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Proposed Acquisition by Woolworths Holdings Limited of David Jones Limited and
Cautionary announcement

WOOLWORTHS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1929/001986/06

Share code: WHL ISIN: ZAE000063863

("WHL" or "the Company" or "the Group")

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ANNOUNCEMENT REGARDING THE PROPOSED ACQUISITION BY WHL OF DAVID JONES LIMITED
("DAVID JONES") AND CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

The board of directors of WHL (the "Board") is pleased to announce that it
has

reached agreement with David Jones to acquire, through a wholly-owned
Australian subsidiary, the entire issued share capital of David Jones, a
major

Australian department store retailer, at a cash price of A\$4.00 per share
(the "Proposed Acquisition"), representing a total cash consideration of
A\$2.1

billion (approximately R21.4 billion) (the "Consideration").*

The Proposed Acquisition will be implemented by way of a Scheme of
Arrangement ("Scheme") between David Jones and its shareholders under the
Australian Corporations Act 2001 (Cth) ("Corporations Act"). WHL entered into

a

Scheme Implementation Deed ("SID") with David Jones on Wednesday, 9 April
2014, which governs the implementation of the Scheme. The David Jones board
of directors ("David Jones Board") unanimously recommend that the David Jones
shareholders ("David Jones Shareholders") vote in favour of the Scheme, in

the

absence of a "Superior Proposal" (as defined in the SID) and subject to an
Independent Expert concluding that the Proposed Acquisition is fair and
reasonable and in the best interests of David Jones Shareholders.

The SID contains terms and conditions customary for a transaction of this
nature,

including exclusivity provisions and allowance for a break fee to be paid to
WHL

in certain circumstances if the Scheme does not proceed.

After completion of the Proposed Acquisition, David Jones will become a
wholly-

owned subsidiary of WHL and will be delisted from the Australian Securities
Exchange ("ASX"). In addition, it will comply with paragraph 10.21 of

Schedule

10 of the Listings Requirements of the JSE Limited ("JSE") in terms of its
Memorandum of Incorporation.

The Proposed Acquisition is classified as a Category 1 transaction for WHL
under

the Listings Requirements of the JSE.

* Unless otherwise noted, all A\$ figures have been converted at the R/A\$
exchange rate of 9.95, the current forward exchange rate which is expected
to be

in line with the spot rate at completion. Capitalised terms used in this
section have

the same meaning as ascribed in the body of this announcement.

2. OVERVIEW OF DAVID JONES

David Jones is listed on the ASX, trading under the code ASX:DJS. David Jones
was founded in 1838 and is one of Australia's oldest and most prominent
department stores. It operates a total of 38 stores located across Australia
and

owns its flagship stores in Sydney and Melbourne. David Jones carries numerous Australian and international brands across womenswear, menswear, beauty products, shoes and accessories, childrenswear, electronics and general merchandise, primarily targeting the premium and aspirational customer segment.

3. RATIONALE FOR THE PROPOSED ACQUISITION

WHL's strategy is to further expand its international operations in order to transform itself into a leading southern hemisphere retailer with sufficient scale to

compete effectively with global apparel retailers. The Proposed Acquisition is

aligned to this strategy, enabling the enlarged group to create significant efficiencies and economies of scale that will over time deliver a material improvement in profitability.

The Group already operates in the Australasian market through its subsidiary, Country Road Limited ("Country Road"), which operates a 460 store chain in this

market under the Country Road, Witchery, Trenery and Mimco brands.

The combination of WHL and David Jones would create a substantial southern hemisphere business with:

- 1,151 stores across 16 countries;
- a tangible asset base of approximately R21.4 billion at FY13A;[^]
- FY13A sales of over R51 billion;**
- apparel and homeware contributing approximately 65% of combined group sales, based on management estimates;**
- approximately 43% of total sales generated in Australasia; and
- the potential to generate substantial operational synergies.

