relating to the approval of the provision of financial assistance to related or inter-related companies or undertakings (incorporated in South Africa or internationally), in terms of section 45 of the Companies Act. Shareholders are hereby notified in terms of section 45(5)(a) of the Companies Act that the Board of Directors has passed a resolution in terms of which the parameters within which financial assistance may be provided during the current financial year (pursuant to, and as envisaged in, Special Resolution Number 3) were approved, and that if financial assistance is provided to the maximum extent of such parameters, the value thereof would in aggregate exceed 1/10th of 1% of the Company's net worth.





# ANNEXURE A – SUMMARY FINANCIAL STATEMENTS

Challenging economic and trading conditions in both South Africa and Australia continued to weigh on Group results. In South Africa, a steady improvement in the Woolworths Fashion business was experienced throughout the second half of the year. In Australia, David Jones experienced peak disruption from the refurbishment of the company's flagship Sydney store, impacting their sales by approximately 3.0% in the second half of the year.

An impairment charge of A\$437.4 million (net of deferred tax) was recognised at 30 June 2019, reducing the valuation of David Jones to approximately A\$965.0 million. A strategic review of the David Jones store portfolio also identified stores with onerous leases, resulting in an additional provision of A\$22.4 million. The impairment reflects the economic headwinds and the accelerating structural changes affecting the Australian retail sector as well as the performance of the business, which has fallen short of expectations. The WHL Board believes that the valuation of David Jones is realistic and reflective of its prospects. The Board is focused on the turnaround of David Jones and is ensuring that the business effects the necessary actions.

Our statutory financial results are prepared on a 53-week basis. However, to facilitate comparison against the prior year, this commentary refers to a pro forma 52-week period, and excludes the impact of IFRS 15.

## Woolworths SA (WSA)

Sales for the year increased by 5.8%, buoyed by an acceleration in the second half of 8.0%, with stronger performances in the second half from both the Fashion and Food businesses. Our online business grew by 28.7%, contributing 1.0% to total sales.

## Woolworths Fashion, Beauty and Home (FBH)

Sales increased by 1.5% for the year (comparable store sales up 1.0%), with second half sales up 5.5%, as a result of the focus on core ranges and basics, backed by improved availability. Price movement for the year for Fashion was 2.5%. Net retail space declined by 0.1%, with the focus on productivity and operating efficiencies in existing space.

Gross profit margin increased by 0.9% to 47.6%, as a result of lower markdowns. Expenses grew by 5.1%, while store costs increased by 3.5%. Operating profit declined by 1.1% to R1 688 million, with an operating margin of 12.1%, with operating profit increasing in the second half by 15.7%.

## Woolworths Food

Sales increased by 7.7% for the year (comparable store sales 5.4% up), with second half growth of 9.0%, driven by further investment in price, innovation and convenience, resulting in strong volume growth. Price movement was 1.8% and net space grew by 2.0%.

Gross profit margin was 0.1% lower than the prior period as a result of the price investment. Expenses grew by 7.5% and operating profit increased by 5.4% to R2 283 million, with an operating margin of 7.2%.

## Woolworths Financial Services

The Woolworths Financial Services book reflected positive year-on-year growth of 7.4%. The impairment rate for the 12 months ended 30 June 2019 was 3.7% under IFRS 9 (4.6% adjusted under IAS 39). The Group implemented IFRS 9 with effect from the beginning of the 2019 financial year.

## David Jones

Turnover and concession sales declined by 0.8% for the year, with comparable store sales 0.1% lower. The Elizabeth Street store refurbishment is on track to be completed by the end of the third quarter of the 2020 financial year. Net retail space grew by 0.4% with the opening of two new stores. Space reduction to improve the productivity of the existing store portfolio is a priority.

Following the recent re-platforming of our online business, we have seen significant growth in online sales of 46.8%, now contributing 7.7% to total sales.

Gross profit margin was 1.1% lower than the prior period as a result of higher markdowns and an increased focus on clearance. Store costs increased by 1.9%, while other operating costs were 6.6% lower as a result of various cost savings initiatives. Operating profit declined to A\$37.0 million with an operating margin of 1.7%.

The Elizabeth Street store's fashion and beauty floors will be completed ahead of the Christmas trading period, with the below-ground food and home floors opening in March 2020.

## Country Road Group

Sales for the year grew by 0.5% (comparable store sales 0.6% lower), with sales growth slowing in the second half in line with the market. Online sales in Australasia grew by 12.9%, representing 20.3% of sales. Net retail space reduced by 2.9% with further space reduction a priority as the contribution from online sales increases.

Gross profit margin improved by 0.6% to 63.4% due to higher full-priced sales and improved sourcing. Expenses grew by 2.3% and operating profit decreased by 2.9% to A\$100.0 million, resulting in an operating margin of 9.3%.

## Group earnings

Headline earnings per share (HEPS) and adjusted diluted HEPS, both of which exclude the impairment of David Jones assets, decreased by 4.6% and 2.1% respectively, on a comparable 52-week basis. Earnings per share, which includes the impairment, was -126.0 cents for the 52-week comparable period.

## Outlook

In South Africa, consumer spending is expected to remain constrained. However, we expect Food to continue to trade ahead of the market and for FBH to continue its turnaround.

In Australia, we believe the retail market will continue to be tough with heavy discounting and promotional activity.

We remain committed to delivering our strategies and invest in initiatives that drive growth and efficiencies, while focusing on reducing costs, improving cash flows and strengthening the balance sheet.



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

## CHANGES TO THE BOARD OF DIRECTORS

As previously announced on the Stock Exchange News Service ('SENS'), the following changes to the Board of Directors were effected during the year under review:

- Ms Sizakele Mzimela – resigned from the Board on 5 November 2018.
- Mr Hubert Brody – appointed as Deputy Chairman on 12 November 2018.
- Messrs Simon Susman (Chairman) and Tom Boardman (Lead Independent Director) – will step down from the Board with effect from the conclusion of the 2019 WHL Annual General Meeting.
- It is anticipated that Mr Brody will be appointed as Chairman of the Board and Ms Zarina Bassa as the Lead Independent Director with effect from the conclusion of the 2019 WHL Annual General Meeting.
- Mrs Gail Kelly and Mr Patrick Allaway – resigned from the Board on 8 February 2019.
- Mr David Kneale and Ms Thembisa Skweyiya – appointed to the Board as Non-executive Directors on 11 March 2019.

- Ms Belinda Earl – appointed to the Board as a Non-executive Director on 1 July 2019.
- Mr Christopher Colfer – appointed to the Board as a Non-executive Director on 1 July 2019. He will also serve on the Group's Australian subsidiaries' boards and committees and chair certain of the committees.
- Mr Clive Thomson – appointed to the Board as a Non-executive Director on 19 August 2019. He will also chair the Woolworths South Africa's Audit Review Panel and the Audit Committees of David Jones and Country Road Group.
- Mr Susman will become Honorary President upon conclusion of the 2019 WHL Annual General Meeting, following his stepping down as a director.

The Board expresses its appreciation to the directors who have left the Board and welcomes all new directors. The Board previously reported that it has commenced the process of recruiting a successor for the Group Chief Executive Officer, Ian Moir. The process is extensive and the Board is satisfied with its progress. In addition, the Board has requested the Group Chief Executive Officer to spend significantly more time in Australia, overseeing the David Jones turnaround in the capacity of Acting Chief Executive Officer of David Jones. Accordingly, Ian will now be primarily based in Australia. His Group responsibilities will continue.

<b>SN Susman</b>	<b>I Moir</b>
Chairman	Group Chief Executive Officer
Cape Town, 28 August 2019	

## DIVIDEND DECLARATION

As announced on SENS on 20 February 2019, the Group's interim and final dividends will be based on a cover ratio of 1.45 times headline earnings of the combined Woolworths South Africa (WWSA) business segments (FBH, Food and Woolworths Financial Services), whilst no dividend will be paid from the Australian businesses during this period.

Notice is hereby given that the Board of Directors has declared a final gross cash dividend per ordinary share ('dividend') of 98.5 cents (78.8 cents net of dividend withholding tax) for the 53 weeks ended 30 June 2019, a 24.5% decrease on the prior year's 130.5 cents per share. This brings the total dividend for the year to 190.5 cents, a 20.3% decrease on the prior year's total dividend of 239.0 cents per share. The dividend has been declared from reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 1 048 466 077 ordinary shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 17 September 2019
Shares commence trading 'ex' dividend	Wednesday, 18 September 2019
Record date	Friday, 20 September 2019
Payment date	Monday, 23 September 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 September 2019 and Friday, 20 September 2019, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Monday, 23 September 2019. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders.

