



**WHAL**

**WOOLWORTHS HOLDINGS LIMITED / 2016 ANNUAL RESULTS**

# 2016/ PRESENTATION OUTLINE

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**01** / *Review of the year*

**02** / *Financial review*

**03** / *Strategy update*

**04** / *Outlook*

# 01/ REVIEW OF THE YEAR

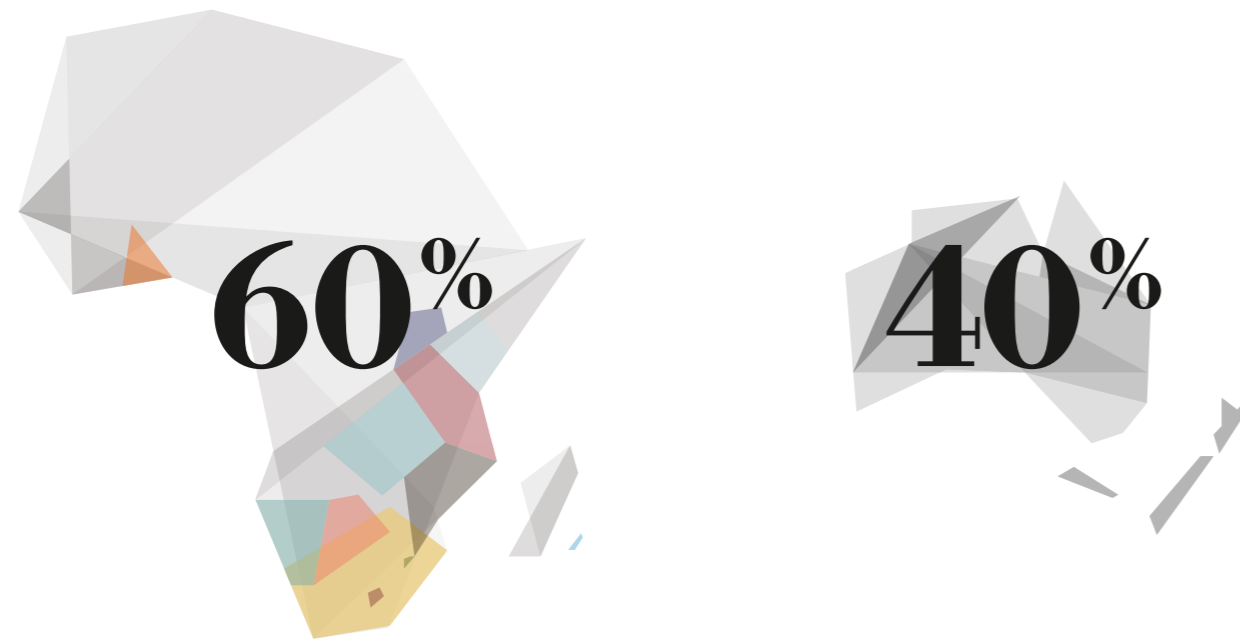
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*Ian Moir*

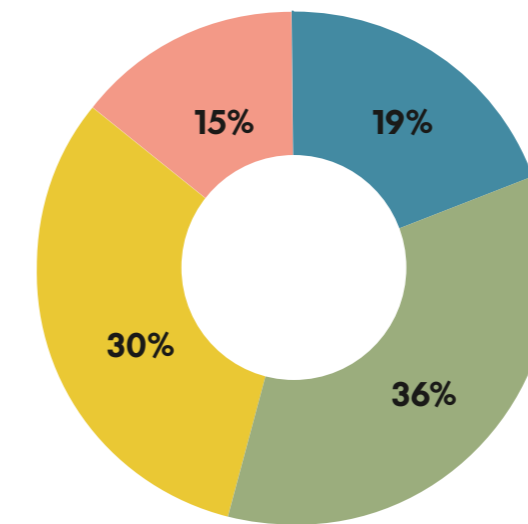


# DIVERSIFIED EARNINGS BASE

*Operating profit by geography*



*Turnover by segment*

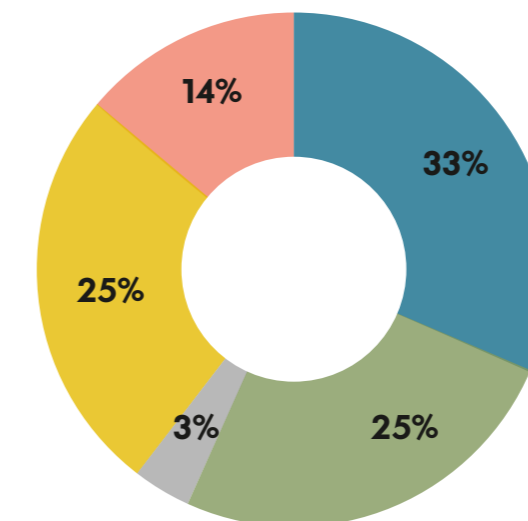


- Woolworths Clothing & GM
- Woolworths Food\*
- David Jones\*
- Country Road Group
- Woolworths Financial Services\*\*

*Operating profit by category*



*Operating profit by segment*



\* Turnover and concession sales \*\* 50% of PAT

# REVIEW OF THE YEAR

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- Good performance in **Woolworths Clothing & GM**, despite late start to winter impacting Q4
- Another above market performance from **Woolworths Food**
- Strong performance from **Woolworths Financial Services**, although growth impacted by NCAA
- **David Jones** performing well, transformation on track
- **Country Road Group** severely impacted by late winter and range issues
- Turnover up **16.4%**
- Adjusted profit before tax up **14.7%**
- Dividend per share up **26.7%**
- Announced **A\$360 million sale of Market Street property** and **relocation of David Jones head office to Melbourne**

*Turnover up*

**16.4%**

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*Adjusted profit  
before tax up*

**14.7%**

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*Dividend per share up*

**26.7%**

## WOOLWORTHS CLOTHING & GM

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- Clothing & GM sales up **9.6%** (8.2% excluding sales in David Jones), with comparable sales up **4.4%**
  - Q4 impacted by late start to winter
- Gross profit margin increased from 47.4% to **48.3%**, benefiting from sourcing gains offsetting rand weakness
- Operating margin maintained at **16.8%**, with operating profit up **10.1%**



