

**PRELIMINARY FINAL REPORT OF WOOLWORTHS LIMITED FOR THE
FINANCIAL YEAR ENDED**

24 JUNE 2012

ABN 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 2012 (52 weeks)

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

CONTENTS

Results for Announcement to the Market for the Financial Year Ended 24 June 2012	3
Consolidated Income Statement for the Financial Year Ended 24 June 2012	4
Consolidated Statement of Comprehensive Income for the Financial Year Ended 24 June 2012	6
Consolidated Balance Sheet as at 24 June 2012	8
Consolidated Statement of Changes in Equity for the Financial Year Ended 24 June 2012	9
Consolidated Statement of Cash Flows for the Financial Year Ended 24 June 2012.....	10
Notes to the Preliminary Final Report for the Financial Year Ended 24 June 2012	11
1. Basis of Preparation	11
2. Profit From Ordinary Activities – Continuing Operations	12
3. Net Financing Costs – Continuing Operations.....	13
4. Commentary on Results.....	13
5. Notes to the Consolidated Statement of Cash Flows.....	14
6. Details Relating to Dividends (Distributions)	17
7. Issued Capital.....	18
8. Earnings Per Share	19
9. Net Tangible Assets Per Security.....	21
10. Details of Entities Over Which Control Has Been Gained or Lost.....	21
11. Details of Associates and Joint Venture Entities	21
12. Contingent Liabilities and Contingent Assets.....	22
13. Segment Information.....	22
14. Assets Held for Sale and Discontinued Operations	24
15. Subsequent Events.....	26
16. Information on Audit or Review	26

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$m
Revenue from continuing operations	up	4.8%	to 55,492.2
Revenue from discontinued operations	up	2.4%	to 1,571.1
Total Group revenue from ordinary activities	up	4.7%	to 57,063.3
Profit from continuing operations after tax attributable to members	up	3.6%	to 2,182.9
Loss from discontinued operations after tax attributable to members ¹	down	n.m. ²	to (366.2)
Profit from ordinary activities after tax attributable to members¹	down	14.5%	to 1,816.7
Net profit attributable to members¹	down	14.5%	to 1,816.7

¹ A restructure provision and impairment loss totalling \$420 million before tax was recognised during the financial year relating to the restructure and divestment of Dick Smith. This business has been classified as a discontinued operation – refer note 14 for further detail. Excluding the impact of this amount, net profit after tax attributable to members was \$2,200.4 million, up 3.6%.

² Not measurable.

Dividends (Distributions)

	Amount per security	Franked amount per security
Final dividend	67¢	67¢
Interim dividend	59¢	59¢
Record date for determining entitlement to the dividend:	Final Dividend: 14 September 2012	

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

Refer to Press Release.

**CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

	Note	2012 \$m	2011 \$m
Continuing Operations			
Revenue from the sale of goods	2 (a)	55,129.8	52,609.1
Other operating revenue	2 (a)	138.9	136.6
Total revenue from continuing operations		55,268.7	52,745.7
Cost of sales		(40,792.4)	(39,050.0)
Gross profit from continuing operations		14,476.3	13,695.7
Other revenue	2 (b)	223.5	225.4
Branch expenses		(8,777.3)	(8,315.7)
Administration expenses		(2,570.4)	(2,351.0)
Earnings from continuing operations before interest and tax		3,352.1	3,254.4
Financial expense	3	(318.3)	(300.1)
Financial income	3	34.6	38.5
Net financing costs from continuing operations		(283.7)	(261.6)
Profit from continuing operations before income tax expense		3,068.4	2,992.8
Income tax expense relating to continuing operations		(885.0)	(869.2)
Profit from continuing operations after income tax expense		2,183.4	2,123.6
Discontinued Operations			
(Loss)/profit from discontinued operations	14	(366.2)	16.7
Profit for the period		1,817.2	2,140.3
Profit attributable to:			
Equity holders of the parent entity		1,816.7	2,124.0
Non-controlling interests		0.5	16.3
Profit for the period		1,817.2	2,140.3
Profit attributable to owners of the parent entity relates to:			
Profit from continuing operations		2,182.9	2,107.3
(Loss)/profit from discontinued operations		(366.2)	16.7
Profit attributable to equity holders of the parent entity		1,816.7	2,124.0

**CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

	Note	2012	2011
Earnings Per Share (EPS) from continuing and discontinued operations			
Basic EPS (cents per share)	8	148.67	174.64
Diluted EPS (cents per share)	8	147.93	173.60
Weighted average number of shares used in the calculation of Basic EPS (million)	8	1,222.0	1,216.2
 Earnings Per Share from continuing operations			
Basic EPS (cents per share)	8	178.63	173.27
Diluted EPS (cents per share)	8	177.75	172.24
Weighted average number of shares used in the calculation of Basic EPS (million)	8	1,222.0	1,216.2

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

	2012 \$m	2011 \$m
Net profit from continuing operations	2,183.4	2,123.6
Net (loss)/profit from discontinued operations	(366.2)	16.7
Profit for the period	1,817.2	2,140.3
Other comprehensive income from continuing operations		
Movement in translation of foreign operations taken to equity	36.6	(134.9)
Movement in the fair value of investments in equity securities	(16.3)	(5.3)
Movement in the fair value of cash flow hedges	95.7	(609.0)
Transfer cash flow hedges to the income statement	(175.4)	459.7
Actuarial losses on defined benefit plans	(50.8)	(6.2)
Tax effect of items recognised directly to equity	34.2	65.6
Other comprehensive loss for the period (net of tax) from continuing operations	(76.0)	(230.1)
Other comprehensive income from discontinued operations		
Movement in translation of foreign operations taken to equity	0.4	(2.6)
Movement in the fair value of cash flow hedges	(0.3)	0.1
Tax effect of items recognised directly to equity	0.2	(0.3)
Other comprehensive income/(loss) for the period (net of tax) from discontinued operations	0.3	(2.8)
Total comprehensive income from continuing operations	2,107.4	1,893.5
Total comprehensive (loss)/income from discontinued operations	(365.9)	13.9
Total comprehensive income for the period	1,741.5	1,907.4
Total comprehensive income from continuing operations attributable to:		
Equity holders of the parent	2,106.9	1,877.2
Non-controlling interests	0.5	16.3
Total comprehensive income for the period from continuing operations	2,107.4	1,893.5
Total comprehensive income from discontinued operations attributable to:		
Equity holders of the parent	(365.9)	13.9
Total comprehensive income for the period from discontinued operations	(365.9)	13.9

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
Income tax on other comprehensive income from continuing operations			
For the year ended 24 June 2012			
Movement in translation of foreign operations taken to equity	36.6	(4.9)	31.7
Movement in the fair value of investments in equity securities	(16.3)	-	(16.3)
Movement in the fair value of cash flow hedges	95.7	(28.7)	67.0
Transfer cash flow hedges to the income statement	(175.4)	52.6	(122.8)
Actuarial losses on defined benefit plans	(50.8)	15.2	(35.6)
Total of items recognised in other comprehensive income	(110.2)	34.2	(76.0)

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
For the year ended 26 June 2011			
Movement in translation of foreign operations taken to equity	(134.9)	18.9	(116.0)
Movement in the fair value of investments in equity securities	(5.3)	-	(5.3)
Movement in the fair value of cash flow hedges	(609.0)	182.7	(426.3)
Transfer cash flow hedges to the income statement	459.7	(137.9)	321.8
Actuarial losses on defined benefit plans	(6.2)	1.9	(4.3)
Total of items recognised in other comprehensive income	(295.7)	65.6	(230.1)

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
Income tax on other comprehensive income from discontinued operations			
For the year ended 24 June 2012			
Movement in translation of foreign operations taken to equity	0.4	0.1	0.5
Movement in the fair value of cash flow hedges	(0.3)	0.1	(0.2)
Total of items recognised in other comprehensive income	0.1	0.2	0.3

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
For the year ended 26 June 2011			
Movement in translation of foreign operations taken to equity	(2.6)	(0.3)	(2.9)
Movement in the fair value of cash flow hedges	0.1	-	0.1
Total of items recognised in other comprehensive income	(2.5)	(0.3)	(2.8)

