WOOLWORTHS LIMITED

A.B.N 88000 014 675

23 August 2004

The Manager, Companies
Australian Stock Exchange Limited
Company Announcements Office
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Woolworths Limited Full Year Results Presentations

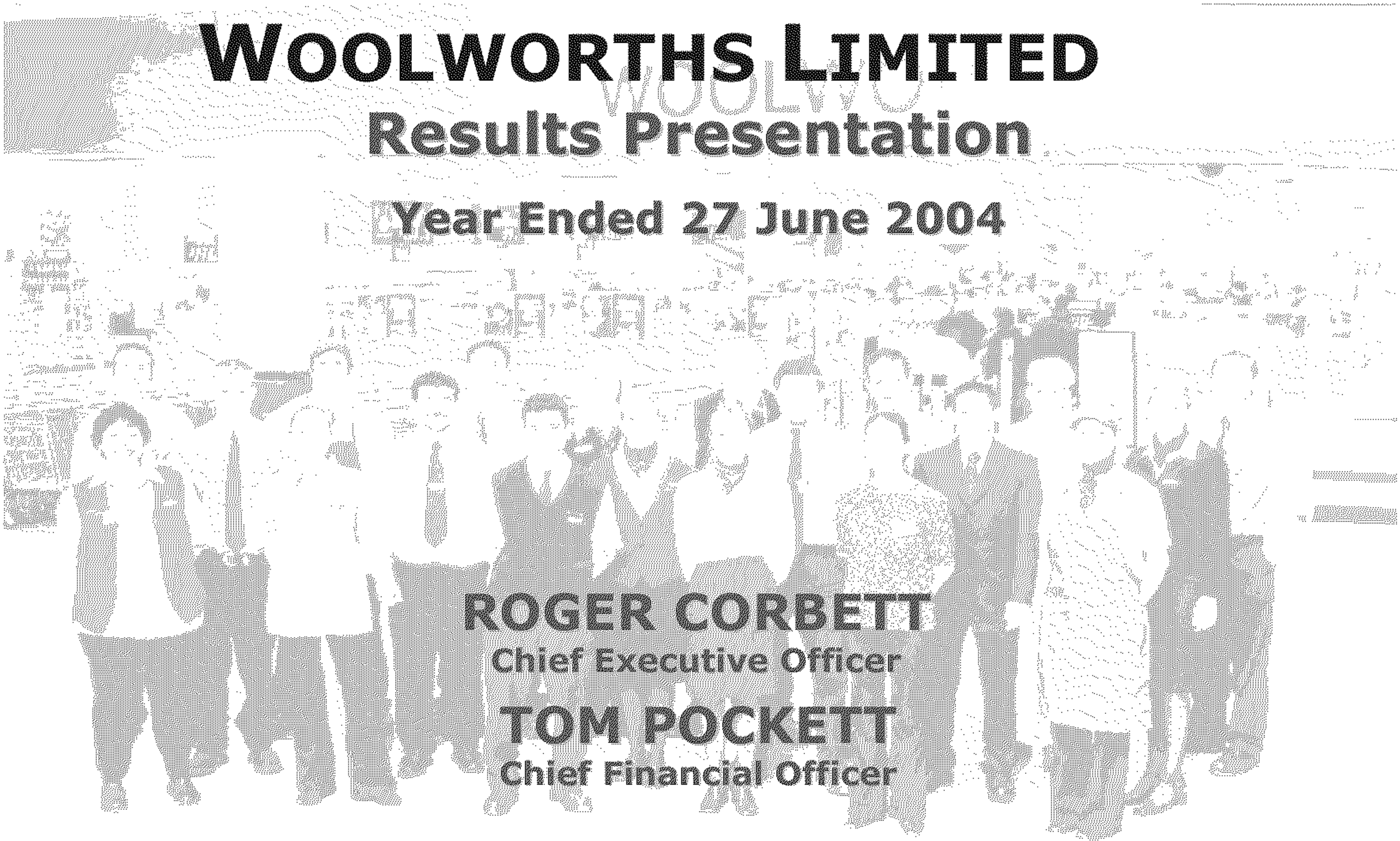
I attach copy of materials released to the media and analysts at the Results Presentation this morning.

R Jeffs
Company Secretary

WOOLWORTHS LIMITED

Results Presentation

Year Ended 27 June 2004



ROGER CORBETT
Chief Executive Officer

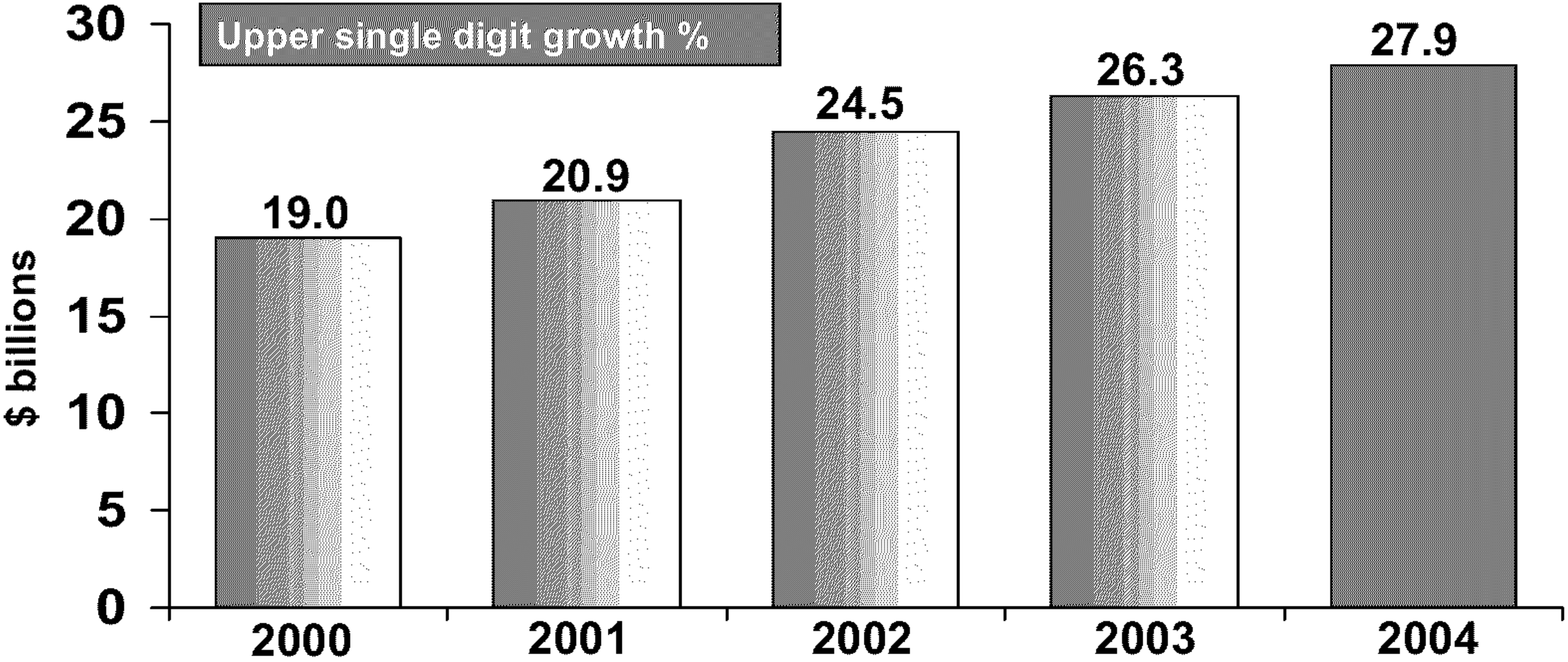
TOM POCKETT
Chief Financial Officer

23 AUGUST 2004

Highlights of the Year

- Sales up 6.7% from continuing operations
- Total sales for this year compared with last year up 6.1% to $27,934m
- Earnings before interest, taxation, depreciation and amortisation (EBITDA) up 9.6% to $1,472.7m
- Earnings before Interest and Taxation (EBIT) up 12.6% to $1,065.1m
- Net operating profit after tax and servicing income notes up 12.8% to $687.8m
- Earnings per Share (EPS) after goodwill up 16.0% to 67.4 cents
- Earnings per Share before goodwill up 15.6% to 70.1 cents
- Final Dividend per Share (DPS) 24 cents, to bring total DPS for the year to 45 cents, up 15.4%, with total dividend paid and proposed for the year amounting to approximately $460m
- EBIT margins improved from 3.59% in 2003 to 3.81% in 2004

SALES



	2000	2001	2002	2003	2004
Year Increase	+ 8.6%	+ 10.0%	+ 17.0% # *	+ 7.6%	+ 6.1%
52 week basis			+ 14.9%	+ 9.6%	

Includes extra week
* 2002 sales ex Franklins grew 10.1% on a 52 week basis

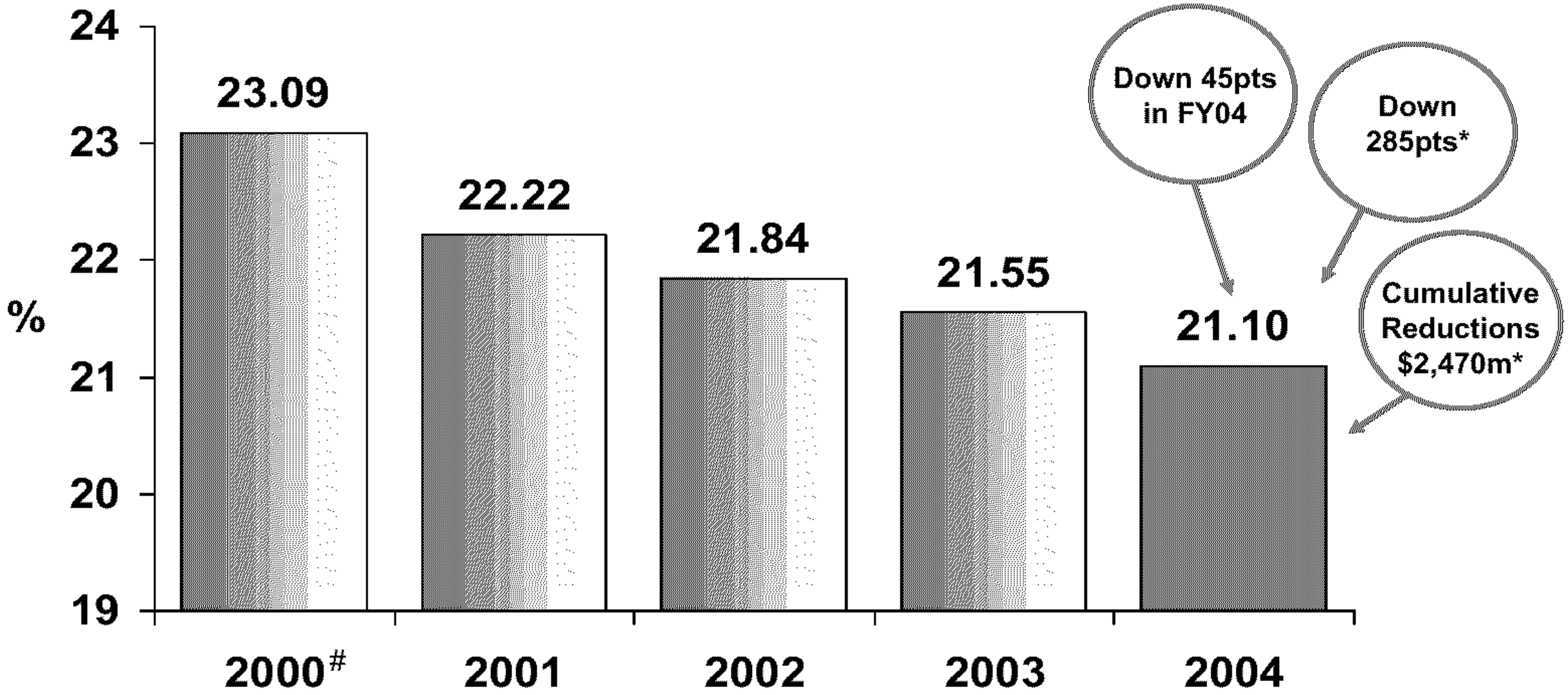
2004 SALES FROM CONTINUING OPERATIONS WERE UP 6.7%

