WOOLWORTHS LIMITED
A.B.N. 88 000 014 675

27 August 2007

The Manager Companies
Australian Securities Exchange
Company Announcements Office
Level 4 50 Bridge Street
Sydney NSW 2000

Dear Sir,

Re: WOOLWORTHS LIMITED PRELIMINARY FINAL REPORT - LISTING RULE 4.3A

The Preliminary Final Report / Appendix 4E for the year ending 24 June 2007 is attached.

For and on Behalf of
WOOLWORTHS LIMITED

PETER J HORTON
COMPANY SECRETARY

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Preliminary Final Report of Woolworths Limited for the Financial Year Ended 24 June 2007

ACN 88 000 014 675

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period:	Financial Year ended 24 June 2007
Previous Corresponding Period:	Financial Year ended 25 June 2006

Source Reference: *ASX Appdx 4E.1, ASX Listing Rules 4.3C.1*

Woolworths Limited

Results For Announcement To The Market
for the Financial Year Ended 24 June 2007

Revenue and Net Profit/(Loss)

			Percentage Change %		Amount $M
ASX Appdx 4E.2.1	Revenue from ordinary activities	up	12.6%	to	42,726.8
ASX Appdx 4E.2.2	Profit/(loss) from ordinary activities after tax attributable to members	up	27.5%	to	1,294.0
ASX Appdx 4E.2.3	Net profit/(loss) attributable to members	up	27.5%	to	1,294.0

Dividends (Distributions)

		Amount per security	Franked amount per security
ASX Appdx 4E.2.4	Final dividend	39¢	39¢
ASX Appdx 4E.2.4	Interim dividend	35¢	35¢
ASX Appdx 4E.2.5	Record date for determining entitlements to the dividend:	Final Dividend: 6 September 2007	

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

ASX Appdx 4E.2.6

Refer to press release

Income Statement
for the Financial Year Ended 24 June 2007

	Note	2007 $m	2006 $m
Revenue from sales of goods		42,477.1	37,734.2
Other operating revenue		109.7	99.1
Total revenue from operations		42,586.8	37,833.3
Cost of sales		(31,832.8)	(28,388.7)
Gross profit		**10,754.0**	**9,444.6**
Other revenue		140.0	128.2
Other income		-	16.7
Branch expenses		(6,781.2)	(6,099.0)
Administration expenses		(2,001.5)	(1,768.3)
Earnings before interest and tax		2,111.3	1,722.2
Financial expense		(262.0)	(266.8)
Financial income		28.4	17.1
Correction of fundamental error	4	-	-
Net profit before income tax expense	2	**1,877.7**	**1,472.5**
Income tax expense		(566.4)	(445.8)
Net profit after income tax expense		**1,311.3**	**1,026.7**
Net profit attributable to minority interests		(17.3)	(12.1)
Net profit attributable to members of Woolworths Limited		**1,294.0**	**1,014.6**

Source Reference: *ASX Appdx 4E.3*

Woolworths Limited

Balance Sheet
as at 24 June 2007

	Note	2007 $m	2006 $m
Current assets			
Cash		798.8	525.9
Trade and other receivables		484.7	1,160.4
Inventories		2,739.2	2,316.1
Assets held for sale		96.9	115.6
Other financial assets		41.4	2.8
Total current assets		**4,161.0**	**4,120.8**
Non-current assets			
Trade and other receivables		5.4	14.0
Other financial assets		256.0	59.5
Property, plant and equipment		4,623.0	4,055.8
Intangibles		5,003.5	4,759.4
Deferred tax assets		367.2	336.9
Total non-current assets		**10,255.1**	**9,225.6**
Total assets		**14,416.1**	**13,346.4**
Current liabilities			
Trade and other payables		4,184.7	3,573.4
Borrowings		379.8	612.3
Other financial liabilities		74.9	-
Current tax liabilities		212.9	84.6
Provisions		650.5	604.0
Total current liabilities		**5,502.8**	**4,874.3**
Non-current liabilities			
Borrowings		2,690.9	3,704.0
Other financial liabilities		227.2	70.7
Provisions		382.3	340.7
Other		98.2	99.1
Total non-current liabilities		**3,398.6**	**4,214.5**
Total liabilities		**8,901.4**	**9,088.8**
Net assets		**5,514.7**	**4,257.6**
Equity			
Contributed equity		3,422.7	2,947.8
Shares held in trust		(71.6)	(87.1)
Reserves		(38.3)	(288.6)
Retained profits	7	1,962.5	1,455.7
Equity attributable to the members of Woolworths Limited		**5,275.3**	**4,027.8**
Minority interest		239.4	229.8
Total equity		**5,514.7**	**4,257.6**

Source Reference: *ASX Appdx 4E.4*

Statement of Cash Flows
for the Financial Year Ended 24 June 2007

	Note	2007 $m	2006 $m
Cash Flows From Operating Activities			
Receipts from customers		46,021.5	39,938.3
Receipts from vendors and tenants		35.8	28.7
Payments to suppliers and employees		(42,990.9)	(37,533.7)
Interest and costs of finance paid		(273.5)	(270.3)
Interest received		23.7	17.1
Income tax paid		(522.4)	(475.3)
Net cash provided by operating activities	8(f)	2,294.2	1,704.8
Cash Flows From Investing Activities			
Proceeds from the sale of property, plant and equipment		778.2	328.7
Proceeds from sale of investments		-	1.0
Payments for property, plant and equipment		(1,113.4)	(1,411.7)
Payments for the purchase of intangibles		(17.6)	-
Payment for purchase of investments		(173.0)	-
Dividend received		4.7	-
Payments for purchase of businesses	8(b)	(204.0)	(1,643.9)
Net cash used in investing activities		(725.1)	(2,725.9)
Cash Flows From Financing Activities			
Proceeds from issue of equity securities		47.4	23.7
Proceeds from external borrowings		10,097.1	11,089.2
Repayment of external borrowings		(11,096.6)	(10,010.2)
Dividends paid		(355.2)	-
Dividends paid to minority interest		(7.7)	-
Repayment of employee share plan loans		16.2	17.2
Net cash provided by financing activities		(1,298.8)	1,119.9
Net Increase In Cash Held		**270.3**	**98.8**
Effect of exchange rate changes on foreign currency held		2.6	(6.7)
Cash At The Beginning Of The Financial Year		**525.9**	**433.8**
Cash At The End Of The Financial Year	8(a)	**798.8**	**525.9**

Source Reference: *ASX Appdx 4E.5*

Statement of Recognised Income and Expense for the Financial Year Ended 24 June 2007

	2007 $m	2006 $m
Movement in translation of foreign operations taken to equity	190.0	(275.9)
Movement in the fair value of available-for-sale assets	(11.8)	-
Movement in the fair value of cash flow hedges [(1)]	(161.5)	(17.3)
Transfer to profit and loss on cash flow hedges [(2)]	236.0	(35.3)
Actuarial losses on defined benefit plans	(7.4)	(15.0)
Tax effect of items recognised directly in equity	(17.2)	(6.9)
Net income/(expense) recognised directly in equity	**228.1**	**(350.4)**
Profit for the period	**1,311.3**	**1,026.7**
Total recognised income and expense for the period	**1,539.4**	**676.3**
Attributable to:		
Equity holders of the parent	1,522.1	664.2
Minority interest	17.3	12.1
Total recognised income and expense for the period	**1,539.4**	**676.3**

[(1)] Represents the change in fair value of financial instruments entered into to hedge risks associated with our USD denominated debt.

[(2)] As the financial instruments meet the required "hedge effectiveness tests" an amount equal to the exchange movement on the USD debt is transferred from reserves to the profit and loss.

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

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Attachments

1. *Segment Note*
2. *Share Movements Schedule*

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2006 annual financial report except where detailed below.

Details of new accounting policy:

Available-for-sale financial assets

The consolidated entity's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value with any change recorded through an available for sale revaluation reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement. In the prior financial year, the consolidated entity held no investments in equity securities classified as available-for-sale financial assets.

