WOOLWORTHS LIMITED
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25 August 2011

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 26 June 2011 is attached.

For and on Behalf of
WOOLWORTHS LIMITED

PETER J HORTON
Group General Counsel and Company Secretary

PRELIMINARY FINAL REPORT OF WOOLWORTHS LIMITED FOR THE FINANCIAL YEAR ENDED

26 JUNE 2011

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 26 June 2011 (52 weeks)**
Previous Corresponding Period:	**Financial Year ended 27 June 2010 (52 weeks)**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE FINANCIAL YEAR 26 JUNE 2011

Revenue and Net Profit/ (Loss)

		Percentage Change %		Amount $m
Revenue from ordinary activities (excluding financial income)	up	4.9%	to	54,505.7
Profit/(loss) from ordinary activities after tax attributable to members	up	5.1%	to	2,124.0
Net profit/(loss) attributable to members	up	5.1%	to	2,124.0

Dividends (Distributions)

	Amount per security	Franked amount per Security
Final dividend	65¢	65¢
Interim dividend	57¢	57¢
Record date for determining entitlements to the dividend:	Final Dividend: 14 October 2011	

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

Refer to Press Release

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 26 JUNE 2011

	Note	2011 $m	2010 $m
Revenue from sales of goods	2 (a)	54,142.9	51,694.3
Other operating revenue	2 (a)	136.6	90.5
Total revenue from operations		**54,279.5**	**51,784.8**
Cost of sales		(40,186.3)	(38,391.2)
Gross profit		**14,093.2**	**13,393.6**
Other revenue	2 (b)	226.2	179.3
Branch expenses		(8,583.8)	(8,165.4)
Administration expenses		(2,459.2)	(2,325.4)
Earnings before interest and tax		**3,276.4**	**3,082.1**
Financial expense	3	(300.0)	(238.5)
Financial income	3	38.5	27.0
Net financing costs		**(261.5)**	**(211.5)**
Net Profit before income tax expense		**3,014.9**	**2,870.6**
Income tax expense		(874.6)	(832.6)
Profit after income tax expense		**2,140.3**	**2,038.0**
Net profit attributable to:			
Equity holders of the parent entity		2,124.0	2,020.8
Non-controlling interests		16.3	17.2
Profit for the period		**2,140.3**	**2,038.0**
Earnings Per Share (EPS)			
Basic EPS (cents per share)	8	174.64	164.01
Diluted EPS (cents per share)	8	173.60	163.17
Weighted average number of shares used in the calculation of Basic EPS (million)	8	1,216.2	1,232.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 26 JUNE 2011

For the full year ended 26 June 2011	2011 $m	2010 $m
Profit for the period	2,140.3	2,038.0
Other comprehensive income		
Movement in the fair value of equity instruments	(5.3)	(4.0)
Movement in translation of foreign operations taken to equity	(137.5)	50.7
(Loss) in cash flow hedges taken to equity	(608.9)	(36.3)
Gain in cash flow hedges transferred to income statement	459.7	126.3
Actuarial losses on defined benefits plans	(6.2)	1.7
Tax effect of items recognised directly to equity	65.3	(34.9)
Other comprehensive income/(loss) for the period (net of tax)	**(232.9)**	**103.5**
Total comprehensive income for the period	**1,907.4**	**2,141.5**
Attributable to:		
Equity holders of the parent	1,891.1	2,124.3
Non-controlling interests	16.3	17.2
Total comprehensive income for the period	**1,907.4**	**2,141.5**

Income Tax on other comprehensive income For the year ended 26 June 2011	Before tax $m	Tax (expense) / benefit $m	Net of tax $m
Movement in the fair value of equity instruments	(5.3)	-	(5.3)
Movement in translation of foreign operations taken to equity	(137.5)	18.6	(118.9)
(Loss) in cash flow hedges taken to equity	(608.9)	182.7	(426.2)
Gain in cash flow hedges transferred to income statement	459.7	(137.9)	321.8
Actuarial losses on defined benefit plans	(6.2)	1.9	(4.3)
Total of items recognised directly in Equity	**(298.2)**	**65.3**	**(232.9)**

Consolidated Statement of Comprehensive Income for the Financial Year Ended 26 June 2011

For the year ended 27 June 2010	**Before tax**	**Tax (expense) / benefit**	**Net of tax**
	$m	**$m**	**$m**
Movement in the fair value of equity instruments	(4.0)	-	(4.0)
Movement in translation of foreign operations taken to equity	50.7	(7.4)	43.3
(Loss) in cash flow hedges taken to equity	(36.3)	11.0	(25.3)
Gain in cash flow hedges transferred to income statement	126.3	(37.9)	88.4
Actuarial losses on defined benefit plans	1.7	(0.6)	1.1
Total of items recognised directly in Equity	**138.4**	**(34.9)**	**103.5**

CONSOLIDATED BALANCE SHEET AS AT 26 JUNE 2011

	2011 $m	2010 $m
Current assets		
Cash	1,519.6	713.4
Trade and other receivables	1,122.2	916.8
Inventories	3,736.5	3,438.8
Assets held for sale	93.9	37.3
Other financial assets	120.8	92.7
Total current assets	**6,593.0**	**5,199.0**
Non-current assets		
Trade and other receivables	14.9	13.3
Other financial assets	119.3	132.3
Property, plant and equipment	8,620.3	7,639.1
Intangibles	5,236.6	5,071.0
Deferred tax assets	510.4	432.6
Total non-current assets	**14,501.5**	**13,288.3**
Total assets	**21,094.5**	**18,487.3**
Current liabilities		
Trade and other payables	5,512.8	5,278.9
Borrowings	1,471.1	871.7
Current tax liabilities	204.7	199.0
Other financial liabilities	238.7	24.7
Provisions	861.0	779.1
Total current liabilities	**8,288.3**	**7,153.4**
Non-current liabilities		
Borrowings	3,373.8	2,670.4
Other financial liabilities	915.5	236.7
Provisions	465.2	416.3
Other	205.9	192.8
Total non-current liabilities	**4,960.4**	**3,516.2**
Total liabilities	**13,248.7**	**10,669.6**
Net assets	**7,845.8**	**7,817.7**
Equity		
Contributed equity	3,988.6	3,784.4
Shares held in trust	(56.1)	(41.2)
Reserves	(236.8)	(28.0)
Retained profits	3,897.5	3,855.2
Equity attributable to the members of Woolworths Limited	**7,593.2**	**7,570.4**
Non-controlling interests	252.6	247.3
Total equity	**7,845.8**	**7,817.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 26 JUNE 2011

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 26 June 2011

Consolidated	Issued Capital $M	Shares held in trust $M	Hedging Reserve $M	Foreign Currency Translation Reserve $M	Remuneration Reserve $M	Asset Revaluation Reserve $M	Equity Instrument Reserve $M	Retained Earnings $M	Equity attributable to members of Woolworths Limited $M	Non-controlling Interests $M	Total $M
Balance at 28 June 2010	3,784.4	(41.2)	107.6	(262.3)	200.6	16.4	(90.3)	3,855.2	7,570.4	247.3	7,817.7
Profit after income tax expense	-	-	-	-	-	-	-	2,124.0	2,124.0	16.3	2,140.3
Other comprehensive income for the period (net of tax)	-	-	(104.4)	(118.9)	-	-	(5.3)	(4.3)	(232.9)	-	(232.9)
Total comprehensive income for the period (net of tax)	-	-	(104.4)	(118.9)	-	-	(5.3)	2,119.7	1,891.1	16.3	1,907.4
Dividends paid	-	-	-	-	-	-	-	(1,457.7)	(1,457.7)	(13.2)	(1,470.9)
Issue of shares as a result of options exercised under executive share option plans	97.7	-	-	-	-	-	-	-	97.7	-	97.7
Issue of shares as a result of dividend reinvestment plan	197.7	-	-	-	-	-	-	-	197.7	-	197.7
Issue of shares under employee share plan	-	13.9	-	-	-	-	-	-	13.9	-	13.9
Share buy-back	(84.7)	-	-	-	-	-	-	(622.4)	(707.1)	-	(707.1)
Issue of shares to non controlling interests	-	-	-	-	-	-	-	-	-	269.6	269.6
Compensation on share based payments	-	-	-	-	18.2	-	-	-	18.2	-	18.2
Reclassification of non controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(267.4)	(267.4)
Shares acquired by the Woolworths Employee Share Trust	-	(28.8)	-	-	-	-	-	-	(28.8)	-	(28.8)
Other	(6.5)	-	-	-	1.6	-	-	2.7	(2.2)	-	(2.2)
Balance at 26 June 2011	**3,988.6**	**(56.1)**	**3.2**	**(381.2)**	**220.4**	**16.4**	**(95.6)**	**3,897.5**	**7,593.2**	**252.6**	**7,845.8**