SALES SUMMARY

	FY03 $m	FY04 $m	Change %
Food and Liquor	21,039 [1]	21,998 [1]	4.6%
Petrol	1,711	2,195	28.3%
Total Supermarkets	**22,750**	**24,193**	**6.3%**
BIG W	2,500	2,718	8.7%
Consumer Electronics	791	886	12.0%
Total General Merchandise	**3,291**	**3,604**	**9.5%**
Continuing Operations	**26,041**	**27,797**	**6.7%**
Wholesale	280	137	-51.1%
Group Sales	**26,321**	**27,934**	**6.1%**

[1] Excluding $297m (FY03: $222m) from our MGW Qld joint venture (retail liquor $172m (FY03: $133m), hotels $125m (FY03: $89m))

CODB / SALES

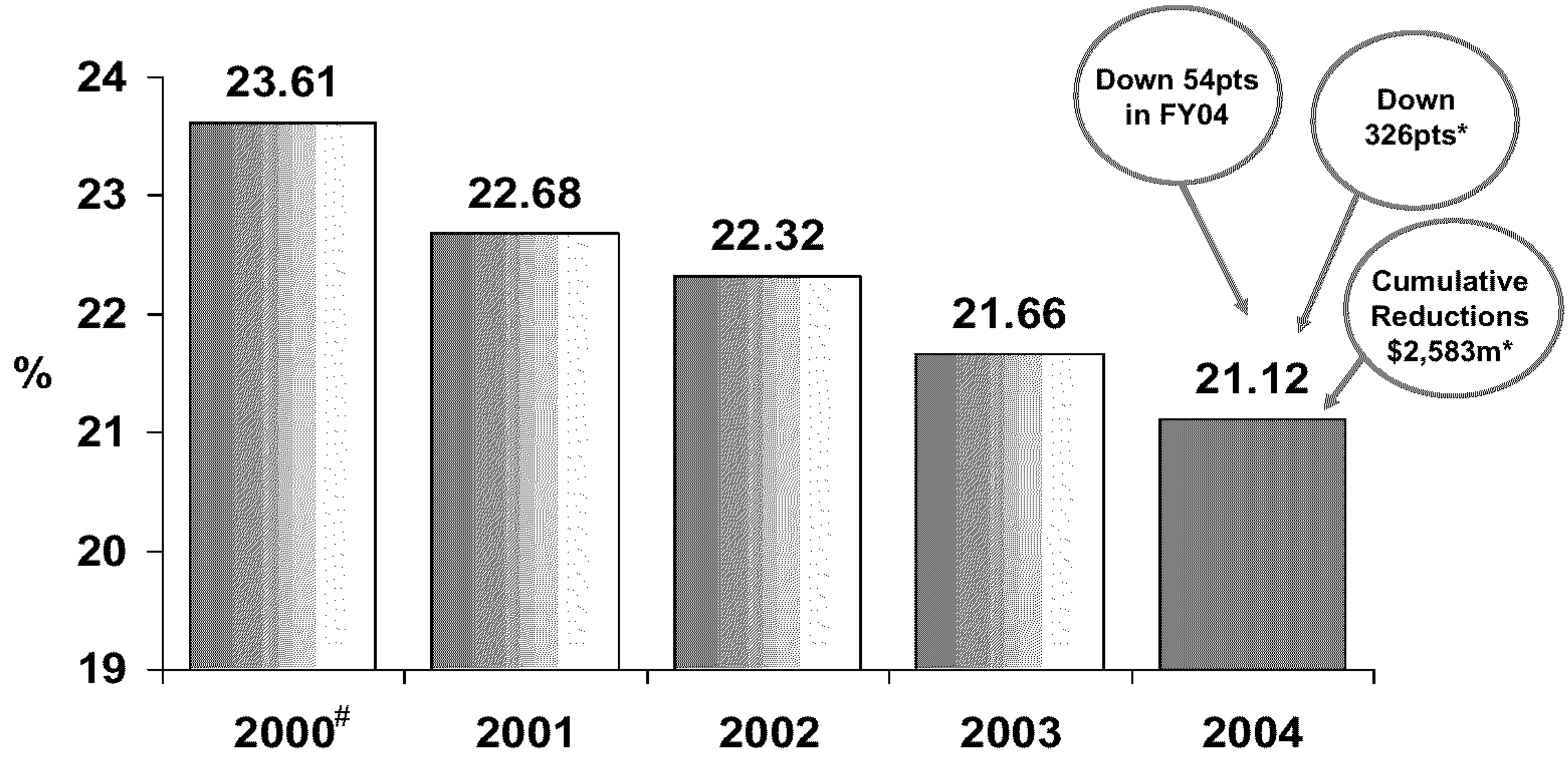


Reduction $163m + $362m + $517m + $632m + $796m = **$2,470m***

COSTS = THE KEY ENABLER

Adjusted to exclude WST
* Base year 1999

CODB / SALES (EXCLUDING WHOLESALE)

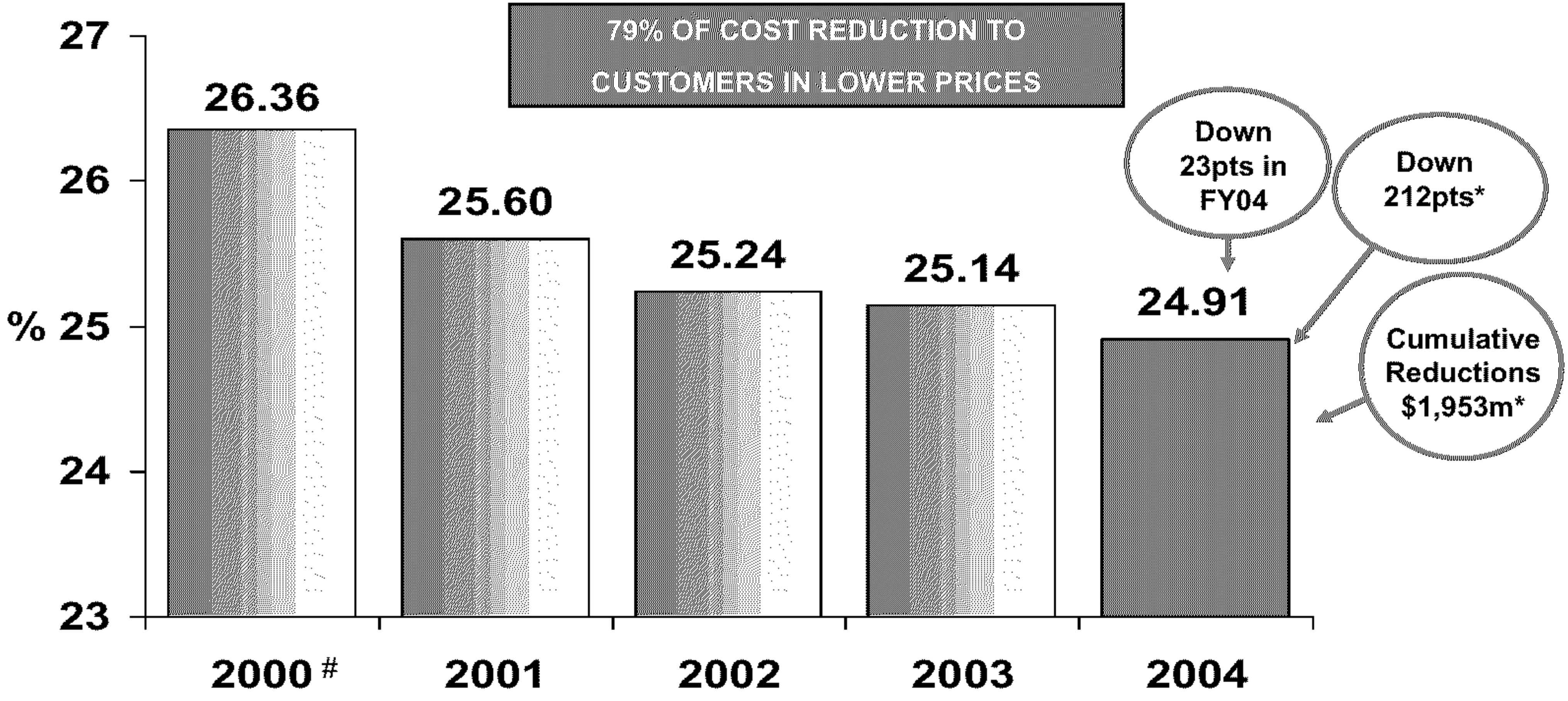


Reduction	$141m	+ $343m	+ $486m	+ $707m	+ $906m =	$2,583m*

Adjusted to exclude WST
* Base year 1999

COSTS = THE KEY ENABLER

GROSS PROFIT MARGIN

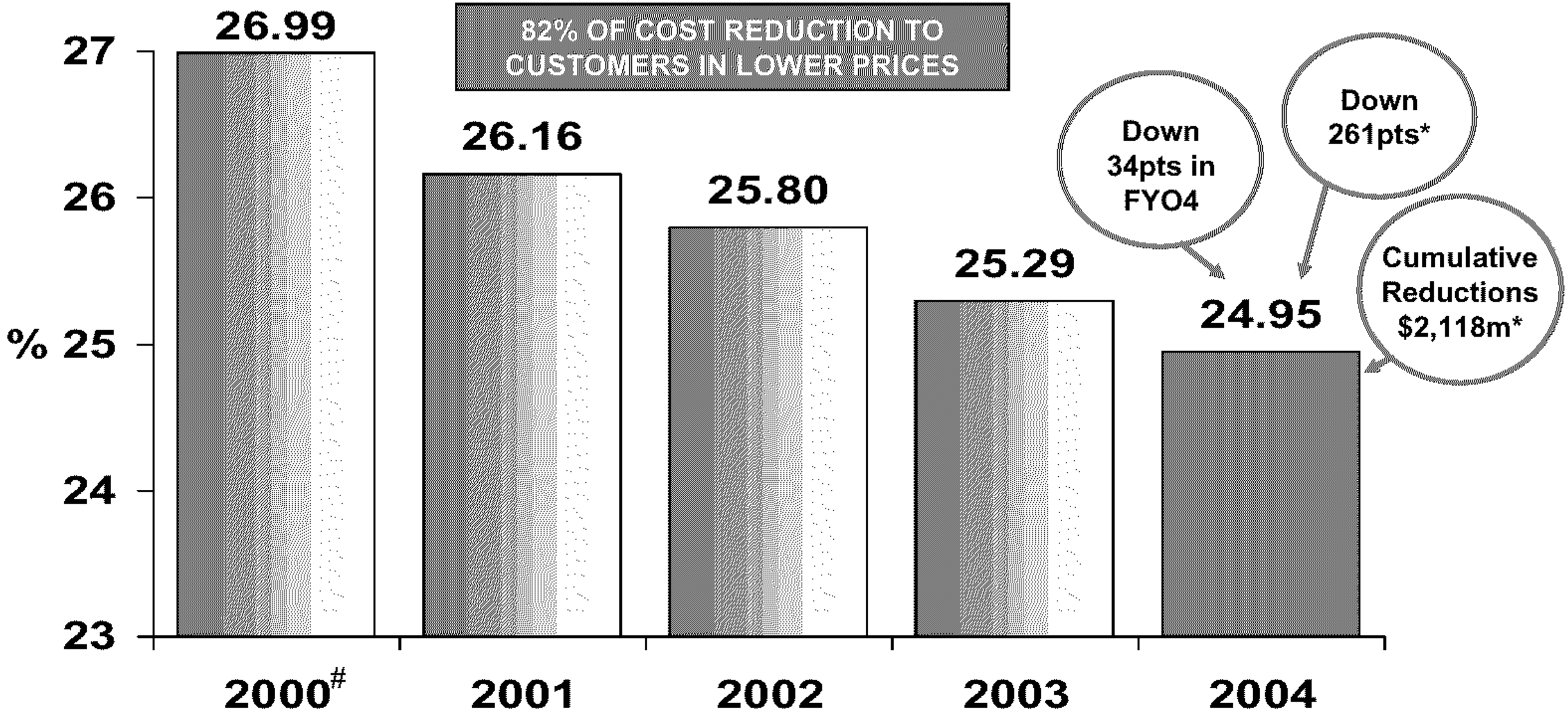


Reduction $127m + $299m + $438m + $497m + $592m = **$1,953m***

*Base year 1999
Adjusted to exclude WST

LOWERING THE COST OF LIVING INCREASE

GROSS PROFIT MARGIN (EXCLUDING WHOLESALE)