# WOOLWORTHS FOOD

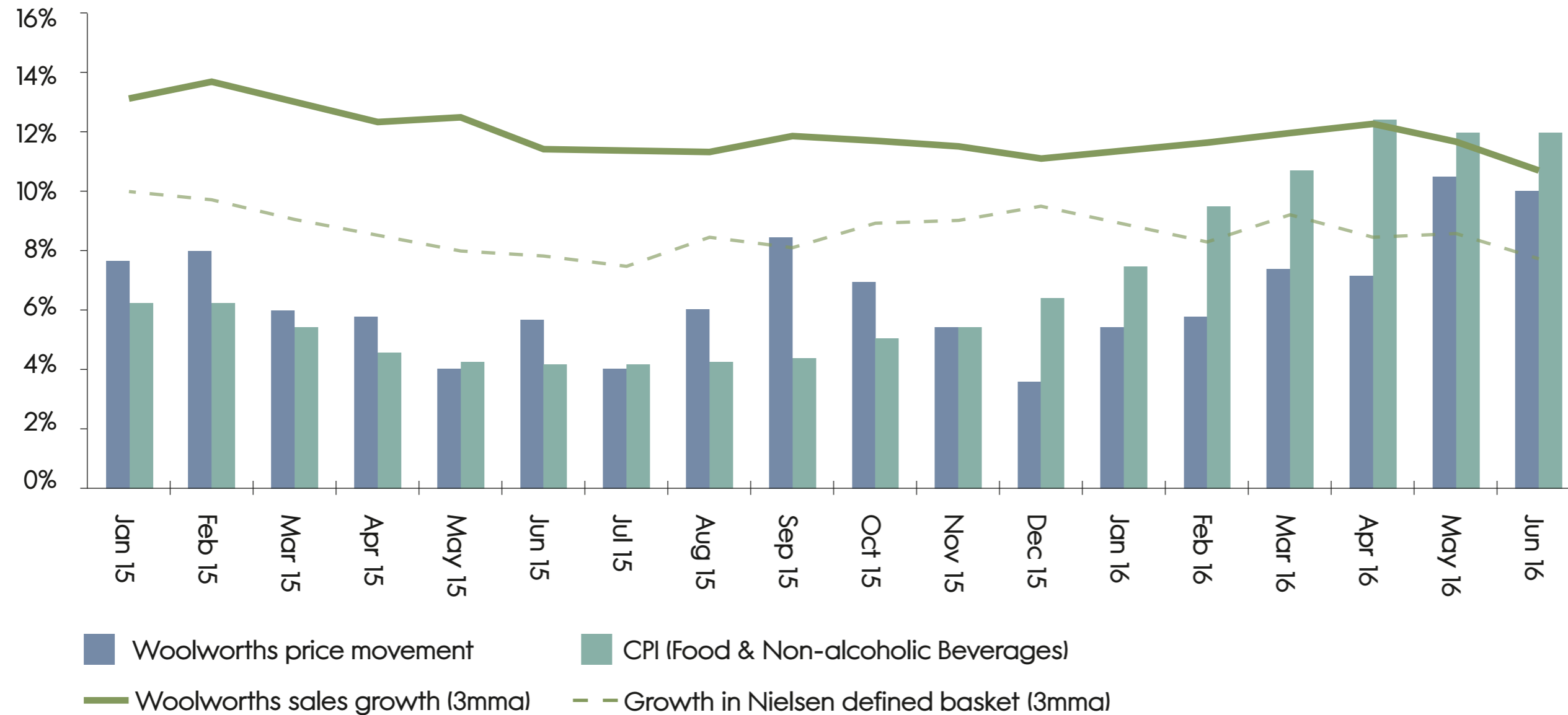
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- Another strong performance well ahead of the market, with total sales up **11.9%** and comparable sales up **5.7%**
- Growth ahead of the market every month since September 2011
- Gross profit margin down slightly from 25.7% to **25.5%**, with investment in price in key categories in H2
- Operating margin increased from 7.1% to **7.3%** due to good cost control and efficiencies
- Operating profit up **15.6%**



# WOOLWORTHS FOOD

*Woolworths vs market growth (3mma)*





# DAVID JONES

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- 52-week sales growth of **8.4%**, with comparable sales up **7.0%**, well above market
- Gross profit margin impacted by late winter markdown; lower intake margin on A\$ weakness and inclusion of clearance month of July in FY2016
- Online sales up 35.2% to 3.6% of sales
- Profit of A\$170 million (A\$202 million including profit earned by WSA and CRG)



# COUNTRY ROAD GROUP

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- Total turnover up **5.5%**; comparable sales down **3.9%**
- Space increase 6.3% (weighted: 10.4%)
- Gross profit margin down from 60.9% to **59.4%**
  - Higher markdowns caused by range issues, late winter and high levels of promotional activity in the market
- Operating margin reduced from 11.7% to **9.7%**, with operating profit down **12.6%**



# 02/ FINANCIAL REVIEW

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*Reeza Isaacs*



# FINANCIAL OVERVIEW

*Group turnover and  
concession sales up*

**16.4%**  
*to R72.1 billion*

*Adjusted profit  
before tax up*

**14.7%**  
*to R6.0 billion*

*HEPS – Diluted  
up*

**23.3%**  
*to 452.5 cps*

*HEPS – Adjusted  
Diluted up*

**8.9%**  
*to 453.4 cps*

*Total dividend  
per share up*

**26.7%**  
*to 313.0 cps*

*ROE*

**25.6%**

# GROUP INCOME STATEMENT

	Jun 2016 Rm	Jun 2015 Rm	% change	
Woolworths Clothing & GM	2 306	2 095	10.1	
Woolworths Food	1 826	1 580	15.6	
WFS (50% of PAT)	248	221	12.2	
<b>Woolworths</b>	<b>4 380</b>	<b>3 896</b>	<b>12.4</b>	Good Clothing & GM performance despite late winter; another strong contribution from Food and WFS
David Jones	1 839	1 532	20.0	Up 5.6% in A\$ terms; non-comparable July month included
Country Road Group	1 035	1 058	(2.2)	
<b>Profit before interest and tax</b>	<b>7 254</b>	<b>6 486</b>	<b>11.8</b>	A challenging year; 12.6% down in A\$ terms
Net finance and other costs	(1 208)	(1 216)	(0.7)	
<b>Adjusted profit before tax</b>	<b>6 046</b>	<b>5 270</b>	<b>14.7</b>	
Adjustments	(13)	(838)	(98.4)	High abnormal last year due to DJ and CRG related transaction costs
<b>Profit before tax</b>	<b>6 033</b>	<b>4 432</b>	<b>36.1</b>	
Tax	(1 680)	(1 312)	28.0	
<b>Profit after tax</b>	<b>4 353</b>	<b>3 120</b>	<b>39.5</b>	
Effective tax rate	27.8%	29.6%		Prior year impacted by non-deductible costs

# WOOLWORTHS CLOTHING & GM

## INCOME STATEMENT

	Jun 2016 Rm	Jun 2015 Rm	% change	
<b>Turnover</b>	13 701	12 499	9.6	4.4% in comp stores with price movement of 6.2%. Includes 50% of private label in DJ
Cost of sales	7 085	6 574	7.8	
<b>Gross profit</b>	6 616	5 925	11.7	Sourcing gains offsetting rand weakness; positive impact from rest of Africa
Other revenue	27	19	42.1	
Expenses	4 338	3 850	12.7	Impacted by store expansion, rest of Africa annualisation and private label launch costs; comp store cost growth of 3.2%
Store costs	2 904	2 544	14.2	
Other operating costs	1 434	1 306	9.8	
<b>Adjusted operating profit</b>	2 305	2 094	10.1	
Gross profit margin – on turnover	48.3%	47.4%		
Operating profit margin – on turnover	16.8%	16.8%		

# WOOLWORTHS FOOD

## INCOME STATEMENT

	Jun 2016 Rm	Jun 2015 Rm	% change	
<b>Turnover and concession sales</b>	25 504	22 796	11.9	• Comp store sales up 5.7% with price movement of 6.7%
Concession sales	(548)	(444)	23.4	
<b>Turnover – own buy</b>	24 956	22 352	11.6	
Cost of sales	18 586	16 598	12.0	• Impacted by price investment and lower sweet sales, offset by more profitable promotions and supply chain efficiencies
<b>Gross profit – own buy</b>	6 370	5 754	10.7	
Concession and other revenue	115	93	23.7	
Expenses	4 660	4 268	9.2	
Store costs	3 215	2 898	10.9	• Impacted by 9.3% new space; comp store cost growth of 3.4%
Other operating costs	1 445	1 370	5.5	
<b>Adjusted operating profit</b>	1 825	1 579	15.6	
Gross profit margin – on turnover	25.5%	25.7%		
Operating profit margin – on turnover	7.3%	7.1%		