Consolidated	Issued Capital $M	Shares held in trust $M	Hedging Reserve $M	Foreign Currency Translation Reserve $M	Remuneration Reserve $M	Asset Revaluation Reserve $M	Equity Instrument Reserve $M	Retained Earnings $M	Equity attributable to members of Woolworths Limited $M	Non-controlling Interests $M	Total Equity $M
Balance at 29 June 2009	3,858.6	(51.2)	44.5	(305.6)	157.5	16.4	(86.3)	3,178.6	6,812.5	244.8	7,057.3
Profit after income tax expense	-	-	-	-	-	-	-	2,020.8	2,020.8	17.2	2,038.0
Other comprehensive income for the period (net of tax)	-	-	63.1	43.3	-	-	(4.0)	1.1	103.5	-	103.5
Total comprehensive income for the period (net of tax)	-	-	63.1	43.3	-	-	(4.0)	2,021.9	2,124.3	17.2	2,141.5
Dividends paid	-	-	-	-	-	-	-	(1,349.2)	(1,349.2)	(16.8)	(1,366.0)
Issue of shares as a result of options exercised under executive share option plans	73.8	-	-	-	-	-	-	-	73.8	-	73.8
Issue of shares as a result of dividend reinvestment plan	184.6	-	-	-	-	-	-	-	184.6	-	184.6
Issue of shares under employee share plan	-	10.0	-	-	-	-	-	-	10.0	-	10.0
Share buy-back	(326.3)	-	-	-	-	-	-	-	(326.3)	-	(326.3)
Issue of shares to non controlling interests	-	-	-	-	-	-	-	-	-	79.5	79.5
Compensation on share based payments	-	-	-	-	43.1	-	-	-	43.1	-	43.1
Reclassification of non controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(77.4)	(77.4)
Other	(6.3)	-	-	-	-	-	-	3.9	(2.4)	-	(2.4)
Balance at 27 June 2010	**3,784.4**	**(41.2)**	**107.6**	**(262.3)**	**200.6**	**16.4**	**(90.3)**	**3,855.2**	**7,570.4**	**247.3**	**7,817.7**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 26 JUNE 2011

	Note	2011 $m	2010 $m
Cash Flows From Operating Activities			
Receipts from customers		58,886.6	55,664.6
Receipts from vendors and tenants		52.9	45.5
Payments to suppliers and employees		(54,797.3)	(51,811.4)
Interest and costs of finance paid		(332.1)	(260.5)
Interest received		22.5	10.7
Income tax paid		(841.5)	(896.9)
Net cash provided by operating activities	6(f)	2,991.1	2,752.0
Cash Flows From Investing Activities			
Proceeds from the sale of property, plant and equipment		394.4	55.4
Payments for purchases of property, plant and equipment - property development		(996.9)	(618.5)
(Advances)/repayments of property related receivables		(13.1)	(49.6)
Payments for property, plant and equipment (excl. property development)		(1,126.3)	(1,130.3)
Payments for intangibles		(2.2)	(19.3)
Payment for purchase of investments		-	(1.9)
Proceeds from the sale of investments		-	4.2
Dividend received [(1)]		10.6	12.5
Payments for purchase of businesses	6(b)	(443.9)	(204.7)
Net cash used in investing activities		(2,177.4)	(1,952.2)
Cash Flows From Financing Activities			
Proceeds from issue of equity securities		97.7	73.8
Proceeds from issue of equity securities in subsidiary to non controlling interest		176.6	79.5
Payments for share buyback		(738.7)	(294.6)
Proceeds from external borrowings		13,349.2	12,833.8
Repayment of external borrowings		(11,590.9)	(12,347.7)
Dividends paid	6(c)	(1,260.0)	(1,164.6)
Dividends paid to non controlling interests		(13.2)	(16.8)
Repayment of employee share plan loans		7.4	3.7
Payment of shares acquired by Woolworths employee share trust		(28.8)	-
Net cash provided by financing activities		(0.7)	(832.9)
Net Increase/(Decrease) In Cash Held		**813.0**	**(33.1)**
Effect of exchange rate changes on foreign currency held		(6.8)	(0.2)
Cash At The Beginning Of The Financial Year		713.4	**746.7**
Cash At The End Of The Financial Year	6(a)	**1,519.6**	**713.4**

(1) Dividends related to the investment in ALE and The Warehouse Group.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 26 JUNE 2011

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 2010 annual financial report except where detailed below.

Details of new accounting policies.

Not applicable.

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

2. PROFIT FROM ORDINARY ACTIVITIES

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

	2011 $m	2010 $m
(a) Operating revenue		
Revenue from the sale of goods	54,142.9	51,694.3
Other operating revenue	136.6	90.5
Total operating revenue	54,279.5	51,784.8
(b) Other revenue from ordinary activities		
Rent and other	226.2	179.3
Total revenue (excluding financial income)	54,505.7	51,964.1

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

2. Profit From Ordinary Activities (continued)

	2011 $m	2010 $m
(c) Expenses		
Amounts provided for:		
Self-insured risks	192.0	168.1
Depreciation:		
Buildings	37.2	30.5
Plant and equipment, fixtures and fittings	700.9	659.5
Amortisation:		
Leasehold improvements	114.9	102.9
Brand names	4.7	4.7
Other intangibles	0.2	0.1
Total depreciation and amortisation	857.9	797.7
Employee benefits expense	6,268.3	5,969.9
Operating lease rental expenses:		
- minimum lease payments	1,468.1	1,390.8
- contingent rentals	73.1	87.1
Total operating lease rental expenses	1,541.2	1,477.9

(d) Individually significant non-recurring items

Devastating natural disasters in Queensland and Christchurch have resulted in additional costs incurred of $38 million that have been included in the earnings before interest and tax results. Please refer to the press release for further information on the natural disaster costs.

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

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. NET FINANCING COSTS

	2011 $m	2010 $m
Financial expense	(300.0)	(238.5)
Financial income	38.5	27.0
Net Financing costs [(a)]	**(261.5)**	**(211.5)**
(a) Breakdown of net financing costs		
Interest expense	(332.6)	(257.4)
Less interest capitalised [(1)]	55.6	30.1
Net interest expense	(277.0)	(227.3)
Dividend income	10.6	12.5
Foreign exchange gain/(loss)	4.9	3.3
Net financing costs	**(261.5)**	**(211.5)**

(1) Increase in interest capitalised reflects an increase in property development activity.

Notes to the Preliminary Final Report
for the Financial Year Ended 26 June 2011

4. COMMENTARY ON RESULTS

Refer to Press Release.

5. SALES OF ASSETS

	2011 $m	2010 $m
Sales and write off of assets in the ordinary course of business have given rise to the following:		
Net Loss		
Property, plant and equipment	(15.4)	(15.2)

Notes to the Preliminary Final Report
for the Financial Year Ended 26 June 2011

6. NOTES TO THE STATEMENT OF CASH FLOWS

(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:

	2011 $m	2010 $m
Cash	1,519.6	713.4

(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:

	2011 $m	2010 $m
Fair Value of Net Assets Acquired		
Property, plant and equipment	102.2	77.6
Inventories	81.5	47.0
Liquor, gaming licenses, property rights	25.1	23.4
Brand names	4.5	8.4
Cash	5.2	2.4
Deferred tax asset	4.4	5.8
Receivables	43.5	97.1
Interest bearing liabilities	-	(15.2)
Accounts payable	(42.5)	(66.9)
Provisions	(9.6)	(13.8)
Other liabilities	(15.0)	(10.1)
Net assets acquired	199.3	155.7
Goodwill on acquisition	251.1	47.7
	450.4	203.4
Analysed as follows:		
Consideration – cash	450.4	205.1
Consideration – deferred consideration/receivable	-	(1.7)
	450.4	203.4
Consideration – cash	450.4	205.1
Add: Deferred consideration paid/ (received) relating to prior year acquisitions	(1.3)	2.0
Less: Cash balances acquired	(5.2)	(2.4)
Net Cash Outflow on Acquisition	**443.9**	**204.7**

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

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

(c) Non-Cash Financing and Investing Activities

In accordance with the Company's Dividend Reinvestment Plan (DRP) $197.7m of the total dividend of $1,457.7m (13.6%) was reinvested in the shares of the Company (2010: $184.6m of total dividend of $1,349.2m, 13.7%).

	2011 $m	2010 $m
(d) Financing Facilities		
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
Bank overdrafts	43.1	39.0
Bank loan facilities	3,795.6	4,168.2
	3,838.7	4,207.2
Used at balance date		
Bank overdrafts	-	-
Bank loan facilities	587.2	1,179.7
	587.2	1,179.7
Unused at balance date		
Bank overdrafts	43.1	39.0
Bank loan facilities	3,208.4	2,988.5
	3,251.5	3,027.5

(e) Cash Balances Not Available for Use

Not Applicable.

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

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

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

	2011 $m	2010 $m
Net profit after income tax	2,140.3	2,038.0
Depreciation and amortisation	857.9	797.7
Foreign exchange (gains)/losses	(5.2)	(5.8)
Share based options expense	18.2	43.1
Loss on sale and asset write off of property, plant and equipment	15.4	15.2
Borrowing costs capitalised	(55.6)	(30.1)
Amortisation of borrowing costs	6.7	6.8
Other	(16.0)	(5.4)
(Increase)/decrease in deferred tax asset	(7.1)	19.2
Increase/(decrease) in current tax liability	39.8	(83.1)
(Increase)/decrease in receivables	(111.3)	(85.9)
(Increase)/decrease in inventories	(234.7)	(94.2)
Increase/(decrease) in payables	167.1	82.9
Increase/(decrease) in sundry payables and provisions	186.2	66.1
Dividends received	(10.6)	(12.5)
Net cash provided by operating activities	2,991.1	2,752.0

Notes to the Preliminary Final Report
for the Financial Year Ended 26 June 2011

7. DETAILS RELATING TO DIVIDENDS (DISTRIBUTIONS)

		Date dividend payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2011	14th October 2011	65	-
	2010	15th October 2010	62	-
Interim dividend	2011	29rd April 2011	57	-
	2010	23rd April 2010	53	-
Total	2011	-	122	-
	2010	-	115	-

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

	2011 ¢	2010 ¢
Ordinary securities (each class separately)	122	115
Preference securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil

Interim and final dividend (distribution) on all securities

	2011 $m	2010 $m
Ordinary securities (each class separately)	1,487.1	1,423.5
Preference securities (each class separately)	Nil	Nil
Other equity instruments (each class separately)	Nil	Nil
Special Dividend (see below)	-	-
Total	1,487.1	1,423.5

Any other disclosures in relation to dividends (distributions).