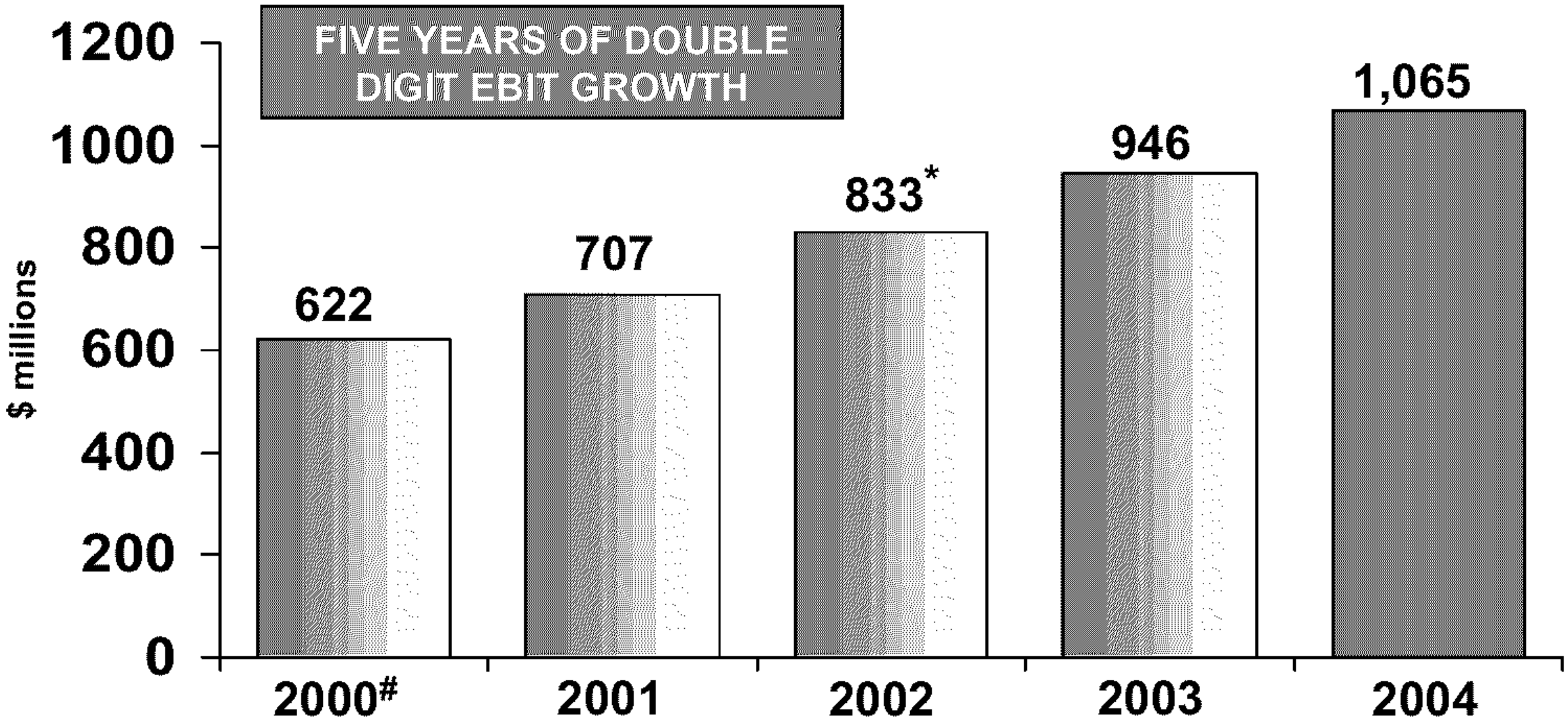


Reduction $104m + $283m + $415m + $590m + $726m = **$2,118m***

Adjusted to exclude WST
* Base year 1999

LOWERING THE COST OF LIVING INCREASE

EBIT

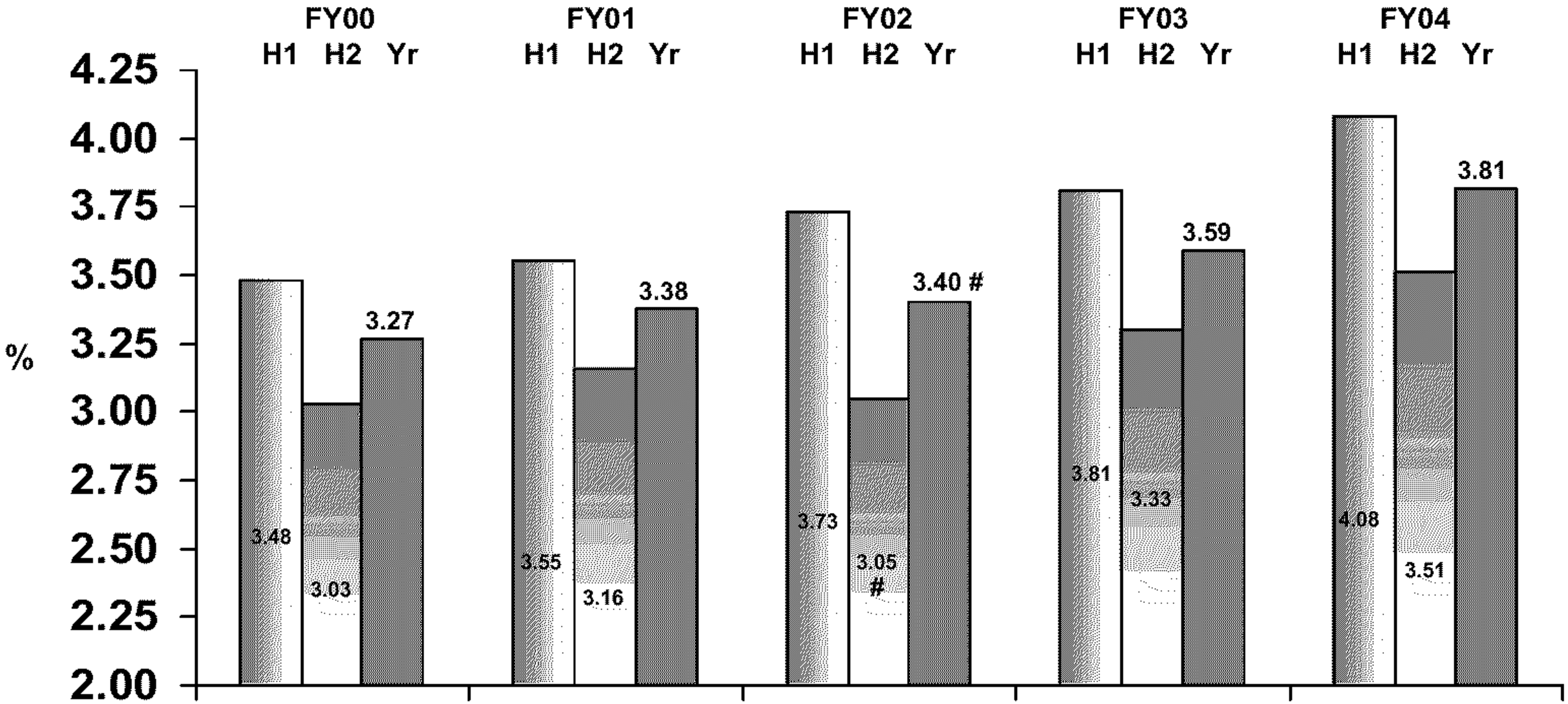


Year	+ 15.4%	+ 13.7%	+ 17.8%	+ 13.6%	+ 12.6%

2004 EBIT FROM CONTINUING OPERATIONS WERE UP 12.4%

Adjusted to exclude WST
* Includes extra week

EBIT MARGIN



EBIT MARGINS HAVE THICKENED OVER THE 2004 YEAR BY 22pts

Includes extra week

EBIT SUMMARY

	FY03		FY04		Change	
	Before Goodwill	After Goodwill	Before Goodwill	After Goodwill	Before Goodwill	After Goodwill
	$m	$m	$m	$m		
Food & Liquor	848.2	825.1	965.6	941.7	13.8%	14.1%
Petrol	29.9	29.9	18.6	18.6	-37.8%	-37.8%
Total Supermarkets	878.1	855.0	984.2	960.3	12.1%	12.3%
BIG W	103.7	103.7	116.2	116.2	12.1%	12.1%
Consumer Electronics	41.2	37.0	48.2	44.1	17.0%	19.2%
Total General Merchandise	144.9	140.7	164.4	160.3	13.5%	13.9%
Total Trading Result	1,023.0	995.7	1,148.6	1,120.6	12.3%	12.5%
Property	26.6	26.6	21.7	21.7	-18.4%	-18.4%
Central overheads	-76.7	-76.7	-79.0	-79.0	3.0%	3.0%
Continuing operations	972.9	945.6	1,091.3	1,063.3	12.2%	12.4%
Wholesale	0.2	0.1	1.8	1.8	-	-
Group EBIT	973.1	945.7	1,093.1	1,065.1	12.3%	12.6%

EBIT FOR SUPERMARKETS & GENERAL MERCHANDISE GREW DOUBLE DIGITS

SUPERMARKETS (INCLUDES PETROL)

	FY03	FY04	Change
Sales ($ mil)	22,749.5	24,192.5	+6.3%
Gross Margin (%)	24.39	24.11	-0.28%pts
Cost of Doing Business (%)	20.63	20.14	-0.49%pts
EBIT to Sales (%)	3.76	3.97	+0.21%pts
EBIT before goodwill ($ mil)	878.1	984.2	+12.1%
EBIT after goodwill ($ mil)	855.0	960.3	+12.3%
Funds Employed ($ mil)	1,457.0	1,387.2	-4.8%
Average ROFE (%)	57.9	67.5	+9.6%pts

SUPERMARKETS

- Supermarket sales (including petrol) rose 6.3% with Food and Liquor sales growing 4.6%. This was in line with expectations in the face of a competitor's new petrol offer
- Comparable (like for like) sales for Food and Liquor grew 2.7% with rates in June, July and August showing an increase in comparable sales growth compared to the fourth quarter of FY04
- Continued acceptance by customers of a total offer of range, freshness, quality, competitive pricing, convenience and in-store service
- Gross Margins have been impacted by continued price reductions for customers, offset by lower shrinkage and better buying

SUPERMARKETS

- EBIT grew faster than sales at 12.3%, underpinned by cost savings with CODB falling by 49 basis points
- Opened 18 new Supermarkets
- Food and Liquor trading area increased by 3.1% (within our target range), most of which was in the last quarter of FY04
- Woolworths has 28.4% of the Australian Food, Liquor and Grocery market[1]

(1) Dimasi Strategic Research

LIQUOR

Woolworths has brought significantly greater price competition to this sector with customers benefiting from lower prices. All liquor operations recorded strong growth in revenue and earnings in a competitive market

- Total liquor sales for the year (including MGW) exceeded $2.1b and we are confident of achieving our stated target of $2.5b in the near to medium term
- Continued expansion of Dan Murphy's with 7 new stores including the first 2 in QLD and 31 new Free Standing liquor stores
- Sales from our 50% owned QLD liquor business MGW* were $297m ($172m from liquor stores operations and $125m from hotel operations). We anticipate strong growth from this business as we progress refurbishment, relocation and repositioning of these stores
- At the time of this release the Group is still in the process of a takeover offer for the Australian Leisure and Hospitality Group Limited.