# WOOLWORTHS FINANCIAL SERVICES

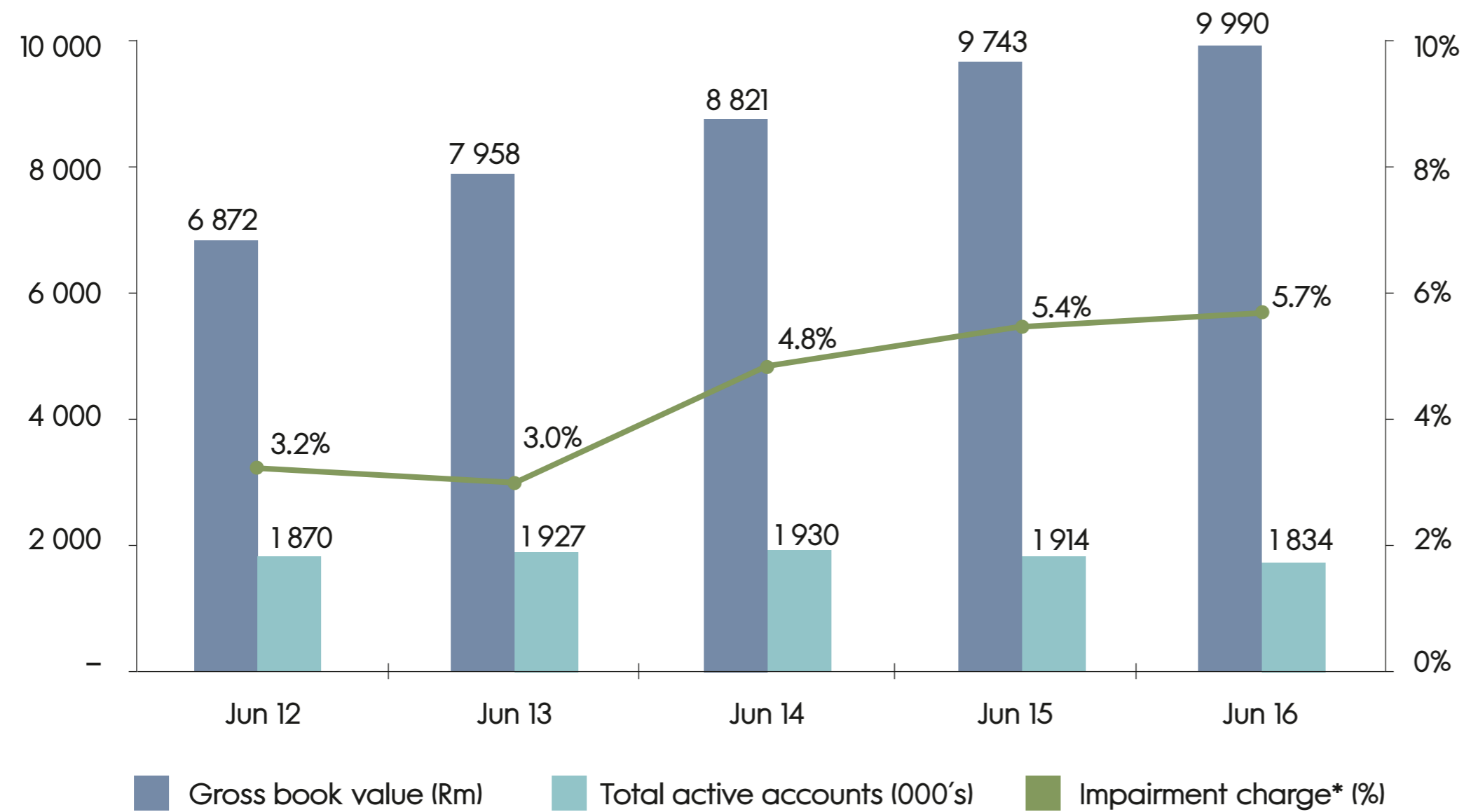
## INCOME STATEMENT

Consolidated <i>pro-forma</i> income statement	Jun 2016 Rm	% to book	Jun 2015 Rm	% to book	% change	
Interest income	1 993	20.0	1 718	18.6	16.0	
Interest paid	580	5.8	497	5.4	16.7	
<b>Net interest income</b>	<b>1 413</b>	<b>14.2</b>	<b>1 221</b>	<b>13.2</b>	<b>15.7</b>	Portfolio book growth as well as rate increases
Impairment charge	570	5.7	503	5.4	13.3	Improvement in portfolio book shape offset by increase in debt counselling inflows
<b>Risk-adjusted margin</b>	<b>843</b>	<b>8.4</b>	<b>718</b>	<b>7.8</b>	<b>17.4</b>	
Non-interest revenue	746	7.5	672	7.3	11.0	
Operating costs	902	9.0	777	8.4	16.1	WRewards and NCAA implementation costs, partially offset by operational efficiencies
<b>Profit before tax</b>	<b>687</b>	<b>6.9</b>	<b>613</b>	<b>6.6</b>	<b>12.1</b>	
Average financial services assets	9 980		9 232		8.1	Closing book up 2.5% – NCAA impact
Return on equity	26.9%		26.6%			



# WOOLWORTHS FINANCIAL SERVICES

## BOOK PERFORMANCE



\* Includes collection costs

# DAVID JONES

## INCOME STATEMENT

	12 months Jun 2016 A\$m	11 months* Jun 2015 A\$m	
<b>Turnover and concession sales</b>	2 192	1 885	Sales growth of 8.4% on a 52-week basis, with comp stores up 7.0%
Concession sales	(758)	(609)	
<b>Turnover – own buy</b>	1 434	1 276	
Cost of sales	782	670	
<b>Gross profit – own buy</b>	652	606	Change in concession/own buy mix and service model; expansion of CRG
Concession and other revenue	179	141	
<b>Gross profit</b>	831	747	Store cost growth lower than sales growth; includes costs of transformation initiatives and private label launch
Expenses	674	603	
Store costs	564	506	
Other operating costs	110	97	
<b>Department store operating profit</b>	157	144	
Financial services operating profit	18	17	
<b>Operating profit before charges</b>	175	161	A\$202 million including profit earned in other segments from the David Jones channel
Restructure costs	(5)	–	
<b>Adjusted operating profit</b>	170	161	
Gross profit margin	37.9%	39.6%	Impacted by late winter markdown; lower intake margin on A\$ weakness and inclusion of July in FY2016
Operating profit margin**	7.2%	7.6%	

\* From acquisition date of 1 August 2014

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

# COUNTRY ROAD GROUP

## INCOME STATEMENT

	Jun 2016 A\$m	Jun 2015 A\$m	% change	
<b>Turnover</b>	1 005	952	5.5	Comparable stores 3.9% lower
Cost of sales	408	372	9.7	
<b>Gross profit</b>	597	580	2.9	Impacted by declining A\$ but mainly due to higher markdowns
Other revenue	4	4	–	
Expenses	504	473	6.6	
Store costs	369	340	8.5	Impact of new space (weighted: 10.4%)
Other operating costs	135	133	1.5	
<b>Adjusted operating profit</b>	97	111	(12.6)	
Gross profit margin – on turnover	59.4%	60.9%		
Operating profit margin – on turnover	9.7%	11.7%		

# NET FINANCE AND OTHER COSTS

	Capital	Rate**	Jun 2016 Rm	Jun 2015 Rm
ZAR senior debt*	R10bn	9.29%	900	806
AUD senior debt*	A\$516m	4.31%	239	220
Short-term facilities			47	218
Equity bridge			–	134
<b>Net finance costs</b>			<b>1 186</b>	<b>1 378</b>
Less: Non-recurring finance costs			–	(164)
Other costs			22	2
<b>Net finance and other costs</b>			<b>1 208</b>	<b>1 216</b>