### CA Reddiar

Group Company Secretary  
Cape Town, 28 August 2019

# GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	53 weeks to 30 Jun 2019 Rm	Restated* 52 weeks to 24 Jun 2018 Rm	% change
<b>Revenue</b>		75 179	70 572	6.5
<b>Turnover and concession sales</b>		79 816	75 232	6.1
Concession sales		(6 713)	(6 640)	1.1
<b>Turnover</b>		73 103	68 592	6.6
Cost of sales		45 139	41 700	8.2
<b>Gross profit</b>		27 964	26 892	4.0
Other revenue		2 000	1 909	4.8
Expenses		24 843	23 542	5.5
Store costs		17 735	16 960	4.6
Other operating costs		7 108	6 582	8.0
<b>Operating profit</b>		5 121	5 259	(2.6)
Impairment of David Jones assets	3	6 153	6 927	(11.2)
Investment income		76	71	7.0
Finance costs		1 139	1 124	1.3
<b>Loss before earnings from joint ventures</b>		(2 095)	(2 721)	23.0
Earnings from joint ventures		295	287	2.8
<b>Loss before tax</b>		(1 800)	(2 434)	26.0
Tax (credit)/expense		(716)	1 115	>(100)
<b>Loss for the year</b>		(1 084)	(3 549)	69.5
Other comprehensive income:				
<b>Amounts that may be reclassified to profit or loss</b>				
Fair value adjustments on financial instruments, after tax		(64)	182	
Exchange differences on translation of foreign subsidiaries		(97)	263	
<b>Amounts that may not be reclassified to profit or loss</b>				
Post-retirement medical benefit liability: actuarial gain, after tax		15	1	
<b>Other comprehensive income for the year</b>		(146)	446	
<b>Total comprehensive loss for the year</b>		(1 230)	(3 103)	
<b>Loss attributable to:</b>		(1 084)	(3 549)	
Shareholders of the parent		(1 086)	(3 550)	
Non-controlling interests		2	1	
<b>Total comprehensive loss attributable to:</b>		(1 230)	(3 103)	
Shareholders of the parent		(1 232)	(3 104)	
Non-controlling interests		2	1	
<b>Reconciliation of headline earnings</b>				
Basic loss attributable to shareholders of the parent		(1 086)	(3 550)	69.4
Net loss on disposal of property, plant and equipment and intangible assets		25	42	
Impairment of property, plant and equipment and intangible assets		6 190	6 954	
Tax impact of adjustments		(1 846)	(119)	
<b>Headline earnings</b>		3 283	3 327	(1.3)
Relocation costs (net of grants received) and store exit costs		187	126	
Net onerous leases raised		196	147	
Unrealised foreign exchange losses/(gains)		8	(6)	
Tax impact of adjustments		(115)	(75)	
<b>Adjusted headline earnings</b>	9	3 559	3 519	1.1
Loss per share (cents)	2	(113.4)	(369.5)	69.3
Headline earnings per share (cents)		342.9	346.3	(1.0)
Adjusted headline earnings per share (cents)		371.7	366.3	1.5
Diluted loss per share (cents)*	2	(113.4)	(369.5)	69.3
Diluted headline earnings per share (cents)		340.1	344.2	(1.2)
Adjusted diluted headline earnings per share (cents)		368.7	364.1	1.3
Number of shares in issue (millions)		957.0	960.6	(0.4)
Weighted average number of shares in issue (millions)		957.5	960.8	(0.3)

\* Comparative information has been restated to correct the dilutive earnings per share line, which erroneously included the impact of anti-dilutive potential ordinary shares in the prior year. Due to the restatement, the dilutive earnings per share has changed from a loss per share of 367.3 cents to a loss per share of 369.5 cents. The restatement has had no impact on the prior period Group Statement of Financial Position, Group Statement of Changes in Equity, Group Statement of Cash Flows, nor on Earnings per share and Headline earnings per share.

# GROUP STATEMENT OF FINANCIAL POSITION

	Notes	At 30 Jun 2019 Rm	At 24 Jun 2018 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	24 032	28 650
Intangible assets	3	14 295	13 959
Investment in joint ventures		7 283	13 410
Fair value lease adjustment		810	978
Other loans		52	59
Derivative financial instruments	7	56	56
Deferred tax		14	18
		1 522	170
<b>Current assets</b>			
Inventories		11 897	11 497
Trade and other receivables		8 325	7 542
Derivative financial instruments	7	1 410	1 487
Tax		171	174
Cash and cash equivalents		78	271
		1 913	2 023
<b>TOTAL ASSETS</b>		<b>35 929</b>	<b>40 147</b>
<b>EQUITY AND LIABILITIES</b>			
<b>TOTAL EQUITY</b>			
Equity attributable to shareholders of the parent		9 443	13 126
Non-controlling interests		9 428	13 113
		15	13
<b>Non-current liabilities</b>			
Interest-bearing borrowings		15 850	15 076
Operating lease accrual and fair value lease adjustment		13 259	11 711
Post-retirement medical benefit liability		1 651	1 906
Provisions		369	404
Derivative financial instruments	7	436	297
Deferred tax		72	-
		63	758
<b>Current liabilities</b>			
Trade and other payables		10 636	11 945
Provisions		8 289	8 728
Operating lease accrual and fair value lease adjustment		922	752
Derivative financial instruments	7	110	115
Tax		106	77
Overdrafts and interest-bearing borrowings		75	124
		1 134	2 149
<b>TOTAL LIABILITIES</b>		<b>26 486</b>	<b>27 021</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35 929</b>	<b>40 147</b>
<b>Net asset book value per share (cents)</b>		<b>985</b>	<b>1 365</b>
<b>GROUP ANALYSIS</b>			
<b>Total assets</b>			
Woolworths*		35 929	40 147
David Jones		13 479	13 198
Country Road Group		14 479	18 804
Woolworths Financial Services		7 080	7 130
Treasury		801	969
		90	46
<b>Inventories</b>			
Woolworths*		8 325	7 542
David Jones		4 235	3 610
Country Road Group		2 890	2 747
		1 200	1 185
<b>Total liabilities</b>			
Woolworths*		26 486	27 021
David Jones		5 621	6 143
Country Road Group		4 600	5 474
Treasury		1 737	1 573
		14 528	13 831
<b>Approved capital commitments</b>			
Woolworths*		2 997	3 839
David Jones		1 424	1 811
Country Road Group		1 262	1 648
		311	380

\* Includes Woolworths Fashion, Beauty and Home, Woolworths Food and Woolworths Logistics.

# GROUP STATEMENT OF CASH FLOWS

	Notes	53 weeks to 30 Jun 2019 Rm	52 weeks to 24 Jun 2018 Rm
<b>Cash flow from operating activities</b>			
Cash inflow from trading		7 325	7 371
Working capital movements		(991)	(305)
<b>Cash generated by operating activities</b>			
Investment income received		76	71
Finance costs paid		(1 127)	(1 117)
Tax paid		(1 114)	(1 037)
<b>Cash generated by operations</b>			
Dividends received from joint ventures		4 169	4 983
Dividends paid to ordinary shareholders		245	325
		(2 145)	(2 782)
<b>Net cash inflow from operating activities</b>			
		2 269	2 526
<b>Cash flow from investing activities</b>			
Investment in property, plant and equipment and intangible assets to maintain operations		(2 285)	(1 664)
Investment in property, plant and equipment and intangible assets to expand operations		(429)	(1 004)
Proceeds on disposal of property, plant and equipment and intangible assets		-	79
Other loans repaid/(advanced)		4	(12)
<b>Net cash outflow from investing activities</b>			
		(2 710)	(2 601)
<b>Cash flow from financing activities</b>			
Settlement of share-based payments through share purchase	5	(218)	(122)
Share purchase costs		-	(1)
Finance lease payments		(14)	(12)
Borrowings raised		5 839	3 306
Borrowings repaid		(6 000)	(3 000)
<b>Net cash (outflow)/inflow from financing activities</b>			
		(393)	171
<b>(Decrease)/increase in cash and cash equivalents</b>			
		(834)	96
<b>Net cash and cash equivalents at the beginning of the year</b>			
		1 878	1 761
<b>Effect of foreign exchange rate changes</b>			
		(2)	21
<b>Net cash and cash equivalents at the end of the year</b>			
		1 042	1 878
<b>GROUP ANALYSIS</b>			
<b>Cash generated by operating activities</b>			
Woolworths		6 334	7 066
David Jones		4 410	5 249
Country Road Group		394	414
		1 530	1 403