* MGW sales are not consolidated into Woolworths group sales, as this entity is not a controlled entity in accordance with Australian Accounting Standards

PETROL

Our Petrol division, strengthened by our alliance with Caltex, continues to be a good supplemental offer with petrol sites conveniently located near our supermarkets

- Petrol sales of $2.2b, up 28.3% on last year
- EBIT was down on last year mainly due to the high levels of pump price competition from competitor's petrol discount offers
- 28 new canopies (excluding Woolworths/Caltex alliance sites) were opened during the year
- 92 co-branded Woolworths/Caltex alliance sites are now either signed or operating
- Targeting a total of 470 canopies (optimum no of canopies to support our Supermarket chain) – 407 sites as of today
- Currently selling approximately 60 million litres per week (including Caltex alliance sites)

BIG W

	FY03	FY04	Change
Sales ($ mil)	2,500.3	2,717.9	+8.7%
Gross Margin (%)	30.88	30.25	-0.63%pts
Cost of Doing Business (%)	26.73	25.98	-0.75%pts
EBIT to Sales (%)	4.15	4.28	+0.13%pts
EBIT* ($ mil)	103.7	116.2	+12.1%
Funds Employed ($ mil)	269.5	325.7	+20.9%
Average ROFE (%)	36.5	39.0	+2.5%pts

* No purchased goodwill in BIG W

BIG W

Everyday Low Prices (EDLP) offering, built on ongoing cost reductions, is a key driver of continued strong growth in sales and earnings

- High single digit sales growth of 8.7% in a competitive market with total sales exceeding $2.7b
- Comparable store sales growth was 5.3% for the year (4.2% in FY03), strengthening in the second half and growing by 6.9%
- July comparable sales growth very strong partly benefiting from Government subsidy
- EBIT grew 12.1% to $116m, growing faster than sales, assisted by cost reductions (CODB falling by 75 basis points)
- Customer EDLP acceptance strong
- Solid growth across all categories, particularly in Home Entertainment
- 7 new stores opened 5.6% increase in trading area. Now 111 stores with at least 150 targeted
- Funds employed increased during the year due to stock levels being higher as a result of bringing forward the mid-year toy sale as well as an increase in CAPEX spend
- Achieved 39% return on funds employed (36.5% in FY03)

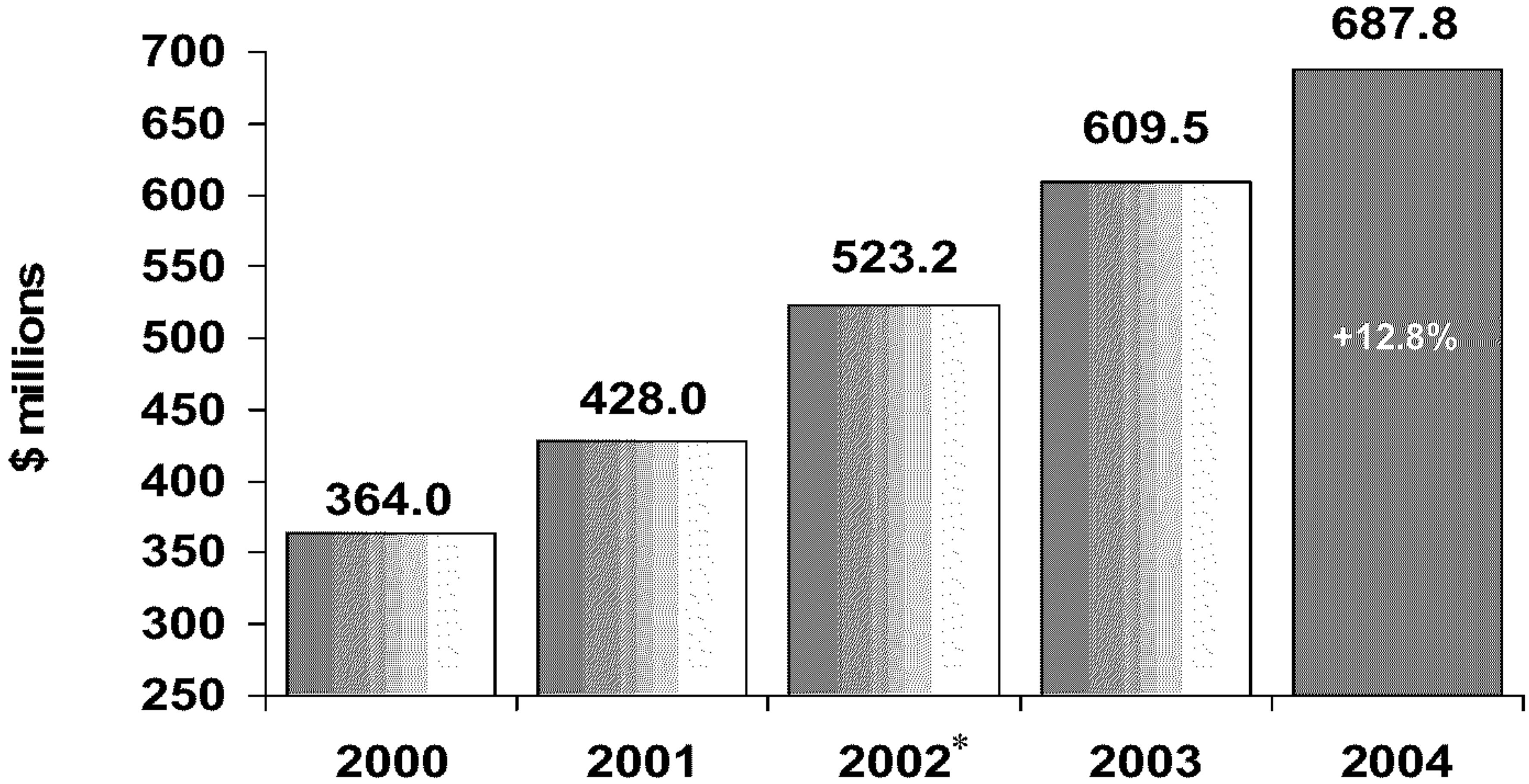
CONSUMER ELECTRONICS

	FY03	FY04	Change
Sales ($ mil)	791.2	886.3	+12.0%
Gross Margin (%)	33.59	31.59	-2.0%pts
Cost of Doing Business (%)	28.91	26.61	-2.3%pts
EBIT to Sales (%)	4.68	4.98	+0.3%pts
EBIT before goodwill ($ mil)	41.2	48.2	+17.0%
EBIT after goodwill ($ mil)	37.0	44.1	+19.2%
Funds Employed ($ mil)	245.1	220.4	-10.1%
Average ROFE (%)	14.9	18.9	+4.0%pts

Double digit sales and earnings growth in a very competitive market

- Business progressing extremely well and is reflected by a 12% sales increase and a 19.2% increase in EBIT after goodwill
- Strong double digit comparable (like for like) sales growth achieved 10.1% (first half 10.1%, second half 10.1%)
- Strong growth achieved in Computers and Home Entertainment, specifically TVs and DVDs
- CODB reduced by 230 basis points to 26.61%, along with a planned reduction in gross margins which fell 200 basis points
- Inventory increased only 2.6% despite an increase in sales of 12%
- Return on funds employed increased from 14.9% to 18.9%
- 2 new Powerhouse stores and 13 new Dick Smith Electronics stores were opened in the year

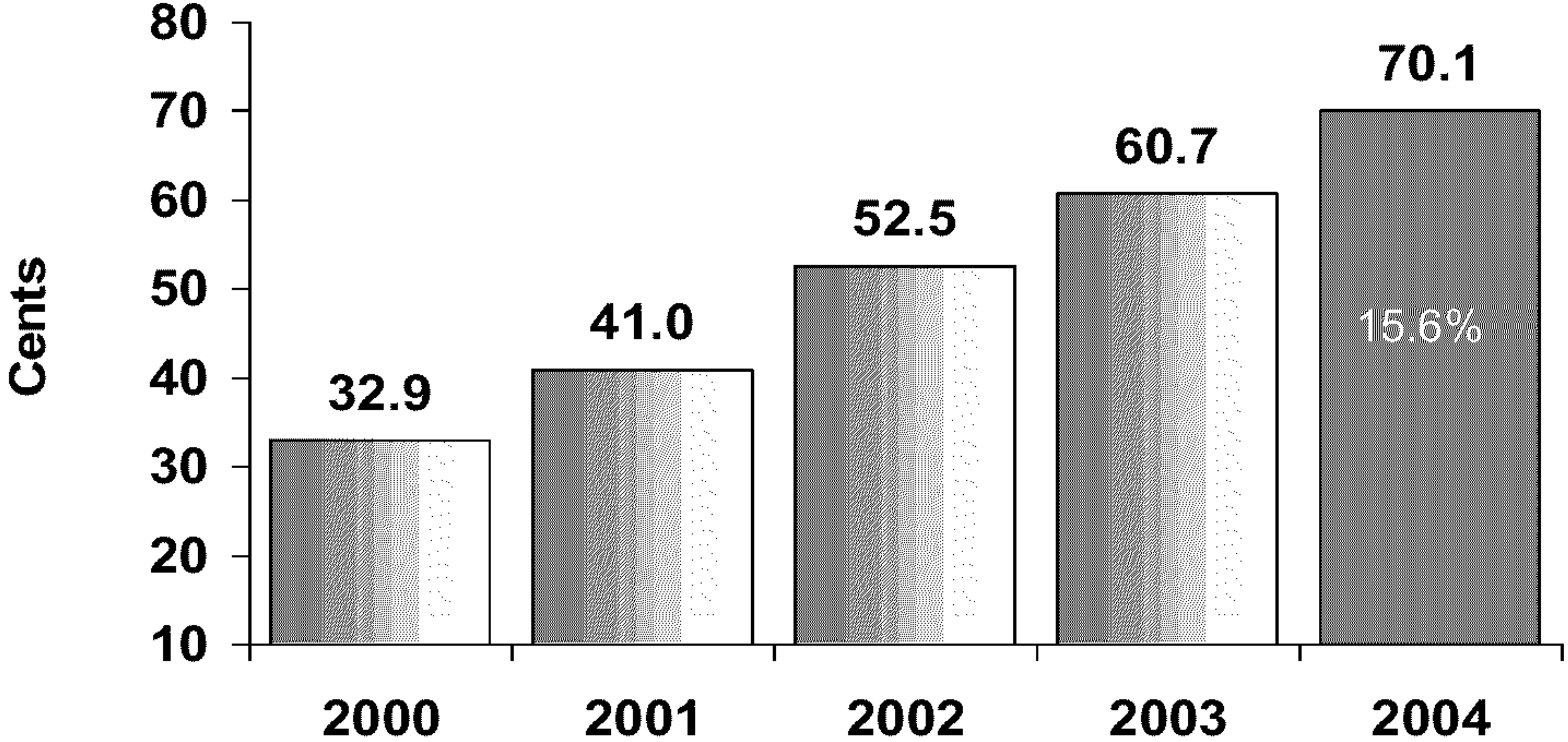
PROFIT AFTER TAX (AFTER WINS)