Not Applicable

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

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

Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan (The Plan)

Under the terms and conditions of the DRP, eligible shareholders may elect to participate in the Plan in respect to all or part of their shareholding, subject to any maximum and/or minimum number of shares to participate in the Plan that the Directors may specify. There is currently no minimum number of shares which a shareholder may designate as participating in the Plan. The maximum number of shares which a shareholder (other than broker's nominees and certain trustees) may designate as participating in the Plan is 20,000.

The last date(s) for receipt of election notices for the dividend or distribution plans	16 September 2011

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

8. EARNINGS PER SHARE

	2011 ¢ per share	2010 ¢ per share
Basic EPS	174.64	164.01
Diluted EPS	173.60	163.17

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:

	2011 $m	2010 $m
Earnings (a)	2,124.0	2,020.8

	2011 No. m	2010 No. m
Weighted average number of ordinary shares (b)	1,216.2	1,232.1

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

	2011 $m	2010 $m
Operating net profit attributable to the members of Woolworths Limited	2,124.0	2,020.8
Earnings used in the calculation of basic EPS	2,124.0	2,020.8

(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:

	2011 $m	2010 $m
Earnings (a)	2,124.0	2,020.8
Weighted average number of ordinary shares and potential ordinary shares (b), (c), (d)	1,223.5	1,238.5

8. 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:

	2011 $m	2010 $m
Operating net profit attributable to the members of Woolworths Limited	2,124.0	2,020.8
Earnings used in the calculation of diluted EPS	2,124.0	2,020.8

(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:

	2011 No. m	2010 No. m
Weighted average number of ordinary shares used in the calculation of basic EPS	1,216.2	1,232.1
Shares deemed to be issued for no consideration in respect of employee options	7.3	6.4
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	1,223.5	1,238.5

(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:

	2011 No. m	2010 No. m
Shares deemed to be issued at average market price in respect of employee options	22.5	27.5
	22.5	27.5

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

	2011 No. m	2010 No. m
Not applicable	-	-

9. Net Tangible Assets Per Security

	2011 ¢ per share	2010 ¢ per share
Net tangible assets per security[1]	193.72	203.02
Add:		
Brand names, licenses and property development rights	165.14	161.86
Net tangible assets per security adjusted for brand names, licenses and property development rights[1]	358.86	364.88

[1] Net tangible asset per security has been impacted by the $707.1 million (27.5 million shares) off-market share buy-back completed in October 2010. Adjusting for the impact of the buyback on net assets and share numbers, the net tangible asset per security would have been 246.28 cents per share, and net tangible asset per security adjusted for brand names, licences and property development rights would have been 407.77 cents per share.

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

Control gained over entities

Name of entity (or group of entities)	Kennedy Corporation Holdings Pty Limited (The Cellarmasters Group)
Date control gained	2 May 2011

	2011 $m
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, from the date of gaining control: [(1)]	0.5

[(1)] This represents the net contribution after interest and tax.

11. DETAILS OF ASSOCIATES ENTITIES

	Ownership Interest		Contribution to net profit	
Name of Entity	**2011 %**	**2010 %**	**2011 $m**	**2010 $m**
Associates				
Gage Roads Brewing Co Limited	25%	25%	-	0.2
Aggregate Share of Profits			-	0.2

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2011 $m	2010 $m
Contingent liabilities		
Trading guarantees	50.3	44.8
Workers' compensation self-insurance guarantees	522.4	474.2
Litigation in progress or threatened against the company and certain of its controlled entities	6.5	-
Outstanding letters of credit issued to suppliers	16.8	19.0
	596.0	538.0

Contingent assets

None

13. SEGMENT INFORMATION

Refer to Attachment 1

14. DISCONTINUING OPERATIONS

Not applicable

Notes to the Preliminary Final Report for the Financial Year Ended 26 June 2011

15. OTHER SIGNIFICANT INFORMATION

Attachment 2 – Share Movements Schedule

16. INFORMATION ON AUDIT OR REVIEW

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.

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

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

Not Applicable

Attachment 1

Business Segments

	Australian Food & Liquor [1]		**New Zealand Supermarkets**		**Petrol**		**BIG W**		**Consumer Electronics [2]**		**Hotels [3]**		**Unallocated [4]**		**Consolidated**	
	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million	2011 $A million	2010 $A million
Segment disclosures																
Business segments																
Business segments																
Sales to customers	36,176.1	34,675.4	4,110.5	4,130.6	6,025.3	5,481.0	4,158.3	4,193.1	1,855.5	1,782.4	1,153.1	1,102.0	664.1	329.8	54,142.9	51,694.3
Other operating revenue	123.9	81.8	12.7	8.7	-	-	-	-	-	-	-	-	-	-	136.6	90.5
Inter-segment revenue	-	-	-	-	-	-	-	-	0.5	-	-	-	332.7	257.7	333.2	257.7
Segment revenue	36,300.0	34,757.2	4,123.2	4,139.3	6,025.3	5,481.0	4,158.3	4,193.1	1,856.0	1,782.4	1,153.1	1,102.0	996.8	587.5	54,612.7	52,042.5
Eliminations									(0.5)				(332.7)	(257.7)	(333.2)	(257.7)
Unallocated revenue [5]													226.2	179.3	226.2	179.3
Total revenue	36,300.0	34,757.2	4,123.2	4,139.3	6,025.3	5,481.0	4,158.3	4,193.1	1,855.5	1,782.4	1,153.1	1,102.0	890.3	509.1	54,505.7	51,964.1
Segment earnings before interest and tax	2,678.9	2,492.5	191.9	190.4	117.6	99.5	177.0	200.0	26.8	31.5	183.7	176.7	(99.5)	(108.5)	3,276.4	3,082.1
Net financing cost															(261.5)	(211.5)
Profit before tax															3,014.9	2,870.6
Income tax expense															(874.6)	(832.6)
Profit after tax															2,140.3	2,038.0
Segment depreciation and amortisation	500.2	457.8	71.5	67.0	31.7	29.5	75.1	72.5	29.1	31.2	66.6	75.4	83.7	64.3	857.9	797.7
Segment other non cash items	27.6	23.9	6.6	5.3	0.3	0.5	6.3	5.1	(0.8)	0.4	1.6	5.1	(18.7)	2.2	22.9	42.5
Capital expenditure [6]	934.0	646.3	266.8	195.6	58.6	50.7	116.9	129.0	54.0	45.1	146.1	176.9	1,008.8	711.6	2,585.2	1,955.2

(1) Australian Food & Liquor is comprised of supermarket and liquor stores and wholesale food and liquor in Australia.
(2) Consumer Electronics includes Woolworths Wholesale India.
(3) Hotels is comprised of on-premise liquor sales, food, accommodation, gaming and venue hire.
(4) Unallocated is comprised of the corporate head office, the property division and the home improvement division.
(5) Unallocated revenue is comprised of rent and other revenue from operating activities.
(6) Capital expenditure is property, plant and equipment and intangible asset additions.

Ordinary security movements through the issue and buyback of shares

Date	No of Shares	Exercise/Issue price/Buyback price
1/07/2010	50,000	-
1/07/2010	1,625	16.46
8/07/2010	825	16.46
22/07/2010	825	16.46
5/08/2010	25,000	10.89
1/09/2010	55,000	-
1/09/2010	80,000	16.46
1/09/2010	250,000	25.91
2/09/2010	593,702	16.46
2/09/2010	775	19.47
9/09/2010	23,800	10.89
9/09/2010	3,572,188	16.46
9/09/2010	48,050	19.47
16/09/2010	115,100	16.46
16/09/2010	775	19.47
23/09/2010	81,800	16.46
30/09/2010	16,500	16.46
7/10/2010	6,600	16.46
12/10/2010	(27,490,400)	25.62
14/10/2010	3,900	10.89
14/10/2010	3,300	16.46
15/10/2010	3,550,547	29.23
21/10/2010	129,335	16.46
21/10/2010	1,550	19.47
28/10/2010	26,400	16.46
4/11/2010	32,900	16.46
4/11/2010	3,000	19.47
11/11/2010	62,500	16.46
11/11/2010	1,500	19.47
18/11/2010	44,168	16.46
25/11/2010	42,700	16.46
2/12/2010	46,200	16.46
2/12/2010	775	19.47
9/12/2010	65,900	16.46
16/12/2010	84,820	16.46
23/12/2010	184,900	16.46
30/12/2010	31,893	16.46
24/02/2011	1,500	19.47
17/03/2011	775	19.47
14/04/2011	25,000	10.89
29/04/2011	3,506,336	26.73
2/06/2011	7,800	10.89
2/06/2011	52,500	10.89
2/06/2011	1,550	19.47
24/06/2011	15,600	10.89
	(14,640,486)	(a)

(a) Note that this excludes 1,578,803 shares issued under the employee share plan and the 1,079,598 acquired under the employee share trust. (Shares held in trust)

Woolworths Limited

25 August 2011 **PRESS RELEASE**

FINAL PROFIT REPORT AND DIVIDEND ANNOUNCEMENT FOR THE 52 WEEKS ENDED 26 JUNE 2011

Net Profit After Tax up 5.1% to $2,124 million

(up 6.4% excluding natural disaster costs)

- Sales of $54,143 million, up 4.7% incl. Petrol (excl. Petrol, up 4.1%)
- 6.6% increase in EBITDA
- 6.3% increase in EBIT to $3,276.4 million
- 5.1% increase in NPAT to $2,124.0 million (6.4% excl. natural disaster costs)
- 6.5% increase in EPS to 174.6 cents
- 6.1% increase in fully franked Dividend to 122 cents per share
- Solid increase in operating cash flows
- Successful completion of $704 million Off Market share Buyback and sales of $390 million in property assets

"Woolworths Limited today reported a solid increase in net profit after tax of 5.1% or 6.4% excluding natural disaster costs. This is a sound result delivered in a particularly challenging retail environment with tightened consumer spending and devastating natural disasters. This result demonstrates our focus on sustainable long term profitable growth that delivers enhanced value to customers and shareholders through all economic cycles."