2. Profit From Ordinary Activities

ASX Appdx 4E.3

Profit from ordinary activities before income tax includes the following items of revenue and expense:

	2007 $m	2006 $m
(a) Operating revenue		
Revenue from the sale of goods	42,477.1	37,734.2
Other operating revenue – rebates, discounts received and other	109.7	99.1
Total operating revenue	42,586.8	37,833.3
(b) Other revenue from ordinary activities		
Rent and other	140.0	128.2
Total revenue (excluding financial income)	42,726.8	37,961.5

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

	2006 $m	2006 $m
(c) Expenses		
Amounts provided for:		
Bad and doubtful debts	2.3	3.1
Self-insured risks	101.7	88.8
Depreciation:		
Buildings	20.4	22.9
Plant and equipment, fixtures and fittings	496.9	435.2
Amortisation:		
Leasehold improvements	72.0	64.1
Total depreciation and amortisation	589.3	522.2
Employee benefits expense	4,959.8	4,425.4
Operating lease rental expenses:		
Leased premises		
- minimum lease payments	1,081.5	923.2
- contingent rentals	99.6	97.7
- sub-leases	-	2.4
Leased equipment		
- minimum lease payments	25.2	46.8
Total operating lease rental expenses	1,206.3	1,070.1

(d) Individually significant non-recurring items

None

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source

Reference

2. Profit/(Loss) From Ordinary Activities (continued)

(e) Revision of Accounting Estimates

Details of the nature and amount of revisions of accounting estimates:

None

3. Commentary on Results

ASX Appdx 4E.14

Refer to Press Release

4. Fundamental Errors

ASX Appdx 4E.3

None

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference		2007 $m	2006 $m
	5. Extraordinary Items		
ASX Appdx 4E.3	None	-	-
	6. Sales of Assets		
ASX Appdx 4E.3	Sales of assets in the ordinary course of business have given rise to the following:		
	Net Profit/(Loss)		
	Property, plant and equipment	(12.7)	16.7
	7. Retained Profits		
ASX Appdx 4E.8	Balance at beginning of the financial year	1,455.7	1,063.8
	Effect of change in accounting policy	-	(1.1)
	Net profit attributable to the members of Woolworths Limited	1,294.0	1,014.6
	Defined benefit actuarial gain/(loss) recognised in equity (net of tax)	(5.2)	(10.5)
	Dividends paid	(788.9)	(613.1)
	Other	6.9	2.0
	Balance at end of financial year	1,962.5	1,455.7

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

8. Notes to the Statement of Cash Flows

ASX Appdx 4E.5

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2007 $m	2006 $m
Cash	798.8	525.9
	798.8	525.9

ASX Appdx 4E.5

(b) Businesses Acquired

Details of the aggregate cash outflow relating to the acquisition of businesses and the aggregate assets and liabilities of those businesses at the date of acquisition were as follows:

Fair Value of Net Assets Acquired

	2007 $m	2006 $m
Property, plant and equipment	113.6	679.8
Inventories	4.4	269.7
Liquor, gaming licenses, property rights	50.1	393.1
Brand names	-	244.1
Cash	0.3	67.4
Other assets	4.8	102.9
Interest bearing liabilities	-	(353.7)
Accounts payable	-	(302.2)
Provisions	(1.5)	(87.9)
Other liabilities	-	(95.5)
Net assets acquired	171.7	917.7
Goodwill on acquisition	32.6	2,315.3
	204.3	3,233.0
Analysed as follows:		
Consideration - equity	-	1,330.0
- equity issued to outside equity interests	-	191.7
Consideration - cash	204.3	1,711.3
	204.3	3,233.0
Consideration – cash	204.3	1,711.3
Less: Cash balances acquired	(0.3)	(67.4)
Net Cash Outflow on Acquisition	204.0	1,643.9

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

8. Notes to the Statement of Cash Flows (continued)

ASX Appdx 4E.5

(c) *Non-Cash Financing and Investing Activities*

In accordance with the Company's Dividend Reinvestment Plan (DRP) $433.7m of the total dividend of $788.9m (55%) was reinvested in the shares of the Company (2006: $613.1m of total dividend of $613.1m, 100%).

ASX Appdx 4E.5

(d) *Financing Facilities*

	2007 $m	2006 $m
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
Bank overdrafts	25.7	26.3
Bank loan facilities	2,575.2	2,284.8
	2,600.9	2,311.1
Used at balance date		
Bank overdrafts	-	-
Bank loan facilities	115.6	674.5
	115.6	674.5
Unused at balance date		
Bank overdrafts	25.7	26.3
Bank loan facilities	2,459.6	1,610.3
	2,485.3	1,636.6

(e) *Cash Balances Not Available for Use*

ASX Appdx 4E.5

Not Applicable

Source Reference

8. Notes to the Statement of Cash Flows (continued)

ASX Appdx 4E.5

(f) Reconciliation of Profit From Ordinary Activities After Related Income Tax to Net Cash Provided by Operating Activities

	2007 $m	2006 $m
Net profit after income tax	1,311.3	1,026.7
Depreciation and amortisation	589.3	522.2
Doubtful debts provision expense	1.5	3.1
Foreign exchange (gains)/losses	4.4	(3.0)
Share based options expense	17.0	13.2
Decrease in defined benefit plan liability	(8.7)	(9.0)
(Profit)/Loss on sale of property, plant and equipment	12.7	(16.7)
Borrowing costs capitalised	(3.1)	(3.4)
(Increase)/decrease in deferred tax asset	(47.4)	(5.3)
Increase/(decrease) in income tax payable	91.3	(27.8)
(Increase)/decrease in receivables	(6.4)	(34.4)
(Increase)/decrease in inventories	(399.2)	(107.6)
Increase/(decrease) in payables	467.3	169.0
Increase/(decrease) in sundry payables and provisions	264.2	177.8
Net cash provided by operating activities	2,294.2	1,704.8

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

9. Details Relating to Dividends (Distributions)

ASX Appdx 4E.6, ASX Appdx 4E.14.2

		Date dividend payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2007	5 October 2007	39	
	2006	6 October 2006	31	
Interim dividend	2007	27 April 2007	35	
	2006	28 April 2006	28	
Total	2007		74	
	2006		59	

Total dividend (distribution) per security (interim plus final)

ASX Appdx 4E.6, ASX Appdx 4E.14.2

	2007 ¢	2006 ¢
Ordinary securities (each class separately)	74	59
Preference securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil

Interim and final dividend (distribution) on all securities

ASX Appdx 4E.6, ASX Appdx 4E.14.2

	2007 $m	2006 $m
Ordinary securities (each class separately)	788.9	613.1
Preference securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil
Special Dividend (see below)	-	-
Total	788.9	613.1

Any other disclosures in relation to dividends (distributions).

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

ASX Appdx 4E.6, ASX Appdx 4E.14.2	Not Applicable

Source Reference

9. Details Relating to Dividends/(Distributions) (continued)

Dividend Reinvestment Plans

ASX Appdx 4E.7

The dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan (The Plan)

The rules of the Dividend Reinvestment Plan have been amended and will apply from the Final Dividend payable on 5 October 2007, when residual balances recorded in a participant's DRP account will be carried forward and applied to the next dividend. The DRP discount of 2.5% will be discontinued from the Final Dividend 2007. There is currently a limit on DRP participation of 20,000 shares which is applicable to the final dividend payable on 5 October 2007.

The last date(s) for receipt of election notices for the dividend or distribution plans	6 September 2007

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

10. Earnings Per Share

	2007 ¢ per share	2006 ¢ per share
Basic EPS	108.79	90.89
Diluted EPS	107.85	90.33

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2007 $m	2006 $m
Earnings (a)	1,294.0	1,014.6

	2007 No. m	2006 No. m
Weighted average number of ordinary shares (b)	1,189.4	1,116.3

Source

Reference

10. Earnings Per Share (continued)

(a) Earnings used in the calculation of basic earnings per share reconciles to net profit in the statement of financial performance as follows:

	2007 $m	2006 $m
Operating net profit attributable to the members of Woolworths Limited	1,294.0	1,014.6
Earnings used in the calculation of basic EPS	1,294.0	1,014.6

(b) Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2007 $m	2006 $m
Earnings (a)	1,294.0	1,014.6
Weighted average number of ordinary shares and potential ordinary shares (b), (c), (d)	1,199.8	1,123.1

Source

Reference

10. Earnings Per Share (continued)

(a) Earnings used in the calculation of diluted earnings per share reconciles to net profit in the statement of financial performance as follows:

	2007 $m	2006 $m
Operating net profit attributable to the members of Woolworths Limited	1,294.0	1,014.6
Earnings used in the calculation of diluted EPS	1,294.0	1,014.6

(b) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2007 No. m	2006 No. m
Weighted average number of ordinary shares used in the calculation of basic EPS	1,189.4	1,116.3
Shares deemed to be issued for no consideration in respect of employee options	10.4	6.8

	2007 No. m	2006 No. m
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	1,199.8	1,123.1

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source

Reference

10. Earnings Per Share (continued)

(c) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2007 No. m	2006 No. m
Shares deemed to be issued at average market price in respect of employee options	19.6	21.0
	19.6	21.0

(d) Weighted average number of converted, lapsed, or cancelled potential ordinary shares used in the calculation of diluted earnings per share:

	2007 No. '000	2006 No. '000
Not applicable	-	-

11. Net Tangible Assets Per Security

		2007 ¢ per share	2006 ¢ per share
ASX Appdx 4E.9	Net tangible assets per security	22.66	(62.44)
	Add:		
	Brand names, licenses and property development rights	154.02	152.60
	Net tangible assets per security adjusted for brand names, licenses and property development rights	176.68	90.16

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

12. Details of Entities Over Which Control Has Been Gained or Lost

ASX Appdx 4E.10

Control gained over entities

ASX Appdx 4E.10.1

Name of entity (or group of entities) .