NPAT FROM CONTINUING OPERATIONS (EXCL. WHOLESALE) INCREASED 12.6%

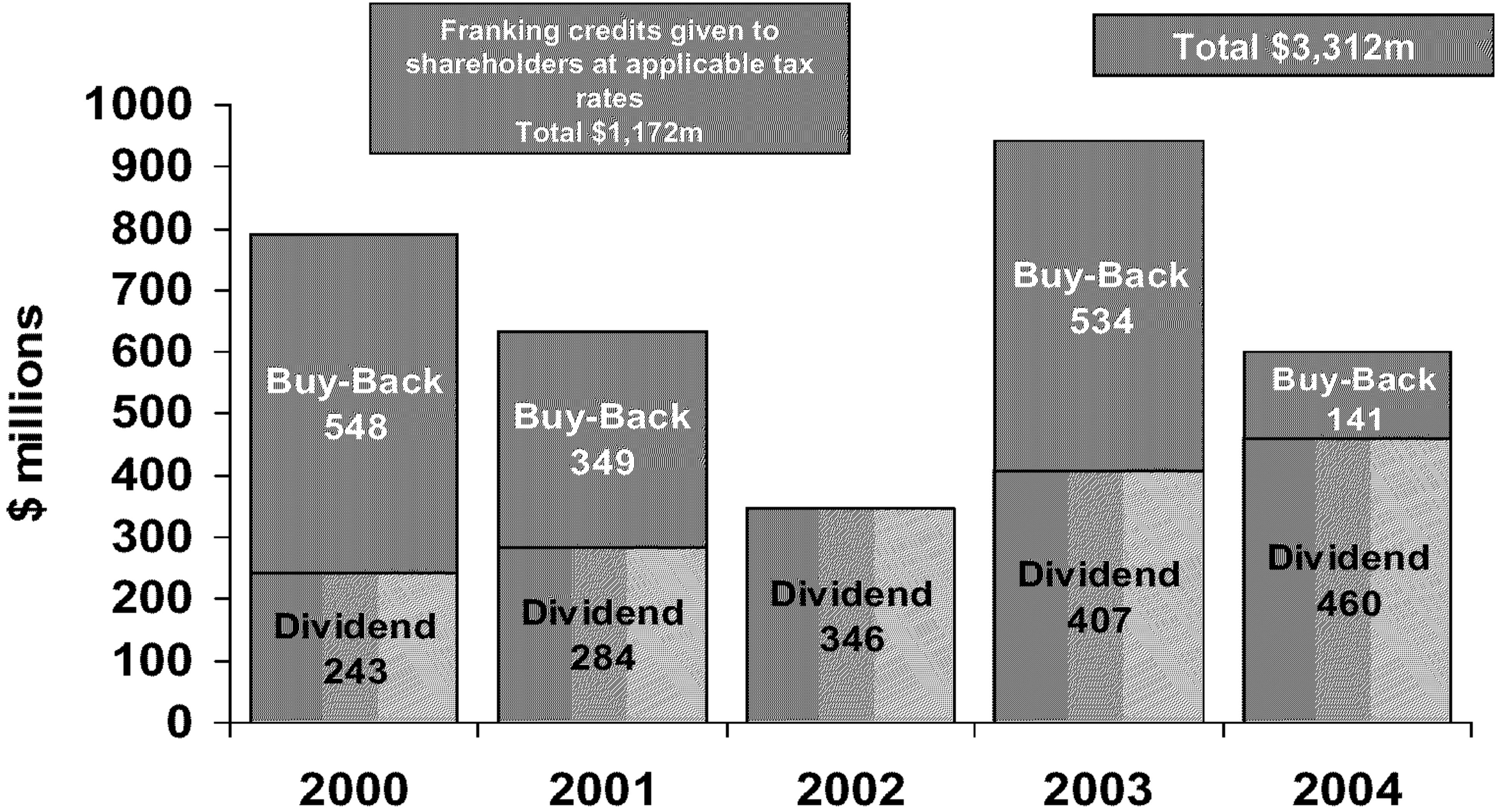
* 53 weeks

EARNINGS PER SHARE BEFORE GOODWILL



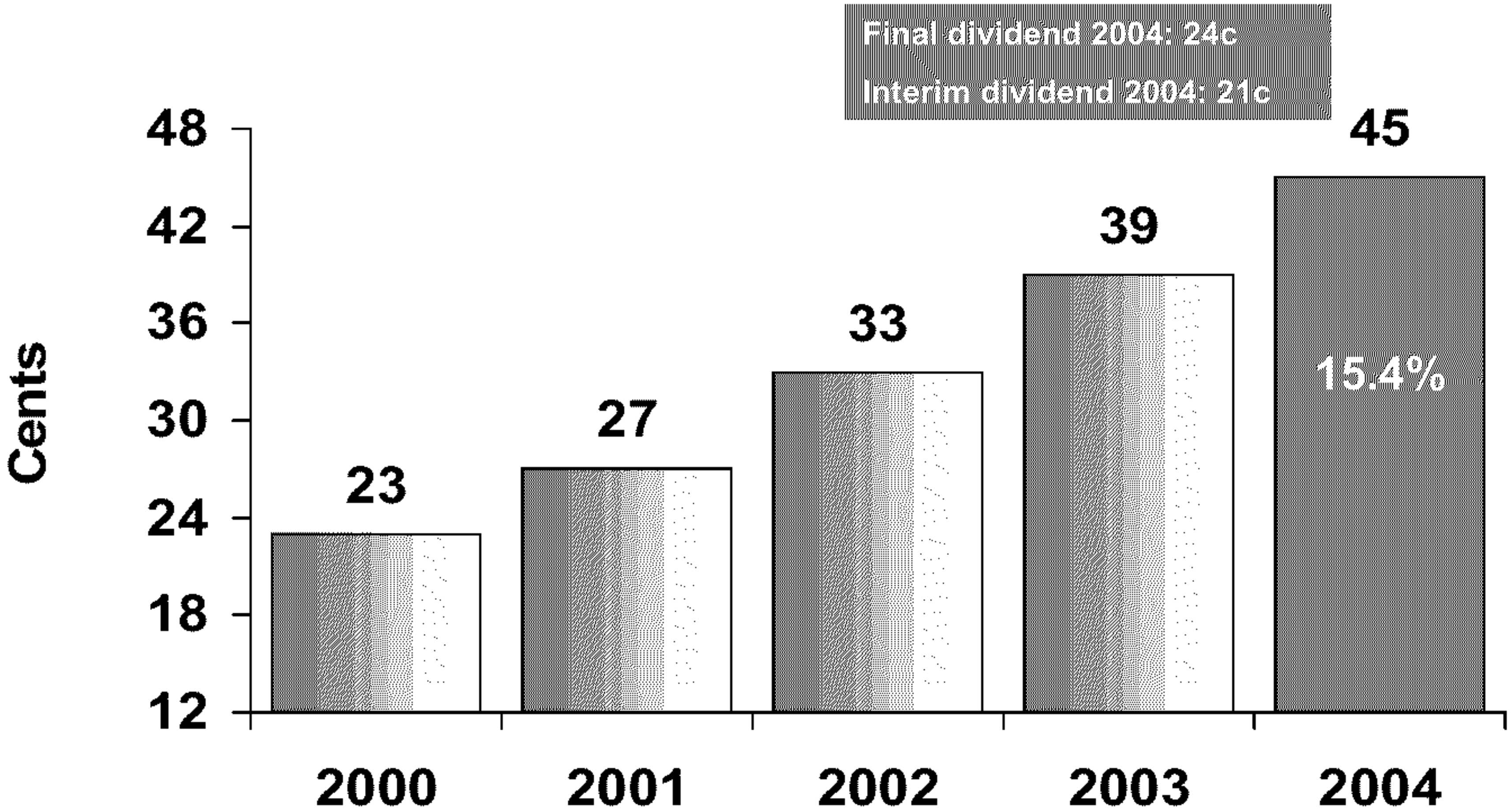
EBIT GROWS FASTER THAN SALES - ASSISTED BY COST REDUCTIONS
EPS GROWS FASTER THAN EBIT - ASSISTED BY WORKING CAPITAL AND CAPITAL MANAGEMENT

SHAREHOLDER PAYOUTS



PROFIT GROWTH, COUPLED WITH BALANCE SHEET MANAGEMENT, DELIVERED $3,312M PAYOUT TO SHAREHOLDERS OVER 5 YEARS

DIVIDENDS PER SHARE



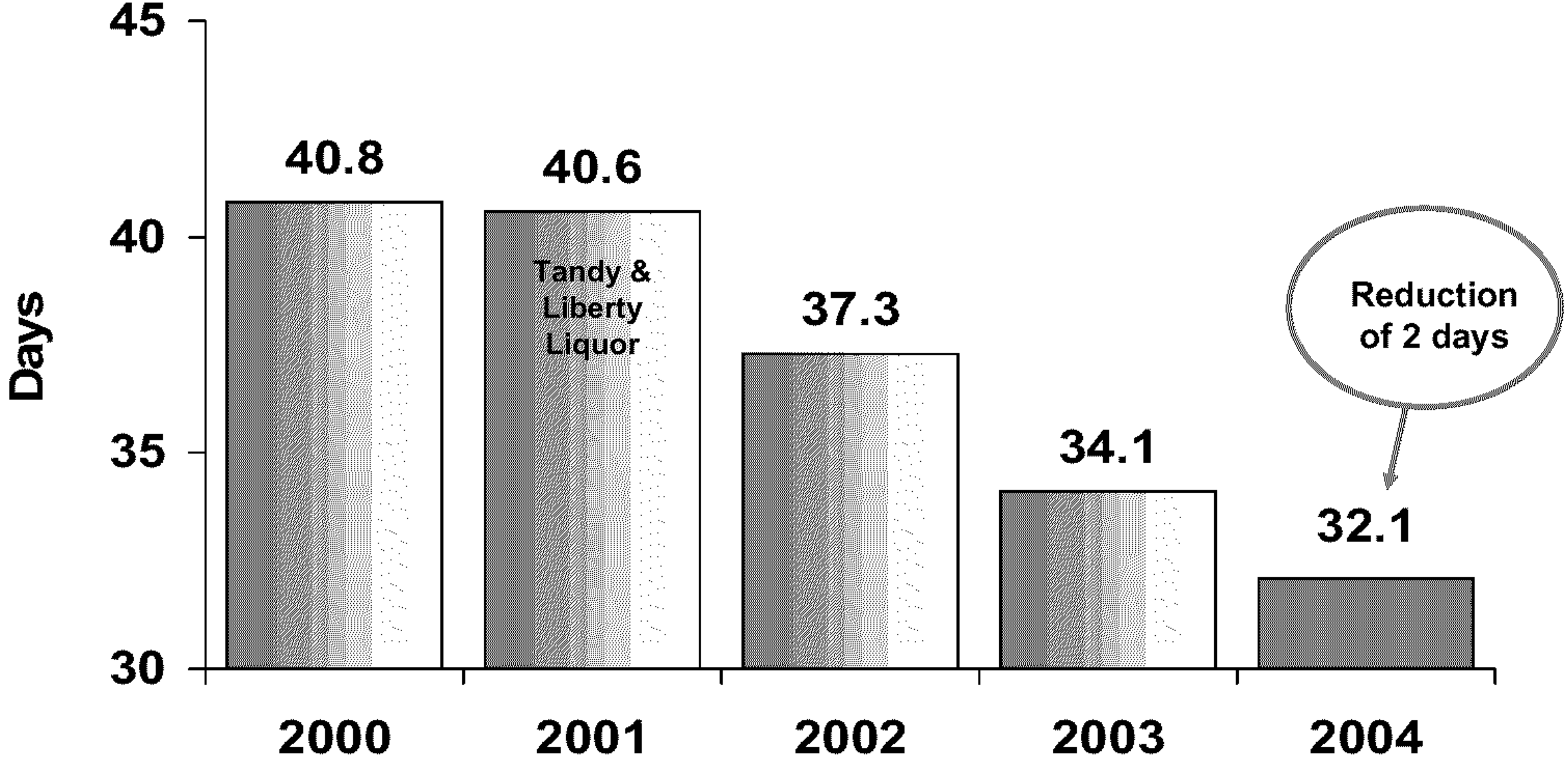
DIVIDEND PAY-OUT RATIO OF 66.8% CONSISTENT WITH THE PREVIOUS 4 YEARS

BALANCE SHEET

	2003 $million	2004 $million	
Inventory	1,843.1	1,847.0	Only increased $3.9m despite 6.7% increase in sales. Represents reduction of 2.0 days stock on hand
Trade Payables	(2,078.9)	(2,176.3)	
Net investment in inventory	(235.8)	(329.3)	
Receivables	543.1	423.0	Days creditors remained unchanged at approximately 45 days
Other creditors	(1,186.1)	(1,267.1)	
Working Capital	(878.8)	(1,173.4)	Negative working capital increased $294m
Fixed assets and investments	2,485.0	2,758.8	Net capital expenditure was $637m compared with $518m last year. FY04 includes $53m for 2 new DCs & $39m for Norwest
Intangibles	555.3	572.3	
Total Funds Employed	2,161.5	2,157.7	
Net Tax Balances	21.3	58.7	Increase due to timing differences on movements in provisions (eg employee entitlements and property)
Net Assets Employed	2,182.8	2,216.4	
Borrowings current	(150.5)	(18.0)	
Borrowings non current	(496.4)	(494.8)	
Cash and Deposits	287.3	348.9	
Net Debt	(359.6)	(163.9)	Net repayable debt fell $196m due to solid cash flows from operations, underpinned by strong profit growth and a reduction in working capital
Net Assets	1,823.2	2,052.5	
Shareholders Equity	1,235.4	1,464.3	
Outside Shareholders Equity	4.8	5.2	
Noteholders (WINs) Equity	583.0	583.0	ROE has increased from 49.3% to 51.0%
Total Equity	1,823.2	2,052.5	

