WHL

WOOLWORTHS HOLDINGS LIMITED

Summary of the Audited Group Results for the 52 weeks ended 27 June 2021, Cash Dividend Declaration and Changes to the Board of Directors

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FINANCIAL OVERVIEW

Turnover	**+9.1%** to R78.8bn
Turnover and concession sales	**+9.7%** to R85.9bn
Profit before tax	**+267.3%** to R5.2bn
Adjusted profit before tax	**+110.7%** to R4.6bn
Earnings per share	**+647.6%** to 435.1cps
Headline earnings per share	**+212.5%** to 374.4cps
Adjusted diluted headline earnings per share	**+102.9%** to 341.6cps
Net borrowings (excluding lease liabilities)	**91.0%** reduction to R1.1bn
Dividend resumed at	**66.0cps** in respect of second half earnings

COMMENTARY ON PERFORMANCE

The Group is pleased to report a strong operational and financial performance, notwithstanding the ongoing impacts of Covid-19 over the year. Management actions to stimulate trade, manage margins, contain costs and pay down debt have resulted in a pleasing set of results and a stronger balance sheet.

Group turnover and concession sales for the 52 weeks ended 27 June 2021 ('current year' or the 'period') increased by 9.7% compared to the 52 weeks ended 28 June 2020 ('prior year' or 'comparable period') and by 5.9% in constant currency terms.

Trading conditions over the financial year are not directly comparable to the prior year, given the extensive impact of the pandemic.

Trade across the Group continued to improve, notwithstanding uncertainty and business disruption exacerbated by the delay of the Covid-19 vaccine rollout, further outbreaks and related lockdowns across both South Africa and Australia. The improved trade performance coupled with strong working capital management and the proceeds arising from the property sales in Australia resulted in positive cash flows and a significant reduction in net debt across the Group.

Furthermore, the following factors contributed to the Group results and financial position:

- The sale of the Bourke Street Mens and Elizabeth Street properties in David Jones were completed in the current year, resulting in net proceeds of A$120.0 million and A$504.4 million which were used to repay debt and generated profits on sale of A$23.8 million and A$19.0 million, respectively;
- Covid-19 necessitated an assessment of the carrying values of assets, resulting in impairment charges of R364 million (pre-tax); and
- The renegotiation of various leases, mainly in David Jones, resulted in lease exit and modification gains under IFRS 16 of R591 million (pre-tax).

Earnings per share ('EPS') was 435.1 cps compared to 58.2 cps for the prior year, while Headline EPS ('HEPS') and adjusted diluted HEPS increased by 212.5% and 102.9% over the prior year to 374.4 cps and 341.6 cps, respectively.

SOUTH AFRICA

South Africa's recovery from the Covid-19 pandemic has been set back by the onset of the third wave towards the end of the fourth quarter. The consequential level 4 restrictions further dampened already-weak consumer confidence, which is expected to limit discretionary spend. Furthermore, the recent civil unrest and related widespread destruction of property in KwaZulu-Natal and parts of Gauteng will also impact economic conditions and consumer sentiment. We are pleased to announce that we have reopened two stores to date, with a further eight expected to be opened within the next four weeks. Our Maxmead Distribution Centre has also resumed full operations and we are continuing to work with our insurance assessors regarding our claims.

WOOLWORTHS FOOD

Turnover and concession sales for the current year grew by 6.9%, and by 5.7% in comparable stores. The Woolworths Food business grew both market share and volumes during the period despite the high base set in the prior year driven by stockpiling ahead of the first lockdown. Price movement was 5.2%, with underlying product inflation of 4.9%, while net space increased by 0.6%. Sales in the second half of the current year grew by 3.2%, and by 16.9% over a two-year period.

We continue to invest in price in key product categories to improve our value proposition, while remaining focused on product quality, innovation and convenience. Online sales grew by 117.9% over the current year, contributing 2.3% to our South African Food sales. This was further supported by the expanded Click-and-Collect offering and the rollout of our on-demand delivery service, Woolies Dash.

Gross profit margin of 24.5% was 0.4% lower than the prior year as a result of further price investment and the growing online contribution which were partly offset by volume rebates and distribution cost efficiencies. Expenses, including additional Covid-19 related costs, grew by 6.1%. Adjusted operating profit increased by 3.9% to R3 009 million, returning a post IFRS 16 operating margin of 8.0% for the current year.

WOOLWORTHS FASHION, BEAUTY AND HOME ('FBH')

Total revenue for the current year increased by 3.5% and by 4.2% in comparable stores, while sales in the second half of the current year grew by 24.1% on the prior year's non-comparable base. The sales performance of the Woolworths FBH business continues to be impacted by several factors, including the constrained environment, the decline in demand for formalwear, as well as our initiatives to streamline our private label offerings and rationalise unproductive space.

Price movement in FBH was 7.5%, and 5.3% in Fashion, due to the higher promotional activity in the prior year. Online sales grew by 114.4%, contributing 4.1% to South African sales. The reduction in net space of 6.4% has translated into improved trading densities.

Gross profit margin increased by 1.5% to 45.5%, as a result of a higher level of clearance in the base. Expenses grew by 5.4%, with additional Covid-19 related costs, as well as UIF TERS and rent relief in the base. Adjusted operating profit increased by 14.2% to R1 083 million, resulting in a post IFRS 16 operating margin of 8.4% for the current year.