## GROUP STATEMENT OF CHANGES IN EQUITY

	Share- holders of the parent Rm	Non- controlling interests Rm	Total 53 weeks to 30 Jun 2019 Rm	Share- holders of the parent Rm	Non- controlling interests Rm	Total 52 weeks to 24 Jun 2018 Rm
<b>Shareholders' interest at the beginning of the year</b>	13 113	13	13 126	19 038	28	19 066
Effect of IFRS 9 and IFRS 15 adoption (refer to note 6.1)	(223)	–	(223)	–	–	–
<b>Shareholders' interest at the beginning of the year (restated)</b>	12 890	13	12 903	19 038	28	19 066
<b>Movements for the year:</b>						
Loss for the year	(1 086)	2	(1 084)	(3 550)	1	(3 549)
Other comprehensive income:	(146)	–	(146)	446	–	446
Total comprehensive loss for the year	(1 232)	2	(1 230)	(3 104)	1	(3 103)
Share-based payments	141	–	141	68	–	68
Net acquisition/disposal of Treasury shares	(226)	–	(226)	(123)	–	(123)
Dividends to ordinary shareholders	(2 145)	–	(2 145)	(2 781)	(1)	(2 782)
Transfer between reserves	–	–	–	15	(15)	–
<b>Shareholders' interest at the end of the year</b>	<b>9 428</b>	<b>15</b>	<b>9 443</b>	<b>13 113</b>	<b>13</b>	<b>13 126</b>
Dividend per ordinary share (cents)			190.5			239.0
Dividend cover (based on headline earnings)			1.80			1.45

## SEGMENTAL ANALYSIS

	Notes	53 weeks to 30 Jun 2019 Rm	52 weeks to 24 Jun 2018 Rm	% change
<b>REVENUE</b>				
<b>Turnover</b>				
Woolworths Fashion, Beauty and Home		14 180	13 687	3.6
Woolworths Food		32 206	29 332	9.8
Woolworths Logistics		492	429	14.7
David Jones		15 043	14 455	4.1
Country Road Group		11 182	10 689	4.6
<b>Other revenue and investment income</b>				
Woolworths Fashion, Beauty and Home		2 076	1 980	4.8
Woolworths Food		17	18	(5.6)
David Jones		137	130	5.4
Country Road Group		2 304	2 221	3.7
Treasury		90	81	11.1
Intragroup	12	51	11	>100
		(523)	(481)	8.7
<b>Total Group</b>		<b>75 179</b>	<b>70 572</b>	<b>6.5</b>
<b>GROSS PROFIT</b>				
Woolworths Fashion, Beauty and Home		6 744	6 390	5.5
Woolworths Food		7 980	7 343	8.7
David Jones		6 087	6 206	(1.9)
Country Road Group		6 905	6 712	2.9
Intragroup	12	248	241	2.9
<b>Total Group</b>		<b>27 964</b>	<b>26 892</b>	<b>4.0</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>				
Woolworths Fashion, Beauty and Home		1 752	1 707	2.6
Woolworths Food		2 339	2 167	7.9
Woolworths Financial Services		295	286	3.1
David Jones		371	650	(42.9)
Country Road Group		1 105	1 032	7.1
Treasury		(1 093)	(1 062)	2.9
<b>Total Group – adjusted</b>		<b>4 769</b>	<b>4 780</b>	<b>(0.2)</b>
<b>Adjustments</b>				
Impairment of David Jones assets		(6 569)	(7 214)	
Relocation costs (net of grants received) and store exit costs		(6 153)	(6 927)	
Net onerous leases raised		(212)	(146)	
Unrealised foreign exchange (losses)/gains		(196)	(147)	
		(8)	6	
<b>Total Group – unadjusted</b>		<b>(1 800)</b>	<b>(2 434)</b>	<b>26.0</b>
Woolworths Fashion, Beauty and Home		1 745	1 712	1.9
Woolworths Food		2 338	2 168	7.8
Woolworths Financial Services		295	286	3.1
David Jones		(6 095)	(6 527)	6.6
Country Road Group		1 017	991	2.6
Treasury		(1 100)	(1 064)	3.4

# NOTES

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## 1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Accounting policies applied in the preparation of these preliminary Group Annual Financial Statements are consistent with those applied in the preparation of the Group Annual Financial Statements for the 53-week period ended 30 June 2019, and are consistent with the prior year, except for the new standards adopted, as detailed in note 6. The preliminary Group Annual Financial Statements have been prepared on the going concern and historical cost bases, except where otherwise indicated. The presentation and functional currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The preliminary Group Annual Financial Statements have been prepared under the supervision of the Group 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 (refer to note 5).

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

The Group acquired property, plant and equipment at a fair value of R2 323 million (2018: R2 097 million) and intangible assets at a fair value of R409 million (2018: R564 million).

An impairment charge of R6 153 million (A\$622.1 million) (A\$437.4 million net of deferred tax) has been recognised at the period end, reducing the valuation of David Jones to approximately A\$965.0 million. A strategic review of the David Jones store portfolio has also identified stores with onerous leases, resulting in an additional provision of A\$22.4 million. The impairment reflects the economic headwinds and the accelerating structural changes affecting the Australian retail sector, as well as the performance of the business which has fallen short of expectations.

## 4. PROFIT BEFORE TAX

During the period, the Group received government grants, previously accrued for, from the State of Victoria, Australia, in respect of capital expenditure (2018: operating expenses and capital expenditure), on the establishment of an Australian regional head office for the Group's subsidiaries, David Jones and Country Road Group. Included in profit before tax are grants received in respect of income, which have been deducted from the related expenses in terms of IAS 20: Government Grants. Grants received in respect of capital expenditure have been recognised in profit before tax on a systematic basis over the useful life of the assets. There are no unfulfilled conditions and contingencies attached to the grants recognised in the current period.

## 5. ISSUE AND PURCHASE OF SHARES

4 491 788 (2018: 2 300 294) ordinary shares totalling R243 million (2018: R137 million) were purchased from the market by Woolworths Proprietary Limited for the purposes of share incentive schemes and are held as treasury shares by the Group. 533 495 (2018: 266 700) ordinary shares totalling R25 million (2018: R15 million) were sold to the market in terms of the Group's Restricted Share Plan. 224 170 (2018: 444 714) ordinary shares totalling R17 million (2018: R35 million) previously purchased were allocated to employees in terms of the Group's Restricted Share Plan.

152 349 (2018: 465 934) ordinary shares totalling R8 million (2018: R24 million) were issued and allocated to employees in terms of the Group's other share incentive schemes.

## 6. ACCOUNTING POLICIES

The adoption of certain new standards, which became effective in the current period, has resulted in minor changes to accounting policies and disclosure, none of which have a material impact on the financial position or performance of the Group, except as disclosed below.

# NOTES (CONTINUED)

## 6. ACCOUNTING POLICIES (CONTINUED)

### STANDARDS ISSUED AND EFFECTIVE

#### 6.1 IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers

The Group adopted IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers with effect from 25 June 2018, using the modified retrospective approach and by application of the practical methods permitted under the standard.

As a result, the cumulative effect of initial application of the standards is recognised as an adjustment to equity at the beginning of the current financial reporting period. Comparative information has not been restated, and continues to be reported in terms of the previous applicable standards, IAS 39 and IAS 18 respectively.

#### IFRS 9 adjustment

The carrying value of the Group's investment in the joint venture with ABSA Limited, Woolworths Financial Services, reduced by R217 million, with the corresponding debit taken to equity. The adjustment has had no impact on the prior period results and earnings per share measures.

#### IFRS 15 adjustment

The Group recognises revenue from the principal activities of retailing and associated activities, such as logistics services and concession sales commission. Management's assessment of applying the new standard on the Group's financial statements identified the following areas, for which a R6 million cumulative debit adjustment to equity has been processed:

- Right of return provision
- Gift card breakage

Excluding the abovementioned adjustments, there is no other material impact on the loss for the year from application of IFRS 9 and IFRS 15 for the Group.

Set out below are the amounts by which each financial statement line item is affected as at the year-end 30 June 2019, as a result of the adoption of IFRS 15. The adoption of IFRS 15 did not have any impact on other comprehensive income, or the Group's operating, investing and financing cash flows, nor any material impact on earnings per share measures. The first column shows amounts prepared under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted:

### GROUP STATEMENT OF PROFIT OR LOSS

	Amounts prepared under		
	IFRS 15 53 weeks to 30 Jun 2019 Rm	Previous IFRS 53 weeks to 30 Jun 2019 Rm	Increase/ (decrease) Rm
<b>Revenue</b>	75 179	75 002	177
<b>Turnover and concession sales</b>	79 816	79 655	161
Concession sales	(6 713)	(6 713)	-
<b>Turnover</b>	73 103	72 942	161
Cost of sales	45 139	44 775	364
<b>Gross profit</b>	27 964	28 167	(203)
Other revenue	2 000	1 984	16
Expenses	24 843	25 029	(186)
Store costs	17 735	17 943	(208)
Other operating costs	7 108	7 086	22
<b>Operating profit</b>	5 121	5 122	(1)
Impairment of David Jones assets	6 153	6 153	-
Investment income	76	76	-
Finance costs	1 139	1 139	-
<b>Loss before earnings from joint ventures</b>	(2 095)	(2 094)	(1)
Earnings from joint ventures	295	295	-
<b>Loss before tax</b>	(1 800)	(1 799)	(1)
Tax (credit)/expense	(716)	(716)	-
<b>Loss for the year</b>	(1 084)	(1 083)	(1)



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Revenue of the Group comprises:

- Turnover: net merchandise sales, sales to franchisees and logistics services.
- Other revenue: rentals, concession sales commission, royalties, other commission, dividends and investment income.