1. Votraint No. 1622 Pty Limited
2. Wandella Investments Limited
3. Bancroft Limited [(1)]

ASX Appdx 4E.10.2

Date control gained

1. 20 November 2006
2. 19 September 2006
3. 19 September 2006 [(1)]

[(1)] Merged with General Distributors Limited on 28 May 2007

ASX Appdx 4E.10.3

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, from the date of gaining control: Nil

-

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

12. Details of Entities Over Which Control Has Been Gained or Lost (continued)

ASX Appdx 4E.10 **Loss of control of entities** **Not Applicable**

ASX Appdx 4E.10.1 Name of entity (or group of entities)

ASX Appdx 4E.10.2 Date control lost

		2007 $m
ASX Appdx 4E.10.3	Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, to the date of losing control.	-

		2006 $m
ASX Appdx 4E.10.3	Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities for the whole of the previous corresponding period.	-

13. Details of Associates and Joint Venture Entities

ASX Appdx 4E.11.1, 11.2, 11.3

	Ownership Interest		Contribution to net profit	
Name of Entity	**2007 %**	**2006 %**	**2007 $m**	**2006 $m**
Associates				
Not Applicable	-	-	-	-
Joint Venture Entities	-	-	-	-
	-	-	-	-
Aggregate Share of Profits	-	-	-	-

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source

Reference

14. Contingent Liabilities and Contingent Assets

	2007 $'000	2006 $'000
Contingent liabilities		
Trading guarantees	55.7	52.8
Workers' compensation self-insurance guarantees	363.0	362.4
Outstanding letters of credit issued to suppliers	29.9	38.1
Litigation	-	13.6
	448.6	466.9

Contingent assets

None

15. Segment Information

Refer to Attachment 1

16. Discontinuing Operations

Not applicable

Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2007

Source Reference

17. Other Significant Information

ASX Appdx 4E.12

Attachment 1 – Segment Note

Attachment 2 – Share Movements Schedule

18. Information on Audit or Review

ASX Appdx 4E.15

This preliminary final report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
✓	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

ASX Appdx 4E.16

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Not Applicable

ASX Appdx 4E.17

Description of dispute or qualification if the accounts have been audited or subjected to review.

Not Applicable

ATTACHMENT 1

	Supermarkets [1]		BIG W		Consumer Electronics [2]		Hotels [3]		Wholesale [4]		Consolidated	
	2007 $A million	2006 $A million	2007 $A million	2006 $A million	2007 $A million	2006 $A million	2007 $A million	2006 $A million	2007 $A million	2006 $A million	2007 $A million	2006 $A million
Segment disclosures												
Business segments												
Business segments												
Sales to customers	36,521.8	32,453.4	3,465.2	3,119.1	1,310.2	1,167.1	1,032.1	849.9	147.8	144.7	42,477.1	37,734.2
Other operating revenue	109.7	97.5	-	-	-	-	-	1.6	-	-	109.7	99.1
Inter-segment revenue	-	-	-	-	0.3	0.3	-	-	235.3	224.8	235.6	225.1
Segment revenue	36,631.5	32,550.9	3,465.2	3,119.1	1,310.5	1,167.4	1,032.1	851.5	383.1	369.5	42,822.4	38,058.4
Eliminations											(235.6)	(225.1)
Unallocated revenue/(expenses) [5]											140.0	128.2
Total revenue											42,726.8	37,961.5
Segment result before tax	1,835.1	1,448.0	138.6	123.1	66.8	64.0	183.7	151.1	2.5	1.8	2,226.7	1,788.0
Unallocated revenue/(expenses) - Property											(23.8)	18.3
- Head Office											(91.6)	(84.1)
Net financing cost											(233.6)	(249.7)
Profit before tax											1,877.7	1,472.5
Income tax expense											(566.4)	(445.8)
Profit after tax											1,311.3	1,026.7
Segment assets	8,061.0	7,385.6	996.8	799.6	479.6	408.1	2,590.9	2,404.9	49.5	59.6	12,177.8	11,057.8
Unallocated [6]											2,238.3	2,288.6
Total Assets											14,416.1	13,346.4
Segment liabilities	3,337.7	2,890.7	511.0	345.2	132.6	89.7	140.4	107.8	38.6	37.0	4,160.3	3,470.4
Unallocated [6]											4,741.1	5,618.4
Total Liabilities											8,901.4	9,088.8
Capital expenditure	680.6	3,454.7	103.4	90.0	36.4	23.8	247.9	919.3	1.2	1.4	1,069.4	4,489.2
Unallocated [6]											257.8	554.7
Acquisition of Assets											1,327.2	5,043.9
Segment depreciation and amortisation	412.8	364.8	47.9	36.7	24.4	21.7	55.6	39.5	1.4	1.3	542.1	464.0
Unallocated [6]											47.2	58.2
Total depreciation and amortisation											589.3	522.2
Segment other non cash expenses	11.5	8.2	2.0	1.5	0.4	0.3	0.2	-	-	-	14.1	10.0
Unallocated [7]											99.4	87.9
Total other non cash expenses											113.5	97.9

(1) Supermarkets comprise supermarket stores, liquor stores and petrol canopies in Australia and New Zealand.
(2) Consumer Electronics includes Woolworths Wholesale India.
(3) Hotels comprise on-premise liquor sales, food, accommodation, gaming and venue hire.
(4) Wholesale comprises Statewide Independent Wholesalers (SIW).
(5) Unallocated revenue comprise rent and other revenue from operating activities.
(6) Unallocated comprise corporate head office and property division.
(7) Non cash transactions include the defined benefit liability movement, employee shares scheme expenses and unrealised foreign exchange losses.

ATTACHMENT 1

	Australia		New Zealand		Consolidated	
	2007	2006	2007	2006	2007	2006
	$A million	$A million	$A million	$A million	$A million	$A million
Segment disclosures						
Geographical segments						
Sales to customers	38,272.6	34,885.0	4,204.5	2,849.2	42,477.1	37,734.2
Other revenue	339.4	320.7	5.9	3.5	345.3	324.2
Segment revenue	38,612.0	35,205.7	4,210.4	2,852.7	42,822.4	38,058.4
Segment assets	9,293.1	8,397.0	2,884.7	2,660.8	12,177.8	11,057.8
Capital expenditure	1,012.4	1,842.4	57.0	2,646.8	1,069.4	4,489.2