WHL has undertaken a detailed assessment of David Jones and believes that it can create significant value for WHL shareholders ("WHL Shareholders") over time, through a number of key initiatives:

- profitable expansion of the David Jones private label product offering;
- overall group profitability improvement through increased volumes and group-wide lower cost sourcing;
- the introduction or expansion of the WHL brands within David Jones stores;
- continuing to provide a strong platform for independent brands;
- the introduction of an improved loyalty programme based on existing WHL knowledge and expertise;
- significantly increasing omni-channel initiatives and presence;
- roll out of successful village format stores; and
- enhanced productivity through better profiling and allocation systems and processes.

The above initiatives are expected to deliver incremental earnings before interest

and tax ("EBIT") of at least R1.4 billion per annum within five years after the

Proposed Acquisition.

[^] A\$ figures for David Jones are converted at the R/A\$ exchange rate of 9.04, the exchange rate at 27/07/2013, being the end of David Jones's financial year

for 2013. A\$ figures for Country Road are converted at the R/A\$ exchange rate of 9.01, the exchange rate at 30/06/2013, being the end of WHL's financial

year for 2013. This pro forma combination does not calendarise David Jones's results

to WHL's year-end or vice-versa, or adjust tangible assets for the goodwill created on acquisition.

** A\$ figures for David Jones are converted at the R/A\$ exchange rate of 9.12,

the daily average of the exchange rate from 29/07/2012 to 27/07/2013, being the

52 weeks period of David Jones's financial year for 2013. A\$ figures for

Country

Road are converted at the R/A\$ exchange rate of 9.05, the daily average of the exchange rate from 25/06/2012 to 30/06/2013, being the 53 weeks period of WHL's financial year for 2013. This pro forma combination does not calendarise

David Jones's results to WHL's year-end or vice-versa.

4. PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION

4.1 Purchase Consideration

WHL will acquire the entire issued share capital of David Jones at a cash price of A\$4.00 per share (the "Offer Price"), representing a total cash consideration of A\$2.1 billion (approximately R21.4 billion). The Offer Price represents a 25.4% premium to the David Jones closing price on Tuesday, 8 April 2014, being the last business day immediately prior to announcing the Proposed Acquisition.

4.2 Proposed Acquisition Funding

WHL intends to fund the Consideration via a combination of existing cash and new debt facilities, including an equity bridge facility (the

"Equity

Bridge Facility"). The Equity Bridge Facility is expected to be repaid out of the proceeds of an underwritten renounceable rights offer (the "Proposed Rights Offer").

The funding required (including the Equity Bridge Facility) has been underwritten by Citibank, N.A., South Africa Branch, Citibank, N.A., Sydney Branch, JPMorgan Chase Bank, N.A., Johannesburg Branch, JPMorgan Chase Bank, N.A. and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) ("Standard Bank") (the "Debt Funders"). The Debt Funders have provided WHL with a commitment letter to fund the acquisition pursuant to the Scheme and related transaction costs.

WHL intends to commence the Proposed Rights Offer once the Proposed Acquisition has been completed. Details of the Proposed Rights Offer

will

be released on the Stock Exchange News Service ("SENS") of the JSE at that stage. WHL has entered into a volume standby underwriting agreement with Citigroup Global Markets Limited, J.P. Morgan Securities

plc. and

Standard Bank (the "Equity Underwriters") in relation to underwriting the Proposed

Rights Offer. The Equity Bridge Facility committed by the Debt Funders is conditional

on the underwriting arrangements remaining in force with the Equity Underwriters,

which in turn is conditional on, among other customary conditions including inter

alia: (a) WHL shareholder approvals; (b) the SID remaining in force; (c) customary due diligence; (d) no force majeure event; and (e) no

change of

control of WHL.