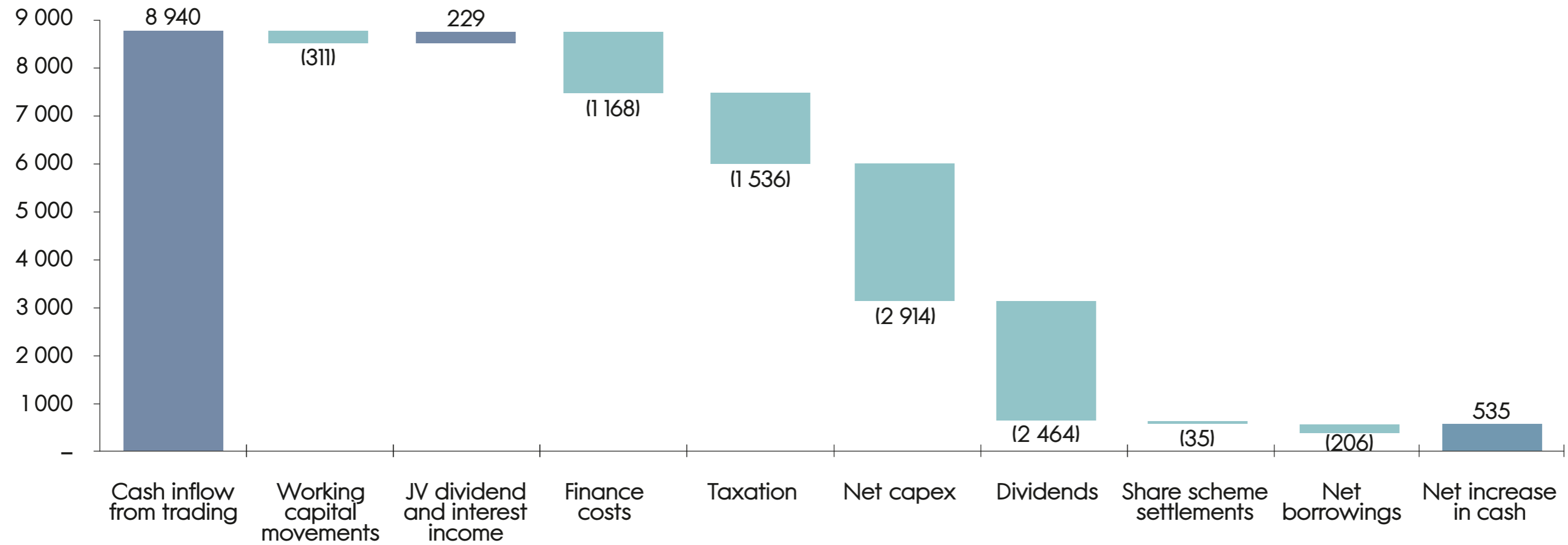
\* Includes amortised costs

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

# GROUP BALANCE SHEET

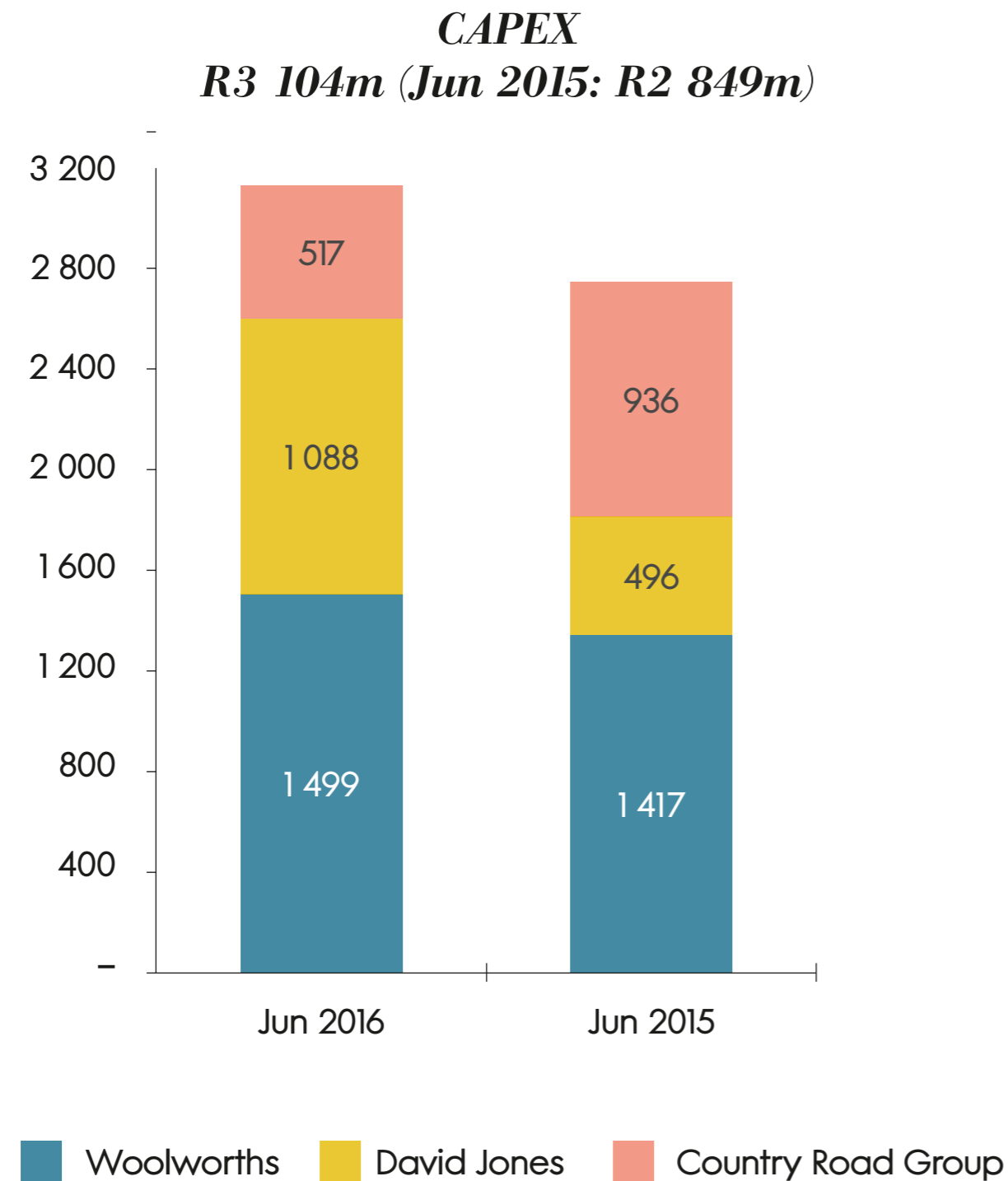
	Jun 2016 Rm	Jun 2015 Rm	% change	Constant currency % change	
<b>Assets</b>					
Property, plant and equipment and investment properties	17 451	14 538	20.0	4.0	• New stores and project costs
Intangible assets	18 965	15 700	20.8	3.4	
Investments in JVs and associate	978	894	9.4	9.4	
Inventories	7 117	5 881	21.0	10.0	• Impacted by space growth, inflation, private label and lower sell through in CRG
Accounts receivable, tax, deferred tax and loans	3 354	3 551	(5.5)	(14.8)	
Cash	1 525	891	71.2	60.4	• Net gearing in constant currency has improved
<b>Total assets</b>	<b>49 390</b>	<b>41 455</b>	<b>19.1</b>	<b>4.4</b>	
<b>Equity and liabilities</b>					
Shareholders' funds	19 853	14 297	38.9	12.5	
Borrowings	15 918	15 118	5.3	(1.4)	
Other non-current liabilities and deferred tax	2 856	3 150	(9.3)	(20.1)	
Accounts payable, provisions and tax	10 763	8 890	21.1	9.6	
<b>Total equity and liabilities</b>	<b>49 390</b>	<b>41 455</b>	<b>19.1</b>	<b>4.4</b>	