**CONSOLIDATED BALANCE SHEET
AS AT 24 JUNE 2012**

	Note	2012 \$m	2011 \$m
Current assets			
Cash		833.4	1,519.6
Trade and other receivables		869.9	856.1
Inventories		3,698.3	3,736.5
Other financial assets		23.8	120.8
		5,425.4	6,233.0
Assets classified as held for sale	14	376.7	93.9
Total current assets		5,802.1	6,326.9
Non-current assets			
Trade and other receivables		24.5	14.9
Other financial assets		238.8	119.3
Property, plant and equipment		9,589.0	8,620.3
Intangibles		5,282.0	5,236.6
Deferred tax assets		644.7	510.4
Total non-current assets		15,779.0	14,501.5
Total assets		21,581.1	20,828.4
Current liabilities			
Trade and other payables		5,242.2	5,246.7
Borrowings		54.4	1,471.1
Current tax liabilities		221.5	204.7
Other financial liabilities		107.4	238.7
Provisions		939.8	861.0
		6,565.3	8,022.2
Liabilities directly associated with assets classified as held for sale	14	200.9	-
Total current liabilities		6,766.2	8,022.2
Non-current liabilities			
Borrowings		4,695.3	3,373.8
Other financial liabilities		887.2	915.5
Provisions		527.3	465.2
Other		258.8	205.9
Total non-current liabilities		6,368.6	4,960.4
Total liabilities		13,134.8	12,982.6
Net assets		8,446.3	7,845.8
Equity			
Issued capital		4,336.6	3,988.6
Shares held in trust		(60.7)	(56.1)
Reserves		(243.9)	(236.8)
Retained profits		4,163.4	3,897.5
		8,195.4	7,593.2
Amounts recognised directly in equity relating to assets classified as held for sale	14	(7.2)	-
Equity attributable to the members of Woolworths Limited		8,188.2	7,593.2
Non-controlling interests		258.1	252.6
Total equity		8,446.3	7,845.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012

For the year ended 24 June 2012

	Issued Capital	Shares held in trust	Hedging Reserve	Foreign Currency Translation Reserve	Remuneration Reserve	Asset Revaluation Reserve	Equity Instrument Reserve	Retained Earnings	Equity attributable to members of Woolworths Limited	Non- controlling Interests	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 27 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
Profit after income tax expense	-	-	-	-	-	-	-	1,816.7	1,816.7	0.5	1,817.2
Other comprehensive income for the period (net of tax)	-	-	(56.0)	32.2	-	-	(16.3)	(35.6)	(75.7)	-	(75.7)
Total comprehensive income for the period (net of tax)	-	-	(56.0)	32.2	-	-	(16.3)	1,781.1	1,741.0	0.5	1,741.5
Dividends paid	-	-	-	-	-	-	-	(1,516.8)	(1,516.8)	(15.6)	(1,532.4)
Issue of shares as a result of options exercised under executive share option plans	120.9	-	-	-	-	-	-	-	120.9	-	120.9
Issue of shares as a result of the dividend reinvestment plan	199.6	-	-	-	-	-	-	-	199.6	-	199.6
Issue of shares under the employee share plan	-	29.8	-	-	-	-	-	-	29.8	-	29.8
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	110.0	110.0
Compensation on share based payments	-	-	-	-	39.8	-	-	-	39.8	-	39.8
Reclassification of non-controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(89.1)	(89.1)
Shares issued to/(acquired by) the Woolworths Employee Share Trust	34.4	(34.4)	-	-	(14.1)	-	-	-	(14.1)	-	(14.1)
Other	(6.9)	-	-	-	0.1	-	-	1.6	(5.2)	(0.3)	(5.5)
Balance at 24 June 2012	4,336.6	(60.7)	(52.8)	(349.0)	246.2	16.4	(111.9)	4,163.4	8,188.2	258.1	8,446.3