WOOLWORTHS FINANCIAL SERVICES ('WFS')

The Woolworths Financial Services book reflected a year-on-year increase of 0.7% at the end of June 2021 (2.0% at 30 June 2020). The impairment rate for the 12 months ended 30 June 2021 was 5.3%, compared to 7.9% for the 12 months ended 30 June 2020, reflecting the underlying strength of the book, as well as focus on customer relief and collection. Net profit after tax for the year increased by 16.8% to R118 million.

AUSTRALIA AND NEW ZEALAND

In Australia, stronger economic fundamentals, improved consumer confidence and restrictions on international travel, supported inward-focused consumption and buoyed retail spend. This was despite the intermittent snap lockdowns across major cities and an extended three-month lockdown in the State of Victoria during the first half of the current year and a further lockdown in the last quarter. Footfall in central business districts and airport locations remains well below pre Covid-19 levels.

DAVID JONES ('DJ')

DJ turnover and concession sales over the period increased by 2.3% and by 0.9% in comparable stores, with second half sales up by 17.1%. Online sales increased by 24.4% and contributed 17.3% to total sales for the current year. In line with our stated intention of exiting unproductive space, trading space was further reduced by 6.3%. Sales in our Elizabeth Street flagship store grew by 16.6% during the current year, notwithstanding the lower footfall in the Sydney CBD.

Gross profit margin was 2.2% higher than the prior year, at 35.2%, due to reduced markdowns and an improved inventory position. Expenses increased marginally by 0.3% on the prior year, with government support and rent relief in line with the prior year, and additional costs from the leaseback of the Elizabeth Street and Bourke Street Mens stores. Space reduction and other cost reduction initiatives contributed to lower costs. Adjusted operating profit of A$84 million was 282% up on the prior year, resulting in a post IFRS 16 operating margin of 4.0%.

COUNTRY ROAD GROUP ('CRG')

CRG delivered strong sales growth of 13.5% over the current year and by 15.3% in comparable stores, with second half sales up by 39.5%. This result was underpinned by the robust performance of the Country Road brand and through refreshed product offerings across all brands. Online sales increased by 30.7% and contributed 29.7% to total sales, while trading space was reduced by 2.8% for the current year.

Gross profit margin increased by 2.2% to 60.8% due to increased full-price sales. Expenses for the current year reduced by 0.4%, mainly from store closures and a reduction in discretionary spend, as well as higher levels of government support and rent relief in the current year compared to the prior year. Adjusted operating profit increased by 158.3% to A$155 million, resulting in a post IFRS 16 operating margin of 14.7%.

OUTLOOK

The trading outlook in both regions is uncertain and will be impacted by further Covid-19 waves and resulting lockdowns and restrictions, as well as the slow pace of vaccination in both regions. In Australia, current lockdowns are significantly curtailing trade in our brick-and-mortar stores, while in South Africa, we are in the midst of the third wave while the after-effects of recent civil unrest are also likely to be felt for some time.

Nonetheless, we have a stronger foundation and will continue to respond tactically to any immediate challenges, whilst remaining steadfast in the execution of our longer-term objectives.

We would like to express our gratitude to all our employees across the Group, particularly those on the front line, who courageously put the needs of their colleagues and our customers ahead of their own. We would also like to thank our suppliers and partners for their commitment to our business, as well as our customers for their continued support. The past year has again demonstrated the resilience of our business, driven by the passion and commitment of all our people.

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

H Brody
Chairman
Cape Town
25 August 2021

R Bagattini
Group Chief Executive Officer

DIVIDEND DECLARATION

The Board of Directors ('Board') has taken a decision to declare a final gross cash dividend per ordinary share ('dividend') based on a pay-out ratio of 60% of second half headline earnings of the combined Woolworths South Africa business segments (FBH, Food and WFS).

Notice is hereby given that the Board has declared a final gross cash dividend per ordinary share ('dividend') of 66.0 cents (52.8 cents net of dividend withholding tax) for the 52 weeks ended 27 June 2021, a 25.8% decrease on the prior year's 89.0 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 1 049 977 230 ordinary shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 14 September 2021
Shares commence trading 'ex' dividend	Wednesday, 15 September 2021
Record date	Friday, 17 September 2021
Payment date	Monday, 20 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 September 2021 and Friday, 17 September 2021, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Monday, 20 September 2021. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