# CASH GENERATION FOR 12 MONTHS TO JUNE 2016



# CAPITAL EXPENDITURE

# DEPRECIATION

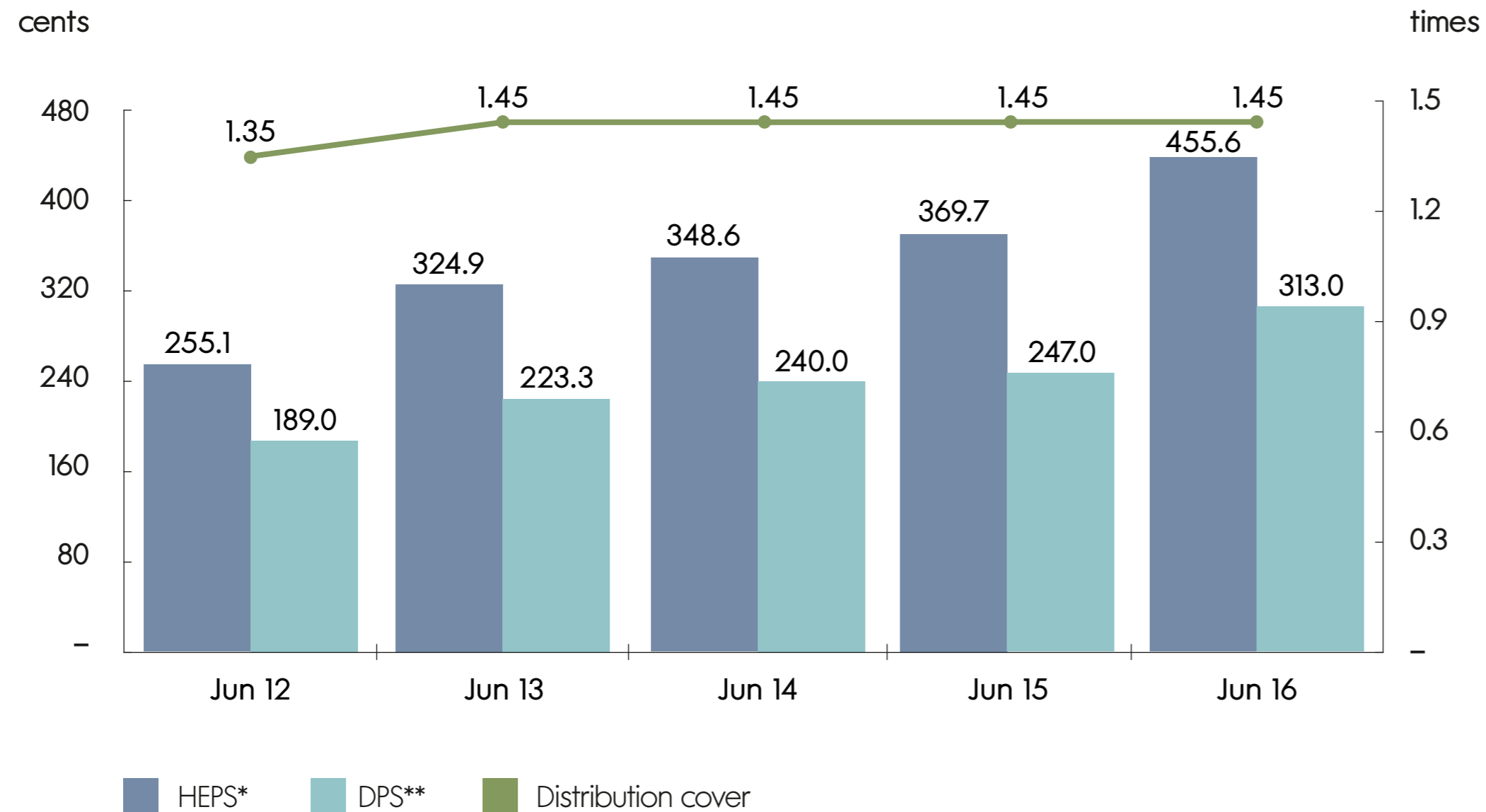


	Jun 2016 Rm	Jun 2015 Rm	% change
Woolworths	848	772	9.8
David Jones	642	529	21.4
Country Road Group	335	225	48.9
<b>Total Group</b>	<b>1 825</b>	<b>1 526</b>	<b>19.6</b>

## CAPEX FOR FY2017

Woolworths	R2.1bn
David Jones	A\$121m
Country Road Group	A\$46m

# EARNINGS AND DISTRIBUTION



**DAVID JONES  
ACQUISITION  
IS EARNINGS  
NEUTRAL IN  
FY2016**

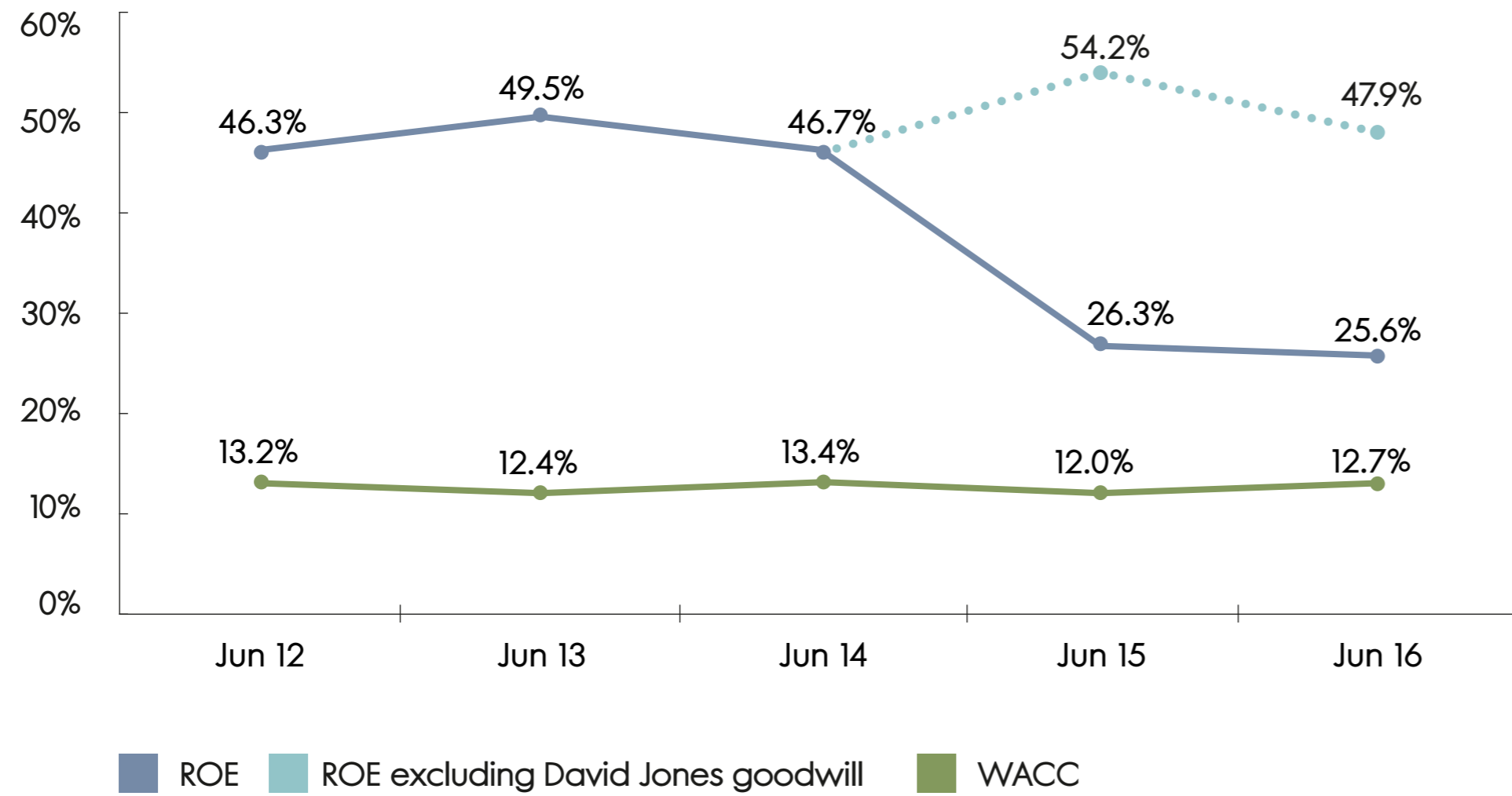
\* HEPS based on weighted average number of shares

\*\* DPS based on closing number of shares



# RETURN ON EQUITY

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# 03/ STRATEGY UPDATE

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*Ian Moir*



# STRATEGY UPDATE

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- **Group Focus**

- Stronger, more profitable customer relationships
- Towards connected retail
- Drive synergies and efficiencies
- Embed the Good Business Journey throughout the business

- **Woolworths**

- **Country Road Group**

- **David Jones**

More detail on company strategies is available in the Strategy Appendix



# WOOLWORTHS

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- Continue our obsession with **quality**
- Embed **connected retail experience** for customers
  - Leverage single view of customer
  - Continue to innovate **WRewards** programme and integrate with WFS product offer
  - Improve online customer journey, including opening of Clothing & GM “dark store”
  - Tier and scale Mall of Africa and Waterstone concept stores
- Make Woolworths **more affordable**
  - Improve value perception by investing in price, particularly in Food