Turnover and concession sales on the Statement of Comprehensive Income represent the total sales amount of goods sold in Group stores. Concession sales are the sale of goods by concession operators and are not included in revenue. Value added tax is excluded.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts to be collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

## **STANDARDS ISSUED AND NOT YET EFFECTIVE**

### **6.2 IFRS 16: Leases**

The Group will adopt IFRS 16 from 1 July 2019, and has undertaken an assessment of the financial impact of the new standard. IFRS 16, which replaces IAS 17, requires most leases to be recognised in the statement of financial position, with the current distinction between operating and finance leases removed.

Due to the significant number of leases, the application of the standard is expected to have a material impact on the Group's financial statements, which will result in changes to the statement of financial position, whereby a right-of-use asset and lease liability will be recognised. Changes to the statement of comprehensive income will result in the current operating lease costs being replaced by an amortisation of the right-of-use asset and associated finance costs.

The standard will further impact a number of statutory and performance measures, such as operating profit, operating profit margin, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), EBITDA margin, earnings per share, return on assets, net debt, net debt to EBITDA ratio, debt to equity ratio, and cash generated from operations, and will require normalisation of performance measures and covenants.

The Group will apply the modified retrospective approach, which does not require a restatement of comparative information, with effect from 1 July 2019. The Group expects the application of the standard to have the following financial impact:

- Total assets are expected to increase by between 75% and 85%;
- Total liabilities are expected to increase by between 115% and 125%;
- Finance costs are expected to increase by between 125% and 135%; and
- Depreciation and amortisation are expected to increase by between 120% and 130%.

The ranges provided are dependant on the ZAR/A\$ exchange rates.

## **7. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying value of trade and other receivables, trade and other payables and borrowings approximate their fair values.

In terms of IFRS 13: Fair Value Measurement, the Group's borrowings are measured at amortised cost and its derivative financial instruments at fair value. These are determined to be Level 2 under the fair value hierarchy. Derivatives are valued using valuation techniques with market observable inputs, with derivatives being mainly in respect of interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation technique include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying index.

## **8. PRO FORMA FINANCIAL INFORMATION**

The impact of the 53rd week, turnover and concession sales excluding the impact of IFRS 15 and the 53rd week and constant currency information presented in these preliminary Group Annual Financial Statements constitute pro forma financial information.

### **8.1 IMPACT OF 53RD WEEK**

The Group manages its retail operations on a 52-week retail calendar basis and, as a result, a 53rd week is required approximately every six years to realign the calendars. Pro forma 52-week financial information is provided to facilitate comparison against the 52-week comparative reporting period.

## NOTES (CONTINUED)

### 8. PRO FORMA FINANCIAL INFORMATION (CONTINUED)

#### 8.1 IMPACT OF 53RD WEEK (CONTINUED)

##### GROUP INCOME STATEMENT EXCLUDING THE 53RD WEEK

	53 weeks to 30 Jun 2019 Rm	53rd week adjust- ments Rm	52 weeks to 23 Jun 2019 Pro forma Rm	Change on prior period 53 weeks %	Change on prior period 52 weeks %	Restated 52 weeks to 24 Jun 2018 Rm
<b>Turnover and concession sales</b>	79 816	(1 481)	78 335	6.1	4.1	75 232
Concession sales	(6 713)	135	(6 578)	1.1	(0.9)	(6 640)
<b>Turnover</b>	73 103	(1 346)	71 757	6.6	4.6	68 592
Cost of sales	45 139	(855)	44 284	8.2	6.2	41 700
<b>Gross profit</b>	27 964	(491)	27 473	4.0	2.2	26 892
Other revenue	2 000	(44)	1 956	4.8	2.5	1 909
Expenses	24 843	(348)	24 495	5.5	4.0	23 542
Store costs	17 735	(238)	17 497	4.6	3.2	16 960
Other operating costs	7 108	(110)	6 998	8.0	6.3	6 582
<b>Operating profit</b>	5 121	(187)	4 934	(2.6)	(6.2)	5 259
Impairment of David Jones assets	6 153	-	6 153	(11.2)	(11.2)	6 927
Investment income	76	(1)	75	7.0	5.6	71
Finance costs	1 139	(20)	1 119	1.3	(0.4)	1 124
Loss before earnings from joint ventures	(2 095)	(168)	(2 263)	23.0	16.8	(2 721)
Earnings from joint ventures	295	-	295	2.8	2.8	287
<b>Loss before tax</b>	(1 800)	(168)	(1 968)	26.0	19.1	(2 434)
Tax (credit)/expense	(716)	(48)	(764)	>(100)	>(100)	1 115
<b>Loss for the year</b>	(1 084)	(120)	(1 204)	69.5	66.1	(3 549)
<b>Loss attributable to:</b>	(1 084)	(120)	(1 204)			(3 549)
Shareholders of the parent	(1 086)	(120)	(1 206)			(3 550)
Non-controlling interests	2	-	2			1
<b>Reconciliation of headline earnings</b>						
Basic loss attributable to shareholders of the parent	(1 086)	(120)	(1 206)	69.4	66.0	(3 550)
Headline earnings adjustments, net of tax	4 369	-	4 369			6 877
<b>Headline earnings</b>	3 283	(120)	3 163	(1.3)	(4.9)	3 327
Adjustments, net of tax	276	-	276			192
<b>Adjusted headline earnings</b>	3 559	(120)	3 439	1.1	(2.3)	3 519
Loss per share (cents)	(113.4)		(126.0)	69.3	65.9	(369.5)
Headline earnings per share (cents)	342.9		330.4	(1.0)	(4.6)	346.3
Adjusted headline earnings per share (cents)	371.7		359.2	1.5	(1.9)	366.3
Diluted loss per share (cents)	(113.4)		(126.0)	69.3	65.9	(369.5)
Diluted headline earnings per share (cents)	340.1		327.7	(1.2)	(4.8)	344.2
Adjusted diluted headline earnings per share (cents)	368.7		356.3	1.3	(2.1)	364.1

## 8.2 TURNOVER AND CONCESSION SALES EXCLUDING THE IMPACT OF IFRS 15 AND THE 53RD WEEK

	53 weeks to 30 Jun 2019 Rm	IFRS 15 adjustments Rm	53 weeks to 30 Jun 2019 Pro forma Rm	53rd week adjustments Rm	52 weeks to 23 Jun 2019 Pro forma Rm	Change on prior period 53 weeks %	Change on prior period 52 weeks %	52 weeks to 24 Jun 2018 Rm
<b>Turnover and concession sales</b>								
Group	79 816	161	79 655	(1 481)	78 174	5.9	3.9	75 232
Group (constant currency)	79 243	157	79 086	(1 472)	77 614	5.1	3.2	75 232
Woolworths Fashion, Beauty and Home	14 180	9	14 171	(272)	13 899	3.5	1.5	13 687
Woolworths Food	32 966	19	32 947	(624)	32 323	9.8	7.7	30 019
David Jones (A\$)	2 245	11	2 234	(41)	2 193	1.0	(0.8)	2 212
Country Road Group (A\$)	1 101	2	1 099	(20)	1 079	2.3	0.5	1 074
<b>Comparable sales</b>								
Woolworths Fashion, Beauty and Home					11 995		1.0	11 871
Woolworths Food					28 875		5.4	27 406
David Jones (A\$)					1 646		(0.1)	1 648
Country Road Group (A\$)					954		(0.6)	960
					2019 Rm		2018 Rm	Change %
<b>8.3 CONSTANT CURRENCY INFORMATION</b>								
<b>STATEMENT OF COMPREHENSIVE INCOME ITEMS (52 WEEKS AND EXCLUDING IFRS 15)</b>								
Segmental profit					5 631		5 852	(3.8)
Adjusted profit before tax					4 578		4 780	(4.2)
<b>STATEMENT OF FINANCIAL POSITION ITEMS AS AT 30 JUNE 2019</b>								
<b>Total assets</b>					36 155		40 147	(9.9)
Property, plant and equipment					14 402		13 959	3.2
Intangible assets					7 328		13 410	(45.4)
Investment in joint ventures					810		978	(17.2)
Inventories					8 367		7 542	10.9
Trade and other receivables and loans					1 527		1 602	(4.7)
Derivative financial instruments					185		192	(3.6)
Deferred tax and tax assets					1 615		441	>100
Cash and cash equivalents					1 921		2 023	(5.0)
<b>Total equity and liabilities</b>					36 155		40 147	(9.9)
Shareholders' funds					9 552		13 126	(27.2)
Interest-bearing borrowings overdrafts					14 444		13 860	4.2
Operating lease accrual and fair value lease adjustment					1 776		2 021	(12.1)
Other non-current liabilities					809		701	15.4
Derivative financial instruments					178		77	>100
Deferred tax and tax liabilities					140		882	(84.1)
Trade and other payables and provisions					9 256		9 480	(2.4)
					A\$m		A\$m	
David Jones adjusted operating profit (52 weeks and excluding IFRS 15)					37		64	(42.2)
Country Road Group adjusted operating profit (52 weeks and excluding IFRS 15)					100		103	(2.9)