ATTACHMENT 2

Ordinary Securities-Movements through issues and buy-back of shares

Date	No of Shares	Issue Price per security	Amount paid up per security
13/07/2006	35,000	$ 10.89	$ 10.89
24/07/2006	4,138	$ 10.89	$ 10.89
24/07/2006	4,000	$ 12.94	$ 12.94
7/08/2006	52,500	$ 5.11	$ 5.11
7/08/2006	20,000	$ 10.89	$ 10.89
14/08/2006	6,750	$ 5.11	$ 5.11
21/08/2006	20,000	$ 5.11	$ 5.11
21/08/2006	52,500	$ 10.89	$ 10.89
21/08/2006	4,000	$ 12.94	$ 12.94
28/08/2006	888,352	$ 10.89	$ 10.89
4/09/2006	1,156,426	$ 10.89	$ 10.89
4/09/2006	10,000	$ 12.94	$ 12.94
8/09/2006	15,000	$ 6.17	$ 6.17
8/09/2006	273,900	$ 10.89	$ 10.89
18/09/2006	216,487	$ 10.89	$ 10.89
25/09/2006	110,952	$ 10.89	$ 10.89
3/10/2006	93,750	$ 10.89	$ 10.89
3/10/2006	2,000	$ 12.94	$ 12.94
6/10/2006	9,476,910	$ 19.73	$ 19.73
6/10/2006	8,914,105	$ 20.24	$ 20.24
9/10/2006	17,500	$ 10.89	$ 10.89
30/10/2006	80,000	$ 6.17	$ 6.17
27/11/2006	72,550	$ 10.89	$ 10.89
27/11/2006	6,250	$ 5.11	$ 5.11
27/11/2006	15,000	$ 10.89	$ 10.89
4/12/2006	78,750	$ 10.89	$ 10.89
11/12/2006	57,500	$ 10.89	$ 10.89
18/12/2006	160,000	$ 10.89	$ 10.89
27/12/2006	37,500	$ 6.17	$ 6.17
27/12/2006	75,000	$ 10.89	$ 10.89
2/01/2007	21,875	$ 6.17	$ 6.17
2/01/2007	74,600	$ 10.89	$ 10.89
5/03/2007	50,000	$ 6.17	$ 6.17
5/03/2007	566,900	$ 10.89	$ 10.89
12/03/2007	8,750	$ 10.89	$ 10.89
19/03/2007	80,000	$ 5.11	$ 5.11
19/03/2007	74,550	$ 10.89	$ 10.89
26/03/2007	25,000	$ 6.17	$ 6.17
26/03/2007	52,500	$ 10.89	$ 10.89
2/04/2007	9,650	$ 10.89	$ 10.89
27/04/2007	2,451,486	$ 27.05	$ 27.05
18/06/2007	12,500	$ 5.11	$ 5.11
	25,384,631	(a)	

(a) Note that this excludes 2,087,005 shares issued under the employee share plan (Treasury Shares)

WOOLWORTHS LIMITED

A.C.N. 000 014 675

· · · · · NEWS RELEASE · · · · · NEWS RELEASE · · · · ·

27 August 2007

FINAL PROFIT REPORT AND DIVIDEND ANNOUNCEMENT FOR THE 52 WEEKS ENDED 24 JUNE 2007

NET PROFIT AFTER TAX UP 27.5% TO $1,294.0 MILLION

- **SALES FROM CONTINUING OPERATIONS $42.3 BILLION UP 12.6%**
- **EARNINGS BEFORE INTEREST AND TAX $2,111.3 MILLION UP 22.6%**
- **NET PROFIT AFTER TAX $1,294.0 MILLION UP 27.5%**
- **EARNINGS PER SHARE UP 19.7%**
- **DIVIDEND PER SHARE UP 25.4% TO 74 CENTS**

"Overall this has been a successful year with strong results in all divisions. Our team continues to deliver on our strategy. We are continually looking for ways to improve our business by reinvesting the proceeds of our growth into even greater value, service levels and quality for our customers. We believe we are very well positioned for future growth."

Michael Luscombe

The Board of Woolworths Limited today released the profit and dividend announcement of Woolworths Limited and its controlled entities for the 52 weeks ended 24 June 2007.

Woolworths Limited Managing Director and CEO, Michael Luscombe said, "Today we are pleased to report a net profit increase of 27.5% to $1,294.0m. This result would not be possible without the many years of hard work in establishing the foundations for the positive momentum that we are currently experiencing. Our focus on the customer, the quality of our people and the successful execution of our business strategies, highlighted by the supply chain transformation in our Supermarket Group, have all contributed to this result. We believe we are very well positioned for future growth."

Commenting on the result, the Chairman of Woolworths Limited, James Strong said, “This result is a real credit to the people within Woolworths. The results reflect the strength of the Woolworths team and their ability to deliver sustainable profitable growth. Backed by these strong results, Woolworths is in a great position to continue to reinvest in the business, and continue to reinvigorate and enhance our offering to customers.

The 25.4% increase in Dividend Per Share (DPS) to 74 cents (1H: 35 cents, 2H: 39 cents) from 59 cents in 2006 reflects the confidence that the Board has in the company’s operations, results and the continued drive to increase future shareholder returns.”

In summary, Woolworths’ results for the year ended 24 June 2007 are as follows:

- Sales up 12.6% from continuing operations
- Total sales for this year compared with last year up 12.6% to $42,477 million
- Earnings before interest, taxation, depreciation and amortisation (EBITDA) up 20.3% to $2,700.6 million
- Earnings before interest and taxation (EBIT) up 22.6% to $2,111.3 million
- Net operating profit after tax up 27.5% to $1,294.0 million
- Earnings per share (EPS) up 19.7% to 108.8 cents
- Final dividend per share (DPS) 39 cents to bring total DPS for the year to 74 cents, up 25.4% with total dividend paid and proposed for the year amounting to approximately $892.5 million
- EBIT margins improved from 4.56% in 2006 to 4.97% in 2007.

Other highlights:

- Average return on funds employed (ROFE) was 27.1%. Normalising for the timing of acquisitions in 2006, ROFE (average) increased from 24.2% to 27.1%.
- Reduction in average inventory days from 32.7 days to 32.5 days, a reduction of 0.2 days.

Earnings Before Interest and Tax (EBIT)

($million)	2006 Statutory (52 weeks)	2007 Statutory (52 weeks)	Change
Food and Liquor [1]	1,286.0	1,597.1	24.2%
Petrol	53.1	82.9	56.1%
Australian Supermarkets Division	**1,339.1**	**1,680.0**	**25.5%**
New Zealand Supermarkets [2]	**108.9**	**155.1**	**42.4%**
BIG W	123.1	138.6	12.6%
Consumer Electronics – Aust & NZ	64.0	71.1	11.1%
India	-	(4.3)	-
General Merchandise Division	**187.1**	**205.4**	**9.8%**
Hotels [3]	**151.1**	**183.7**	**21.6%**
Total Trading Result	**1,786.2**	**2,224.2**	**24.5%**
Property Income/(Expense)	18.3	(23.8)	-230.1%
Central Overheads	(84.1)	(91.6)	8.9%
Continuing Operations	**1,720.4**	**2,108.8**	**22.6%**
Wholesale Division	1.8	2.5	38.9%
Group EBIT	**1,722.2**	**2,111.3**	**22.6%**

(1) Includes results for 20 Australian ex-FAL stores from 2 November 2005, and Taverner retail liquor results from 6 February 2006.
(2) Includes New Zealand Supermarket results from 2 November 2005.
(3) Includes BMG Hotel results from 1 July 2005 and Taverner Hotel results from 6 February 2006.

2006 – 2007 BUSINESS PERFORMANCE

Woolworths Limited CEO, Michael Luscombe said, “Overall this has been a successful year, with pleasing results in all our businesses.

The development of our supermarkets’ supply chain is now complete, with the opening of our largest distribution centre (DC) in Brisbane in March 2007. The systems that have driven our supply chain transformation are fully functioning and continue to be refined to deliver real productivity improved in stock positions and cost benefits to the business. We are now leveraging our systems and knowledge in logistics into other business areas including Liquor, BIG W and in time New Zealand supermarket operations.

We have been focussed on reinvesting in all our businesses in the 2007 year. Substantial investment in lower prices has been made, including three successful price rollback campaigns in Supermarkets and continued price leadership in BIG W and Dan Murphy. We have also substantially lowered prices to our customers in New Zealand. We have further improved in-store execution through our focus on our people, training, standards of service, quality and freshness and have improved our ranging in many respects. We re-launched the “Fresh Food People” which focussed on improving quality of product execution and presentation. The Woolworths Select range continued to be rolled out in response to very encouraging customer support. Major improvements have also been made in our general merchandise ranging in BIG W, in response to the changing requirements of consumers.

We have made and will continue to make progress on initiatives that are enhancing our understanding of what the customer wants, through increased market research capability and data analysis. We will shortly commence a trial that will replace paper petrol dockets with a customer card based system, providing greater convenience to our customers. We recently processed our first transaction through our own financial switch, which will provide an excellent platform for a number of opportunities for Woolworths in financial services.

Further, we completed the rollout of our new point of sale system across Supermarkets and BIG W, with implementation progressing across other parts of the business in Australia and New Zealand. This system brings not only enhanced functionality but also improves customer service and provides a flexible platform for future initiatives.

Woolworths remains focused on providing customers with a combination of greater convenience, freshness, quality, best range and consistently lower prices across all divisions. With these principles in mind, we have significant scope to reinvest in our business to drive future growth. As well as continuing the strategies above, numerous other opportunities exist to drive our core business through a combination of space roll-out, improvements in ranging, new categories, and new merchandising with the focus on the customer being paramount.

The recent acquisitions are on track and will provide ongoing growth opportunities as we harvest planned synergies and reposition these businesses.