Michael Luscombe, Managing Director and CEO.

BUSINESS PERFORMANCE

Earnings Before Interest and Tax (EBIT)

($ million)	**FY10 Statutory (52 weeks)**	**FY11 Statutory (52 weeks)**	**Change %**
Australian Food and Liquor	2,492.5	2,678.9	7.5%
Petrol	99.5	117.6	18.2%
Australian Supermarkets	**2,592.0**	**2,796.5**	**7.9%**
New Zealand Supermarkets (NZD)	***232.2***	***244.1***	***5.1%***
New Zealand Supermarkets	**190.4**	**191.9**	**0.8%**
BIG W	200.0	177.0	(11.5)%
Consumer Electronics – Aust & NZ	30.2	22.0	(27.2)%
Consumer Electronics – India	1.3	4.8	n.m
Consumer Electronics – Total	**31.5**	**26.8**	**(14.9)%**
General Merchandise Division	**231.5**	**203.8**	**(12.0)%**
Hotels	**176.7**	**183.7**	**4.0%**
Total Trading Result	**3,190.6**	**3,375.9**	**5.8%**
Property Expense	2.5	11.8	n.m
Central Overheads	(111.0)	(111.3)	(0.3)%
Group EBIT	**3,082.1**	**3,276.4**	**6.3%**

The consistent delivery of quality results is fundamental to Woolworths' success as a long-term sustainable business and the full year result for FY11 demonstrated a solid performance in EBIT and NPAT.

CEO, Michael Luscombe said: "A net profit increase of 5.1% to $2,124.0 million, or 6.4% increase when excluding natural disaster costs, is a sound result given prevailing macro economic and market challenges. In Australia, consumer spending stalled, individual savings levels increased, household utility costs rose sharply and interest rates increased in the first half of the financial year. Consumer spending was further weakened by the unseasonably poor weather in Australia during the crucial Christmas trading period and the devastating natural disasters in Queensland and Christchurch, which incurred $38 million in direct additional business costs.

"During the year Woolworths continued to focus on meeting customer needs by improving ranges, formats, and merchandising across all brands. We invested strongly in price by leveraging the capability of our business model and as a result our business grew market shares, sales and profits. We served an additional 42.6 million customers (up 3.2%) reflecting the growing strength of our brands.

"Our Home Improvement plans are progressing well with the first store due to open very soon in Melbourne. We believe Masters will deliver unparalleled service, unbeatable value and innovative ranging for DIY and trade customers and will inject much needed competition into the circa $40 billion home improvement sector."

Sales grew by $2.4 billion or 4.7% to $54.1 billion (4.1% excl Petrol). Supermarkets achieved volume and market share growth. General Merchandise was impacted by price deflation in key categories with price reductions passed on to the customer. Hotels achieved a better than expected result for the year.

Gross margins for the group increased 12bps, reflecting the impact of moving from direct-to-store delivery to distribution centres in liquor, the benefits of global direct sourcing, improved shrinkage rates, increasing sales of exclusive brand products and the success of new store formats, after significant price investment. We have continued to re-invest in lower prices, delivering greater value to customers.

CODB increased by 3bps but has been well controlled in dollar terms in a challenging trading period. This result included the first full year of costs for the Brisbane Liquor DC and one off direct costs relating to natural disasters in Queensland and New Zealand.

EBIT again grew faster than sales, up 6.3% and EBIT margin increased by 9bps. If the $38 million of direct costs relating to the Queensland and Christchurch natural disasters are excluded, EBIT grew 7.5%.

NPAT for the year increased by 5.1%. If the direct costs relating to the natural disasters are excluded, NPAT grew 6.4%. This is a solid result in the current economic environment, demonstrating a robust business model and clear strategies.

The balance sheet remains strong, generating higher cash flows and returning more capital to shareholders. Cash flow from operating activities was up 8.7% on the previous year.

Average inventory days at year-end are 33.8 days, up from 33.3 days for FY10. When the impact of incremental inventory for increased indent, Cellarmasters and Home Improvement is excluded, average inventory days decreased by 0.5 days when compared to FY10, reflecting continuing improvements in inventory management across the business.

The Balance Sheet and Cash Flow remain strong with a maintained dividend payout ratio and more than $1 billion of share buy back activity undertaken in the 2010 calendar year. We continue to enhance shareholder value by investing in capital on core and growth opportunities, such as our new store pipeline. We have successfully maintained our financial strength and flexibility as reflected in the maintenance of our strong long-term credit ratings for Standard & Poors (A- since 2001) and Moody’s (A3 since 2005).

Woolworths Limited Chairman, James Strong added: “Whilst the year has seen significant challenges for the retail sector, our sound business model means we can focus on sustaining long term profitable growth. The over 190,000 strong team at Woolworths has the skill, experience and depth of talent to deliver through all economic cycles and business conditions. The Board is pleased to announce a 6.1% increase in Dividends per Share (DPS) to 122 cents (1H: 57 cents, 2H: 65 cents) from 115 cents in FY10. This increase exceeds earnings growth.

“The Board is also pleased with the smooth CEO handover from Michael Luscombe to Grant O’Brien. Grant will commence his new role officially on 1 October 2011.”

CEO designate Grant O’Brien said: “I am looking forward to leading Woolworths into its next phase of opportunity and growth. My role is to continue to build long term shareholder value by strengthening our focus on meeting our customers’ needs, furthering the development of our people and enabling all parts of our diverse business to realise their untapped potential.”

HIGHLIGHTS

Trading Divisions

- **Australian & New Zealand Supermarkets** Solid growth in Sales and EBIT as well as growth in both customer transactions and market share, particularly in Fresh

- **New Zealand Supermarkets** Countdown transformation well on track – now largest retail brand by turnover, growing on all relevant metrics

- **Liquor** Widening the gap in terms of market share and delivering strong sales, margin and profit growth

- **Petrol** Improving merchandise sales to round-out the convenience offer

- **BIG W** Improved second half EBIT growth demonstrates relevance of value, range and quality proposition

- **Consumer Electronics** Good comparable sales growth relative to the market, underpinned by a new store format. Profitability remains challenging with the business in transition

- **Hotels** A resilient performance with results improving during the course of the year

Multi-Channel – developing a leading integrated offer

- 63% increase in online sales in FY11
- Dan Murphy's online launched in March 2011, combined with Cellarmasters acquisition will further build our multi-channel liquor offer
- Woolworths online now with geographical capacity to service more than 85% of the population. New platform launching from October 2011 with enhanced capabilities
- Strong growth in BIG W's online sales since the site launch in May 2010
- Integrating social networking with online offer to promote deals e.g. BIG W's 'Big Catch' and 'Daily Deal'
- DSE site refreshed and 'Click & Collect' successfully launched

Supply Chain – continuing to deliver financial benefits

- Project Refresh intellectual property now being applied across other businesses
- Liquor Distribution Centres (DC) providing significant capacity to lower unit costs
- Re-engineering of Mulgrave National DC increasing capacity, improving efficiency and reducing costs
- Hoxton Park DCs for BIG W, Dick Smith and Home Improvement due for commissioning in FY12
- Hoppers Crossing DC to service Masters and Danks is now operational
- Expanding global sourcing and international logistics capabilities delivering substantial benefits with direct buying volume growing more than 46% during the year

Lower Costs – delivering cost savings and efficiencies

- ‘Quantum’ initiatives leveraging scale to create cost saving and efficiency synergies across all businesses and support functions including supply chain, IT, Finance, Call Centres, non-trading procurement and global direct sourcing
- Benefits realised in lower CODB and increased gross margin to further maximise brand competitiveness in a tough market

Loyalty – rewarding and learning from our customers

- 8.4 million loyalty members in Australian and New Zealand (Everyday Rewards and Onecard)
- Auto-redemption of points and Qantas Frequent Flyer points alternative for petrol now available for Everyday Rewards members
- Direct marketing strategy delivering significant returns on a campaign by campaign basis
- Data mining and customer segmentation delivering substantial insights for category management enabling us to improve the customer offer

Services & Payments – enhancing and innovating in financial services

- Woolworths Everyday Rewards – Qantas Credit Card launched in November 2010 Prepaid MasterCard sales exceeded expectations and the launch of the Reloadable MasterCard Debit now gives customers a low fee transaction account.
- Processed over 500 million customer card transactions in FY11 with 100% up time and world-class chip cards acceptance security

Growth – disciplined approach continues to yield exciting opportunities

- Good progress on plans to deliver a multi-format home improvement offer with first Masters store to open soon in Melbourne. Recently commenced construction of our 19th store
- Trading performance of Danks has underwritten a large portion of Masters’ establishment costs during FY11
- Acquisition of Gunns Retail and Beck’s Home Timber & Hardware in TAS, Magnet Mart in ACT and NSW and Flatman’s Home Timber & Hardware in VIC further strengthen Danks’ business and profitability. Sites will provide stores for both Masters and Danks
- Design of the future Home Improvement Supply Chain Network has been completed and implementation of the first phases has commenced with facilities at Hoppers Crossing in Victoria and Hoxton Park DC in Sydney
- Acquisition of Cellarmasters in May will accelerate liquor growth through new and enhanced capabilities in production, operational services and private label supply chain, enabling us to serve a whole new customer segment in the direct marketing channel