## NOTES (CONTINUED)

### 8. PRO FORMA FINANCIAL INFORMATION (CONTINUED)

#### Notes:

- The accounting policies adopted by the Group in the latest Annual Financial Statements, which have been prepared in accordance with IFRS, have been used in preparing the pro forma financial information. The 53 weeks to 30 June 2019 information has been extracted from the Group Annual Financial Statements on which an opinion has been issued by Ernst & Young Inc.
- The 53rd week adjustments are calculated with reference to actual turnover and concession sales and cost of sales for the one-week period from 24 June to 30 June 2019, which have been extracted from the Group's accounting records, for total and comparable sales, cost of sales, gross profit, expenses based on an assessment of management information, and an effective tax rate of 28.7%, all attributable to the appropriate segments.
- The calculation of earnings per share, headline earnings per share and other share measures for the pro forma 52-week period is based on the weighted average number of shares in issue for the pro forma 52-week period.
- Turnover and concession sales excluding the impact of IFRS 15 is derived by excluding IFRS 15 adjustments to turnover and concession sales for the 53-week and pro forma 52-week periods (refer to the IFRS 15 reconciliation in note 6.1).
- Constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency information, amounts denoted in Australian dollars for the current financial reporting period have been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior comparable period of R9.97/A\$. The statement of financial position items are as at 30 June 2019 and the constant currency information has been determined by applying the closing rate applicable for the prior comparable period of R9.95/A\$.
- The pro forma financial information, which is the responsibility of the Group's directors, has been presented for illustrative purposes only and is consistent with the prior reporting period. The pro forma financial information is presented in accordance with the JSE Listings Requirements and the SAICA Guide on Pro Forma Financial Information.
- Accordingly, because of its nature, the pro forma financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.
- The Group's external auditors, Ernst & Young Inc., have issued a Reporting Accountant's assurance report in terms of ISAE 3420: Assurance Engagements to Report on the Compilation of Pro forma Financial Information, on the Impact of the 53rd week, turnover and concession sales excluding the Impact of IFRS 15 and the 53rd week, and the constant currency information, a copy of which is available for inspection at the Company's registered office.

### 9. NON-IFRS MEASURES

	2019 Rm	2018 Rm	Change %
<b>ADJUSTED HEADLINE EARNINGS</b>			
Headline earnings	3 283	3 327	(1.3)
Adjustments	276	192	
Relocation costs (net of grants received) and store exit costs	187	126	
Net onerous lease raised	196	147	
Unrealised foreign exchange losses/(gains)	8	(6)	
Tax impact of adjustments	(115)	(75)	
Adjusted headline earnings	3 559	3 519	1.1

Adjusted headline earnings is arrived at, after excluding from headline earnings, costs of a non-recurring nature.

## 10. 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, they are not expected to have any material financial effect.

## 11. BORROWING FACILITIES

Unutilised banking and debt facilities amount to R8 647 million (2018: R10 716 million) as follows:

	2019 Rm	2018 Rm
Committed	8 147	10 216
Uncommitted	500	500
<b>Total</b>	<b>8 647</b>	<b>10 716</b>

Notes to the value of R3.82 billion have been issued to date under the Domestic Medium Term Note (DMTN) programme, which is a further source of funding to the Group. The DMTN is guaranteed by Woolworths Proprietary Limited. It will be used to raise debt on an ongoing basis.

## 12. RELATED-PARTY TRANSACTIONS

The Group entered into related-party transactions, the substance of which is disclosed in the Group's 2019 Annual Financial Statements. Intragroup adjustments relate to the sale of concession goods between segments and supply chain distribution adjustments.

## 13. EVENTS SUBSEQUENT TO THE REPORTING DATE

No event material to the understanding of these preliminary Group Annual Financial Statements has occurred between the end of the financial year and the date of approval.

## 14. APPROVAL OF PRELIMINARY GROUP ANNUAL FINANCIAL STATEMENTS

The preliminary Group Annual Financial Statements were approved by the Board of Directors on 28 August 2019.

## 15. AUDIT OPINION

These preliminary Group Annual Financial Statements have been extracted from the audited Group Annual Financial Statements, but is not in itself audited. The Annual Financial Statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited Annual Financial Statements and the auditor's report thereon are available for inspection at the Company's registered office. The directors take full responsibility for the preparation of the summarised report and that the financial information has been correctly extracted from the underlying Annual Financial Statements.

However, the auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the accompanying financial information from the Company's registered office.

## ANNEXURE B – NON-EXECUTIVE DIRECTORS’ BIOGRAPHIES

### **SIMON SUSMAN (69)**

#### **CHAIRMAN**

#### **NON-INDEPENDENT NON-EXECUTIVE DIRECTOR**

Chairman of the WHL Board and member of the WHL Nominations, Remuneration, Risk and Compliance, Social and Ethics and Sustainability Committees.

Simon joined Woolworths in 1982 after working at clothing and food retailer, Marks & Spencer plc in London. At Woolworths he created the Food business which he led together with the retail operations and clothing groups. He was appointed to the WHL Board in 1995, became the Chief Executive Officer in 2000 and was appointed as a Non-executive director and Deputy Chairman in 2010 and as Chairman in 2011.

Other chairmanships include: Virgin Active; Al Tayer Retail, Dubai; Conservation International (SA) Centre for Biodiversity; Advisory Board of the University of Stellenbosch Business School and the TSIBA University and Education Trust Sustainability Committee.

Other directorships include: Trent Tata Retail Limited, India; IGDS (Intercontinental Group of Department Stores); Polymateria (a plastic biodegradability company) London UK; Capitalgro; TravelGround; Business Against Crime; Meat Naturally; Capstone Asset Management; and YES (Youth Employment Service).

### **HUBERT BRODY (55)**

#### **DEPUTY CHAIRMAN**

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

#### **CA (SA)**

Chairman of the WHL Audit Committee; member of the WHL Risk and Compliance, Nominations, Social and Ethics, Sustainability, Remuneration and Treasury Committees; Chairman of the Woolworths South Africa Audit Review Panel.

Hubert was previously the Chief Executive, Personal Finance, at Sanlam Limited and Chief Executive Officer of Imperial Holdings Limited. In addition, he was the Chairman of Imperial Bank, Regent Group and served as Chairman on a number of the Imperial Group’s divisional and supervisory boards. Hubert joined the WHL Board in 2014.

Other directorships include: Nedbank Group, Nedbank and Tennis SA.

### **TOM BOARDMAN (69)**

#### **LEAD INDEPENDENT DIRECTOR**

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

#### **CA (SA)**

Chairman of the WHL Remuneration and Nominations Committees; member of the WHL Risk and Compliance, Social and Ethics and Sustainability Committees and Trustee of the Woolworths Holdings Share Trust.

Tom was Chief Executive Officer of Nedbank Group Limited from December 2003 to February 2010 and served as an independent director of Nedbank Limited from 2010 to 2017. He was previously the Chief Executive Officer of BoE Limited, one of South Africa’s leading private and investment banking companies, which was acquired by Nedbank in 2002. Tom was the founding shareholder and Managing Director of retail houseware chain Boardmans, prior to which he was Managing Director of Sam Newman Limited. He joined the WHL Board in 2010.

Other directorships include: African Rainbow Minerals Limited; Athena Capital; Royal Bafokeng Holdings; Ubuntu-Botho Investments (Pty) Ltd; African Rainbow Capital (Pty) Limited; African Rainbow Energy & Power (Pty) Limited; and The Peace Parks Foundation.

### **ZARINA BASSA (55)**

#### **INCOMING LEAD INDEPENDENT DIRECTOR**

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

#### **CA (SA)**

Chairman of the WHL Risk and Compliance Committee; member of the WHL Audit, Nominations, Remuneration and Treasury Committees; Chairman of Woolworths South Africa’s Remuneration and Risk and Compliance Committees; and member of the Audit Review Panel and Woolworths South Africa Board.