CA Reddiar
Group Company Secretary
Cape Town
25 August 2021

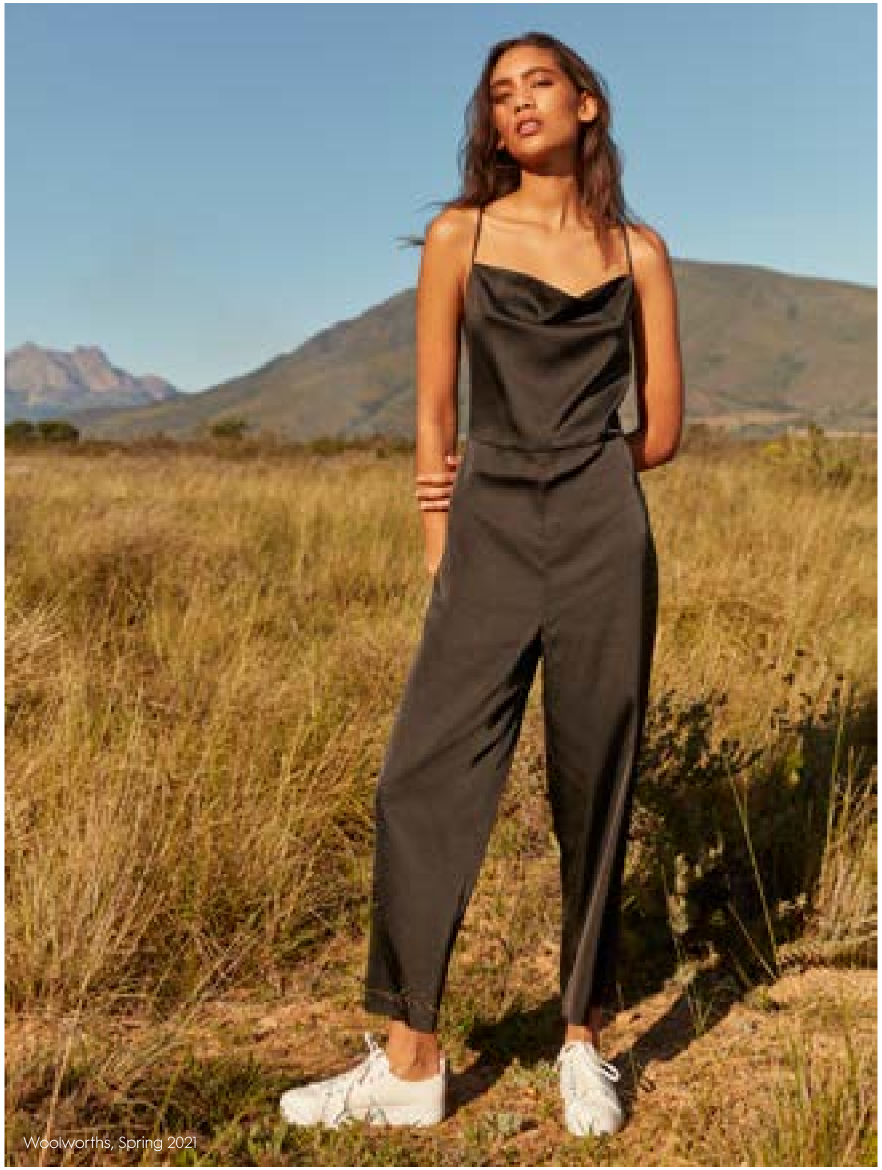
CHANGES TO THE BOARD OF DIRECTORS AND BOARD COMMITTEES

As announced on SENS on 23 August 2021, Ms Zyda Rylands has resigned from the Board and as a member of the WHL Risk and Compliance, Social and Ethics and Sustainability Committees with effect from 30 September 2021.

The Board expresses its appreciation to Ms Rylands for her valuable contributions as an Executive Director.


Woolworths, Autumn 2021

SUMMARY OF THE AUDITED GROUP RESULTS


Woolworths, Spring 2021

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm	% change
Revenue		80 942	74 058	9.3
Turnover		78 763	72 208	9.1
Cost of sales		49 816	46 859	6.3
Gross profit		28 947	25 349	14.2
Other revenue		2 096	1 788	17.2
Expenses		24 311	22 411	8.5
Store costs		17 512	16 355	7.1
Other operating costs		6 799	6 056	12.3
Operating profit		6 732	4 726	42.4
Profit on sale of property in Australia	5	492	–	–
Lease exit and modification gains	10	591	–	–
Impairment of assets		364	799	(54.4)
Investment income		83	62	33.9
Finance costs		2 502	2 688	(6.9)
Profit before earnings from joint ventures		5 032	1 301	286.8
Earnings from joint ventures		118	101	16.8
Profit before tax		5 150	1 402	267.3
Tax expense		987	843	17.1
Profit for the year		4 163	559	644.7
Other comprehensive income				
Amounts that may be reclassified to profit or loss				
Fair value adjustments on financial instruments, after tax		(392)	21	
Exchange differences on translation of foreign subsidiaries		(1 027)	1 416	
Amounts that may not be reclassified to profit or loss				
Post-retirement medical benefit liability: actuarial gain, after tax		4	22	
Other comprehensive income for the year		(1 415)	1 459	
Total comprehensive income for the year		2 748	2 018	
Profit attributable to:		4 163	559	
Shareholders of the parent		4 161	557	
Non-controlling interests		2	2	
Total comprehensive income attributable to:		2 748	2 018	
Shareholders of the parent		2 746	2 012	
Non-controlling interests		2	6	
Earnings per share (cents)	2	435.1	58.2	647.6
Diluted earnings per share (cents)	2	428.7	57.6	644.3
Number of shares in issue (millions)		956.7	956.0	0.1
Weighted average number of shares in issue (millions)		956.3	956.9	(0.1)

ADDITIONAL EARNINGS MEASURES

	Notes	52 weeks to 27 Jun 2021	52 weeks to 28 Jun 2020	% change
Headline earnings per share (cents)	3	374.4	119.8	212.5
Diluted headline earnings per share (cents)	3	368.9	118.4	211.6
Adjusted headline earnings per share (cents)	4	346.6	170.3	103.5
Adjusted diluted headline earnings per share (cents)	4	341.6	168.4	102.9