Corporate Responsibility – continued leadership to reach our targets

- The carbon intensity of our business continues to reduce. Since 2007 we have identified many opportunities which are anticipated to deliver almost $120 million savings by the end of 2015 and reduce CO_2 equivalent emissions by over 970,000 tonnes in the same timeframe
- In 2011, we commenced 37 additional energy savings initiatives in our stores, projected to reduce annual carbon emission by more than 198,000 tonnes
- Good progress on implementation of Ethical Sourcing Policy and Palm Oil Sourcing Policy. Sustainable Seafood Policy announced in 2011
- Continued strong direct community investment in FY11 including $18.5 million donation to the Salvation Army's Flood Appeal by Woolworths and its customers and further $1 million to support Queensland farmers affected by floods
- Launch of Reconciliation Action Plan to create business and employment opportunities for indigenous Australians
- 30% reduction in lost time injury frequency rate and 11% in customer in-store injuries
- Full Corporate Responsibility Report will be released at the November AGM

FOOD, LIQUOR & PETROL

Key Highlights

Solid growth in Sales and EBIT as well as growth in both customer transactions and market share, particularly in Fresh and Liquor. Achieved by:

- **Building on our Fresh Food People credentials** Contemporary and innovative store formats with a revitalised market fresh offer, a presentation focus on key categories such as produce, meat and fresh bakery and an expanding ready-to-eat meal solutions range.
- **Focusing on service excellence** We continue to lead on service metrics from mystery shopper store visits.
- **Customer acknowledgement of real price leadership** First to reduce prices of more than 5,000 products and leader of price initiatives in meat, produce (fresh food price guarantee) and liquor.
- **On track transformation in New Zealand** 88% of stores are now branded Countdown making it the largest retail brand in NZ by turnover, growing on all relevant metrics. New generation Countdown stores now represent 62% of the fleet.
- **Market leading private label brands** Expansion of Macro Wholefood Market range in the fast growing 'good-for-you' category. Exclusive labels in liquor delivering innovation and value to customers.

Australian Supermarkets (inc. Liquor and Petrol)

	FY10 (52 weeks)	FY11 (52 weeks)	Change %
Sales – Food and Liquor ($ million)	34,675	36,176	4.3%
– Petrol ($ million)	5,481	6,025	9.9%
– Total ($ million)	40,156	42,201	5.1%
Gross Margin (%)	24.51	24.71	20 bps
Cost of Doing Business (%)	18.06	18.08	2 bps
EBIT to sales (%)	6.45	6.63	18 bps
EBIT ($ million)	2,592.0	2,796.5	7.9%
Funds Employed ($ million)	3,417.7	3,967.1	16.1%
Return on Funds Employed (%)	77.0	75.7	(1.3) ppts

<u>Australian Food & Liquor</u>

Australian Food & Liquor sales for the year were $36.2 billion, an increase of $1.5 billion or 4.3% over last year with comparable sales for the year increasing by 3.0%.

In a highly competitive and challenging retail environment, we increased market share, customer numbers, basket size and items sold. A number of initiatives contributed to this result including the success of the 2015 store format and overall price competitiveness via our price knockdown campaign. We further underpinned our quality and value through initiatives such as price reductions on beef, the Fresh Food Guarantee, the expansion of Macro Wholefoods Market range and the continued development of Select and Homebrand products.

The standard shelf price movement index[1] for the year was 2.6%. Excluding the impact of the increased tobacco excise, the shelf price movement index for the year was 1.1%. These numbers reflect higher levels of inflation in produce, which were more than offsetting deflation in some other categories.

Our average prices in the second half experienced deflation of 3.6% excluding tobacco (first half 4.3%), or 3.3% deflation including tobacco (first half 3.8%), when the effects of the promotions and volumes are included. Part of this deflation has been a result of Woolworths lowering its prices for the benefit of customers in a dynamic market.

During the year, 78 supermarkets were refurbished with approximately 10% now in the 2015 format. Approximately 46% of stores have the 2010 format. Both formats continue to perform strongly.

Australian Food & Liquor EBIT increased $186.4 million to $2,678.9 million or 7.5%. This includes $17.1 million of costs incurred directly as a result of the Queensland natural disasters. If these costs are excluded then EBIT grew by 8.2%.

Woolworths continues to focus on its objective of building and maintaining a sustainable business by reducing costs, improving value and lowering prices. The improvement of Australian Food & Liquor gross margin is attributable to several factors including; further reductions in direct store deliveries particularly in liquor; improvements in buying, including benefits gained from global sourcing; significant savings in shrinkage; improvements in freight costs; expansion and improvement of the exclusive brands ranges; and rollout of new formats.

Australian Supermarkets costs increased only slightly by 2 bps including the additional costs incurred in relation to natural disasters and the costs related to the full year operation of our Brisbane Liquor DC.

We opened 21 new supermarkets during the year, within our targeted range of 15 to 25, bringing total Australian Supermarkets to 840 stores. Total trading area in Australian Food & Liquor grew by 3.5% (FY 10: 4.4%) for the year.

Our Supermarket supply chain continues to create a competitive advantage. Development of the Next Generation Replenishment solution is progressing well which will optimise order flow not normally done in replenishment, continue to reduce days inventory as well as save costs in Stores, DCs and Transport. Continuing financial benefits will be achieved as the DC infrastructure reaches greater efficiency levels.

[1] The shelf price movement index is calculated by comparing the number of products sold in the current year using the current year prices to the number of products sold in the current year using the prior year prices. The price used for this comparison is the standard shelf price. Products on promotion are excluded from the calculation (i.e. the volume of these items sold is removed from both years' sales). The calculation removes the impact of any changes in volumes, and the distortion of promotional activity.

Woolworths has substantially completed the re-engineering of the National Distribution Centre located in Mulgrave (VIC) resulting in increased capacity, pick rate efficiency and reduced costs. The refurbishment of our two automated sites at Hume (VIC) and Minchinbury (NSW) is complete which significantly extends the life of these DCs.

Construction of the consolidated Tasmanian Regional Distribution Centre for food and liquor has commenced with completion planned in FY12. Development of the Bunbury (WA) Meat processing and distribution operation is tracking to schedule and is planned to be completed in FY12. This will improve the efficiency of both the meat processing and distribution to our WA supermarkets.

Our Metro Transport Model is now complete with Brisbane going live in the first half of FY11. This involves Woolworths' ownership of specifically designed trailers and the deployment of industry leading capacity planning, optimisation and freight tracking systems. Our new rail strategy has delivered significant benefits following the implementation of the Adelaide to Northern Territory corridor in the last quarter of FY10 and the east – west corridor in FY11.

Liquor

Group liquor sales (including ALH liquor sales) for the year totalled $5.9 billion up 5.4% on last year (FY10: $5.6 billion). Liquor achieved solid market share growth, improved margin and profitability and continues to lead a highly competitive market in terms of growth.

In May 2011 we completed the acquisition of the Cellarmasters group, gaining proven expertise in direct marketing and a new and complementary customer channel to add to our integrated multi-channel liquor offer.

We continue to expand our range of exclusive brands with over 70 new products introduced during the year. These included Sail & Anchor Clipper light beer and Bolt low carb beer as well as Castaway cider, which are all manufactured by Gage Road Breweries (in which we hold a 25% interest).

The liquor distribution network has now been established with the successful commissioning of the Brisbane Liquor DC in the last quarter of FY10. The network is now well positioned to support continued growth of our liquor business.

Nineteen new Dan Murphy's stores opened in the year bringing the total number to 140. We now have two stores in the newly evolved format that are performing well. At the end of the year, Woolworths Limited operated 1,250 liquor retail outlets.

Petrol

Petrol sales for the full year were $6.0 billion, an increase of 9.9%. Petrol comparable sales (dollars) increased by 7.2%, with comparable volumes increasing by 0.2% over the year. National average fuel prices were 131.2 cpl for the year, up from 124.1 cpl last year.

Petrol EBIT of $117.6 million increased by 18.2% obtained as a result of buying benefits achieved together with our supply partner Caltex and well managed CODB. The EBIT margin increased from 1.82% in FY10 to 1.95% in FY11. Merchandise (non fuel) sales for the year increased by 10.2% (comparable 5.5%) reflecting the continued merchandising improvements and growth of our share of the convenience market.

As at the end of the financial year, we had 581 petrol stations including 132 Woolworths/Caltex alliance sites. We opened an additional 20 petrol canopies during the year.

Funds Employed

The increase in funds employed reflects our investment in growth through the acquisition of Cellarmasters and continued investment in our store and distribution networks.

Average inventory days reduced 0.3 days excluding Petrol, Cellarmasters and incremental inventory in the new Liquor DC.

ROFE for the year is 75.7%. Over the last five years funds employed has increased by $1.8 billion with incremental EBIT of $1.5 billion - an 81% incremental return. Over the last three years funds employed has increased by $1.2 billion with incremental EBIT of $797 million - a 69% incremental return. ROFE increased from 64% in FY06 to 76% in FY11.

Over the last five years approximately $4.2 billion of capex has been invested in the business ($2.6 billion over last three years). The incremental EBIT over capex invested for five years was 35% (three years 31%).