We continue to develop opportunities internationally. In India, our joint venture partner, TATA, opened its first store operating under the “Croma” brand. We are very pleased with the progress being made with the repositioning of the New Zealand business. The teams in Australia and New Zealand are working very well together and continue to benefit from their respective knowledge and retail experience.

Woolworths Global Sourcing initiative is well underway with our overseas procurement office in Hong Kong now 16 months old. Improvements have been made in the 'end to end' procurement processes leading to enhanced quality of goods, improving our already high standards of quality control and delivering significant cost reductions. A solid base has been established for further benefits in the years ahead as we accelerate our direct sourcing.

Turning to the results, we have again exceeded our key targets of growing sales in the upper single digits (assisted by bolt-on acquisitions), and of EBIT growing faster than sales. EBIT margin strengthened by 41 basis points over last year.

This result includes $40 million of transition costs (2006: $80 million) associated with moving to our new supply chain arrangements.

Whilst the headline CODB has declined only 12bps, the Group exceeded its targeted 20bps reduction when the distorting impacts of Petrol and Hotels are excluded. When we exclude the impact of industrial action in New Zealand and the benefits from the reduced level of supply chain transition costs, the reduction in CODB also exceeds the 20bps target. Our focus on aggressively pursuing cost savings continued during the year.

We have previously advised the market that we would move to reporting inventory days on an average days basis as this is a better measure of inventory management across the entire year. The most notable benefit of converting to average inventory days is the positive business impact gained by ceasing the practice of driving down inventory levels at half year and full year end. This benefit was reflected directly in the improved sales performance in January and July and more than offsets the higher year end inventory holdings.

We have also indicated that there was a risk that our targeted 1-2 day inventory reduction might not be achieved at year end, due to growing levels of imported inventory as we ramp up our overseas buying offices and the one-off impact this year of some dual stocking with the opening of the Brisbane distribution centre. When we exclude the impact of incremental imported inventory, the reduction in average inventory days was 0.7 days (0.2 days including imported inventory). Whilst the level of imported inventory has increased slightly the largest impact is that we are importing greater quantities directly thus taking ownership of inventory earlier.

Our cash flow and balance sheet remained strong following our recent acquisitions. Our cash flow from operations was $2.3 billion up 34.6% from last year. Our free cash flow (after investing activities) was boosted by the receipt of proceeds from the sale of our Distribution Centres ($727 million). The strong cash flows during the period were used to repay debt, with net repayable debt down $1.3 billion (35.7%).

EPS growth for the year was a solid 19.7%. This is an outcome of our decision to strengthen our balance sheet with equity following our recent significant acquisitions.

Going forward into 2008, we plan to accelerate the reinvestment in our business. In particular we will increase our reinvestment into price and in range and merchandising. This will result in an accelerated roll-out of many new initiatives we have been developing, in particular across the Food and Liquor Group (Australia and New Zealand) and BIG W. This will see the level of capital expenditure rise to approximately $1.3 billion in the 2008 financial year.

In the absence of any major acquisitions we will consider undertaking some form of capital management in calendar year 2008. Our capital structure going forward will still preserve our capital strength to retain flexibility to pursue further growth opportunities."

Australian Supermarket Division (Including Liquor and Petrol)

	FY06 [(1)]	FY07	Change
Sales ($ million)	29,848	32,582	9.2%
Gross Margin (%)	23.01	23.41	40bps
Cost of Doing Business (%)	18.52	18.25	-27bps
EBIT to sales (%)	4.49	5.16	67bps
EBIT ($ million)	1,339.1	1,680.0	25.5%
Funds Employed ($ million)	2,155.7	2,271.6	5.4%
Return on Funds Employed (%)	66.1	75.9	9.8%pts

(1) Includes 20 ex-FAL Australian store results from 2 November 2005, ALH retail, MGW retail and BMG retail for the 52 weeks ended 25 June 2006 and Taverner Retail from 6 February 2006.

Food and Liquor

For the full year, Australian Supermarket division sales increased 9.2%, of which Food and Liquor sales grew 9.0%, with comparable sales growing 6.6% during the year. Inflation levels declined over the year as we cycled the “banana effect”.

For the Australian Supermarkets division, EBIT grew faster than sales, increasing by 25.5% compared with sales growth of 9.2%. Australian Supermarkets EBIT margin increased 67 basis points to 5.16% (2006: 4.49%). This result includes $40 million of transition costs (2006: $80 million) associated with moving to the new supply chain arrangements. These costs impact both gross profit margin (via increased freight) and CODB (via increased labour and other costs). The Brisbane RDC will continue to incur transition costs in the first half of the 2008 year, albeit at a reduced level.

Woolworths’ policy is, and has consistently been to, reduce costs and lower prices. The Rollback campaigns undertaken this year have been a real success with price reductions delivering a strong uplift in sales.

The improvement in Food & Liquor gross margins is attributable to several factors:

- further reductions in shrinkage;
- a reduction in the supply chain transition costs;
- the change in sales mix achieved through the price Rollback campaigns;
- the success of Woolworths Select private label;
- the benefit flowing from the reduction of direct store deliveries; and
- improvements in buying, including the benefits gained through the increased level of activity through our overseas buying office.

Cost savings continued to be vigorously pursued. The Australian Supermarkets division’s CODB declined by 27bps during the year, assisted by the reduction in transition costs and strong comparable sales growth which enabled further fractionalisation of costs.

During the year, 22 new supermarkets were opened. Total trading area in Australian Supermarkets grew by 3.6% which is in excess of the targeted range of 3.0% per annum. The bulk of the stores were opened towards the end of each half year.

When the impact of incremental owned imported inventory is excluded, the reduction in average inventory days for the Australian Supermarkets division was 0.7 days (0.2 days including imported inventory), which is a commendable effort given the impact of moving stock from direct store delivery to distribution centre delivery and the one-off impact of some dual stocking with the opening of the Brisbane distribution centre.

StockSmart and AutoStockR systems continue to provide better management of inventory levels with genuine benefits being realised in both inventory levels and an improved in-stock position.

Return on Funds employed increased by 9.8% pts, slightly ahead of sales growth.

Liquor

All existing liquor operations, including Dan Murphy, BWS and attached liquor, continue to perform well and recorded strong growth in both sales and profits. Total liquor sales for the year were $4.1 billion (FY06: $3.5 billion), reflecting solid comparable sales growth, the contribution from new store openings, and the inclusion of Taverner liquor sales for the full year.

Total liquor sales include sales from Supermarkets attached liquor, BWS, Dan Murphy and ALH bar sales. The strong liquor sales had a modest positive impact on the overall comparable sales for Australian Food & Liquor.

Dan Murphy has further expanded its operations in the year with 16 stores opened (6 of which were in Queensland) bringing the total number of Dan Murphy stores to 68. Sites and licences have been obtained to operate a strong national network of 150 Dan Murphy stores around Australia within the next four to five years. Dan Murphy provides customers with excellent value for money, extensive product ranging, personalised service and expertise.

At the end of the year Woolworths Limited operated 1,027 liquor outlets.

Petrol

For the full year, petrol sales were $4.8 billion, an increase of 10.2%, which was driven by solid increases in comparable volumes and continued rollout of new canopies. Average sell prices were lower than the previous year in the last three quarters of the year. During the year, petrol comparable sales increased by 5.0% and comparable volumes increased 4.8% (2006:1.3%).

As at the end of the financial year, Woolworths had 505 petrol stations including 134 Woolworths/Caltex alliance sites. Excluding the alliance sites, an additional 11 petrol canopies were opened during the year.

Petrol EBIT of $82.9 million reflects solid volume growth through new and existing canopies and a return to long term retail margins following a very tight market the previous year. EBIT margins have improved from 1.2% to 1.7%.

Whilst loyalty discounts remain popular, it is worth noting that almost 40% of fuel sold at Woolworths canopies don’t have fuel dockets, demonstrating the strong competitive price stance at the pump.