Zarina’s previous roles include chairing the Public Accountants’ and Auditors’ Board and the Auditing Standards Board. She previously served on the Accounting Standards Board, the JSE’s GAAP Monitoring Panel, the South African Institute of Chartered Accountants, Kumba Iron Ore, Mercedes Benz South Africa, Sun International, Vodacom South Africa and the Financial Services Board and was Vice President of ABASA. Zarina is a former partner of Ernst & Young. She joined the Absa Group in 2002 and was an executive director heading up the Private Bank and member of the Group’s Executive Committee. She joined the WHL Board in 2011.

Other directorships include: JSE Limited; Senior Independent Director of the Investec Group; Oceana; YES (Youth Employment Service); and Chairman of Yebo Yethu Limited.

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**BELINDA EARL (57) (BRITISH)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**BSC (HONS) ECONOMICS & BUSINESS**

Member of the WHL Risk and Compliance and Sustainability Committees.

Belinda has over 30 years' experience in fashion, design, general merchandise and management and was awarded the Order of the British Empire for services to retail in 2017. Belinda most recently served as Style Director for Marks & Spencer plc and was previously the Chief Executive Officer of Jaeger, a premium British fashion brand, until 2011. She was also Chief Executive Officer of the department store group Debenhams plc from 2000 to 2003, after a career of 15 years in the group. Belinda joined the WHL Board in 2019.

Other memberships include: British Fashion Council's Positive Fashion Committee.

**CHRISTOPHER COLFER (50) (CANADIAN)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**BA**

Member of the WHL Audit, Remuneration, Nominations, and Risk and Compliance Committees; Chairman of the David Jones and Country Road Group Risk and Compliance and Remuneration Committees; and member of the David Jones and Country Road Group Audit Committees.

Christopher has over 30 years' experience in international retail and e-commerce across public, private and start-up businesses in the United Kingdom, Europe, Asia, the United States of America and Australia. He joined Richemont International (Richemont) in 2002 where he headed the textiles businesses Chloé, Shanghai Tang, James Purdey and Sons, Old England and Hackett, as well as various business development initiatives, and was later appointed Chief Executive Officer of Alfred Dunhill Limited. Christopher also led Richemont's early investment in Net-a-Porter, overseeing the growth of the business from start-up to ultimate full acquisition by Richemont in 2010. He joined the WHL Board in 2019.

Other directorships include: AHA!life; Nude by Nature; H.Huntsman & Sons; and Squiz.

**ANDREW HIGGINSON (62) (BRITISH)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**BSC (HONS)**

Member of the WHL Audit, Remuneration, Nominations, and Risk and Compliance Committees.

Andrew held executive board positions in listed retail businesses in the United Kingdom for 27 years, 15 of which were as an executive director of Tesco plc, one of the world's largest retailers. He retired as an executive from Tesco in August 2012 and now holds a number of non-executive directorships and is the Chairman of UK food retailer, Morrisons. He joined the WHL Board in 2012.

Other directorships include: WM Morrisons Supermarkets; Evergreen Garden Care; Clearwater International; Aston Service London; YorkParkingSpace; Cornthwaite Seven; and Bridge Farmers Group.

**DAVID KNEALE (65) (BRITISH)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**BA**

Member of the WHL Nominations, Remuneration, and Risk and Compliance Committees

David has extensive retail experience gained over more than 40 years while at the Clicks Group Limited (Clicks), Boots Company plc (Boots) and Waterstones Booksellers. At Clicks he served as Chief Executive Officer for 13 years. He served on the executive committee and held various senior positions at Boots including Chief Commercial Officer and Managing Director for International Retail Development. He also held the position of Managing Director of Waterstones Booksellers for two years. David joined the WHL Board in 2019.

Other directorships and memberships include: Morow Investments and The Ravine Trust.

## NON-EXECUTIVE DIRECTORS' BIOGRAPHIES (CONTINUED)

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**NOMBULELO (PINKY) MOHOLI (59)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**B.SC ENGINEERING, SEP, SMMP**

Chairman of the WHL Social and Ethics Committee and member of the WHL Risk and Compliance, Remuneration, and Sustainability Committees.

Pinky has more than 24 years' experience in the Information Communication and Technology industry. She was the Group Chief Executive Officer of Telkom from 2011 and stepped down in March 2013. She joined the Board in 2014.

Other directorships and memberships include: Old Mutual; Anglo American Platinum; Engen; and Chairman of Nedbank's Eyethu Community Trust.

**THEMBISA SKWEYIYA (46)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**B.PROC, LLB, LL.M, H.DIP (TAX)**

Member of the WHL Audit, Risk and Compliance, and Sustainability Committees.

Themبisa is an admitted attorney of the New York State Bar, United States of America, and has extensive corporate finance and legal expertise having served at Nedbank Capital and Citigroup. Themبisa joined the Board in 2019.

Other directorships and memberships include: Imperial Logistics; Liberty Holdings; Stanlib; Sumitomo Rubber South Africa; Rothschild South Africa; Skweyiya Investment Holdings; and The Victor Daitz Foundation.

**CLIVE THOMSON (53)**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
**B.COM (HONS), M PHIL, CA(SA)**

Member of the WHL Audit, Treasury, Social and Ethics, and Risk and Compliance Committees. Member of Woolworths South Africa's Audit Review Panel and Chairman of the David Jones and Country Road Group Audit Committees.

Clive has over 20 years' experience in senior leadership and executive roles. He served as Chief Executive Officer of Barloworld Limited (Barloworld) for approximately 10 years, and as Group Finance Director for close to four years. Prior to his group CEO role, Clive was Chief Executive Officer of Barloworld Equipment with responsibility for leading the Caterpillar equipment businesses in Southern Africa, Russia and Iberia, and was Finance Director of Barloworld Coatings for five years.

Prior to joining Barloworld, Clive was a partner at Deloitte with responsibility for audit client services, in addition to which he served in accounting technical advisory and education portfolios.

Other directorships include: Borusan Makina.



# ANNEXURE B – EXECUTIVE DIRECTORS’ AND GROUP COMPANY SECRETARY’S BIOGRAPHIES

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## **IAN MOIR (60) (AUSTRALIAN) EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER**

**MA (ECON), MBA**

Chairman of the Boards of Woolworths South Africa, David Jones and Country Road Group; and member of the WHL Risk and Compliance, Social and Ethics, and Sustainability Committees.

Ian was appointed to the WHL Board in January 2010 and as Group Chief Executive Officer in November 2010. Prior to his appointment as Group Chief Executive Officer, Ian was the Chief Executive Officer of Country Road, having been appointed to that role in November 2000 after serving as Chief Operating Officer of the company. He was previously executive director and Chief Operating Officer of Woolmark.

Other directorships include: Woolworths; David Jones; and Country Road Group.

## **REEZA ISAACS (51) EXECUTIVE DIRECTOR AND GROUP FINANCE DIRECTOR CA (SA)**

Chairman of the WHL Treasury Committee and member of the WHL Risk and Compliance Committee.

Reeza joined Woolworths in June 2013 as Deputy Chief Financial Officer and was appointed Finance Director in November 2013. He was previously the senior partner for the Western Cape Ernst & Young office and a partner from 1999. Reeza has worked across multiple business sectors including manufacturing, retail, oil, gas, asset management and insurance and with a wide variety of entities including listed, private, and owner-managed entities. He was the lead partner for several of Ernst & Young’s largest Cape Town clients, including Engen, Coronation, Woolworths, Metropolitan Life, Sanlam, and Truworths.

Other directorships include: Woolworths; David Jones; Country Road Group; Woolworths Financial Services; iSential; Nationwide Recovery Services; and Account On Us.

## **SAM NGUMENI (51) EXECUTIVE DIRECTOR AND GROUP CHIEF OPERATING OFFICER**

**BCOM, MBA, AMP**

Chairman of the WHL Information Management Committee and member of the WHL Risk and Compliance Committee.

Sam has been with the WHL Group for 23 years, primarily in Financial Services, and has more than 16 years’ retail credit experience. He was appointed as the Group Chief Operating Officer in March 2012 with functional responsibility for information technology, supply chain and logistics, sourcing, and human resources across the WHL Group. In addition, he has responsibility for Insights & Analytics, Loyalty & CRM and Customer Service for the Australian Region and is responsible for Financial Services for the David Jones business.

He was previously the Chief Operating Officer of Woolworths South Africa and the Chief Executive Officer of Woolworths Financial Services where he spearheaded the successful joint venture between Woolworths and Barclays (now ABSA). Sam was appointed to the WHL Board in 2014.