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	At 27 Jun 2021 Rm	At 28 Jun 2020 Rm
ASSETS			
Non-current assets		40 400	47 920
Property, plant and equipment	5	9 315	15 134
Intangible assets	5	7 546	8 228
Right-of-use assets	10	19 116	20 519
Investment in joint ventures		893	742
Other loans		100	84
Derivative financial instruments	9	13	1
Deferred tax		3 417	3 212
Current assets		15 454	16 034
Inventories		8 501	8 054
Trade and other receivables		1 248	2 160
Derivative financial instruments	9	33	282
Tax		48	4
Cash and cash equivalents		5 624	5 534
Non-current assets held for sale	5	–	1 112
TOTAL ASSETS		55 854	65 066
EQUITY AND LIABILITIES			
TOTAL EQUITY		9 594	6 510
Equity attributable to shareholders of the parent		9 571	6 489
Non-controlling interests		23	21
Non-current liabilities		31 305	42 746
Interest-bearing borrowings		5 963	16 023
Lease liabilities	10	24 608	25 929
Post-retirement medical benefit liability		363	354
Provisions		361	381
Derivative financial instruments	9	10	59
Current liabilities		14 955	15 810
Trade and other payables		9 625	10 762
Provisions		1 308	848
Lease liabilities	10	2 586	2 670
Derivative financial instruments	9	369	282
Tax		390	151
Overdrafts and interest-bearing borrowings		677	1 097
TOTAL LIABILITIES		46 260	58 556
TOTAL EQUITY AND LIABILITIES		55 854	65 066
Net asset book value per share (cents)		1 000	679

GROUP STATEMENT OF CASH FLOWS

	Notes	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm
Cash flow from operating activities			
Cash inflow from trading		11 393	9 437
Working capital movements		256	1 704
Cash generated by operating activities		11 649	11 141
Investment income received		83	62
Finance costs paid		(2 595)	(2 569)
Tax paid		(1 108)	(685)
Cash generated by operations		8 029	7 949
Dividends received from joint ventures		–	170
Dividends paid to ordinary shareholders		–	(1 808)
Net cash inflow from operating activities		8 029	6 311
Cash flow from investing activities			
Investment in property, plant and equipment and intangible assets to maintain operations		(1 110)	(2 075)
Investment in property, plant and equipment and intangible assets to expand operations		(315)	(355)
Proceeds on disposal of property, plant and equipment and intangible assets		7 356	23
Other loans advanced		(21)	(23)
Net cash inflow/(outflow) from investing activities		5 910	(2 430)
Cash flow from financing activities			
Settlement of share-based payments through share purchase	6	(70)	(36)
Lease liabilities repaid		(3 048)	(2 263)
Borrowings raised		500	2 598
Borrowings repaid		(10 898)	(300)
Net cash outflow from financing activities		(13 516)	(1)
Increase in cash and cash equivalents		423	3 880
Net cash and cash equivalents at the beginning of the year		5 437	1 042
Effect of foreign exchange rate changes		(376)	515
Net cash and cash equivalents at the end of the year		5 484	5 437

GROUP STATEMENT OF CHANGES IN EQUITY

	Share-holders of the parent Rm	Non-controlling interests Rm	Total 52 weeks to 27 Jun 2021 Rm	Share-holders of the parent Rm	Non-controlling interests Rm	Total 52 weeks to 28 Jun 2020 Rm
Shareholders' interest at the beginning of the year	6 489	21	6 510	6 218	15	6 233
Movements for the year:						
Profit for the year	4 161	2	4 163	557	2	559
Other comprehensive income	(1 415)	–	(1 415)	1 455	4	1 459
Total comprehensive income for the year	2 746	2	2 748	2 012	6	2 018
Share-based payments	250	–	250	92	–	92
Net acquisition of Treasury shares	(70)	–	(70)	(25)	–	(25)
Transfer of Financial Instrument Revaluation Reserve to inventories	156	–	156	–	–	–
Dividends to ordinary shareholders	–	–	–	(1 808)	–	(1 808)
Shareholders' interest at the end of the year	9 571	23	9 594	6 489	21	6 510
Dividend per ordinary share (cents)			66.0			89.0
Dividend cover (based on headline earnings)			5.69			1.34

SEGMENTAL ANALYSIS

	Notes	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm	% change
REVENUE				
Turnover		78 763	72 208	9.1
Woolworths Fashion, Beauty and Home		12 855	12 421	3.5
Woolworths Food		37 743	35 141	7.4
Woolworths Logistics		574	517	11.0
David Jones		15 569	14 474	7.6
Country Road Group		12 022	9 655	24.5
Other revenue and investment income		2 179	1 850	17.8
Woolworths Fashion, Beauty and Home		14	17	(17.6)
Woolworths Food		84	117	(28.2)
David Jones		2 544	2 092	21.6
Country Road Group		34	68	(50.0)
Treasury		70	49	42.9
Intragroup	13	(567)	(493)	15.0
Total Group		80 942	74 058	9.3
GROSS PROFIT				
Woolworths Fashion, Beauty and Home		5 852	5 468	7.0
Woolworths Food		9 252	8 744	5.8
David Jones		6 267	5 239	19.6
Country Road Group		7 302	5 621	29.9
Intragroup	13	274	277	(1.1)
Total Group		28 947	25 349	14.2
PROFIT BEFORE TAX				
Woolworths Fashion, Beauty and Home		1 083	948	14.2
Woolworths Food		3 009	2 896	3.9
Woolworths Financial Services		118	101	16.8
David Jones		836	151	453.6
Country Road Group		1 757	621	182.9
Treasury		(2 235)	(2 549)	(12.3)
Total Group – adjusted		4 568	2 168	110.7
Adjustments		582	(766)	
Profit on sale of property in Australia		492	–	
Lease exit and modification gains		591	16	
Impairment of assets		(364)	(799)	
Restructure and store exit costs		(123)	13	
Unrealised foreign exchange (losses)/gains		(14)	4	
Total Group – unadjusted		5 150	1 402	267.3
Woolworths Fashion, Beauty and Home		1 081	887	21.9
Woolworths Food		3 001	2 905	3.3
Woolworths Financial Services		118	101	16.8
David Jones		1 535	(499)	>100
Country Road Group		1 674	561	198.4
Treasury		(2 259)	(2 553)	(11.5)