New Zealand Supermarkets (Progressive)

	FY06 [1] $AUD	FY07 $AUD	FY06 [1] $NZD	FY07 $NZD
Sales ($ million)	2,605	3,940	2,930	4,527
Gross Margin (%)	22.01	21.77	22.01	21.77
Cost of Doing Business (%) [2]	17.50	17.54	17.50	17.54
EBIT to sales (%) [2]	4.51	4.23	4.51	4.23
Trading EBIT ($ million)	117.4	166.5	132.0	191.3
Less intercompany charges ($ million)	(8.5)	(11.4)	(9.5)	(13.1)
Reported EBIT ($ million)	108.9	155.1	122.5	178.2
Funds Employed ($ million)	2,115.2	2,263.5	2,532.1	2,510.7

(1) Represents New Zealand store results from 2 November 2005.
(2) Excludes intercompany charges

The planned repositioning of the Progressive Supermarkets business in New Zealand is partially complete and is on track to achieve its' objectives. In particular:

- Home Brand was introduced in the first half of the year and has been well received by customers. Just prior to year end, the Select private label offering has been introduced into the New Zealand market.
- The offering to our customers continues to improve through a focus on Fresh, and through improvements in store merchandising, quality, in-store service and execution.
- Buying terms have been improved. Significant investment in prices has been made to improve our competitiveness, and deliver lower prices and better value to the New Zealand consumer.
- The systems integration has progressed well. The conversion of all major store and support office systems to Woolworths' platforms by the end of the 3 years (since acquisition) is proceeding as planned. This includes merchandising, point of sale, replenishment (Stocksmart and AutostockR), finance and logistics platforms.
- The property team has been boosted with additional resources, with improvements in the trading area expected in 2008, through expansions and refurbishments.

These and other initiatives will ensure that we are well placed to strengthen and grow this business.

For the full year, sales in New Zealand were $3.9 billion and reported EBIT was $155.1 million. It was pleasing to see a return to normal operating levels, following the industrial action that occurred in the first quarter.

The second half trading performance provides a clearer picture of the positive results being achieved, as it excludes the impacts of the industrial action and the change in ownership.

In the second half there was a 4.8% increase in sales and a 12.6% increase in reported EBIT.

BIG W

	FY06	FY07	Change
Sales ($ million)	3,119	3,465	11.1%
Gross margin (%)	29.95	29.80	-15bps
Cost of Doing Business (%)	26.00	25.80	-20bps
EBIT to sales (%)	3.95	4.00	5bps
EBIT ($ million)	123.1	138.6	12.6%
Funds Employed ($ million)	440.2	471.1	7.0%
Return on Funds Employed (%)	30.9	30.4	-0.5%pts

Over the last 18 months the BIG W team has been focused on repositioning and improving the offer to customers. EBIT grew faster than sales, increasing by 12.6% compared with sales growth of 11.1%, with a pleasing second half result, supported by strong comparable sales (Year 3.4%, second half 7.3%).

The results reflect the endorsement by customers of the merchandise departments that have been refreshed. This has been achieved through a number of initiatives including re-ranging, adjusting merchandising layouts, improving the in-store experience and better buying, whilst maintaining BIG W's everyday low price positioning. Whilst good progress has been made, BIG W will accelerate refurbishments in the 2008 financial year to provide greater opportunities for the revised merchandising programme to extend across more of our stores.

Gross margins reduced by 15bps as BIG W maintained its everyday low price position in the market. The result was evenly balanced across all categories.

CODB has decreased 20bps, reflecting strong cost control at the store level and the benefits of cost fractionalisation achieved through improved sales.

Average inventory levels were well managed being down 3.9 days on last year.

13 BIG W stores were opened in the year (1H07: 7 stores, 2H07: 6 stores), taking the total number of stores in the division to 142. This increase in new store openings primarily drove the increase in funds employed.

Consumer Electronics (Australia and New Zealand)

	FY06	FY07	Change
Sales ($ million)	1,167	1,285	10.1%
Gross margin (%)	29.39	28.21	-118bps
Cost of Doing Business (%)	23.91	22.68	-123bps
EBIT to sales (%)	5.48	5.53	5bps
EBIT ($ million)	64.0	71.1	11.1%
Funds Employed ($ million)	296.8	311.9	5.1%
Return on Funds Employed (%)	24.0	23.4	-0.6%pts

Consumer Electronics reported a solid result all round with the division reporting double digit growth in both revenue and earnings. Sales for the full year reached $1,285 million (10.1% increase on last year) with comparable store sales increasing by 6.4%. After normalising for the effect of exchange rate movements in the New Zealand dollar, sales have increased 11.0%, with comparable sales being 7.2%.

The Consumer Electronics market continues to experience significant price deflation in a very competitive sector. Strong unit sales growth and market share growth have been achieved in a number of key categories, including flat panel TVs, portable PCs and DVD recorders.

The Consumer Electronics business provides customers with the latest technology at great prices, quality brands and expert service and advice.

During the year, customers benefited from lower prices reflected by a reduction in gross margin by 118bps. The investment in lower prices was made possible by continued and significant reductions in the cost of doing business.

During the year, 40 new Dick Smith Electronics, Powerhouse and Tandy stores were opened, with 13 of those being opened in the fourth quarter taking total stores to 400. This store network of highly convenient locations is well placed to take full advantage of the continuing strong demand for consumer electronics.

Average inventory days were down 1.0 day, which is pleasing given the significant number of new store openings during the year.

Funds employed have increased reflecting the growth in store numbers.

India

The business venture with TATA is still in its infancy, with 5 retail stores operating under the “Croma” brand. The stores are located in Mumbai and Ahmedabad. As part of this venture Woolworths Limited provides buying, wholesale, supply chain and general consulting services to TATA. The wholesale operations are meeting our expectations, and recorded sales of $25 million during the year and made an operating loss of $4.3 million reflecting the initial start up costs.

Hotels

	FY06 [1]	FY07	Change
Sales ($ million)	850	1,032	21.4%
Gross margin (%)	82.56	82.45	-11bps
Cost of Doing Business (%)	64.78	64.66	-12bps
EBIT to sales (%)	17.78	17.79	1bp
EBIT ($ million)	151.1	183.7	21.6%

(1) Represents ALH/MGW/BMG Hotel results for 12 months and Taverner Hotel results from 6 February 2006.

Hotel sales of $1.0 billion represented an increase of 21.4% and reflected good growth in the existing business and the inclusion of Taverner hotel sales from 6 February 2006.

Overall comparable sales increased by 3.2% in the year, which is a pleasing result given the continued influence of smoking bans in Queensland and New South Wales. Gaming comparable sales for the full year were flat, offset by strong food sales.

The building program incorporating smoking solutions is nearing completion and places the Hotel business in a good position to manage the move to smoke free hotels. The impact of smoking bans in July was less than anticipated. The business remains cautious on growth during the introduction of further bans in New South Wales and Victoria effective at the commencement of the 2008 year.

Gross margins have decreased by 11 bps. This reduction represents the changing mix of business as gaming revenue growth has been impacted by smoking bans offset somewhat by better buying terms.

CODB has decreased by 12 bps reflecting good cost control despite the inclusion of Taverner which has a relatively higher cost structure as the entire Taverner portfolio are leased venues.

At the end of the year the portfolio contained 263 premium hotels and a total of 1,330 accommodation rooms.

Central Overheads, Property Income/Expense and Tax Expense

For the full year, central overheads have increased by $7.5m, reflecting the costs associated with the drought relief donation and transaction costs expensed during the period.

The movement in property income reflected reduced internal income from the Supermarket division, due to the sale of the Distribution Centres and other property divestments.

The property expense reflected the costs associated with the management and development of our property portfolio.

Tax expense is 30.2% of profit before tax and is consistent with the prior year of 30.3%.

Balance Sheet and Cash Flow

The balance sheet and cash flow position remain strong. Cash generated by operating activities was $2.3 billion up 34.6% on the prior year reflecting strong earnings growth and benefits from working capital.

The net investment in inventory improved by a further $76 million. The year end inventory balance increased by 18.3% compared to a sales increase of 12.6% and reflects the impact of:

- the strategic decision made not to drive down inventory levels at period end, so that sales were not negatively impacted by inventory shortages;
- the increase in owned imported inventory; and
- the one-off impact of some dual stocking with the opening of the Brisbane distribution centre.

Trade creditors and other creditors have increased due to the increase in inventory and general business growth.

Receivables have decreased reflecting the monies received from the sale of the distribution centres.

As a result of the above, negative working capital has increased $959.7 million to $2,086.4 million.

Fixed assets and investments increased from $4,172.1 million to $4,886.1 million, reflecting the increase in property plant and equipment (due to capital expenditure acquisitions offset by depreciation) and the purchase of a 10% stake in the Warehouse Group Limited ($165.5 million market value).

Intangibles increased by 5.1% from $4,759.4 million to $5,003.5 million, which was largely attributable to the increase in New Zealand intangibles, due to foreign exchange movements which are recorded in the foreign currency translation reserve. Other additions reflect the purchase of individual hotels, stores and liquor licences.

