

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

TRADING UPDATE AND TRADING STATEMENT: 26 WEEKS ENDED 23 DECEMBER 2018

TRADING UPDATE

Group sales for the 26 weeks ended 23 December 2018 increased by 1.9% (+2.7% in constant currency) compared to the 26 weeks ended 24 December 2017. Sales growth was impacted by one day less of pre-Christmas trade, compared to last year.

In South Africa, Woolworths Fashion, Beauty and Home (‘FBH’) sales declined by 2.0% (comparable stores were 2.4% lower), impacted by a significantly smaller winter clearance sale in the first quarter. Sales in the second quarter of the year have, however, shown positive growth. Price movement was 1.7% for FBH, (and 0.8% for Fashion). Net retail space grew by 0.6%.

Woolworths Food sales increased by 6.3% (and by 7.0% if adjusted for the earlier close), with volume growth driven by low inflation, higher levels of promotions and price investment. Price movement was 1.2%. Comparable store sales increased by 4.2%, with net retail space growth of 1.4%.

The Woolworths Financial Services debtors book reflected positive year-on-year growth of 4.8% as at the end of December 2018. The annualised impairment rate for the six months ended 31 December 2018 was 3.5% (6 months ended 31 December 2017: 5.0%). The Group implemented IFRS 9 with effect from 1 July 2018.

David Jones sales increased by 1.0%, with sales performance weakening in line with the rest of the retail market in the final weeks leading up to Christmas. Comparable store sales grew by 0.9%, with growth from new stores largely offset by sales disruption from the Elizabeth Street store refurbishment. Net retail space grew by 2.7%. Further net space reductions to improve the productivity of the store portfolio are planned. Online sales have grown by 46.1%, and now contribute 7.7% of total sales.

Country Road Group sales increased by 2.3%, and by 0.5% in comparable stores. Online sales grew by 20.0% over the period, representing 17.7% of sales. Net retail space contracted by 1.7%.

TRADING STATEMENT

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

	December 2017 reported (cents)	December 2018 expected growth range (%)	December 2018 expected range (cents)
EPS	-505.9	>100%	192.6 to 202.4
HEPS	206.3	-5.0% to 0%	196.0 to 206.3
Adjusted diluted HEPS	223.4	-7.5% to -12.5%	195.5 to 206.6

As advised on the Stock Exchange News Service ('SENS') on 15 November 2018, EPS was significantly impacted by the impairment of the carrying value of the David Jones assets in the prior period.

CONSTANT CURRENCY INFORMATION

The constant currency information contained in this announcement 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 period have been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior 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 R10.26 for the current period and R10.45 for the prior period.

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 financial position, changes in equity, cash flows or results of operations.

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

The Group's interim results for the 26-week period ended 23 December 2018 are scheduled to be announced on the SENS on or about 21 February 2019.

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)