New Zealand Supermarkets

	FY10 (52 weeks) $NZD	**FY11 (52 weeks) $NZD**	**Change % $NZD**
Sales ($ million)	5,185	5,362	3.4%
Gross Margin (%)	22.27	22.64	37 bps
Cost of Doing Business (%) [2]	17.56	17.93	37 bps
EBIT to sales (%) [2]	4.71	4.71	-
Trading EBIT ($ million)	244.1	252.4	3.4%
Less intercompany charges ($ million)	(11.9)	(8.3)	(30.3)%
Reported EBIT ($ million)	232.2	244.1	5.1%
Funds Employed ($ million)	2,995.5	3,208.7	7.1%

New Zealand Supermarkets achieved sales of NZ $5.4 billion (A$4.1 billion) for the year, a 3.4% increase (in NZD) with comparable sales for the year increasing 3.7%[3]. In NZ the overall food inflation for the year was 1.4%. The result, achieved in challenging economic conditions, is underpinned by the successful execution of the turnaround strategy and shift to a single brand. Countdown is now the largest retail

[2] Excludes intercompany charges.
[3] Stores closed due to the February Christchurch earthquake aftershock and the petrol sites transferred back to Gull have been excluded from comparable sales.

brand by turnover in New Zealand, growing market share, customer numbers, basket size and items sold.

The conversion of existing stores to the value-positioned Countdown brand nears completion with 88% of stores re-branded by year-end. A single brand has enhanced marketing and promotional activity while reinvestment in price has continued to close the competitive gap.

The New Zealand economy remains challenging for retailers, particularly following the Christchurch earthquake and aftershocks. The February aftershock caused the closure of seven Countdown and franchise stores. Four have now been reopened but two stores and one franchise store remained closed at year-end. Customers continued to shop at our other nearby stores but sales were adversely impacted. At year end there were 156 trading New Zealand Supermarkets (excluding franchisees).

EBIT increased 3.4%, with EBIT margin flat. In the first half EBIT increased 13.1%, with EBIT margin at 4.97%, but in the second half EBIT decreased by 6.4% at a margin of 4.42% due to earthquake related costs (not covered by insurance due to insurance excess levels). If these direct costs of NZ$14.8 million are excluded, EBIT for the full year increased 9.5%.

Gross Margin improved as we continued to capitalise on the benefits of the merchandising, point of sale and replenishment core support systems, with further improvement in shrinkage, on shelf availability, speed to market with new lines, and private label.

Funds Employed reflects continued investment in new stores and refurbishments offset by depreciation and investment in the new National DC that became operational in June 2011. ROFE also reflects the incremental costs of NZ$14.8 million relating to natural disasters. Excluding the direct costs attributable to the natural disasters ROFE for FY11 is 8.35% - an increase of 40 bps over the prior year.

BIG W

Key Highlights

Improved second half EBIT growth demonstrating relevance of value, range and quality proposition. Achieved by:

- **Price leadership** A tradition of delivering the lowest prices on the widest range of quality and branded product everyday including famous brands such as Mambo and Apple and exclusive, contemporary ranges such as Man and Woman by Peter Morrissey
- **A leading toy offer** We are delighted with the success of our toy offer including the launch of our Tinkers exclusive label toy brand. Toys have delivered market share growth and double digit sales growth
- **Refreshed store formats** 66% of BIG W stores have been refreshed to give a new look and feel while 37 now have in-store optical sites
- **Multi-channel** Rapid and innovative development of the integrated channel offer with 9,500 products now available

	FY10 (52 weeks)	**FY11 (52 weeks)**	**Change %**
Sales ($ million)	4,193	4,158	(0.8)%
Gross margin (%)	30.20	30.63	43 bps
Cost of Doing Business (%)	25.43	26.37	94 bps
EBIT to sales (%)	4.77	4.26	(51) bps
EBIT ($ million)	200.0	177.0	(11.5)%
Funds Employed ($ million)	789.3	822.1	4.2%
Return on Funds Employed (%)	28.1	22.0	(6.1) ppts

Sales for the year decreased 0.8% over the previous year. Comparable sales for the full year declined 2.5% (FY10: 3.2% decrease).

In the second half of the year, BIG W delivered an improved result with total sales increasing 2.0% (flat comparable sales) and EBIT growing 5.7%. This demonstrates an improving trend following a 2.8% total sales decrease for the first half of this year and decrease in sales of 7.0% in the second half of the prior year. Customer traffic and unit growth also improved in the second half of the year. The result reflects the contribution of ten new stores opened over the last two years, strong results from Toy, Menswear and Home departments and the continued growth of our optical and online offers.

BIG W is the destination for our customers, their home and family, because we continue to offer the lowest prices on the widest range of quality and branded product everyday. This continues into FY12 with the recent introduction of two exclusive Womenswear brands, Emerson and Avella, both of which deliver great quality at the best price.

Trading was impacted by tightened consumer spending and significant price deflation resulting from the strong Australian dollar, with cost price reductions passed onto the customer. Deflation for the year averaged at 6% and was particularly strong in home entertainment and apparel.

Customer numbers and units continued to grow with each customer purchasing more items per transaction. This demonstrates the overall appeal of BIG W’s value, quality and brand offer.

The increase in Gross Margin of 43bps reflects the benefits of an improved sales mix, strong control of promotional activity and improved buying. Global sourcing volumes continue to grow and represent an opportunity in supporting BIG W’s price leadership position.

CODB dollars increased 2.9%, due to new stores and investment in multi-channel. As a percentage of sales they increased by 94 bps as lower sales reduced the ability to fractionalise costs.

During the year we continued to improve the standard of our stores, fully refurbishing 11 stores (FY10: 11), and continuing to retrofit key merchandising initiatives across the network. Four BIG W stores were opened in the year (FY10: six stores), taking the total number to 165 - 66% of which bear the new livery. BIG W has opened 37 stores and refurbished 53 in the last five years and has a property pipeline to deliver 15 - 20 additional stores in the next three years.

The increase in funds employed of 4.2% reflects continued investment in the BIG W business to build a platform for long term growth. Key investments include: new stores and refurbishments, supply chain systems, multi-channel, optical, a third DC at Hoxton Park and stronger merchandise planning capabilities. ROFE has declined reflecting these key investments and lower earnings for the year.

Inventory levels at the end of the financial year are well placed with less total inventory on hand than the prior year with four more stores. Average inventory increased by 2.2 days excluding incremental owned imported inventory (up 3.8 days including incremental inventory), reflecting the higher inventory held at the end of the first half and higher levels of incremental owned imported inventory.

CONSUMER ELECTRONICS (AUSTRALIA, NZ & INDIA)

Key Highlights

Good comparable sales growth relative to the market, underpinned by a new store format. However profitability remains challenging with the business in transition.

- **A clear brand & price focus** An enhanced range, best pricing and right Techxpert advice including ‘we’re doing deals’ campaign
- **Good new format performance** 68% of Australian Dick Smith stores and 36% of New Zealand stores now converted. New format Dick Smith stores continue to outperform older format stores
- **Category growth** Laptops and Tablets growing strongly via competitive pricing, new improved range and in-store presentation. Improved Gaming and Mobile offers supported by interactive in-store presentation
- **Multi-channel expansion** refreshed website is trading strongly in Australia and New Zealand with new features including ‘Click & Collect’

Total Consumer Electronics

	FY10 (52 weeks)	FY11 (52 weeks)	Change %
Sales ($ million)	1,782	1,856	4.2%
Gross margin (%)	23.08	22.10	(98) bps
Cost of Doing Business (%)	21.31	20.66	(65) bps
EBIT to sales (%)	1.77	1.44	(33) bps
EBIT ($ million)	31.5	26.8	(14.9)%
Funds Employed ($ million)	383.6	419.1	9.3%
Return on Funds Employed (%)	8.4	6.7	(1.7) ppts

Consumer Electronics Australia

	FY10 (52 weeks)	FY11 (52 weeks)	Change %
Sales ($ million)	1,260	1,286	2.1%
Gross margin (%)	26.57	26.04	(53) bps
Cost of Doing Business (%)	24.85	24.66	(19) bps
EBIT to sales (%)	1.72	1.38	(34) bps
EBIT ($ million)	21.7	17.8	(18.0)%

Consumer Electronics Australia increased total sales by 2.1% and comparable sales by 4.2% which was a good outcome relative to the overall market. However trading continues to be impacted by tightened consumer spending and significant price deflation in key products.

The comparable store sales for the full year for Dick Smith stores (excluding Tandy and ex Powerhouse) grew 7.1%. This reflects the continued roll out of our refreshed Dick Smith offer, which has driven market share growth in key categories. The new format stores continue to grow sales at a greater rate than the older format.

EBIT was below last year due to the continuing transition of the business as well as issues arising from low consumer confidence and the strong dollar. However the second half EBIT of $0.2 million was significantly better than the loss of $5.8 million experienced in the prior year.

Gross margins decreased 53 bps reflecting strong price investment coupled with price deflation across the category. Costs were well controlled on a low sales base with CODB decreasing 19 bps.

Consumer Electronics New Zealand

	FY10 (52 weeks) NZD	**FY11 (52 weeks) NZD**	**Change %**
Sales ($ million)	341	322	(5.6)%
Gross margin (%)	24.60	25.22	62 bps
Cost of Doing Business (%)	21.46	23.48	202 bps
EBIT to sales (%)	3.14	1.74	(140) bps
EBIT ($ million)	10.7	5.6	(47.7)%

New Zealand Consumer Electronics continues to be challenged with the weak economic environment impacting discretionary retailers together with strong price competition and significant price deflation. There has also been an impact from the Christchurch earthquake with three stores closed since February. These factors have resulted in sales 5.6% lower than the prior year and EBIT reducing to NZ$5.6 million.