Other directorships and chairmanships include: Woolworths; David Jones; Country Road Group; and Chairman of Woolworths Financial Services and the Woolworths Trust.

## **ZYDA RYLANDS (55) EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER: WOOLWORTHS SOUTH AFRICA CA (SA)**

Chief Executive Officer of Woolworths South Africa and member of the WHL Risk and Compliance, Social and Ethics, and Sustainability Committees.

Zyda joined Woolworths South Africa in 1996, working in the finance and store operation teams until her appointment as the People and Transformation Director in 2005, followed by her appointment as Chief Operating Officer. Support Services in 2008 and Chief Executive Officer of Woolworths South Africa; in September 2015. She was appointed to the WHL Board in August 2006.

Zyda served as Chairperson of the Audit Committee for Parliamentary Services and as Chairperson and non-executive director of the Open Society Foundation for South Africa; the Centre for Justice and Crime Prevention (CJCP); and The Centre for Survivors of Violence and Torture.

Other directorships and memberships include: Woolworths South Africa; Woolworths Financial Services; African Capital Property Portfolio; Peregrine; Peregrine IQ; Gwaing Property Development; National Urban Reconstruction and Housing Agency; and the Centre for Justice and Crime Prevention.

## **CHANTEL REDDIAR (43) GROUP COMPANY SECRETARY BA, LLB, LL.M, MBA**

Member of the WHL Information Management Committee.

Chantel joined Woolworths in September 2016 as the Director: Governance, Risk and Compliance and Group Company Secretary. Chantel has 19 years’ experience as a corporate lawyer. Previously, Chantel was Group Company Secretary for Sun International Limited, and the Director: Corporate Services and Legal. Her executive responsibilities include oversight of corporate governance, compliance, legal, and the Group’s risk functions.

Prior to Sun International, Chantel served as a Legal Advisor at Nissan South Africa, having completed her articles at Webber Wentzel Bowns.

## ANNEXURE C – DIRECTORS’ MEETING ATTENDANCE FOR THE FINANCIAL YEAR UNDER REVIEW

NAME OF DIRECTOR	DATE OF APPOINTMENT	STATUS	OVERALL ATTENDANCE	BOARD
Simon Susman <sup>1</sup>	18/11/2010	Non-independent Non-executive	100%	4/4
Patrick Allaway <sup>2</sup>	1/12/2014	Independent Non-executive	100%	2/2
Zarina Bassa	17/11/2011	Independent Non-executive	100%	4/4
Tom Boardman	27/9/2010	Independent Non-executive	100%	4/4
Hubert Brody <sup>3</sup>	1/7/2014	Independent Non-executive	100%	4/4
Christopher Colfer <sup>*</sup>	1/7/2019	Independent Non-executive	Refer to note 4	–
Belinda Earl <sup>5*</sup>	1/7/2019	Independent Non-executive	Refer to note 5	–
Andrew Higginson <sup>6</sup>	1/6/2012	Independent Non-executive	100%	4/4
Reeza Isaacs	26/11/2013	Executive	100%	4/4
Gail Kelly <sup>7</sup>	1/10/2015	Independent Non-executive	100%	2/2
David Kneale <sup>8</sup>	11/3/2019	Independent Non-executive	100%	1/1
Nombulelo Moholi	1/7/2014	Independent Non-executive	100%	4/4
Ian Moir	1/10/2010	Executive	100%	4/4
Sizakele Mzimela <sup>9</sup>	1/7/2018	Independent Non-executive	100%	1/1
Sam Ngumeni	12/02/2014	Executive	100%	4/4
Zyda Rylands	22/8/2006	Executive	80%	3/4
Thembisa Skweyiya <sup>10</sup>	11/3/2019	Independent Non-executive	100%	1/1
Clive Thomson <sup>11*</sup>	19/8/2019	Independent Non-executive	Refer to note 11	–

1 Chairman.

2 Resigned from the Board on 8 February 2019.

3 Appointed to the Nominations Committee, Remuneration Committee, Sustainability Committee, and Social and Ethics Committee from 18 February 2019.

4 Appointed to the Board in the new financial year on 1 July 2019, and had not attended meetings in the financial year under review.

5 Appointed to the Board in the new financial year on 1 July 2019, and had not attended meetings in the financial year under review.

6 Appointed to the Nominations Committee from 18 February 2019.

7 Resigned from the Board on 8 February 2019.

8 Appointed to the Board on 11 March 2019.

9 Resigned from the Board on 5 November 2018.

10 Appointed to the Board on 11 March 2019.

11 Appointed to the Board in the new financial year on 19 August 2019, and had not attended meetings in the financial year under review.

\* Belinda Earl, Christopher Colfer and Clive Thomson were appointed subsequent to the year under review and all have attended 100% of meetings since being appointed.

STRATEGY	AUDIT	NOMI-NATIONS	RISK AND COMPLIANCE	REMUNE-RATION	SOCIAL AND ETHICS	SUSTAINA-BILITY	DIRECTORS STANDING FOR ELECTION
2/2		3/3	4/4	3/3	3/3	2/2	
1/1	2/2		2/2	1/1			
2/2	4/4	3/3	4/4	3/3			
2/2		3/3	4/4	3/3	3/3	2/2	
2/2	4/4	1/1	4/4	1/1	1/1		
-	-	-	-	-	-	-	Election
-	-	-	-	-	-	-	Election
2/2	4/4	1/1	4/4	3/3			
2/2			4/4				
1/1		1/1	2/2	1/1		1/1	
1/1		1/1	1/1	1/1			Election
2/2			4/4	3/3	3/3	2/2	
2/2			4/4		3/3	2/2	
			1/1				
2/2			4/4				
1/2			3/4		3/3	2/2	
1/1	1/1		1/1				Election
-							Election

# SHAREHOLDING DISCLOSURES

## STATED CAPITAL

### AUTHORISED

Ordinary shares – 2 410 600 000 of no par value

### ISSUED

Ordinary shares – 1 048 466 077 of no par value

Further details of the stated capital and the movements for the period under review are disclosed in note 10 of the Company Annual Financial Statements.

## SHAREHOLDER SPREAD

Public and non-public shareholders	Number of shareholders	Percentage of total	Number of shares	Percentage of total
1 – 1 000 shares	38 122	65.09	12 865 377	1.23
1 001 – 10 000 shares	17 286	29.51	51 045 227	4.87
10 001 – 100 000 shares	2 444	4.17	70 340 453	6.71
100 001 – 1 000 000 shares	593	1.01	180 033 427	17.17
1 000 001 shares and above	126	0.22	734 181 593	70.02
<b>TOTAL</b>	<b>58 571</b>	<b>100.00</b>	<b>1 048 466 077</b>	<b>100.00</b>

## ANALYSIS OF SHAREHOLDERS

Major shareholders	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Public Shareholders	58 556	100.0	953 800 843	91.0
Non-public shareholders	15	–	94 665 234	9.0
Directors and their associates	11	–	10 286 273	1.0
E-Com Investments 16 (RF) Proprietary Limited	1	–	43 763 861	4.2
Woolworths Proprietary Limited	1	–	40 497 604	3.8
Woolworths Proprietary Limited on behalf of deceased and untraceable former Woolworths Employee Share Ownership Trust beneficiaries	2	–	117 496	–
<b>Total shareholders</b>	<b>58 571</b>	<b>100.0</b>	<b>1 048 466 077</b>	<b>100.0</b>

According to the Company's register of shareholders, read in conjunction with the Company's register of disclosure of beneficial interests made by registered shareholders acting in a nominee capacity, the following shareholders held, directly and indirectly, beneficially in excess of 5% of any class of the issued stated capital at 30 June 2019:

Major shareholders	Total shareholding 2019	2019 Percentage of shares	Total shareholding 2018	2018 Percentage of shares
Allan Gray Proprietary Limited*	173 295 066	16.5	122 487 074	11.7
Government Employees Pension Fund	135 104 345	12.9	147 398 214	14.1
Coronation Asset Management Proprietary Limited*	52 646 127	5.0	50 368 335	4.8
<b>Total</b>				

\* Held on behalf of their clients

Directors of the Company hold direct and indirect beneficial interests of 10 286 273 ordinary shares (2018: 9 601 885) in the Company.