Balance sheet remains strong and has continued to improve during the year

DAYS STOCK ON HAND



12.6 DAY REDUCTION SINCE 1999 HAS RESULTED IN A $725M CASHFLOW BENEFIT

CASH FLOW

	FY03 $m		FY04 $m	
EBITDA	1,344.0		1,472.7	
Net interest paid (incl. cost of Income notes)	(82.3)		(95.7)	
Taxation paid	(283.8)		(324.1)	
		977.9		1,052.9
Net reduction in working capital	245.7		201.2	
Other non cash items	(14.1)		(34.7)	
		231.6		166.5
Total cash provided by operating activities		**1,209.5**		**1,219.4**
Payments for the purchase of businesses - other	(41.5)		(56.4)	
Payments for purchase of investments	-		(26.8)	
Payments for new stores, refurbishments, supply chain, IT and other stay in business	(593.4)		(718.7)	
Proceeds on disposal of property plant & equipment	114.5		138.1	
Advances to/repayments from associate (MGW)	(23.8)		83.5	
Dividends received from associate (MGW)	-		1.1	
Total cash used in investing activities		**(544.2)**		**(579.2)**
Free Cash		**665.3**		**640.2**
Net operating profit after tax and after WINs		609.5		687.8
Free Cash Flow as a % of Declared Profit		109%		93%

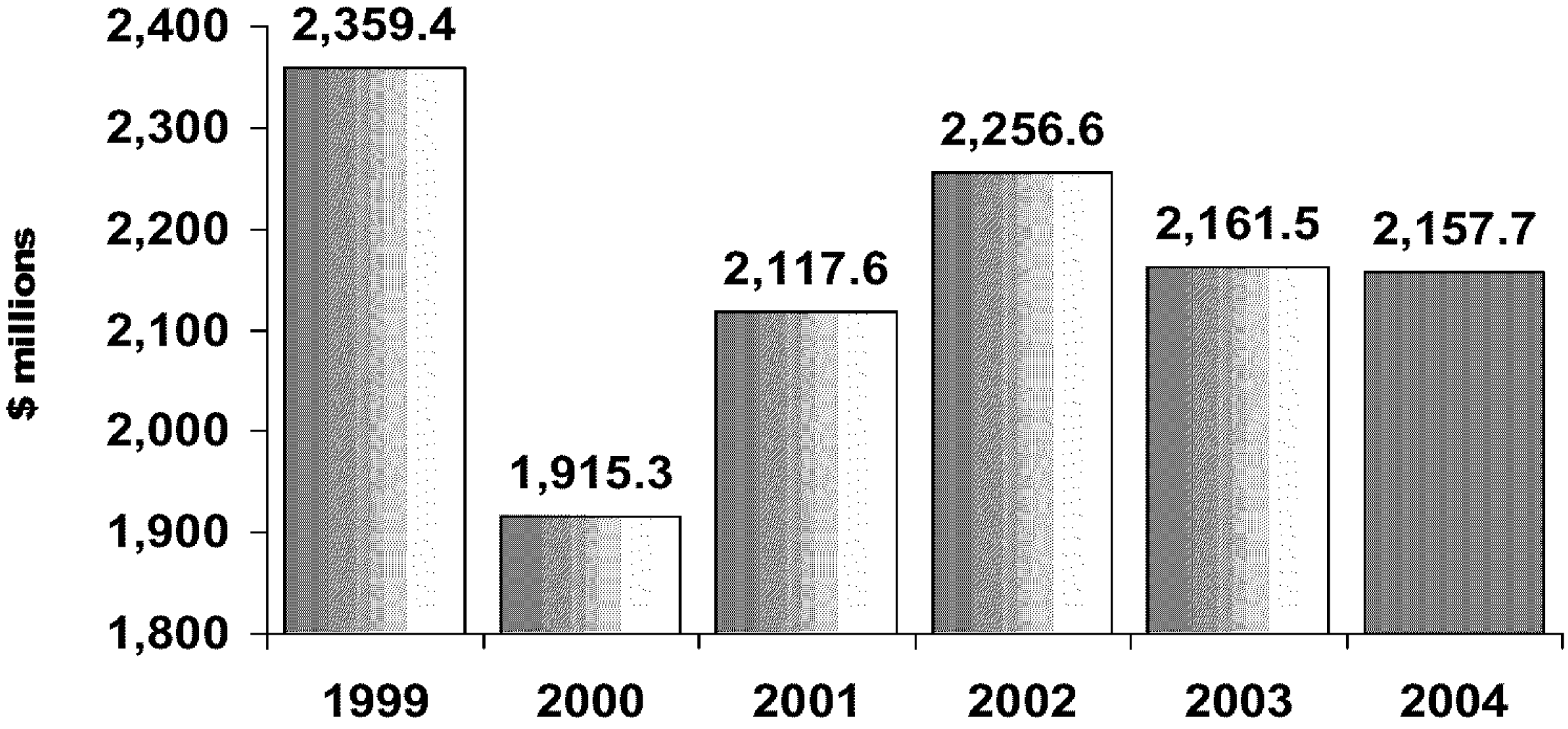
THE QUALITY OF THE CASH FLOW UNDERPINS THE PROFIT DELIVERY TO SHAREHOLDERS

CAPITAL MANAGEMENT

Over the past 5 years $3.3b, comprising off and on-market buy backs and dividends, have been returned to shareholders

- During FY04 12.7 million shares repurchased at a cost of approximately $141m
- Franking credits available for distribution as at the end of FY04 amounted to $404m
- Our capital management strategy has been an important driver of EPS growth over the past 4 years
- Fixed cover charge ratio continues to be very favourable at 2.52 times (despite the impact of $675m share buy-backs in 2003/2004)
- There are approximately 20 million options that are eligible to be redeemed during FY05. Timing of this is however dependent on the individuals themselves
- While share buy back and other capital management initiatives remain under continual review, we will revisit our capital management strategy following the outcome of the takeover offer for the Australian Leisure and Hospitality Group Limited

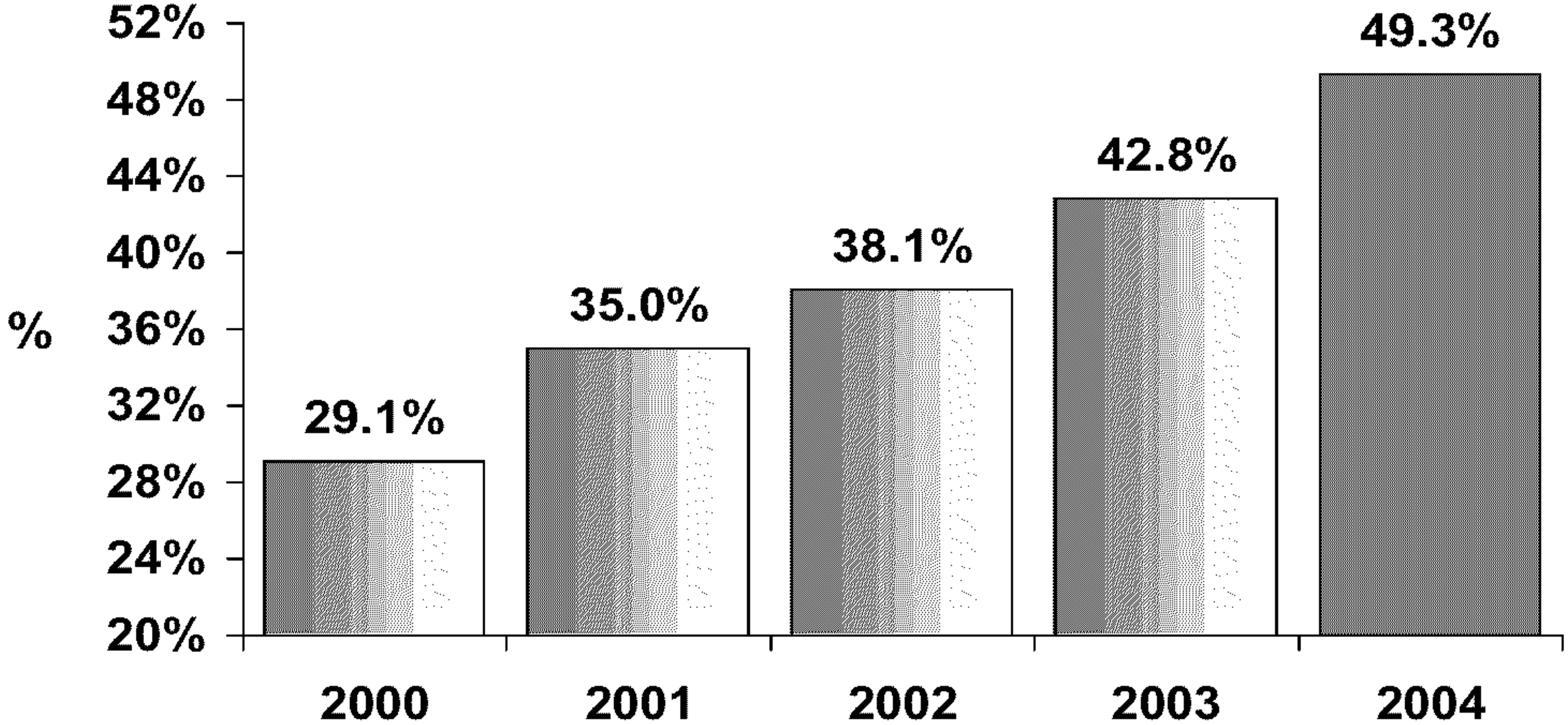
FUNDS EMPLOYED



FUNDS EMPLOYED DOWN $3.8M IN FY04 MAINLY DUE TO AN INCREASE IN NEGATIVE WORKING CAPITAL OFFSET BY AN INCREASE IN CAPEX SPEND

OVER FIVE YEARS FUNDS EMPLOYED DECREASED 8.5% ON SALES UP 59.4%

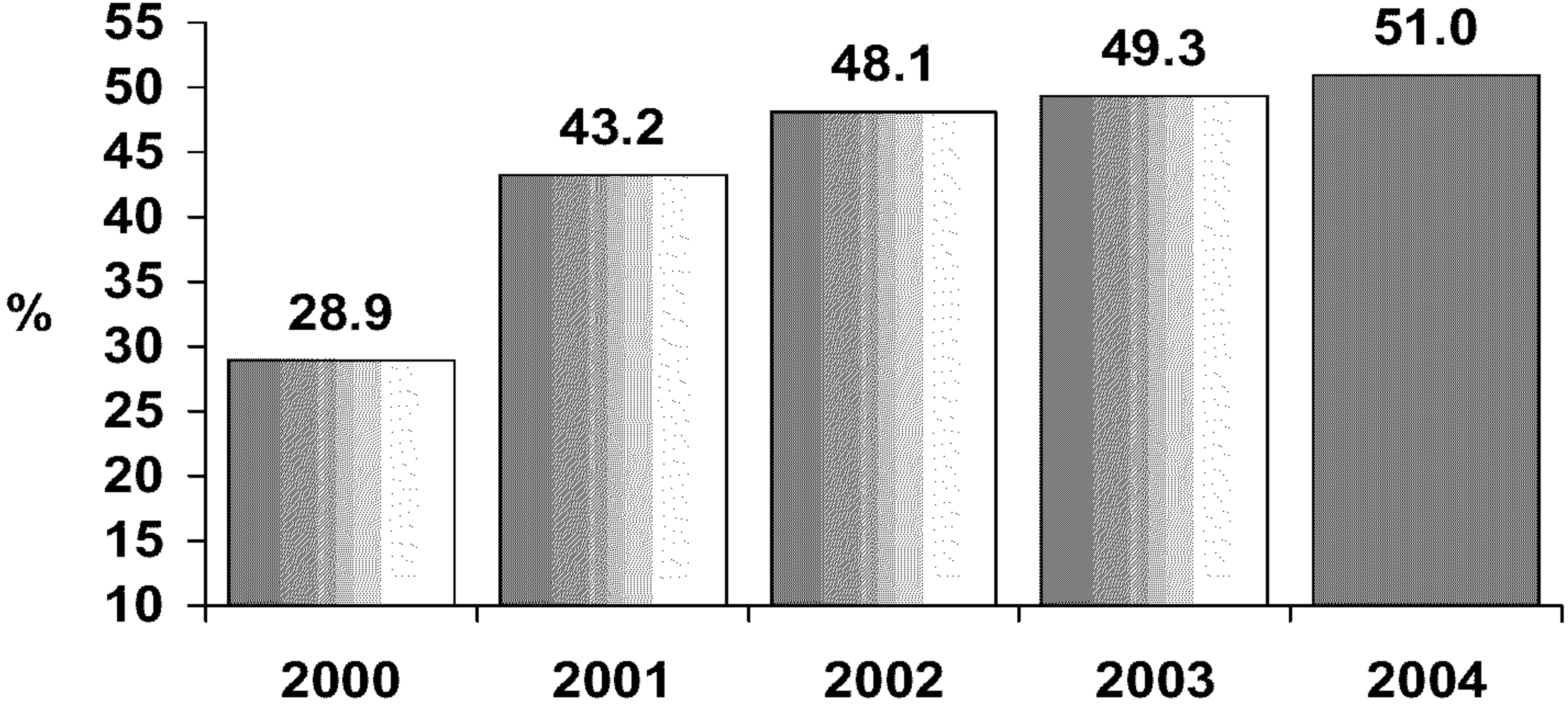
RETURN ON FUNDS EMPLOYED[1]