Consumer Electronics India

Our business venture with TATA in India now services 64 retail stores operating under the Croma brand, and has produced sales of $322 million for the year compared to $252 million last year - an increase of 27.8%. The business is performing above expectations, with EBIT increasing significantly to $4.8 million for the year, compared to $1.3 million last year. As part of this venture Woolworths Limited provides buying, wholesale, supply chain and general consulting services to TATA.

Store Openings

There were 47 Dick Smith stores opened during the year (41 in Australia, six in New Zealand), 56 Dick Smith and 13 Tandy stores were closed during the year and five Tandy stores have been rebranded as Dick Smith. This takes total stores to 394 (390 Dick Smith and four Tandy). Three of the store closures were as a result of the New Zealand earthquake.

Funds Employed

The increase in funds employed reflects the acceleration of refurbishment activity and an increase in working capital due to timing of receivables and accruals. Average inventory days were up 3.3 days. The increased average inventory days was a result of higher inventory balances earlier in the year due to lower than expected December trading. This has been addressed during the second half and closing inventory position is below the levels of the prior year.

HOTELS

Key Highlights

A resilient performance with results improving during the course of the year. Achieved by:

- **Continued focus** on improving all aspects of the business in particular the food and entertainment offers
- **Improved comparable gaming sales** as regulatory impacts are cycled

	FY10 (52 weeks)	**FY11 (52 weeks)**	**Change %**
Sales ($ million)	1,102	1,153	4.6%
Gross margin (%)	82.42	81.53	(89) bps
Cost of Doing Business (%)	66.39	65.60	(79) bps
EBIT to sales (%)	16.03	15.93	(10) bps
EBIT ($ million)	176.7	183.7	4.0%

Our Hotel business continues to prove reasonably resilient reflecting the overall quality of our management team and venue portfolio. The Hotel business has provided us with a strong platform for successful growth in the liquor market and will continue to do so as we selectively expand this business. We now have 51 Dan Murphy's stores on hotel sites and 437 BWS stores.

Hotel sales of $1.2 billion for the year represents an increase of 4.6% with comparable sales increasing 4.9%. This result reflects a continued focus on improving the food and entertainment offers and the passing of the anniversary of some regulatory changes in Victoria. Gaming comparable sales for the year were up 3.1%.

EBIT increased 4.0% to $183.7 million. In the second half Hotels achieved strong EBIT growth of 15.6% (or 17.1% when excluding the impact of natural disasters). This result was achieved on the back of strong second half sales growth of 5.9%. There continues to be a change in sales mix towards food and bars resulting in lower gross margins with higher sales and good cost control assisting the CODB%.

The planning for 2012 changes to the Victorian gaming arrangements is well underway and will be beneficial for our Hotel business.

A further two properties were added in the year, taking the total number of hotels and clubs to 282 and a total of 1,319 accommodation rooms.

OVERHEADS, EXPENSES & BALANCE SHEET

Central Overheads

Central overheads remained stable at $111.3 million and include costs associated with various business development activities.

Net Financing Expense and Tax Expense

Net financing expense of $261.5 million has increased from the prior year ($211.5 million) as a result of higher debt levels reflecting the funding of planned capital expenditure and the completed on-market and off-market buy-backs in 2010, which returned over $1 billion to shareholders.

Tax expense is 29.0% in line with the prior year (29.0%).

Balance Sheet and Cash Flow Statement

Our balance sheet remains strong, generating higher cash flows and returning more capital to shareholders through increased dividends as well as a share buyback.

Cash generated by operating activities was $2,991.1 million, up 8.7% on the previous year, reflecting solid earnings growth.

Key balance sheet movements are explained as follows:

- Inventory levels at June 2011 are $3,736.5 million, representing an increase of 8.7% from the prior year. Average inventory days at year-end are 33.8 days, up from 33.3 days at June 2010. When the impact of incremental inventory for indent, Cellarmasters and Home Improvement is eliminated, average inventory days decrease by 0.5 days when compared to FY10.
- Trade creditors increased 4.4% as a result of the higher inventory as well as general business growth.
- Negative working capital has decreased by $33.9 million to $2,264.3 million. This is largely due to the increase in inventory offset by increased trade payables outlined above.
- Fixed assets and investments increased by $1,027.6 million to $8,830.5 million, reflecting ongoing capital expenditure partly offset by disposals of property and ongoing depreciation. Net capital expenditure for the year was $1,744.1 million (FY10: $1,762.3 million).
- Intangibles increased by 3.3% or $165.6 million, reflecting additional goodwill and other intangible assets associated primarily with the acquisition of Cellarmasters. This increase has partially been offset by adverse movements in foreign exchange rates, reducing the goodwill and intangibles recognised on acquisition of New Zealand supermarkets.
- Net repayable debt (which includes cash, borrowings and hedge-related assets and liabilities) has increased $1,364.1 million to $4,355.7 million representing higher borrowings and hedge related liabilities to fund the off-market share buy-back and the higher level of property development partially offset by an increase in cash balances due to pre-financing debt repayable in the first half of FY12.

CAPITAL MANAGEMENT

Objectives

Woolworths sets its capital structure with the objective of enhancing shareholder value through optimising its weighted average cost of capital while retaining flexibility to pursue growth and undertake capital management initiatives. Consistent with this objective, Woolworths has targeted, achieved and maintained its strong credit ratings of A- from Standard and Poor's and A3 from Moody's Investor Services.

Capital Returns

Woolworths will seek to return capital to shareholders when that is consistent with its capital structuring objectives and where it will enhance shareholder value. Since July 2001, over $10.3 billion has been returned to shareholders through dividends, on-market and off-market buy-backs (including the final dividend for the financial year ended 26 June 2011).

Including the $704 million off-market share buy-back completed in October 2010, Woolworths returned over $1 billion of capital (excluding dividends) to shareholders in the 2010 calendar year.

The off-market share buy-back and payment of the April 2011 and October 2011 dividends will return over $0.9 billion in franking credits to shareholders. Woolworths expects that after these events there will be approximately $1.2 billion of franking credits available for future distribution.

Financing Transactions

In September 2010, Woolworths issued US$1.25 billion of notes into the US144A market. The issue comprised two maturity tranches of five years (US$500 million) and ten years (US$750 million). The currency exposure was fully hedged at A$1.32 billion.

In March 2011, Woolworths issued A$500 million of Medium Term Notes into the domestic institutional market with a maturity of five years.

In April 2011, a further US$850 million of notes were issued into the US144A market, comprising two maturity tranches of five years (US$300 million) and ten years (US$550 million). The currency exposure was fully hedged at A$822 million.

Refinancing requirements immediately following this include an A$600 million hybrid note (notice to redeem was issued on 11 August 2011), followed by US$300 million in US 144A notes (hedged at A$410 million) maturing in November 2011. These have been partly pre-financed by the above two A$ and US$ debt raisings. In April and May 2012, two syndicated bank loan facilities totalling A$1.7 billion will mature. Of this, approximately A$546 million is currently drawn. A refinancing plan for these maturities is currently in process of implementation. As at year end Woolworths has $3.2 billion in undrawn bank loan facilities.

Note: The credit ratings referred to in this document have been issued by a credit rating agency which holds an Australian Financial Services Licence with an authorisation to issue credit ratings to wholesale clients only. The credit ratings in this document are published for the benefit of Woolworths Debt Providers.

Property Sales Program

Woolworths has a history of developing Marketplace style retail centres through its property development arm. This capability enabled a continued roll out of its store network during the Global Financial Crisis. Woolworths increased its involvement in the development of sites using its own balance sheet, which has resulted in the ownership of a larger (than historical) portfolio of retail centres. Woolworths is generally not a long term holder of property assets and continues its strategy of divesting property as appropriate market opportunities arise. Woolworths' total proceeds from the disposal of property for the 2011 financial year were approximately $390 million including $48 million of Hotel proceeds.

Defined plans to continue space roll-out

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

	Gross store openings in FY11	**Target**
Australian Supermarkets	21	15-25 new Supermarkets per annum and 3%+ space growth
NZ Supermarkets	10[4]	3-5 new Supermarkets per annum
Dan Murphy	19	Plans to open 10 - 15 new stores per annum targeting over 200 stores
BWS	46	Plans to open 10 stores (net) per annum
Petrol	20	Will grow supporting the Supermarket rollout strategy
BIG W	4	4-5 stores per annum targeting over 200 stores
Consumer Electronics	47	Schedule to convert all Consumer Electronics stores to the new concept format and where appropriate move existing stores to better locations
Hotels (ALH Group)	2	Acquire selectively as appropriate opportunities arise
Home Improvement	NA	Planning to deliver 150 Masters sites in 5 years (from announcement of JV). Plan to open 15 - 20 stores per year

[4] Included the acquisition of six ex-franchise stores

Outlook

The retail sector continues to endure the toughest conditions in this current economic cycle, as household savings rates are driven higher by uncertain global and domestic factors. Consumer confidence has fallen. This was seen particularly in the second half of last financial year. Therefore it remains very difficult to predict accurately the outlook for FY12, however, we anticipate trading over the year will be subdued.

As Woolworths plans for future growth, through expansion into the circa $40 billion home improvement market, we anticipate start-up costs for Masters of up to $100 million, which will impact our overall earnings in FY12. The amount of these start up costs is dependent upon a range of factors, particularly the pace of our new store roll out.

Woolworths is well positioned in all its market segments and has a strong and sustainable business model geared towards the less discretionary retail segments. Therefore we expect a year of further earnings growth in FY12 with Net Profit after Tax expected to grow in the range of 2% – 6% subject to the uncertainties detailed above.