# WOOLWORTHS

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- Lead in **relevant, quality fashion**
  - Attract younger, more modern, black customers while maintaining our older, very loyal more classic customer
- Move from private label to **private brand** Clothing & GM business
  - Introduce premium David Jones Collection and tween brand
- Own **innovation**
- Drive **cross-shop**
- Optimise **availability**
  - Invest in supply chain, systems and processes
- Build brand in **rest of Africa**

# COUNTRY ROAD GROUP

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- **Improve core business** performance of Country Road
  - New Managing Director, Head of Planning and Head of Design appointed
  - New systems and processes leading to faster speed to market and enhanced in-season trading
- Increase **focus on design** in Country Road and Witchery womenswear
- Introduce more **trans-seasonal merchandise** to account for changing weather patterns

# COUNTRY ROAD GROUP

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- Leverage **Group sourcing** to maximise margin
- Enhanced **loyalty programme** across CRG brands
- Continue to lead **online performance**, with sales target of 20% by 2020
- Drive efficiencies in the Melbourne-based Omni-channel Fulfilment Centre



# DAVID JONES

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- **Transformation initiatives on track** to deliver synergy benefits
- Leverage **single view of customer** enabled by Customer Relationship Management (CRM) programme
- Continue to strengthen and grow appropriate **private label offering** (DJ and WSA brands) and **CRG concession brands**
- Implement **new value chain merchandise systems**
- Upgrade the **website platform** to enhance online performance to >10% sales of total sales and transform profitability
- Optimise **store portfolio** with new stores and formats and drive profitability with space planning and format strategy principles



# DAVID JONES FOOD

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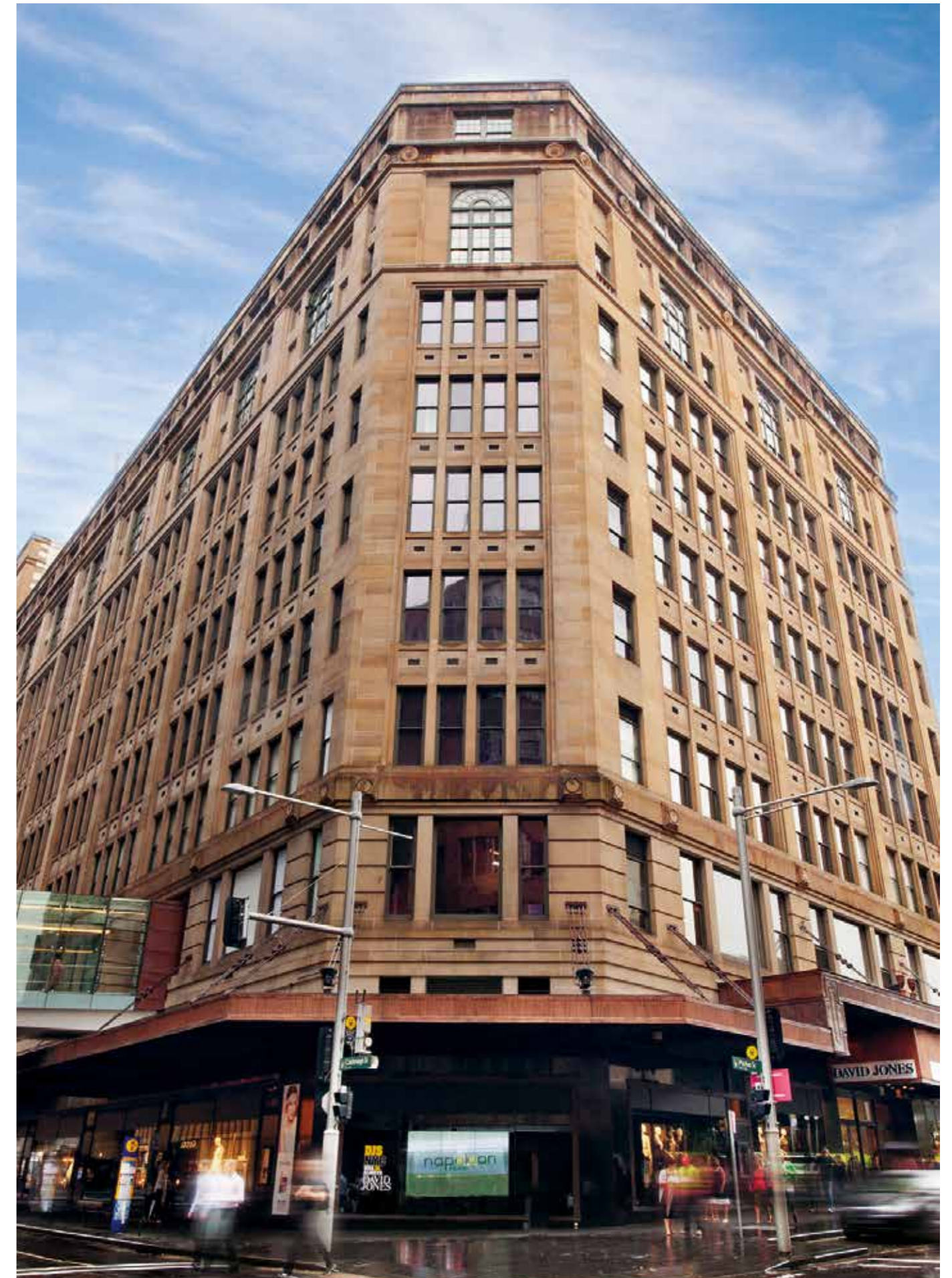
- Clear opportunity in Australian market for a **premium food offer** under the David Jones brand
- **Leveraging Woolworths SA's** capability, skills and experience
- **Initial focus on food service** (café, food "to go") whilst fresh produce and prepared meal catalogues are built
- **Build supply chain** with existing WSA supplier base



# ELIZABETH STREET REDEVELOPMENT

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- **Market Street building sold** for A\$360 million
- Up to A\$200 million to be invested in Elizabeth Street in FY2018 and FY2019 to create a world-class **39 000m<sup>2</sup> department store** on 11 levels
- Offering the **best of fashion and food** in the southern hemisphere
- **Three year lease-back** of the Market Street building at market related yield
- Disruption to trade during redevelopment expected, minimised by a coordinated approach and **better utilisation of space**



## AUSTRALASIAN HEAD OFFICE

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- David Jones head office to be relocated to Melbourne and **consolidated onto a new campus** with Country Road Group
- Phase 1: DJ to relocate to Melbourne by mid 2018;  
Phase 2: CRG to move by end 2018
- **Employee support** to be provided for relocation, retention and retrenchment
- All costs relating to move and refurbishment covered by incentives from Victorian government and landlord contributions
- Co-location will **deliver synergies and productivity benefits**

# FINANCIAL EFFECTS OF DAVID JONES INITIATIVES

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## **David Jones Food**

- Capital investment: A\$75m – A\$100m over 3 years
- Expected A\$5 – 10m deficits in FY2017 and FY2018, achieving profitability from FY2019

## **Market Street sale**

- Proceeds on sale of A\$360m will reduce gearing ahead of investment from Q4 FY2017
- Sale will incur CGT and costs; asset write-offs in FY2017 will be excluded from adjusted earnings
- Interest reduction of A\$7m in FY2017
- Rent of A\$16m in FY2017

# FINANCIAL EFFECTS OF DAVID JONES INITIATIVES

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## **Elizabeth Street redevelopment**

- Capital investment will be up to A\$200m: FY2017: A\$50m; FY2018: A\$100m; FY2019: A\$50m
- Disruption to trade in FY2018 and FY2019

## **Australasian head office**

- All costs of relocation and new office fit-out to be covered by Victorian Government incentives and landlord contributions; however -A\$15m EBIT in FY2018 due to timing of receipts
- Benefits of >A\$10m p.a. from FY2019