	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm
TOTAL ASSETS	55 854	65 066
Woolworths*	19 279	19 248
David Jones	24 641	30 962
Country Road Group	10 953	13 906
Woolworths Financial Services	883	732
Treasury	98	218
INVENTORIES	8 501	8 054
Woolworths*	4 458	3 959
David Jones	2 737	2 668
Country Road Group	1 306	1 427
TOTAL LIABILITIES	46 260	58 556
Woolworths*	12 446	12 809
David Jones	20 223	20 547
Country Road Group	6 383	7 890
Treasury	7 208	17 310
APPROVED CAPITAL COMMITMENTS	2 835	1 666
Woolworths*	1 854	1 066
David Jones	601	409
Country Road Group	380	191
CASH GENERATED BY OPERATING ACTIVITIES	11 649	11 141
Woolworths*	6 271	6 442
David Jones	1 897	2 559
Country Road Group	3 481	2 140

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

NOTES

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The provisional Group Annual Financial Statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require provisional 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 provisional Group Annual Financial Statements are in terms of International Financial Reporting Standards and are consistent with those applied in the preparation of the Group Annual Financial Statements for the 52-week period to 27 June 2021, and are consistent with the prior year, except for the new standards adopted, as detailed in note 7. The provisional Group Annual Financial Statements have been prepared on the going concern and historical cost bases, except where otherwise indicated. The presentation currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The condensed consolidated interim 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 6).

3. RECONCILIATION OF HEADLINE EARNINGS

	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm	% change
Reconciliation of headline earnings			
Basic earnings attributable to shareholders of the parent	4 161	557	647.0
Profit on sale of property in Australia	(492)	–	
Net loss on disposal of property, plant and equipment and intangible assets	14	35	
Net impairment of property, plant and equipment, intangible assets and right-of-use assets	364	789	
Tax impact of adjustments*	(467)	(235)	
Headline earnings	3 580	1 146	212.4

* The Profit on sale of R492 million was determined in accordance with IFRS 16 Leases for sale and leaseback arrangements. Tax of R369 million relates to deferred tax on the profit of sale, net of R517 million utilisation of tax losses against the capital gains tax on the sale of the property.

Headline earnings is calculated by starting with the Basic earnings number in terms of IAS 33 and then excluding all re-measurements that have been identified in The South African Institute of Chartered Accountants' Headline Earnings Circular 1/2021.

4. NON-IFRS MEASURES

	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 Rm	% change
ADJUSTED HEADLINE EARNINGS			
Headline earnings	3 580	1 146	212.4
Adjustments	(265)	484	
Lease exit and modification gains	(591)	(16)	
Restructure and store exit costs	123	(13)	
Unrealised foreign exchange losses/(gains)	14	(4)	
Deferred tax on assessed losses not recognised	33	506	
Tax impact of adjustments	156	11	
Adjusted headline earnings	3 315	1 630	103.4

Adjusted headline earnings is calculated by excluding items from headline earnings that have attributes of either being of a non-recurring nature, volatile, having a material impact on earnings or not incurred in the ordinary course of business, which would otherwise have not been considered under IAS 33: Earnings per share or the SAICA guideline on headline earnings. Management believes that the use of an adjusted headline earnings measure is helpful to users of financial statements and investors by providing a more meaningful measure of sustainable earnings or the quality of earnings and thereby improve performance comparisons between different reporting periods. The methodology of determining adjustments is applied consistently over the different reporting periods. Adjusted headline earnings is also one of the performance conditions applicable to the Group's share incentive schemes.

5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group acquired property, plant and equipment at a fair value of R974 million (2020: R1 842 million) and intangible assets at a fair value of R451 million (2020: R588 million).

The following David Jones properties, previously disclosed under non-current assets held for sale, were disposed during the year:

- Elizabeth Street, in the Sydney CBD, with a carrying value of R4 128 million (A$372.5 million), was disposed for R5 842 million (A$504.4 million), net of A$5.6 million disposal costs. David Jones also entered into a sale and leaseback agreement granting David Jones, as lease tenant, a leasehold interest in the property at market-related terms. The lease is for an initial term of 20 years, together with five options to renew the lease, each for a further term of ten years.
- Bourke Street Mens, with a carrying value of R1 112 million (A$94.0 million), was disposed for R1 498 million (A$120.0 million), net of A$1.0 million disposal costs.

6. ISSUE AND PURCHASE OF SHARES

2 976 552 (2020: 1 699 987) ordinary shares totalling R122 million (2020: R64 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. 1 356 675 (2020: 439 562) ordinary shares totalling R52 million (2020: R28 million) were sold to the market in terms of the Group's Restricted Share Plan. 871 618 (2020: 181 424) ordinary shares totalling R54 million (2020: R14 million) previously purchased were allocated to employees in terms of the Group's Restricted Share Plan.