4.3 Scheme Implementation Deed

Under the terms of the SID, David Jones will propose and implement the Scheme in accordance with Part 5.1 of the Australian Corporations Act. As set out in paragraph 1 above, the David Jones Board has unanimously agreed to recommend that David Jones Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is fair and reasonable and in the best interests of David Jones Shareholders. Subject to the same qualifications, each David Jones director will also vote any David Jones shares they own, or control, in favour of the Scheme. The Scheme will be implemented if at least 75% of David Jones shares voted, and the majority of David Jones Shareholders voting by number, cast their votes in favour of the Scheme at the Scheme Meeting.

The SID includes the following conditions precedent:

- WHL Shareholders approving the Proposed Acquisition (greater than 50% by number of votes, present and voting);
- WHL Shareholders approving resolutions required to implement the Proposed Rights Offer (at least 75% by number of votes, present and voting);
- South African Reserve Bank approval;
- Australian Foreign Investment Review Board approval;
- David Jones Shareholders approving the Scheme (at least 75% by number of votes and greater than 50% by number of shareholders, present and voting);
- Australian Court approval;
- no legal restraint impeding completion of the Scheme;
- no material adverse change;
- no prescribed occurrences; and
- no force majeure event.

The Scheme will not become effective until and unless all the conditions precedent are satisfied or waived. The conditions precedent are set out in full in the SID.

Other material provisions of the SID are:

- customary exclusivity provisions such as "no shop", "no talk" and notification obligations on David Jones that in some instances are subject to a fiduciary duties exception for the David Jones Board;
- a break fee of A\$22 million payable by David Jones to WHL in certain circumstances, including if the David Jones Board changes its recommendation to David Jones Shareholders; and
- a cost reimbursement payable by WHL to David Jones for the transaction costs it will incur in respect of the Proposed

Acquisition

up to a maximum of A\$5 million in certain circumstances, including if WHL Shareholders do not approve the Proposed Acquisition.

4.4 Scheme Booklet

David Jones expects to post a booklet to David Jones Shareholders in late May 2014 containing full details of the Scheme ("Scheme Booklet"). The Scheme Booklet will include, amongst other things, the reasons for the David Jones Board's unanimous recommendation, and a copy of the Independent Expert's Report.

4.5 Independent Expert

David Jones will appoint an Independent Expert to opine on whether the Scheme is fair and reasonable and in the best interests of David Jones Shareholders.

5. CATEGORISATION AND WHL SHAREHOLDER APPROVAL

As set out in paragraph 1 above, the Proposed Acquisition is classified as

a

Category 1 transaction for WHL under the Listings Requirements of the JSE.

As

furthermore set out in paragraph 4.2 above, WHL intends to undertake the Proposed Rights Offer following the Proposed Acquisition.

The convertible, redeemable, non-cumulative participating preference shares ("Preference Shares") created under the terms of the Woolworths Employee Share Ownership Scheme ("ESOS") are eligible to participate in voting on

all of

the resolutions at the General Meeting. The Preference Shares are under the control of the ESOS Trustees.

holders

of Preference Shares present and voting at a general meeting of WHL Shareholders (the "General Meeting") will be required for the Proposed Acquisition and the special and ordinary resolutions necessary to implement

the

Proposed Rights Offer.

setting

A circular to WHL Shareholders (the "Circular") and the ESOS trustees

out the full terms of the Proposed Acquisition, including the notice of

General

Meeting, will be posted in due course.

6. INDICATIVE TIMING

The indicative timing of the Proposed Acquisition and the Scheme, as agreed between WHL and David Jones in the SID, are set out below. It is anticipated that

the Scheme will become effective in early July 2014, and implemented in mid-late

July 2014.

Event

2014

Posting of the Circular to WHL Shareholders

mid May

First Court hearing for approval of Scheme*

mid-

late May

Posting of Scheme Booklet to David Jones Shareholders*

late May

General meeting of WHL Shareholders

mid

June

Scheme meeting of David Jones Shareholders*

late June

Second Court hearing for approval of Scheme*

late June -

early July

early July

Scheme effective date*

early July

Scheme record date*

early-

mid July

Implementation date for payment of Consideration*

mid

July

* Applicable to David Jones Shareholders only

The indicative timing as set out above is subject to variation. A further announcement will be released by WHL in due course providing final salient dates and times in relation to the Proposed Acquisition.