For the year ended 26 June 2011

	Issued Capital	Shares held in trust	Hedging Reserve	Foreign Currency Translation Reserve	Remuneration Reserve	Asset Revaluation Reserve	Equity Instrument Reserve	Retained Earnings	Equity attributable to members of Woolworths Limited	Non- controlling Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$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 the dividend reinvestment plan	197.7	-	-	-	-	-	-	-	197.7	-	197.7
Issue of shares under the 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 issued to/(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 STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

	Note	2012 \$m	2011 \$m
Cash Flows From Operating Activities			
Receipts from customers		61,545.6	58,886.6
Receipts from vendors and tenants		50.9	52.9
Payments to suppliers and employees		(57,412.0)	(54,797.3)
Interest and costs of finance paid		(396.1)	(332.1)
Interest received		26.8	22.5
Income tax paid		(941.4)	(841.5)
Net cash provided by operating activities	5(e)	2,873.8	2,991.1
Cash Flows From Investing Activities			
Proceeds from the sale of property, plant and equipment		199.5	394.4
Payments for property, plant and equipment - property development		(1,165.8)	(996.9)
Repayments of property related receivables		(1.1)	(13.1)
Payments for property, plant and equipment (excl. property development)		(968.7)	(1,126.3)
Payments for intangible assets		(6.2)	(2.2)
Payment for the purchase of investments		(0.6)	-
Dividends received		7.8	10.6
Payments for the purchase of businesses	5(b)	(145.2)	(443.9)
Net cash used in investing activities		(2,080.3)	(2,177.4)
Cash Flows From Financing Activities			
Proceeds from the issue of equity securities		120.9	97.7
Proceeds from the issue of equity securities in subsidiary to non-controlling interest		203.0	176.6
Payments for share buyback		-	(738.7)
Proceeds from external borrowings		12,361.9	13,349.2
Repayment of external borrowings		(12,830.8)	(11,590.9)
Dividends paid	5(c)	(1,317.2)	(1,260.0)
Dividends paid to non-controlling interests		(15.6)	(13.2)
Repayment of employee share plan loans		8.6	7.4
Payments for shares acquired by Woolworths Limited Employee Share Trust		-	(28.8)
Net cash used in financing activities		(1,469.2)	(0.7)
Net (decrease)/increase in cash held		(675.7)	813.0
Effect of exchange rate changes on foreign currency held		1.3	(6.8)
Cash at the beginning of the period		1,519.6	713.4
Cash at the end of the period	5(a)	845.2	1,519.6

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012

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 and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted in the Company's annual financial report for the 52 weeks ended 26 June 2011. These accounting policies are consistent with Accounting Standards and with International Financial Reporting Standards.

Certain comparative amounts within the Consolidated Balance Sheet have been reclassified to conform with the current year's presentation to better reflect the economic nature of the assets and liabilities of the Group.

The following amendments to Australian Accounting Standards have been adopted during the period but do not have a material impact on the group:

- AASB 124 'Related Party Disclosures (2009)' and AASB 2009-12 'Amendments to Australian Accounting Standards';
- AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement';
- AASB 2010-3 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project';
- AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'; and
- AASB 2010-5 'Amendments to Australian Accounting Standards'.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

2. Profit From Ordinary Activities – Continuing Operations

	2012 \$m	2011 \$m
Profit from continuing operations before income tax includes the following items of revenue and expense:		
(a) Operating revenue – continuing operations		
Revenue from the sale of goods	55,129.8	52,609.1
Other operating revenue	138.9	136.6
Revenue from operations	55,268.7	52,745.7
(b) Other revenue – continuing operations		
Rent and other	223.5	225.4
Total revenue (excluding financial income)	55,492.2	52,971.1
(c) Expenses – continuing operations		
Amounts provided for:		
Self-insured risks	223.3	189.7
Depreciation:		
Development properties and freehold land, warehouse, retail and other properties	45.4	37.2
Plant and equipment	713.8	677.0
Amortisation:		
Leasehold improvements	123.4	114.9
Other intangibles	1.1	0.2
Total depreciation and amortisation	883.7	829.3
Net loss on disposal of property, plant and equipment	8.9	11.4
Employee benefits expense	6,419.0	6,099.2
Operating lease rental expenses:		
Minimum lease payments	1,500.7	1,381.3
Contingent rentals	59.0	73.1
Total operating lease rental expenses	1,559.7	1,454.4