Net repayable debt has decreased by $1,356.7 million (by 35.7%) to $2,442.8 million reflecting the proceeds from the sale of the distribution centres and the strong operating cash flows during the period.

Normalising for the timing of acquisitions in 2006, ROFE (average) increased from 24.2% to 27.1%.

Capital Management

Objectives

Woolworths currently sets its capital structure with the objectives of minimising its weighted average cost of capital whilst retaining flexibility to pursue growth and capital management opportunities. Consistent with these objectives, Woolworths has targeted, achieved and maintained its credit ratings of A- from Standard and Poors and A3 from Moody's Investor Services.

Capital Returns

To the extent consistent with these objectives and target ratings, Woolworths undertakes capital return strategies that seek to increase EPS and distribute franking credits to shareholders, mainly through ordinary dividends and share buybacks. Over the past 8 years, over $5,400 million, comprising off and on-market buy-backs and dividends, has been returned to shareholders (including the final dividend for the financial year ending 24 June 2007).

Woolworths' capital management strategy has enhanced EPS growth whilst allowing Woolworths to take advantage of growth opportunities.

In the absence of any further major acquisitions, Woolworths will consider undertaking some form of capital management in the 2008 calendar year. Franking credits available for distribution after 24 June 2007 are estimated to be $757 million. (following payment of the final dividend).

Dividend Underwriting

To assist in strengthening the balance sheet and to maintain current credit ratings during a period of major acquisitions, integration and business change, Woolworths entered into an underwriting agreement in connection with the WOW DRP which ensures that an amount equal to 100% of all interim and final dividends payable in the calendar years 2005 and 2006 is subscribed for Woolworths shares.

The final dividend paid in October 2006 was the last dividend subject to the underwriting agreement. The underwriting agreement did not apply to the interim dividend paid on 27 April 2007 and nor will it apply to the final 2007 dividend.

Sale of Distribution Centres

Proceeds from the sale of the distribution centres received in July 2006 ($547 million) and February 2007 ($180 million) were used to repay existing short term bank debt. The total expected proceeds are $846 million, with the remaining balance of $119 million comprising $94 million (Perth and Townsville) expected to be received in 2008 financial year and $25 million for Yennora, to be received if Woolworths exercises its option.

Project Refresh and Costs

Project Refresh commenced 8 years ago and continues to deliver ongoing efficiency benefits to the organisation. Over this period the project has generated savings of around 4.71% of sales and measured in dollar terms has achieved cumulative savings in the order of $7.3 billion.

A major part of the project has been end-to-end supermarket supply chain improvements and this continues to be a significant focus. The intellectual property we have developed in our supply chain teams, IT systems and DCs is now being applied to other businesses in Woolworths, including New Zealand Supermarkets, Liquor and BIG W.

The principal systems that have driven the transformation of our supply chain are: StockSmart (DC forecast based replenishment), AutoStockR (store forecast based replenishment), Warehouse Management Systems and Transport Management Systems. These systems have clearly improved productivity enabling higher levels of "in stock" performance.

Supermarket DC's are being reduced from 31 DCs to 9 Regional Distribution Centres (RDCs) and 2 National Distribution Centres (NDCs). 7 RDCs and both NDCs are complete with work underway on the remaining 2 RDCs. Works are also underway for the construction of our Melbourne and Sydney Liquor DC's, which we expect to be completed in 2008. In Victoria the chilled and frozen supply chain is under contract with an external provider and future arrangements are currently being reviewed.

The cost of inbound freight is being reduced by Woolworths' management of inbound freight volumes into DCs by utilising our Transport Management System (TMS). Woolworths transport for inbound freight has been very effective, outperforming industry benchmarks.

Strategy and Growth

Woolworths' vision is to continue to drive the retail business, bringing to customers greater convenience, quality, lower prices and better value, range, freshness and service.

The Board and Management of the Woolworths Group are committed to its consistent and clear strategies that have driven growth to date and will continue. The strategy is clear and the experienced retail team has the skills and commitment to drive continued success.

Numerous opportunities exist to drive future growth by continuing to reinvest in the business. We have significant scope to augment our existing business plans to drive growth, both organically and through the continual evaluation of acquisition opportunities.

Our long term cost advantages obtained under Project Refresh will be maintained and increased. The focus remains on continually improving the customer offer rewarding customers with lower prices, better value, quality, range, freshness, service and convenience.

The foundations for sustainable profitable growth will continue to be established.

Performance Targets

Long term targets remain unchanged. Woolworths targets four key areas of performance measurement for its business in the long term, namely:

- Sales will grow in the upper single digits assisted by bolt-on acquisitions;
- EBIT growth outperforming sales growth assisted by cost savings;
- EPS growth outperforming EBIT growth assisted by capital management; and
- Maintenance of targeted credit ratings.

Woolworths' long term objective is for EPS growth to outperform EBIT growth. However, when Woolworths undertakes major acquisitions which result in the need to defer normal capital management initiatives, EPS growth in such periods will not outperform EBIT growth.

Platform for future growth

Maximising the benefits from our new technology and supply chain, and achieving the synergies from our recent acquisitions remains a key focus. In addition we are accelerating the reinvestment in our business and continue to enhance the focus on the customer with additional initiatives.

Leveraging our core capabilities and scale are clear drivers of growth.

Project Refresh – Lower costs a key enabler

Stage 1: underpinned cost savings to date, pre-requisite for stage 2.

Stage 2: our new logistics system and distribution centres provide us with a significant strategic and competitive advantage, which will underpin our ability to reduce costs over the next 5 years (target minimum 20 bps pa), benefiting both customers and shareholders. We will leverage this technology and knowledge into other areas of our business such as BIG W, Liquor and Progressive in NZ and assist in achieving planned synergies from recent acquisitions.

Acquisitions – Bolt-ons have and will continue to assist in driving growth

Recent acquisitions were Progressive NZ & 20 ex-FAL stores, MGW, ALH, BMG & Taverner which all add scale and quality to Woolworths' current business portfolio. Progressive in New Zealand provides a new market with many opportunities and Hotels provide us with a new growth segment.

Continuing opportunity to grow market share

The Australian Food, Liquor and Grocery (FLG) market continues to be highly competitive by world standards. Woolworths' market share of FLG remains below 30%.

Independent grocers and speciality food stores hold just under 50%.

Defined plans to continue space roll-out

In the coming year reinvestment in the store will accelerate, both through the level of new store openings and level of refurbishment activity. New concept format stores have been trialled with great success in Supermarkets and BIG W, and the roll-out across the store network has commenced. These formats have been endorsed by our customers .

It is anticipated that between 15-25 new supermarkets will be added each year and together with expanding existing stores will grow supermarket trading area by more than 3% per annum.

Dan Murphy intends to open more than 20 stores in 2008, targeting 150 stores in four to five years.

Petrol sites will grow supporting the supermarket rollout strategy.

BIG W intends to add 6-10 BIG W stores each year (6% to 8% space rollout p.a.), targeting around 200 plus stores.

Consumer Electronics plans to open more than 20 stores per annum in Australia and New Zealand over the next 2-3 years.

In New Zealand the property team has been expanded and are actively finding new sites and developing plans to expand current supermarket sites.

Hotels will be acquired selectively as opportunities arise.

Space roll-out is supported by detailed plans for the next 3-5 years identifying specific sites. Minimal cannibalisation is expected.

Leverage scale and store distribution

Woolworths has considerable experience and has been successful in introducing new categories and formats such as Liquor, Petrol, Electronics, Hotels, and expanding existing categories e.g. Fresh Food, optical, digital photo, mobile phones and ATMs. Woolworths considers that there are further opportunities to branch into new formats, new services and new categories whilst continuing to expand the existing business.

Increased emphasis on private branded goods

Woolworths branded products continue to receive strong customer support. Woolworths continued throughout the year to introduce new Woolworths Select products. Customers have shown that they appreciate the exceptional quality and innovation that Select delivers and they enjoy saving money at the same time. Select has achieved sales results in excess of what was originally forecast.

Homebrand had sales growth for the year in excess of the grocery market and continues to be Australia's largest selling grocery brand. The Homebrand range image is to be improved with a new packaging design that will commence rolling into stores over the coming months.

Woolworths' two tiered private label offer is being recognised by customers as two entirely separate brands that offer exceptional value at differing price points. This support has encouraged us to continue the development of the Select brand into new categories. Woolworths will continue to support, develop and grow national brands.