1 400 582 (2020: 110 571) ordinary shares totalling R52 million (2020: R6 million) were issued and allocated to employees in terms of the Group's other share incentive schemes.

NOTES (CONTINUED)

7. ACCOUNTING POLICIES

The adoption of certain new standards, which became effective in the current year, 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.

STANDARDS ISSUED AND EFFECTIVE

AMENDMENTS TO IAS 1 AND IAS 8: DEFINITION OF MATERIAL

The amendments clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information, in particular:

- the Group addresses materiality in the context of the financial statements as a whole; and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

AMENDMENTS TO IFRS 7, IFRS 9 AND IAS 39: INTEREST RATE BENCHMARK REFORM

The amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide the Group with certain reliefs in relation to interest rate benchmark reforms and the hedge accounting treatment thereof, and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

AMENDMENTS TO IFRS 3: DEFINITION OF A BUSINESS

The amended definition of a business requires an acquisition by the Group to include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

REVISED CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING

The revised Conceptual Framework will be used in standard-setting decisions with immediate effect. Key changes include increasing the prominence of stewardship in the objective of financial reporting; reinstating prudence as a component of neutrality; defining a reporting entity, which may be a legal entity, or a portion of an entity; revising the definitions of an asset and a liability; removing the probability threshold for recognition and adding guidance on derecognition; adding guidance on different measurement basis, and stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

COVID-19 RELATED RENT CONCESSIONS: AMENDMENTS TO IFRS 16

As a result of the Covid-19 pandemic, rent concessions have been granted to the Group. Such concessions may take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases, which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. Accordingly, in certain instances, this will result in accounting for the concessions as variable lease payments in the year in which they are granted. The Group has applied this practical expedient to all qualifying rent concessions. The expedient initially applied to reductions in lease payments due on or before 30 June 2021, but that date was subsequently extended to 30 June 2022 through further amendments made in March 2021, effective 1 April 2021.

CHANGE TO ACCOUNTING POLICY NOT YET ADOPTED: IFRIC AGENDA DECISION – CONFIGURATION OR CUSTOMISATION COSTS IN A CLOUD COMPUTING ARRANGEMENT

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision for configuration and customisation costs incurred related to implementing Software as a Service (SaaS) arrangements. The Group is currently assessing the impact of the agenda decision on its current accounting policy, which may result in previously capitalised costs needing to be expensed.

The process to quantify the impact of the decision is in progress and a project has been initiated across the Group. This process is time consuming, requiring significant effort in obtaining the underlying information from historical records covering multiple projects and assessing the nature of each of the costs.

At year-end, the impact of the IFRIC agenda decision on the Group is not reasonably estimable. The Group expects to adopt the change in policy in its interim financial statements for the 2022 financial year.

8. PRO FORMA FINANCIAL INFORMATION

This note sets out the illustrative impact on the financial information as follows:

- In note 8.1: for the 52 weeks to 27 June 2021, Turnover and concession sales have been reported against the prior year reported 52 weeks to 28 June 2020. These are important for understanding underlying business performance and are described as "Non-IFRS financial information".
- In note 8.2: for the 52 weeks to 27 June 2021, adjustments, as detailed in supplementary notes 2 and 3, have been made (respectively, the 'Non-IFRS financial information'). These are important for understanding underlying business performance and are described as "Non-IFRS financial information".
- In note 8.3: for the 52 weeks to 27 June 2021, Turnover and concession sales, as well as pro forma segmental contribution before interest and tax, have been shown on a constant currency basis.

The Non-IFRS financial information and constant currency information (collectively the 'pro forma financial information') is presented in accordance with the JSE Limited Listings Requirements which requires that pro forma financial information be compiled in terms of the JSE Limited Listings Requirements and the SAICA Guide on Pro Forma Financial Information.

The pro forma financial information is the responsibility of the Group's directors and is based on the Group Annual Financial Statements for the 52 weeks to 27 June 2021 and 52 weeks to 28 June 2020.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, results of operations or cash flows.

8.1 TURNOVER AND CONCESSION SALES

	52 weeks to 27 Jun 2021 (1) Rm	52 weeks to 28 Jun 2020 (1) Rm	% change
Turnover	78 763	72 208	9.1
Concession sales	7 094	6 054	17.2
Turnover and concession sales	85 857	78 262	9.7

Notes:

1. The '52 weeks to 27 June 2021' and '52 weeks to 28 June 2020' turnover financial information has been extracted, without adjustment, from the Group Statement of comprehensive income for the 52 weeks to 27 June 2021 and 52 weeks to 28 June 2020, as presented in the Summary of the Audited Group Results for the 52 weeks ended 27 June 2021. The Concession sales information has been extracted from the Group's accounting records.

This illustrates the impact on financial information by including the turnover of concession operators of goods sold (concession sales) within the Group's stores. Concession sales are the sale of goods by concession operators and are not included in revenue, and have been extracted from the Group's accounting records.