# SHAREHOLDER CALENDAR

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## 2019

<b>June</b>	Financial year-end – 30 June
<b>July</b>	Trading update
<b>August</b>	Annual results and announcement of final dividend
<b>September</b>	Publication of 2019 Integrated Annual Report, final dividend payment, and posting of Notice of Annual General Meeting
<b>November</b>	Annual General Meeting and trading update

## 2020

<b>January</b>	Trading update
<b>February</b>	Interim results and announcement of interim dividend
<b>June</b>	Financial year-end – 28 June
<b>July</b>	Trading update
<b>August</b>	Annual results and announcement of final dividend, publication of Integrated Annual Report, and posting of Notice of Annual General Meeting
<b>November</b>	Annual General Meeting and trading update

# ADMINISTRATION

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## WOOLWORTHS HOLDINGS LIMITED

Registration number 1929/001986/061

Tax reference number: 9300/149/71/4

JSE Share code: WHL

ISIN: ZAE000063863

Bond company code: WHLI

Bond code: WHL01

## GROUP COMPANY SECRETARY

Chantel Reddiar

## REGISTERED OFFICE

Woolworths House  
93 Longmarket Street  
Cape Town 8001, South Africa

## POSTAL ADDRESS

PO Box 680  
Cape Town 8000, South Africa

## JSE SPONSOR

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
1 Merchant Place  
Cnr Fredman Drive and Rivonia Road  
Sandton 2194, South Africa  
P O Box 786273, Sandton 2146, South Africa

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
15 Biermann Avenue, Rosebank 2196, South Africa  
P O Box 61051, Marshalltown 2107, South Africa

# CONTACT INFORMATION

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For any further information and to provide feedback on our Notice, please contact:

## GROUP COMPANY SECRETARY

Governance@woolworths.co.za

## INVESTOR RELATIONS

InvestorRelations@woolworths.co.za

or visit our Group websites:

[www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za); [www.woolworths.co.za](http://www.woolworths.co.za);

[www.davidjones.com.au](http://www.davidjones.com.au); [www.countryroad.com.au](http://www.countryroad.com.au)

# FORM OF PROXY

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(Incorporated in the Republic of South Africa)  
(Registration number 1929/001986/06)  
Share code: WHL  
ISIN number: ZAE000063863  
Bond company code: WHLI  
Bond code: WHL01  
(WHL or the Company)

# WHL

For use only by:

- holders of certificated ordinary shares in the Company; and
- holders of dematerialised ordinary shares in the Company held through a Central Securities Depository Participant (CSDP) or broker and who have selected 'own name' registration,

at the Annual General Meeting of shareholders of the Company to be held in the Auditorium, 1st Floor, Woolworths House, 93 Longmarket Street, Cape Town 8001 at 10:00 on Wednesday, 27 November 2019 and at any adjournment or postponement thereof ('Annual General Meeting').

If you are a shareholder referred to above and entitled to attend and vote at the Annual General Meeting, you can appoint a proxy or proxies to attend, vote, and speak in your stead at the Annual General Meeting. A proxy need not be a shareholder of the Company.

If you are an ordinary shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected 'own name' registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary authority to attend the Annual General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with it.

I/We (full names in block letters) \_\_\_\_\_

of (Address) \_\_\_\_\_

Telephone number ( \_\_\_ ) \_\_\_\_\_ Cellphone number \_\_\_\_\_ being a holder/s of \_\_\_\_\_ ordinary shares in the Company, hereby appoint (see note 10)

1. \_\_\_\_\_ of \_\_\_\_\_ failing him/her

2. \_\_\_\_\_ of \_\_\_\_\_ failing him/her

3. the Chairman of the Company, or failing him the Chairman of the Annual General Meeting, as my proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf, as indicated below, at the Annual General Meeting and/or at any adjournment or postponement thereof.

Resolution	For	Against	Abstain
1. Ordinary resolution 1: Appointment of chairperson			
2. Ordinary resolution 2: Election of directors			
2.1 Mr David Kneale			
2.2 Ms Thembisa Skweyiya			
2.3 Ms Belinda Earl			
2.4 Mr Christopher Colfer			
2.5 Mr Clive Thomson			
3. Ordinary resolution 3: Election of Audit Committee members			
3.1 Ms Zarina Bassa			
3.2 Ms Thembisa Skweyiya			
3.3 Mr Andrew Higginson			
3.4 Mr Christopher Colfer			
3.5 Mr Clive Thomson			
4. Ordinary resolution 4: Re-appointment of Ernst & Young Inc, as the auditors			
5. Ordinary resolution 5: Amendments to the Rules of the Woolworths Performance Share Plan			
6. Ordinary resolution 6: Endorsement of the Remuneration Policy			
7. Ordinary resolution 7: Endorsement of the Remuneration Implementation Report			
8. Special resolution 1: General authority to acquire (repurchase) shares			
9. Special resolution 2: Remuneration of non-executive directors			

Insert an 'X' in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares which you desire to vote (see note 2). This proxy is valid only for the Annual General Meeting of shareholders of the Company to be held on Wednesday, 27 November 2019 and any adjournment or postponement thereof.

Signed this \_\_\_\_\_ day of November 2019

Assisted by me (if applicable) \_\_\_\_\_

Signature \_\_\_\_\_

**Please read the notes on the following pages.**



## NOTES:

A WHL shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of WHL) to attend, speak and vote or abstain from voting in the place of that shareholder at the Annual General Meeting.

1. A WHL shareholder may, therefore, insert the name of a proxy or the names of two alternative proxies of the WHL shareholder's choice in the space provided, with or without deleting the words "the Chairman of the Company, or failing him the Chairman of the Annual General Meeting." The person whose name appears first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A WHL shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box or if a WHL shareholder wishes the proxy to cast votes in respect of a lesser number of shares than the WHL shareholder owns, the requisite number of shares should be inserted in the appropriate box. Failure to comply with the above will be deemed to authorise and instruct the Chairman of the Company or failing him the Chairman of the Annual General Meeting, if he is the authorised proxy, to vote in favour of the resolutions concerned at the Annual General Meeting, or any other proxy to vote or abstain from voting at the Annual General Meeting as he deems fit, in respect of the WHL shareholder's total holding.
3. The completion and lodging of this form of proxy will not preclude a WHL shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such WHL shareholder wish to do so.
4. In case of joint holders, the vote of the most senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the Company's register of shareholders in respect of the joint holding.
5. The Chairman of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the Annual General Meeting.
7. Any alteration or correction to this form of proxy must be initialled by the signatory/ies.
8. For administrative purposes only, proxy forms should be delivered to the Company's Transfer Secretary, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2107 or be posted to them at PO Box 61051, Marshalltown 2107, or emailed to them at proxy@computershare.co.za, by 10:00 on Monday, 25 November 2019 or thereafter to the Company by hand at Woolworths House, 93 Longmarket Street, Cape Town 8001 or electronically to the Group Company Secretary at Governance@woolworths.co.za. A proxy form is enclosed for use by such ordinary shareholders. Proxies will nevertheless be accepted up until the vote on each particular resolution at the Annual General Meeting.
9. If the Annual General Meeting is adjourned or postponed, forms of proxy submitted for the Annual General Meeting will remain valid in respect of any adjournment or postponement of the Annual General Meeting, unless the contrary is stated on such form of proxy.
10. The appointment of a proxy or proxies:
  - a. is suspended at any time and to the extent that a WHL shareholder chooses to act directly and in person in the exercise of any rights as a WHL shareholder;
  - b. is revocable, in which case a WHL shareholder may revoke the proxy appointment by:
    - (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and
    - (ii) delivering a copy of the revocation instrument to the proxy to the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited at 15 Biermann Avenue, Rosebank 2107 or posted to them at PO Box 61051, Marshalltown 2107;
  - c. if the instrument appointing a proxy or proxies has been delivered to the Company's Transfer Secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act 71 of 2008, as amended (the 'Companies Act'), or the Company's Memorandum of Incorporation to be delivered by the Company to the WHL shareholder must be delivered by the Company to:
    - (i) the WHL shareholder; or
    - (ii) the proxy or proxies, if the WHL shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so.

## **SUMMARY OF THE RIGHTS OF A WHL SHAREHOLDER TO BE REPRESENTED BY PROXY:**

For purposes of this summary, the term "shareholder" shall have the meaning set out in section 57(1) of the Companies Act.

Shareholders' rights regarding proxies in terms of section 58 of the Companies Act include, inter alia, to at any time appoint any individual, including an individual who is not a shareholder of that Company, as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
  - one year after the date on which it was signed; or
  - any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c); or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

Except to the extent that the Company's Memorandum of Incorporation provides otherwise:

- a shareholder of the Company may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

- stated in the revocation instrument, if any; or
- upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder must be delivered by such company to:

- the shareholder; or
- the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the relevant company or the instrument appointing the proxy provide otherwise.

If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy or supplies a form of instrument for appointing a proxy:

- such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
- the invitation or form of proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, contain adequate space to enable a shareholder to write in the name, and if so desired an alternative name, of a proxy chosen by the shareholder and provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or abstain from voting;
- the company must not require that the proxy appointment be made irrevocable; and
- the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used unless revoked as contemplated in section 58(5) of the Companies Act.



Woolworths, Summer 2019

*Signature*