Continued focus on improved in-store execution and service

Woolworths will continue to focus on improving in-store execution, ranging, stock availability and customer service. In particular, initiatives will be undertaken to enhance the understanding of customers.

Grow new international initiatives

India

Woolworths has commenced store rollout of a consumer electronic business in India in partnership with the TATA group. Woolworths will provide sourcing, wholesaling and some management support. The TATA Group will own and manage the retail operations.

Hong Kong (and India) buying offices

During the year Woolworths established a buying office in Hong Kong to directly source products from suppliers for distribution in Australia. There are approximately 50 people in the Hong Kong office with plans to grow this office steadily over the next 2 years.

Leverage Woolworths' core capabilities

Woolworths has developed expertise in key areas that will be useful to support future growth. These include:

- Retail management expertise – high volume, low margin
- World class IT/supply chain
- Low cost culture
- Acquisitions and integration skills
- Key business relationships: Caltex, BMG, TATA

Current Trading and Future Outlook

We believe we are very well positioned for future growth.

We expect overall group sales to grow in the range of 7% to 10%. We also expect that EBIT will continue to grow faster than sales in FY08. Net profit after tax for FY08 is expected to grow in the range of 19% to 23%.

The 2008 financial year is a 53 week trading year and these statements are on a 53 week basis.

Whilst we are pleased with the momentum in the business we are mindful that discretionary spending continues to be influenced by macro-economic factors such as fluctuating petrol prices, interest rate rises and the flow on impacts of the sub prime debt markets in the United States.

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Profit and Loss For The 52 Weeks Ended 24 June 2007

	FY06 (52 weeks) ($m)	FY07 (52 weeks) ($m)	Change
Sales			
Australian Food and Liquor	25,458 (1)	27,745	9.0%
New Zealand Supermarkets	2,605 (2)	3,940	51.2%
Petrol	4,390	4,837	10.2%
Supermarket Division	**32,453**	**36,522**	**12.5%**
BIG W	3,119	3,465	11.1%
Consumer Electronics	1,167	1,310 (3)	12.3%
General Merchandise Division	**4,286**	**4,775**	**11.4%**
Hotels	**850** (4)	**1,032**	**21.4%**
Continuing Operations	**37,589**	**42,329**	**12.6%**
Wholesale Division	145	148	2.1%
Group Sales	**37,734**	**42,477**	**12.6%**
Margins			
Gross Profit	25.03%	25.32%	0.29%pts
Cost of Doing Business	20.47%	20.35%	-0.12%pts
EBIT to sales	4.56%	4.97%	0.41%pts
Profit			
Earnings before interest, tax, depreciation amortisation & rent (EBITDAR)	3,314.5	3,906.9	17.9%
Property rent - base	(925.6)	(1,081.5)	16.8%
Property rent – turnover contingent	(97.7)	(99.6)	1.9%
Fit out rent (5)	(46.8)	(25.2)	(46.2%)
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**2,244.4**	**2,700.6**	**20.3%**
Depreciation and amortisation	(522.2)	(589.3)	12.8%
Earnings before interest & tax (EBIT)	**1,722.2**	**2,111.3**	**22.6%**
Net financing costs (6)	(249.7)	(233.6)	(6.4%)
Operating income tax expense	(445.8)	(566.4)	27.1%
Net operating profit after income tax	**1,026.7**	**1,311.3**	**27.7%**
Minority interests	(12.1)	(17.3)	43.0%
Total profit after tax & outside equity interests	**1,014.6**	**1,294.0**	**27.5%**
Funds employed (period end)	7,804.8	7,803.2	-
ROFE (average) (7)	28.6%	27.1%	-1.5%pts
Weighted average ordinary shares on issue (million)	1,116.3	1,189.4	6.5%
Ordinary earnings per share (cents)	90.9	108.8	19.7%
Diluted earnings per share (cents)	90.3	107.9	19.5%
Interim dividend per share (cents)	28	35	25.0%
Final dividend per share (cents) (8)	31	39	25.8%
Total dividend per share (cents)	59	74	25.4%

(1) Includes 20 Australian ex-FAL store sales from 2 November 2005, ALH retail, MGW retail and BMG retail sales for the 52 weeks and Taverner retail liquor sales from 6 February 2006.
(2) Includes New Zealand Supermarket sales from 2 November 2005.
(3) Includes wholesale sales relating to Woolworths India (Full year: $25m)
(4) Includes BMG Hotel sales from 1 July 2005 and Taverner Hotel sales from 6 February 2006.
(5) Reduction reflects purchase of fit out during the year.
(6) Interest capitalisation $3.1m (LY: $3.4m).
(7) Normalising for the timing of acquisitions in 2006, ROFE (average) increased from 24.2% to 27.1%.
(8) Final dividend payable on 5 October 2007 will be fully franked at 30%.

Group Balance Sheet as at 24 June 2007

	FY06 24 June 2006 ($m)	FY07 24 June 2007 ($m)	Change
Funds Employed			
Inventory	2,316.1	2,739.2	18.3%
Trade Payables	(2,778.5)	(3,277.4)	18.0%
Net Investment in Inventory	(462.4)	(538.2)	16.4%
Receivables	1,174.4	490.1	(58.3%)
Other Creditors	(1,838.7)	(2,038.3)	10.9%
Working Capital	**(1,126.7)**	**(2,086.4)**	**85.2%**
Fixed Assets and Investments	4,172.1	4,886.1	17.1%
Intangibles	4,759.4	5,003.5	5.1%
Total Funds Employed	**7,804.8**	**7,803.2**	**-**
Net Tax Balances	252.3	154.3	(38.8%)
Net Assets Employed	**8,057.1**	**7,957.5**	**(1.2%)**
Net Repayable Debt	(3,799.5)	(2,442.8)	(35.7%)
Net Assets	**4,257.6**	**5,514.7**	**29.5%**
Minority Interest	229.8	239.4	4.2%
Shareholders Equity	4,027.8	5,275.3	31.0%
Total Equity	**4,257.6**	**5,514.7**	**29.5%**
Inventory Days (Based On COGS) (1)	32.7	32.5	
Creditor Days (Based On Sales)	44.5	45.6	
Return on Funds Employed (ROFE) (2)	28.6%	27.1%	

(1) Inventory days reflects the use of rolling average inventory over a 13 month period.
(2) Normalising for the timing of acquisitions in 2006, ROFE (average) increased from 24.2% to 27.1%.

Group Cash Flow

	FY06 $m	FY07 $m	
EBITDA	2,244.4	2,700.6	+20.3%
Net interest paid (incl. cost of Income notes) (1)	(253.2)	(249.8)	
Taxation paid (2)	(475.3)	(522.4)	
	1,515.9	1,928.4	
Working capital items (3)	205.6	309.7	
Other non-cash items (4)	(16.7)	56.1	
Total cash provided by operating activities	**1,704.8**	**2,294.2**	+34.6%
Payments for the purchase of businesses - Other (5)	(179.2)	(204.0)	
Payments for purchase of investments (6)	-	(173.0)	
Payments for normal capex	(1,411.7)	(1,131.0)	
Proceeds on disposal of property plant & equipment (7)	328.7	778.2	
Proceeds from sale of investments	1.0	-	
Dividends received (6)	-	4.7	
Total cash used in investing activities	**(1,261.2)**	**(725.1)**	
Free Cash - excluding major acquisitions	**443.6**	**1,569.1**	
Major Acquisitions debt funded (8)	**(1,464.7)**	**-**	
Free Cash - after major acquisitions	**(1,021.1)**	**1,569.1**	
Net operating Profit after tax	1,026.7	1,311.3	
Free cash Flow before major acquisitions as a % of NPAT	**43%**	**120%**	

(1) Flat interest paid reflects similar average debt levels in 2006 and 2007.
(2) Tax payments are proportionally lower in 2007 due to timing of tax payments.
(3) Working capital items include further improvement in net inventory, increases in various accruals including occupancy, bonuses, utilities and increases in provisions for employee entitlements (annual leave, long service leave & superannuation).
(4) Non-cash items include share based payments expense, gain / loss of sale on sale of fixed assets. (2007: $12.7 m loss; 2006: $16.7m gain)
(5) Other purchases of businesses relate to individual hotel/store acquisitions.
(6) Reflects the acquisition of 10% stake in The Warehouse Group. Dividends received relate to this stake.
(7) Proceeds include monies received from sale of the distribution centres ($727m). Prior year amount includes proceeds from the sale of Norwest Support office ($241m).
(8) Major acquisitions include Progressive, BMG and Taverner (2006)