NOTES (CONTINUED)

8.2 ADJUSTMENT OF OPERATING PROFIT AND PROFIT BEFORE TAX

	52 weeks to 27 Jun 2021 (1) Rm	Adjust -ments (2) Rm	Pro forma 52 weeks to 27 Jun 2021 (4) Rm	52 weeks to 28 Jun 2020 (1) Rm	Adjust -ments (3) Rm	Pro forma 52 weeks to 28 Jun 2020 (4) Rm
Segmental contribution before interest and tax	6 732	206	6 938	4 726	81	4 807
Profit before tax	5 150	(582)	4 568	1 402	766	2 168

Notes:

1. The '52 weeks to 27 Jun 2021' and '52 weeks to 28 Jun 2020' financial information has been extracted, without adjustment, from the Group Statement of Comprehensive Income for the 52 weeks to 27 Jun 2021 and 52 weeks to 28 Jun 2020, as presented in the Summary of the Audited Group Results for the 52 weeks ended 27 June 2021. Segmental contribution before interest and tax comprises of operating profit as illustrated on the Group Statement of Comprehensive Income for the 52 weeks to 27 Jun 2021 and 52 weeks to 28 Jun 2020.
2. Segmental contribution before interest and tax adjustments for the '52 weeks to 27 Jun 2021' comprise of restructure and store exit costs of R123 million, foreign exchange losses of R14 million, earnings from WFS of R118 million and the exclusion of abnormal finance costs of R61 million included in restructure costs and Group entity costs of R12 million which results in a segmental contribution before interest and tax. Profit before tax adjustments include all of the aforementioned adjustments excluding the R61 million abnormal cost, group entity costs of R12 million and WFS earnings of R118 million and include adjustments for the gain on sale of property of R492 million, lease exit and modification gain of R591 million and impairment of assets of R364 million which results in an adjusted profit before tax.
3. Segmental contribution before interest and tax adjustments for the '52 weeks to 28 June 2020' comprise of restructure and store exit costs reversed of R13 million, unrealised foreign exchange gains of R4 million, lease exit and modification gain of R16 million, earnings from WFS of R101 million and Group entity costs of R13 million which results in a segmental contribution before interest and tax. Profit before tax adjustments include the aforementioned, excluding WFS earnings of R101 million and Group entity cost of R13 million and include adjustments for the impairment of assets of R799 million which results in an adjusted profit before tax.
4. The 'Pro forma 52 weeks to 27 Jun 2021' and the 'Pro forma 52 weeks to 28 June 2020' column reflects the pro forma financial information after adjusting for the items included in column 2 (2020: column 3), which results in an adjusted segmental contribution before interest and tax (also referred to as adjusted EBIT) and adjusted profit before tax.

8.3 CONSTANT CURRENCY INFORMATION

GROUP STATEMENT OF COMPREHENSIVE INCOME ITEMS

	52 weeks to 27 Jun 2021 Rm	52 weeks to 28 Jun 2020 (3) Rm	% change
Turnover and concession sales[1]	82 862	78 262	5.9
Pro forma segmental contribution before interest and tax[2]	6 702	4 807	39.4

Notes:

1. Turnover and concession sales 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 turnover and concession sales growth rate, turnover and concession sales denominated in Australian dollars for the current year has been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior year. The aggregated monthly average Australian dollar exchange rate is R11.43/A$ for the current year and R10.43/A$ for the prior year.
2. Pro forma segmental contribution before interest and tax 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 pro forma segmental contribution before interest and tax growth rate, pro forma segmental contribution before interest and tax denominated in Australian dollars for the current period has been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior year. The aggregated monthly average Australian dollar exchange rate is R11.42/A$ for the current year and R10.29/A$ for the prior year.
3. The turnover and concession sales and pro forma segmental contribution before interest and tax has been extracted from notes 8.1 and 8.2 above, respectively.

Ernst & Young Inc. have issued reporting accountant's reports on the pro forma financial information which is available for inspection at the Group's registered offices.

9. 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 techniques 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.

10. LEASE EXIT AND MODIFICATIONS

During the year, the Group renegotiated various leases with landlords, particularly within the David Jones segment. As a result, right-of-use assets and lease liabilities were modified by approximately R1.5 billion and R2.3 billion respectively, with lease exit and modifications gains of R591 million (pre-tax) recognised in the current year.

11. 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.

12. BORROWING FACILITIES

Unutilised banking and debt facilities amount to R7 402 million (2020: R6 872 million) as follows:

	2021 Rm	2020 Rm
Committed	7 285	6 340
Uncommitted	117	532
Total	7 402	6 872

Notes to the value of R3.3 billion (2020: R3.8 billion) are outstanding under the South African Domestic Medium Term Note (DMTN) programme, which is a further source of funding to the Group. The DMTN programme is guaranteed by Woolworths Proprietary Limited and will be used to raise debt on an ongoing basis.

Debt facilities of A$93.0 million have been established for Country Road Group (CRG) and are secured by property mortgages and a General Security Deed over the assets of CRG. At 27 June 2021, the facilities are undrawn.

Subsequent to the sale of two of its properties, David Jones repaid and cancelled all its long-term debt facilities, inclusive of A$300 million of bonds. A rental bank guarantee of A$25.5 million was in place at 27 June 2021. This facility is secured by property mortgages.

13. RELATED-PARTY TRANSACTIONS

The Group entered into related-party transactions, the substance of which is disclosed in the Group's 2021 Annual Financial Statements. Intragroup adjustments relate to the sale of concession goods between segments and supply chain distribution adjustments.

NOTES (CONTINUED)

14. EVENTS SUBSEQUENT TO THE REPORTING DATE

In July 2021, the province of KwaZulu-Natal (KZN) and parts of Gauteng in South Africa experienced civil unrest, which escalated into widespread looting and destruction of property. Eleven Woolworths stores were looted and severely damaged and although looters gained entry to the Maxmead Distribution Centre (DC) in KZN, the infrastructure remained secured, together with our other DCs.