ROFE INCREASED FROM 42.8% LAST YEAR TO 49.3% DUE MAINLY TO STRONG EBIT GROWTH UP 12.6% ON LAST YEAR

(1) Based on average of opening and closing funds employed

RETURN ON EQUITY(1)



AVERAGE ROE HAS INCREASED 1.7%PTS DUE TO THE SHARE BUY BACK AND GROWTH IN EARNINGS

(1) Based on average of opening and closing Shareholders funds

FOUR YEAR REPORT CARD

In comparison with our regularly expressed goals	FY01	FY02	FY02[1] Normalised	FY03	FY03[1] Normalised	FY04	Achieved
Sales will grow in the upper single digits assisted by bolt-on acquisitions	+10.1%	+17.0%	+14.9%	+7.6%	+9.6%	+6.1%	✓
EBIT will outperform sales growth assisted by cost savings	+13.7%	+17.8%	+15.7%	+13.6%	+15.6%	+12.6%	✓
EPS will outperform EBIT growth assisted by capital management	+24.1%	+25.1%	+22.5%	+15.6%	+18.0%	+16.0%	✓

FY04 SALES FOR CONTINUING OPERATIONS 6.7%

[1] Adjusted to reflect growth on a comparable 52 week basis

FUTURE GROWTH
CONTINUED BALANCED FOCUS

Focus Areas		*Result*
Continuing Growth	High single digit sales growth Improved customer offer Lower prices Bolt-on acquisitions	Upper Single Digit Sales Growth
Cost Reductions (The Enabler)	Project Refresh I continues Project Refresh II deliveries	Low Double Digit EPS Growth
Capital & Balance Sheet Management	Efficient Balance Sheet Continue to reduce inventory	

GROWTH

Considerable opportunities for ongoing growth in both revenues and earnings

Continuing opportunity to grow market share

- Woolworths' market share of Food, Liquor & Grocery (FLG) remains below 30% and still low by world standards
- Independent grocers and specialty food stores hold just under 50%

Defined plans to continue space roll out

- Adding 15 - 25 new supermarkets each year and expanding existing stores (3% to 5% space rollout)
- Adding 6 -10 BIG W stores each year (6% to 8% space rollout)
- Adding 6 - 12 Dan Murphy stores each year
- Continued rollout of Powerhouse stores
- Planned store efficiency improvements (eg. centre of store and better utilisation of space)

Supported by detailed plans for the next two to three years identifying specific sites with minimal cannibalisation

Expansion of existing categories

- Targeting to grow liquor sales to over $2.5b, including MGW joint venture in Queensland
- Increased targeted number of petrol canopies to 470
- Increasing deregulation (trading hours eg. in Queensland on Sundays; limits on products sold, eg. Newspapers; liquor regulations)
- Under-represented in fresh food including meat, fruit and vegetables. Majority of bread, meat, fruit and vegetables sold through independents
- Further improve in-store execution and customer service
- Woolworths seeks to bring to its customers a diverse, interesting and wide range of goods at fair and consistent prices. This range features the major industry brands and the company's much respected Fresh Food offer. While retaining a strong commitment to branded merchandise, it must be recognised that Woolworths 'Homebrand' continues to be Australia's largest supermarket grocery brand

GROWTH

Considerable opportunities for ongoing growth in both revenues and earnings

New range and formats

- New format rollouts (eg. smaller BIG Ws to country towns)
- New categories across supermarkets and general merchandise, in particular petrol, liquor, electronics and hotels
- Focusing on further developing our fresh food business

Continued focus on improved in-store execution and service

- Providing more rapid service
- Benefits of AutostockR - improved ranging and centre of store program
- One Touch Stores Program, roll cages, shelf-ready trays, unit-load devices

Lower prices - a major sales driver

- Better and innovative buying
- Enabled by further cost reductions with continued focus on Refresh Levels I and II

Acquisitions

- Bolt-on acquisitions sought both proactively and reactively
- Alert to larger acquisition opportunities provided they are a strategic fit and incremental to shareholder value, eg. current takeover offer for ALH

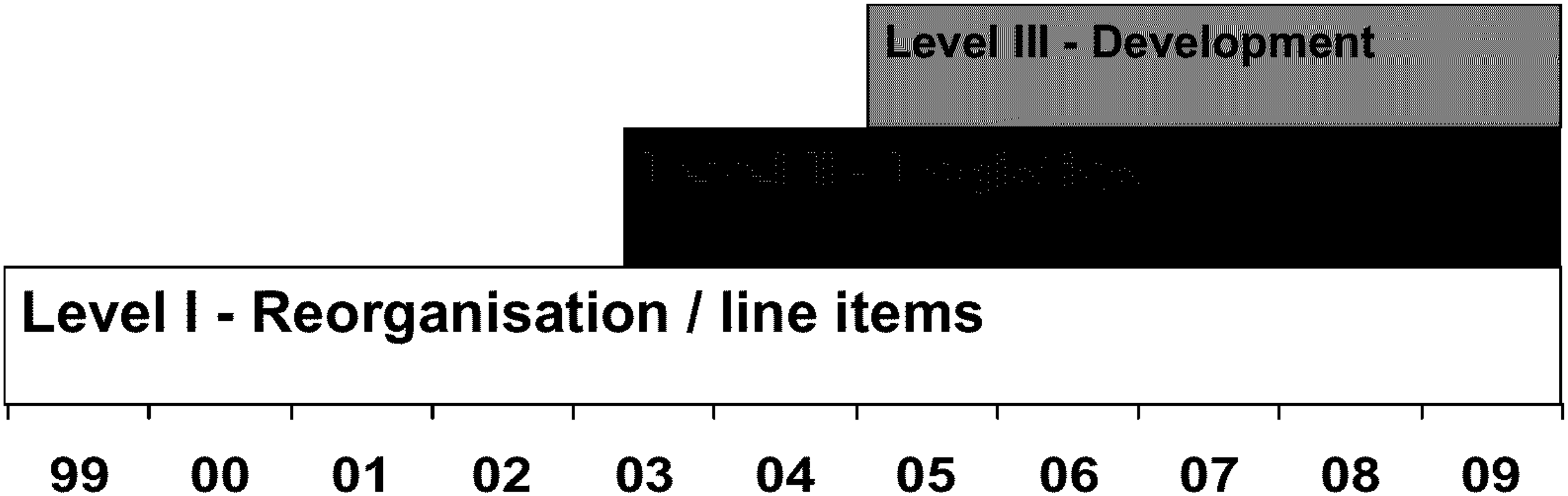
PROJECT REFRESH

Overview

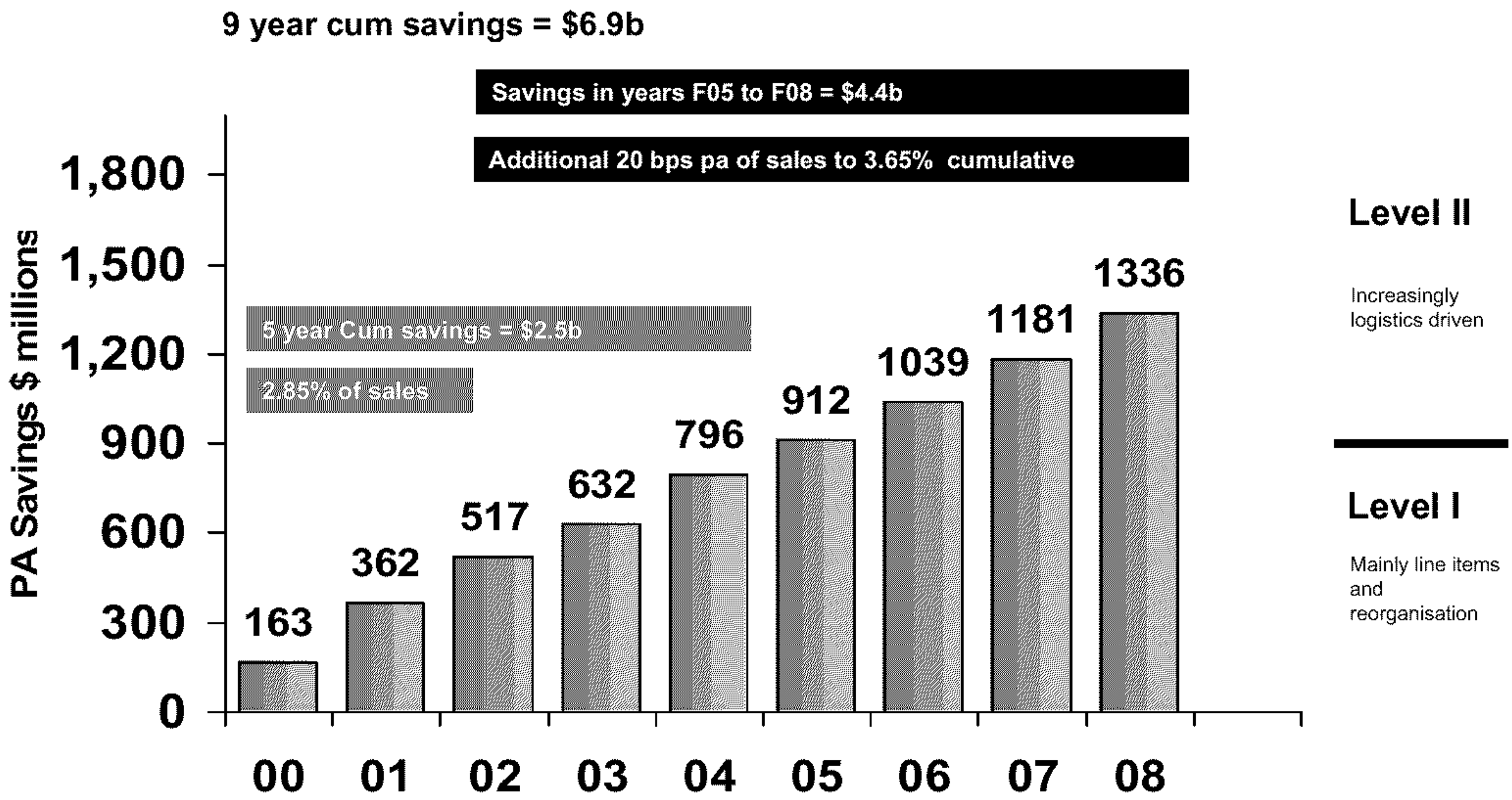
- "Refresh" level 1* initiatives over the past 5 years underpin a reduction in CODB of 2.85% of sales, giving cumulative savings of $2.5b (based on our 1999 cost structure)
- Targeting further "Refresh" savings to underpin a CODB reduction of 20bps per annum over the next five years.
- These additional savings over the next five years will come from both Refresh level I and level II (supply chain improvement program)

* "Refresh" level 1 incorporates business reorganisation, and line item cost reduction programs

PROJECT REFRESH



PROJECT REFRESH



"REFRESH" LEVEL II - BACKGROUND

The Supply Chain Strategy was developed by examining the logistics features of leading global retailers and evaluated to determine Woolworths' optimum solution

- Leading retailers were studied to identify best practice opportunities
- This led to the consideration of the following key design considerations:
  - Store Supply Chain Costs
  - Distribution Centre Location and Numbers
  - Distribution Centre Function
  - Composite Supply Chain
  - Transport Control
  - Process Improvements across the Network
  - Common Integrated Systems

"REFRESH" LEVEL II - BACKGROUND

The Supply Chain strategy is a whole of business transformation delivering value to our customers. The objectives of the Supply Chain Strategy are:

- Store friendly, utilising one touch principles
- Demand driven integrated end-to-end supply chain
- Optimised network with flexibility to meet future business needs
- Common consistent processes across the network
- Use of flow-through processes for fast moving items
- Consolidation of slow moving items
- Cold Chain and Fresh Food quality focus
- Control of both Primary and Secondary Transport
- Minimisation of Direct to Store Delivery
- Ability to gain future synergies with other Woolworths Divisions
- Safer work places
- Positive environment outcomes

Successful delivery will require significant change across our business and will need to draw on our strong sense of teamwork. Our people are working collaboratively with suppliers and partners to effectively reengineer and simplify our transport capability, our distribution centre network and our stores for mutually beneficial outcomes.

