

Woolworths Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1929/001986/06
Share code: WHL
Bond code: WHLI
Share ISIN: ZAE000063863
Bond ISIN: ZAG000147133
(‘the Group’)

TRADING UPDATE AND FURTHER TRADING STATEMENT: 52 WEEKS ENDED 24 JUNE 2018

TRADING UPDATE

2018 has been a difficult year for the Group, as we contended with extremely challenging trading conditions in South Africa and Australia, as well as poor product execution in some areas of womenswear. Group sales for the 52 weeks ended 24 June 2018 increased by 1.6% compared to the prior year (and by 2.9% in constant currency).

In South Africa, Woolworths Fashion, Beauty and Home (‘FBH’) sales declined by 2.9% in the second half, resulting in a full year contraction of 1.5%, with price movement of 0.8%. Comparable store sales were 4.1% lower, with net retail space growing by 2.5%.

Woolworths Food increased sales by a market-leading 8.4%, achieving positive volume growth on price movement of 3.2%. Comparable store sales were up 4.8%, with net retail space growing by 3.5%.

The Woolworths Financial Services debtors book reflected positive year-on-year growth of 3.8%, as at the end of June 2018. The impairment rate for the twelve months ended 30 June 2018 reduced to 5.2% from 6.3% in the prior year.

Country Road Group (‘CRG’) sales increased by 1.7% for the year, but comparable store sales, which exclude the menswear brand Politix acquired in November 2016, declined by 1.8%. Online sales in CRG now represent 18.0% of sales with growth of 20.8% over the year. Net retail space grew by 2.5%.

David Jones sales increased by 2.2% in the second half and by 2.7% in comparable stores. Full year sales finished 0.9% lower (and 0.4% lower in comparable stores). Net retail space grew by 0.1%, with 4.2% new space offset by 4.1% of space reductions and closures. The sales disruption from the refurbishment of the Elizabeth Street store in Sydney will continue through to December 2019. Online sales grew 21.4%, contributing 5.3% of sales.

FURTHER TRADING STATEMENT

It has been a year in which we substantially completed key David Jones business transformation initiatives. The disruption experienced during the year by the implementation of new inventory and online systems, the repositioning of the foods business, and the head office relocation, impacted both gross margin and costs.

Shareholders are advised that headline earnings per share (‘HEPS’), adjusted diluted HEPS and earnings per share (‘EPS’) for the current year are expected to be within the ranges reflected in the table below:

2017 reported	2018 expected growth range	2018 expected range
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	(cents)	(%)	(cents)
HEPS	420.9	-15.0% to -20.0%	336.7 to 357.8
Adjusted diluted HEPS	417.7	-10.0% to -15.0%	355.0 to 375.9
EPS	566.7	-160.0% to -170.0%	-340.0 to -396.7

As advised on the Stock Exchange News Service ('SENS') on 17 May 2018, the EPS has been impacted by the A\$712.5 million impairment charge on the carrying value of David Jones recognised in the 26-week period ended 24 December 2017.

CONSTANT CURRENCY INFORMATION

The 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 dollar 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. The foreign currency fluctuations of our rest of Africa operations are not considered material, and have therefore not been applied in determining the constant currency turnover and concession sales growth rate. The aggregated monthly average Australian dollar exchange rate is R9.97 for the current financial reporting period and R10.25 for the prior comparable period.

The estimated financial information, including the constant currency information, contained in this announcement has not been audited, reviewed or reported upon by the Group's external auditors.

The Group's year-end results for the 52-week period ended 24 June 2018 are scheduled to be announced on the SENS on or about 23 August 2018. The constant currency information, which is the responsibility of the Group's directors, has been prepared for illustrative purposes only, and may not fairly present the Group's results of operations.

Contact:

Reeza Isaacs (Group Finance Director) on 021 407 2464

Ralph Buddle (Director: Strategy and Business Development) on 021 407 3250

InvestorRelations@woolworths.co.za

Cape Town

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)