The Group has SA Special Risk Insurance Assurance (SASRIA) cover in place in respect of material damage caused by the rioting, together with the related business interruption cover. At the date of this report, our assessment of the loss of stock is estimated to be between R50 million and R60 million and damage to fixtures and fittings to be between R140 million and R150 million. In addition, loss of trade is estimated to be between R150 million and R200 million. We will lodge our claims once our investigations are complete, and will account for this upon confirmation of the value from the insurance assessors.

In Australia and New Zealand, we experienced significant disruption to trade post year-end due to the various lockdowns, resulting in store closures arising from a spike in Covid-19 infections. While this has had a significant impact on our trade, we have been monitoring the situation and actively managing our inventory levels and cash flow.

15. APPROVAL OF THE PROVISIONAL GROUP ANNUAL FINANCIAL STATEMENTS

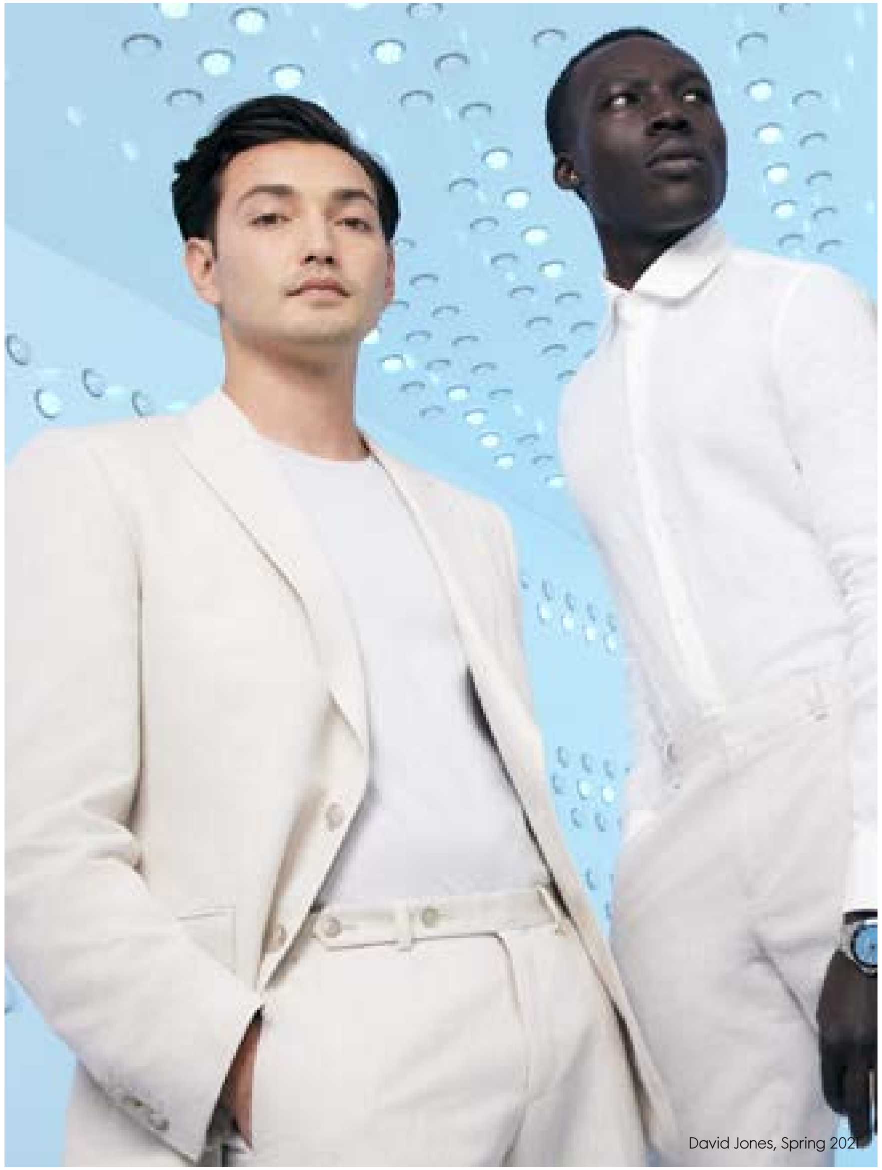
The provisional Group Annual Financial Statements were approved by the Board of Directors on 25 August 2021.

16. AUDIT OPINION

The provisional Group Annual Financial Statements have been extracted from the audited Group Annual Financial Statements, but is not in itself audited. The Group Annual Financial Statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited Group 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 Group 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.

Country Road, Autumn 2021



David Jones, Spring 2021

DIRECTORATE AND STATUTORY INFORMATION

NON-EXECUTIVE DIRECTORS
Hubert Brody (Chairman), Zarina Bassa (Lead Independent Director), Christopher Colfer (Canadian), Belinda Earl (British), David Kneale (British), Nombulelo Moholi, Thembisa Skweyiya, Clive Thomson

EXECUTIVE DIRECTORS
Roy Bagattini (Group Chief Executive Officer), Reeza Isaacs (Group Finance Director), Sam Ngumeni, Zyda Rylands

GROUP COMPANY SECRETARY
Chantel Reddiar

REGISTRATION NUMBER
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SHARE CODE
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SHARE ISIN
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BOND COMPANY CODE
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