Woolworths will hold an investor briefing day hosted by Grant O'Brien in late October 2011.

- ENDS -

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Profit and Loss for the 52 weeks ended 26 June 2011

	FY10 (52 weeks) ($m)	FY11 (52 weeks) ($m)	Change
Sales			
Australian Food and Liquor	34,675	36,176	4.3%
New Zealand Supermarkets	4,131	4,111	(0.5)%
Petrol	5,481	6,025	9.9%
Supermarket Division	**44,287**	**46,312**	4.6%
BIG W	4,193	4,158	(0.8)%
Consumer Electronics – Aust & NZ	1,530	1,534	0.3%
Consumer Electronics – India	252	322	27.8%
Consumer Electronics	1,782	1,856	4.2%
General Merchandise Division	**5,975**	**6,014**	**0.7%**
Hotels	**1,102**	**1,153**	**4.6%**
Home Improvement	**330**	**664**	**n.m**
Group Sales	**51,694**	**54,143**	**4.7%**
Group Sales – excluding Petrol	**46,213**	**48,118**	**4.1%**
Margins			
Gross Profit	25.91%	26.03%	12 bps
Cost of Doing Business	19.95%	19.98%	3 bps
EBIT to sales	5.96%	6.05%	9 bps
Profit			
Earnings before interest, tax, depreciation amortisation & rent (EBITDAR)	5,357.7	5,675.5	5.9%
Rent	(1,477.9)	(1,541.2)	4.3%
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**3,879.8**	**4,134.3**	**6.6%**
Depreciation and amortisation	(797.7)	(857.9)	7.5%
Earnings before interest & tax (EBIT)	**3,082.1**	**3,276.4**	**6.3%**
Net financial expenses [1]	(211.5)	(261.5)	23.6%
Operating income tax expense	(832.6)	(874.6)	5.0%
Net operating profit after income tax	**2,038.0**	**2,140.3**	**5.0%**
Non controlling interests	(17.2)	(16.3)	(5.2)%
Total profit after tax & minority equity interests	**2,020.8**	**2,124.0**	**5.1%**
Funds employed (period end)	10,575.7	11,802.8	11.6%
ROFE (average)	31.0%	29.3%	(1.7) ppts
Weighted average ordinary shares on issue (million)	1,232.1	1,216.2	(1.3)%
Ordinary earnings per share (cents)	164.0	174.6	6.5%
Diluted earnings per share (cents)	163.2	173.6	6.4%
Interim dividend per share (cents)	53	57	7.5%
Final dividend per share (cents) [2]	62	65	4.8%
Total dividend per share (cents)	115	122	6.1%

[1] Breakdown of net financing costs

Interest expense	(257.4)	(332.6)	29.2%
Less Interest Capitalised	30.1	55.6	84.7%
Net Interest expense	(227.3)	(277.0)	21.9%
Dividend Income	12.5	10.6	(15.2)%
Foreign Exchange Gain	3.3	4.9	48.5%
Net financing costs	**(211.5)**	**(261.5)**	**23.6%**

[2] Final dividend payable on 14 October 2011 will be fully franked at 30%

Group Balance Sheet as at 26 June 2011

	FY10 27 June 2010 ($m)	FY11 26 June 2011 ($m)	Change
Funds Employed			
Inventory	3,438.8	3,736.5	8.7%
Trade Payables	(4,211.2)	(4,398.1)	4.4%
Net Investment in Inventory	(772.4)	(661.6)	(14.3)%
Receivables	930.1	1,044.1	12.3%
Other Creditors	(2,455.9)	(2,646.8)	7.8%
Working Capital	**(2,298.2)**	**(2,264.3)**	**(1.5)%**
Fixed Assets and Investments	7,802.9	8,830.5	13.2%
Intangibles	5,071.0	5,236.6	3.3%
Total Funds Employed	**10,575.7**	**11,802.8**	**11.6%**
Net Tax Balances	233.6	305.7	30.9%
Net Assets Employed	**10,809.3**	**12,108.5**	**12.0%**
Net Repayable Debt	(2,991.6)	(4,355.7)	45.6%
Capital call receivable from Minority Interest	-	93.0	n.m
Net Assets	**7,817.7**	**7,845.8**	**0.4%**
Non controlling interests	247.3	252.6	2.1%
Shareholders Equity	7,570.4	7,593.2	0.3%
Total Equity	**7,817.7**	**7,845.8**	**0.4%**
Inventory Days (Based On COGS)	33.3	33.8	
Creditor Days (Based On Sales)	46.9	47.4	
Return on Funds Employed (ROFE)	31.0%	29.3%	

Group Cash Flow

	FY10 (52 weeks) ($m)	FY11 (52 weeks) ($m)	Change
EBITDA	3,879.8	4,134.3	6.6%
Net increase in creditors	82.9	167.1	
Net (increase) in inventory	(94.2)	(234.7)	
Net change in other working capital and non cash [5]	30.2	75.5	
Cash from Operating Activities before interest and tax	**3,898.7**	**4,142.2**	6.2%
Net interest paid (incl. costs of income notes)[6]	(249.8)	(309.6)	
Tax paid[7]	(896.9)	(841.5)	
Total Cash provided by Operating Activities	**2,752.0**	**2,991.1**	8.7%
Payments for the purchase of business – other [8]	(204.7)	(443.9)	
Advances related to property development	(49.6)	(13.1)	
Payments for the purchase of investments	(1.9)	-	
Payments for property, plant and equipment – property development [9]	(618.5)	(996.9)	
Payments for property, plant and equipment - other	(1,149.6)	(1,128.5)	
Proceeds on disposal of property, plant & equipment[10]	55.4	394.4	
Proceeds from ALE Rights renouncement	4.2	-	
Dividends received	12.5	10.6	
Total Cash used in Investing Activities	**(1,952.2)**	**(2,177.4)**	
Free Cash	**799.8**	813.7	
Net Operating Profit after tax	2,038.0	2,140.3	
Free Cash Flow as a % of NPAT	**39%**	**38%**	

[5] Non cash items include share based payments expense, gain / loss of sale on sale of fixed assets.
[6] Interest paid reflects higher average debt levels in FY11 necessary to fund share buy-backs and increased property development expenditure.
[7] Tax payments are down reflecting the lower final tax adjustment required with respect to the 2010 tax return following the relative higher instalments paid during FY10.
[8] Other purchases of businesses relate to the acquisition of Cellarmasters and retail hardware businesses as well as individual hotel / store acquisitions. FY10 included individual hotel/store acquisitions as well as the acquisition of Macro Wholefoods, Danks Holdings Limited and Gunns Retail Division.
[9] Payments for property, plant and equipment have increased as a result of significant property development activity.
[10] Proceeds from the disposal of property, plant and equipment primarily represent proceeds from the sale of Australian development properties.

Appendix 1

Five Year Store and Trading Area Analysis					
Year Ended 26 June 2011	**2011**	**2010**	**2009**	**2008**	**2007**
	FULL	**FULL**	**FULL**	**FULL**	**FULL**
STORES (number)	**YEAR**	**YEAR**	**YEAR**	**YEAR**	**YEAR**
NSW & ACT	255	248	241	234	237
QLD	194	189	186	177	168
VIC	203	200	192	187	183
SA & NT	76	74	72	72	72
WA	83	83	82	81	79
TAS	29	29	29	29	27
Supermarkets in Australia [1]	840	823	802	780	766
New Zealand Supermarkets (includes franchise)[2]	156	152	149	149	149
Total Supermarkets	996	975	951	929	915
Thomas Dux	11	11	3	1	-
Freestanding Liquor (incl. Dan Murphy)	305	281	256	233	212
ALH Retail Liquor Outlets	488	480	463	434	424
Caltex/WOW Petrol	132	132	133	133	134
Woolworths Petrol – Australia	449	429	409	389	371
Woolworths Petrol/Convenience – New Zealand	-	22	22	22	22
Total Supermarket Division	**2,381**	**2,330**	**2,237**	**2,141**	**2,078**
BIG W	165	161	156	151	142
Dick Smith	390	394	349	310	277
Tandy	4	22	87	106	123
Total General Merchandise Division	559	577	592	567	542
Hotels (includes 8 clubs)	282	284	280	271	263
Danks (Home Improvement Retail)	19	8	-	-	-
Total Group	**3,241**	**3,199**	**3,109**	**2,979**	**2,883**
Wholesale customer stores					
Dick Smith	3	18	35	43	55
Progressive	51	54	53	52	50
Croma (India CEG)	64	50	33	22	5
Danks (Home Improvement Wholesale)	543	581	-	-	-
Statewide Independent Wholesale	220	220	218	216	217
Total Wholesale customer stores	881	**923**	**339**	**333**	**327**
Trading Area (sqm)					
Supermarkets Division – Australia [3]	2,202,620	2,127,195	2,037,680	1,945,641	1,848,792
Supermarkets Division – New Zealand [4]	333,274	325,256	303,889	296,549	291,092
General Merchandise Division[5]	1,086,082	1,061,934	1,038,561	989,767	930,288
Supermarket Store Movements July 10- June 11	**[1]Australian Supermarkets**		**[2]New Zealand Supermarkets**		
New Stores – incremental	21		10		
Closures - permanent	(3)		(1)		
Closures – for re-development	(1)		(3)		
Temporary Closures – natural disasters	-		(2)		
Net New Stores	**17**		**4**		

[3] Australian Supermarkets Division trading area (excluding Petrol and ALH BWS outlets) has increased by 3.5% (FY10: 4.4%)
[4] Excludes Gull and franchise stores.
[5] Excludes Woolworths India.