7. GOVERNING LAW AND JURISDICTION

The SID is governed by the laws of New South Wales, Australia and is subject to

applicable Australian laws and regulations, including the Corporations Act and

the ASX.

8. INFORMATION PORTAL

For ease of access, an information portal relating to the Proposed Acquisition has

been created on the WHL website, hosted at www.woolworthsholdings.co.za where all information relevant to the Proposed Acquisition will be maintained,

including a copy of the SID and the investor presentation presented to investors.

David Jones's ASX announcement and all information relevant to the Scheme is

expected to be made available on the Company Announcements Platform of ASX hosted at www.asx.com.au.

9. CAUTIONARY ANNOUNCEMENT

WHL Shareholders are advised that the Company is in the process of completing

the pro forma financial effects of the Proposed Acquisition (the "Pro Forma Financial Effects") and will release a further announcement setting out the

Pro

Forma Financial Effects in due course. Accordingly, WHL Shareholders are advised to exercise caution when dealing in their WHL securities until such information is released.

Cape Town

9 April 2014

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Linklaters

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Standard Bank

Independent Sponsor to WHL:

Rand Merchant Bank (a division of FirstRand Bank Limited)

Joint bookrunners and co-underwriters to WHL:

Standard Bank

Citi

J.P. Morgan

Legal advisers to the Joint book-runners and co-underwriters and the Debt
Funders

Bowman Gilfillan Inc.

Latham & Watkins

Allen & Overy

About David Jones

David Jones is a high-end Australian department store chain with 38 stores
located

in Australia's key urban centres and central business districts. It carries
numerous

Australian and international brands across fashion, beauty and home product
groups

targeting the aspirational and premium customer segments. Founded in Sydney in
1838 David Jones is one of Australia's most prominent retailers and brands.

David Jones is listed on the ASX under the code ASX:DJS. For the 52 weeks ended
27 July 2013, David Jones had revenue of A\$1.8 billion (R16.8 billion) and net
profit

after tax of A\$102 million (R926 million).^^

^^ A\$ figures are converted at the R/A\$ exchange rate of 9.12, the daily average
of

the exchange rate from 29/07/2012 to 27/07/2013, being the 52 weeks period of
David Jones's financial year 2013. Net profit after tax excludes the impact of
the Dick

Smith transaction.

About WHL

WHL is a South African-based retail group. In South Africa, the group trades
through

Woolworths (Proprietary) Limited, a respected chain of retail stores offering
discerning customers a selected range of quality clothing, food, homeware,
beauty

and financial services under its own brand name. Woolworths Holdings also owns
~88% of Country Road Limited, a leading clothing and homeware retailer listed on
the ASX.

WHL is listed on the Johannesburg Stock Exchange trading under the code JSE:WHL. For the 53 weeks ended 30 June 2013, WHL had revenue of R35.4 billion and net profit after tax of R2.6 billion.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this announcement may be considered forward-looking. Although WHL believes that the expectations reflected in any such forward-looking

statements relating to the Proposed Acquisition are reasonable, the information has not been reviewed or reported on by the reporting accountants and auditors and no

assurance can be given by WHL that such expectations will prove to be correct. WHL does not undertake any obligation to publicly update or revise any of the information given in this announcement that may be deemed to be forward-looking.

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and observe such restrictions.

This announcement is not an offer for the sale of securities. The securities discussed

herein have not been and will not be registered under the US Securities Act of 1933

(the "US Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised,

resold, renounced, transferred or delivered, directly or indirectly, within the United

States absent an exemption from, or in a transaction not subject to, the registration

requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The

Company

does not intend to register any part of the Proposed Rights Offer in the United States.

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