# 04/ OUTLOOK

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*Ian Moir*



# SOUTH AFRICA

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- Domestic headwinds expected to continue
- Some relief from positivity post local elections, recent improvement in rand and end of drought
- Pressure on SA consumer persists, although upper LSM consumer remains resilient
- First eight weeks of trading have improved from Q4 in Clothing & GM with good sell-throughs of new range; Food sales softened slightly in line with market
- Clothing & GM price movement 11% – 13% in H1; below 10% in H2
- Food inflation likely to be 10% – 11% in H1; below 10% in H2
- WFS book growth and impairments expected to be in line with FY2016

# AUSTRALIA

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- Continued GDP growth despite impact of weaker commodity prices and China's economic slowdown
- Consumer confidence has improved since the election
- Lower footfall across the market as we exit unprecedented levels of discounting and promotional activity caused by late winter
- First eight weeks of trading in David Jones have been in line with its comparative market despite anniversary strong prior year growth
- First eight weeks in Country Road have been flat on last year; focus on executing turnaround



# MEDIUM-TERM TARGETS

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	Achieved in FY2016	Medium- term target FY2019
<b>OPERATING PROFIT MARGIN</b>		
<b>WOOLWORTHS</b> CLOTHING & GM	16.8%	18%
<b>WOOLWORTHS</b> FOOD	7.3%	7%
DAVID JONES*	7.2%	10%
COUNTRY ROAD GROUP	9.7%	12%
<b>RETURN ON EQUITY</b>		
<b>WOOLWORTHS</b> FINANCIAL SERVICES	26.9%	22%

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

# STRATEGY APPENDIX

# GROUP FOCUS

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# 1

BUILD STRONGER,  
MORE PROFITABLE  
CUSTOMER  
RELATIONSHIPS



Customer insights and data will drive and inform all our business decisions which will shift us from being a customer centric business to a customer driven Group.

## Group focuses

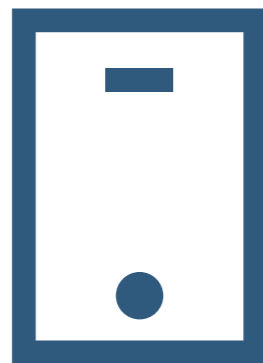
- Deepen **customer understanding**, particularly in David Jones
- Lead the market in **customer experience and loyalty**
- Build a **single view of the customer**, leveraging **personalised, real-time** customer engagement
- Drive a **common, Group-level roadmap**
- Embed customer insights and analytics as a **core competency**

# GROUP FOCUS

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TOWARDS  
CONNECTED  
RETAIL



We are creating a relevant, personalised connected retail experience for customers across all retail channels.

## Group focuses

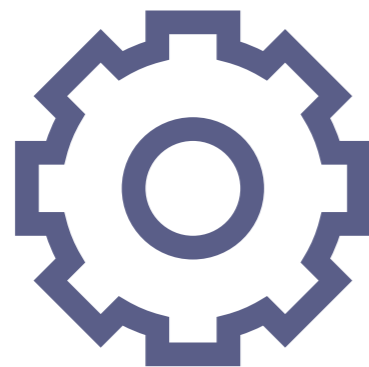
- Increased focus on the customer and integrated, customer-focused technology to move from a channel to **connected retail experience**
- **Digitally transform stores**, improving connectivity to enable staff and customers to engage differently
- Increased focus on **mobile commerce**
- Investigate potential for **single e-commerce platform** across the Group

# GROUP FOCUS

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# 3

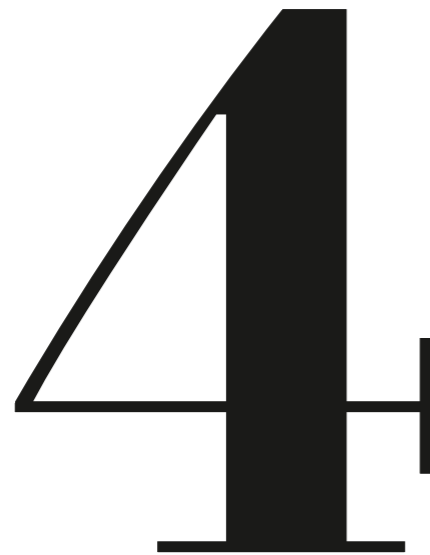
DRIVE SYNERGIES  
AND EFFICIENCIES



Through closer integration throughout our business and by leveraging our southern hemisphere scale, we will drive efficiencies and add to profitability.

## Group focuses

- Leverage **Group sourcing**
- **Closer collaboration** between companies, focusing on Group shared services
- Leverage **real estate** in Australia
- Leverage and invest in **distribution capacity and capabilities** to support growth
- Embed a **mindset of continuous improvement** in productivity and ongoing cost optimisation



EMBED  
SUSTAINABILITY  
THROUGHOUT  
THE BUSINESS



We are driving a consistent, Group-wide **Good Business Journey** strategy.

## Group focus area

- Ethical **trade**
- Sustainable **farming and sourcing** of raw materials
- Scarce **water** resources
- **Energy** efficiency and security
- Reducing **waste** across our business and helping customers do the same
- Contributing to **social development**
- **Transformation** of business and supply chain
- **Health and wellness** for customers and colleagues

**WOOLWORTHS**

# WOOLWORTHS

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- **Build stronger, more profitable customer relationships**
  - Deliver a single view of the customer
  - Continue to innovate our **WR**ewards programmes and offer compelling benefits
  - Drive cross shop between Clothing & GM and Food and within the product areas
- **Towards connected retail**
  - Embedding connected retail experience for customers and employees
  - Improving online customer journey through personalisation and introducing new services, new channels, enhanced picking/fulfilment
  - Opening “dark store” for Clothing & GM to increase availability, visibility and national reach
  - Continued investment in South African stores and building of brand in other African countries





# WOOLWORTHS

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- **Be a leading fashion retailer in the southern hemisphere**
  - Attract younger, more modern, black customers while maintaining our older, very loyal, more classic customer
  - Lead the market in relevant, quality fashion and innovation
  - Offer more segmented, branded directed customer experience, including introducing premium David Jones Collection and tween brand
  - Strengthen value perceptions
  - Tier and scale Mall of Africa experience across stores
- **Become a big food business with a difference**
  - Continued focus on quality
  - Continue to build our range to drive complete shop
  - Improve our value perception by investing in price
  - Maintain our food authority credentials



# WOOLWORTHS

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- **Transform the WFS customer experience**
  - Being customer and retail focused
  - Putting mobile first
- **Drive synergies and efficiencies**
  - Commit to strategic partnerships
  - Scale our supply chain, IT infrastructure and sourcing
  - Offer modern, compelling, connected employment experience



# DAVID JONES

# DAVID JONES

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- **Build stronger, more profitable customer relationships**
  - Leverage single view of customer enabled by Customer Relationship Management programme
  - Leverage Group expertise to deliver relevant, integrated loyalty and financial services programme
- **Towards connected retail**
  - Upgrade the website platform to enhance the online performance to > 10% sales of total sales and transform profitability
  - Optimise store portfolio with new stores and formats e.g. Wellington, Barangaroo
  - Drive space productivity and profit with space planning and format strategy principles
  - Improve in-store service by rolling out Operation Brilliance, providing staff with specialised brand and product skills and transforming visual merchandise

# DAVID JONES

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- **Be a leading fashion retailer in the southern hemisphere**
  - Become more customer centric
  - Optimise brand assortment
  - Build appropriate private label offering, including introduction of premium David Jones Collection
  - Optimise CRG concession brands
  - Implement new value chain merchandise systems
- **Drive synergies and efficiencies**
  - Rental benefits from regional bargaining power
  - Upgrade systems and IT platform
  - Centralise supply chain, logistics and support services
  - Leverage Group sourcing



# COUNTRY ROAD GROUP

# COUNTRY ROAD GROUP

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- **Build stronger, more profitable customer relationships**
  - Optimise current brand loyalty programmes
  - Improve functionality of CRM platform
  - Drive cross shopping between brands
- **Towards connected retail**
  - Continue to lead online performance, with sales target of 20% online sales by 2020
  - Invest in innovative digital development focused on mobile and personalisation
  - Optimise channel mix and profitability
  - Drive profitability in David Jones and South Africa