Key Initiatives - Status

Replenishment Program

The foundation of our supply chain lies in our ability to forecast and order stock in line with customer demand while maintaining just enough stock in our warehouses and our vendor warehouses to supply this demand.

Achievements

- AutostockR fully implemented in long life departments in all stores – 5 months ahead of original schedule
- Stock levels have been reduced and service levels improved
- A pilot has commenced to introduce AutostockR into our fresh food departments in four stores and one area, with rollout due to complete in the third quarter FY05
- Reduced inventory levels have allowed us to re-merchandise our stores

Key Initiatives - Status

One Touch Stores Program is underway in the following areas:

- Roll Cages – units that enable stock to be pre-packed at the DC and delivered directly to store for efficient and safer shelf-filling practices
- Shelf-Ready Trays – improve efficiencies with multiple items being transferred to the shelf in one movement
- Unit-Load Devices - purpose built units that are filled with one product and can be 'rolled in' and straight into shelf space without manual shelf-filling requirements

Achievements

- Roll Cages have been successfully implemented in WA stores and a number of DCs with expectations exceeded. Rollout to other states to commence in FY05
- Store training for Shelf-Ready Tray replenishment is well underway and has resulted in improved efficiencies in shelf replenishment
- Initial Unit-Load Device proto-types have been evaluated with a pilot planned during FY05
- One touch produce crates are being piloted in a number of stores

Key Initiatives - Status

Distribution Centre (DC) Program

Our plan is to consolidate 31 Supermarket DCs to 9 Regional and 2 National DC sites of significantly larger size and scale.

Achievements

- The majority of DCs are well underway as dedicated projects with locations secured and initial commissioning scheduled
- Four new RDC sites have been secured – Perth, Wyong, Wodonga and Brisbane. Designs are completed with construction contracts either secured or under tender
- Perth will be the first Regional Distribution Centre (RDC) to be implemented and will be a 'blueprint' for our learnings and future transitions. Construction is ahead of schedule
- The Warehouse Management System's (WMS) foundational functionality is being piloted in an existing DC with rollout scheduled for second quarter FY05
- Development of existing DC infrastructure is also being undertaken in NSW, Victoria and South Australia

Key Initiatives - Status

Transport Program

By improving the control of primary and secondary freight Woolworths is seeking to leverage synergies and deliver stock to all stores consistent with customer demand:

- Primary Freight is the conversion of supplier delivered product to Woolworths collected product
- Secondary freight is the effective delivery of stock from DC to stores

Achievements

- The Primary Freight release of the Transport Management System (TMS) was implemented in November 2003 ahead of budget and schedule
- A dedicated Primary Freight Group has been established and is working closely with suppliers
- Primary Freight negotiations are underway with ongoing transition plans continually extending to an array of large and small suppliers
- Secondary Freight planned with rollout commencing third quarter FY05

Key Initiatives - Status

Vendor Collaboration Program

Woolworths values its relationship with its suppliers and aims to work with them to improve efficiencies across the supply chain. We will do this through collaboration with our vendors, sharing information and requesting feedback.

Achievements

- Workshops have been conducted nationally with 1,100 of our vendors. Collaborative business plans have been developed with many of our vendors
- Communication is imperative and regular updates and specification of requirements have been provided to our vendor partners which will continue throughout FY05
- We have actively been working with our Direct to Store Delivery vendors and have recently converted a number of products to warehouse supplied within the existing DC network
- These 'early wins' will be invaluable to our learnings, and will enable us to work with our vendors to ensure that improvements are incorporated into our future transitions

CURRENT TRADING

The first seven weeks show:

- Overall sales growth in upper single digits 6.7%
- Food and Liquor comparable sales in June, July and August (to date) have seen a very pleasing change in trend in comparison to the fourth quarter of FY04
- Since the end of the year, comparable sales for Food and Liquor have increased by 2.65% compared with 1.5% in the fourth quarter of FY04. We are confident this improving trend will continue
- BIG W and Consumer Electronics comparable sales growth to date are better than last year's comparable sales growth

GUIDANCE F05

Sales

- For FY05 we will continue to limit sales guidance to the expectation that sales will continue to grow in the upper single digits

Earnings

- For FY05, we anticipate that Net Profit after Tax (NPAT) will increase in the range of 10% to 15%
- The Board has decided to revisit capital management strategies after the resolution of the current takeover offer for ALH
- This, together with the uncertainty surrounding the number of employee options which can be exercised by option holders (up to 20 million are eligible to be exercised), led the Board to decide to provide Profit Growth guidance, which it considered to be more relevant for shareholders.
- Subject to the current circumstances, our ongoing objectives remain to continually review and implement appropriate capital management strategies, to maintain an efficient balance sheet and to achieve low double digit EPS growth

Other

- Trading area expected to grow between 3% and 5% over the foreseeable future
- Inventory is expected to reduce between 1 and 2 days per annum
- Funds employed is expected to increase less than sales

Guidance subject to current trading patterns carrying on, and present business, competitive and economic climate continuing

Appendices

FIVE YEAR REPORT CARD

Annual change

2004			2000	2001	2002	2003	2004	Average	Future Guidance
$27.9 bil	Sales	% Chg	+8.6%	+10.0%	+14.9%	+9.6%	+6.1%	+9.8%	High single digit growth
708	Supermarket stores	#	+26	+18	+73	+18	+14	+30	15-25 pa to over 800
111	BIG W stores	#	+2	+3	+6	+8	+7	+5	6-10 pa to over 150
359	Petrol Canopies	#	+39	+29	+90	+31	+72	+52	to around 470
2.355m sqm	Total Space	% Chg	+2.4%	+4.1%	+10.0%	+6.0%	+3.8%	+5.3%	+3% to 5% pa
24.95%	Gross Profit % (ex wholesale)	% pts	-57	-83	-36	-51	-34	-52	-50 pts over 5 years (Av -10 pa)
21.12%	Cost % (ex wholesale)	% pts	-77	-93	-36	-66	-54	-65	-100 pts over 5 years (Av - 20 pa)
	Cost savings (ex wholesale)	$ m	141	343	486	707	906		-100 pts over 5 years (Av - 20 pa)
	Customer share of savings		74%	82%	85%	83%	79%	81%	50% over 5 years
	Shareholder share of savings		26%	18%	15%	17%	21%	19%	50% over 5 years
3.81%	EBIT %	% pts	+19pts	+11pts	+2pts	+19pts	+22pts	+15	50 pts over 5 years approx (Av 10 pa)
$1,065 mil	EBIT $	% Chg	+15%	+14%	+18%	+14%	+13%	+15%	Low double digit growth
$688 mil	Net Profit $	% Chg	17%	+18%	+22%	+16%	+13%	+17%	Low double digit growth
70.14c	EPS (pre Goodwill)	% Chg	+19%	+25%	28%	+16%	+16%	+21%	Low double digit growth
32.1	Days Inventory	reduction	3.9	0.2	3.3	3.2	2.0	2.5	1 to 2 days p.a.
$2.16 bil	Funds Employed	% Chg	-19%	+11%	+7%	-4%	-0.2%	-1.0%	Increase slower than sales
49.3%	Return on Funds Employed	% pts	+4.7 pts	+5.9 pts	+3.1 pts	+4.7pts	+6.5pts	+5.0pts	Increasing
$640 mil	Free Cash Flow $		768	243	391	665	640		
	Free Cash Flow % to Profit		260%	57%	75%	109%	93%	119%	
45c	Dividend	% Chg	+28%	+17%	+22%	+18%	+15%	+20%	In line with EPS growth
	Capital return	$m	548	349	0	534	141		Under continuing review

HEALTH RATIOS

		FY03	FY04	
Fixed charges cover	X	2.50	2.52	(Covenant more than x 1.75)
Days inventory (to cost of sales)	Days	34.1	32.1	
Days creditors (to sales)	Days	45.2	44.9	
Return on Funds Employed (pre tax) ROFE	%	42.8	49.3	
Return on Total Equity	%	33.4	33.5	
Return to Noteholders (pre tax)	%	6.9	7.2	
Return on Shareholders Equity (post tax)	%	49.3	51.0	
Net working capital	$M	(878.8)	(1,173.4)	

Australian Rating of "A-" with CP and MTN pricing equivalent to A currently on credit watch negative given current takeover offer for ALH

Rating on US private placement by NAIC remains at 1

FIXED CHARGES COVER

	2000	2001	2002	2003	2004
EBIT	621.6	706.6	832.7	945.7	1,065.1
D&A	288.8	309.8	351.0	398.3	407.6
EBITDAR	1,457.1	1,616.4	1,888.7	2,102.7	2,282.5
Interest	33.6	25.0	57.6	41.2	52.8
WINs contingent coupon	26.1	47.7	39.8	41.1	42.9
Rent - base	439.4	497.3	569.9	620.2	664.2
Rent - turnover contingent	107.3	76.9	79.4	77.1	79.0
Rent - store fitout	-	25.8	55.7	61.4	66.6
Total Fixed Charges	606.4	672.7	802.4	841.0	905.5
Fixed Charges Cover	**2.40 x**	**2.40 x**	**2.35 x***	**2.50 x***	**2.52 x***
Fixed charges excluding contingent rent and contingent interest	**3.08 x**	**2.95 x**	**2.76 x**	**2.91 x**	**2.91 x**

* Covenant x1.75+ and internal guideline x2.20+

CAPITAL EXPENDITURE

	F04 Actual	F05 Forecast	F06 Forecast	F07 Forecast	F08 Forecast	F09 Forecast
New Stores/Acquisitions	139[1]	164[2]	151	142	140	145
Store Refurbs/Extensions	216	291[3]	245	230	235	240
Stay in Business	94	85	75	78	81	83
IT - Other	71	86	72	85	100	105
IT - Supply Chain	23	36[4]	55	17	15	10
Supply Chain - Refresh II & SIB*	20[5]	141[6]	123	36	43	23
Normal & ongoing CAPEX	**563**	**803**	**721**	**588**	**614**	**606**
Norwest & Distribution Centres[7]	92	-	-	-	-	-
Property Developments	120[8]	135	186	187	180	172
Gross Capex	**775**	**938**	**907**	**775**	**794**	**778**
Property and PPE Sales	(138)	(133)	(200)	(150)	(180)	(180)
Net Capex	**637**	**805**	**707**	**625**	**614**	**598**

(1) Includes 2 new stores not forecast at the Half Year, however close to original forecast of $138m

(2) Increase in new store CAPEX from F04 to F05 reflects greater number of stores to be opened

(3) Includes additional refurbishment activity

(4) Below previous forecast due to lower costs than anticipated

(5) Below the previous forecast due to $25m more efficient and lower spend on SIB* and rescheduling of Project Refresh costs. Also note that the HY04 actual of $37m included expenditure on Distribution Centre construction now shown separately

(6) Mostly represents investment in Refresh Level II

(7) Forecast excludes Norwest ($39m) and Distribution Centre site and construction costs ($53m) - assume that these will be leased

(8) Below original forecast due to decision to presell certain properties prior to development

*** SIB - Stay In Business**