# COUNTRY ROAD GROUP

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- **Be a leading fashion retailer in the southern hemisphere**
  - Increase focus on design in Country Road and Witchery womenswear
  - Introduce more trans-seasonal merchandise to account for changing weather patterns
  - Improve core business performance of Country Road
    - New Managing Director, Head of Planning and Head of Design appointed
    - Launch of “Simple Things” campaign, celebrating the essence of the brand by combining iconic pieces with strong vision of modern, diverse, Australian style
- **Drive synergies and efficiencies**
  - Develop value chain optimisation programme
  - Leverage Group sourcing
  - Drive efficiencies in the Melbourne-based Omni-channel Fulfilment Centre
  - Build our people talent pools through strong employee value proposition



# ADDITIONAL INFO

# TRADING SPACE

	Jun 2016 000m <sup>2</sup>	Jun 2015 000m <sup>2</sup>	% change	Projected Jun 2017 000m <sup>2</sup>	% change	Projected Jun 2018 000m <sup>2</sup>	% change	Projected Jun 2019 000m <sup>2</sup>	% change
<b>Woolworths Clothing &amp; GM</b>	<b>459</b>	<b>440</b>	<b>4.3</b>	<b>472</b>	<b>2.8</b>	<b>494</b>	<b>4.7</b>	<b>509</b>	<b>3.0</b>
South Africa	418	397	5.3	428	2.4	448	4.7	462	3.1
Rest of Africa	41	43	(4.7)	44	7.3	46	4.5	47	2.2
<b>Woolworths Food</b>	<b>224</b>	<b>205</b>	<b>9.3</b>	<b>242</b>	<b>8.0</b>	<b>256</b>	<b>5.8</b>	<b>269</b>	<b>5.1</b>
South Africa	217	198	9.6	234	7.8	248	6.0	261	5.2
Engen	2	2	–	3	50.0	3	–	3	–
Rest of Africa	5	5	–	5	–	5	–	5	–
<b>David Jones</b>	<b>471</b>	<b>455</b>	<b>3.5</b>	<b>462</b>	<b>(1.9)</b>	<b>481</b>	<b>4.1</b>	<b>495</b>	<b>2.9</b>
<b>Country Road Group*</b>	<b>118</b>	<b>111</b>	<b>6.3</b>	<b>120</b>	<b>1.7</b>	<b>122</b>	<b>1.7</b>	<b>124</b>	<b>1.6</b>
Australasia	102	98	4.1	104	2.0	105	1.0	106	1.0
South Africa	16	13	23.1	16	–	17	6.3	18	5.9

\* Includes 22 540m<sup>2</sup> CRG brand concessions in David Jones stores

# STORE LOCATIONS

	Jun 2016	Jun 2015	Growth	Projected Jun 2017	Growth	Projected Jun 2018	Growth	Projected Jun 2019	Growth
<b>Woolworths Clothing &amp; GM</b>	<b>285</b>	<b>279</b>	<b>6</b>	<b>288</b>	<b>3</b>	<b>297</b>	<b>9</b>	<b>301</b>	<b>4</b>
South Africa	220	214	6	219	(1)	226	7	228	2
Rest of Africa	65	65	–	69	4	71	2	73	2
<b>Woolworths Food</b>	<b>410</b>	<b>397</b>	<b>13</b>	<b>426</b>	<b>16</b>	<b>445</b>	<b>19</b>	<b>458</b>	<b>13</b>
South Africa*	321	311	10	329	8	341	12	345	4
Engen	68	62	6	75	7	81	6	89	8
Rest of Africa	21	24	(3)	22	1	23	1	24	1
<b>David Jones</b>	<b>40</b>	<b>38</b>	<b>2</b>	<b>43</b>	<b>3</b>	<b>47</b>	<b>4</b>	<b>49</b>	<b>2</b>
<b>Country Road Group**</b>	<b>660</b>	<b>623</b>	<b>37</b>	<b>677</b>	<b>17</b>	<b>686</b>	<b>9</b>	<b>695</b>	<b>9</b>
Australasia	568	545	23	585	17	591	6	597	6
South Africa	92	78	14	92	–	95	3	98	3

\* Of which 164 are standalone Food stores

\*\* Includes 161 CRG brand concessions in David Jones stores. CRG brand concessions may extend over multiple pads

# WOOLWORTHS FINANCIAL SERVICES

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## CONTRIBUTION TO WOOLWORTHS SALES

% of sales spent on Woolworths cards	Jun 2016	Jun 2015
Clothing & GM	22.5%	23.2%
Food	10.3%	11.0%
<b>Aggregate Woolworths card contribution</b>	14.7%	15.5%
Credit card	1.6%	1.3%
<b>Aggregate Woolworths and credit card contribution</b>	16.2%	16.8%

# DAVID JONES

## INCOME STATEMENT (IN RANDBS)

	12 months Jun 2016 Rm	11 months Jun 2015 Rm
<b>Turnover and concession sales</b>	<b>23 218</b>	<b>17 918</b>
Concession sales	(8 033)	(5 788)
<b>Turnover – own buy</b>	<b>15 185</b>	<b>12 130</b>
Cost of sales	8 283	6 357
<b>Gross profit – own buy</b>	<b>6 902</b>	<b>5 773</b>
Concession and other revenue	1 902	1 337
<b>Gross profit</b>	<b>8 804</b>	<b>7 110</b>
Expenses	7 157	5 734
Store costs	5 952	4 804
Other operating costs	1 205	930
<b>Department store operating profit</b>	<b>1 647</b>	<b>1 376</b>
Financial services operating profit	192	156
<b>Adjusted operating profit</b>	<b>1 839</b>	<b>1 532</b>

# DAVID JONES

## BALANCE SHEET

	Jun 2016 A\$m	Jun 2015 A\$m	% change
<b>Assets</b>			
Property, plant and equipment	1 067	1 043	2.3
Goodwill and brands	1 344	1 344	–
Intangible assets	32	13	>100
Inventories	208	199	4.5
Accounts receivable, tax and deferred tax	155	143	8.4
Cash	29	20	45.0
<b>Total assets</b>	<b>2 835</b>	<b>2 762</b>	<b>2.6</b>
Non-current and current non-interest bearing liabilities	(598)	(555)	7.7
<b>Capital employed</b>	<b>2 237</b>	<b>2 207</b>	<b>1.4</b>
Year-end exchange rate (R/A\$)	11.2	9.3	

# COUNTRY ROAD GROUP

## INCOME STATEMENT (IN RANDBS)

	Jun 2016 Rm	Jun 2015 Rm	% change
<b>Turnover</b>	<b>10 647</b>	<b>9 081</b>	<b>17.2</b>
Cost of sales	4 334	3 544	22.3
<b>Gross profit</b>	<b>6 313</b>	<b>5 537</b>	<b>14.0</b>
Other revenue	39	34	14.7
Expenses	5 317	4 513	17.8
Store costs	3 896	3 243	20.1
Other operating costs	1 421	1 270	11.9
<b>Adjusted operating profit</b>	<b>1 035</b>	<b>1 058</b>	<b>(2.2)</b>

# COUNTRY ROAD GROUP

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## BALANCE SHEET

	Jun 2016 A\$m	Jun 2015 A\$m	% change
<b>Assets</b>			
Property, plant and equipment	158	159	(0.6)
Intangible assets	161	146	10.3
Inventories	133	118	12.7
Accounts receivable, tax and deferred tax	75	67	11.9
Cash	22	12	83.3
<b>Total assets</b>	<b>549</b>	<b>502</b>	<b>9.4</b>
Non-current and current non-interest bearing liabilities	(178)	(177)	0.6
<b>Capital employed</b>	<b>371</b>	<b>325</b>	<b>14.2</b>
Year-end exchange rate (R/A\$)	11.2	9.3	



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