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

3. Net Financing Costs – Continuing Operations

	2012 \$m	2011 \$m
Financial expense		
Interest expense – other parties	(408.0)	(355.7)
Less: interest capitalised ⁽¹⁾	90.1	55.6
Foreign exchange loss	(0.4)	-
	(318.3)	(300.1)
Financial income		
Dividend income	7.8	10.6
Interest income	26.8	23.0
Foreign exchange gain	-	4.9
	34.6	38.5
Net financing cost	(283.7)	(261.6)

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

4. Commentary on Results

Refer to Press Release.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

5. Notes to the Consolidated Statement of Cash Flows

	2012 \$m	2011 \$m
(a) Reconciliation of cash		
For the purposes of the consolidated statement of cash flows, cash includes cash at bank and on hand, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated balance sheet as follows:		
Cash at bank and on hand from continuing operations	833.4	1,519.6
Cash at bank and on hand from discontinued operations	11.8	-
Cash at the end of the financial year	845.2	1,519.6
(b) Businesses acquired		
Details of the aggregate cash outflow relating to the acquisition of businesses and the aggregate assets and liabilities of those businesses as at the date of acquisition were as follows:		
Property, plant and equipment	49.8	102.2
Inventories	10.0	81.5
Liquor and gaming licenses and other intangible assets	40.1	25.1
Brand names	-	4.5
Cash	0.3	5.2
Receivables	7.8	43.5
Deferred tax asset	0.3	4.3
Accounts payable	(4.8)	(42.5)
Provisions	(1.1)	(9.6)
Other liabilities	-	(14.9)
Net assets acquired	102.4	199.3
Goodwill on acquisition	42.1	251.1
Fair value of net assets acquired	144.5	450.4
Analysed as follows:		
Consideration		
- cash paid	144.5	450.4
Total consideration	144.5	450.4
Cash paid	144.5	450.4
Add: deferred consideration paid/(received)	1.0	(1.3)
Less: cash balances acquired	(0.3)	(5.2)
Cash consideration paid	145.2	443.9

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

5. Notes to the Consolidated Statement of Cash Flows (continued)

(c) Non-cash financing and investing activities

In accordance with the Company's Dividend Reinvestment Plan (DRP), \$199.6m of the total dividend of \$1,516.8m (13%) was reinvested in the shares of the Company (2011: \$197.7m of the total dividend of \$1,457.7m, 14%).

	2012	2011
	\$m	\$m
(d) Financing facilities – total Group		
Unrestricted access was available at the balance date to the following lines of credit:		
Total facilities¹		
Bank overdrafts	37.6	43.1
Bank loan facilities	3,431.6	3,795.6
	3,469.2	3,838.7
Used at balance date		
Bank overdrafts	-	-
Bank loan facilities	51.9	587.2
	51.9	587.2
Unused at balance date		
Bank overdrafts	37.6	43.1
Bank loan facilities	3,379.7	3,208.4
	3,417.3	3,251.5

¹ Total facilities exclude Woolworths Notes II, bonds and medium term notes.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

5. Notes to the Consolidated Statement of Cash Flows (continued)

	2012 \$m	2011 \$m
<i>(e) Reconciliation of net cash provided by operating activities to profit after income tax expense:</i>		
Profit after income tax expense	1,817.2	2,140.3
Depreciation and amortisation	895.9	857.9
Foreign exchange gains	(0.8)	(5.2)
Employee benefits expense – share based payments	39.8	18.2
Loss on disposal and write off of property, plant and equipment	10.2	15.4
Borrowing costs capitalised	(90.1)	(55.6)
Amortisation of borrowing costs	8.1	6.7
Consumer Electronics restructuring provision	393.1	-
Dividends received	(7.8)	(10.6)
Other	5.4	(16.0)
Increase in deferred tax asset	(104.7)	(7.1)
Increase in current tax liability	19.1	39.8
Increase in trade and other receivables	(107.3)	(103.0)
Increase in inventories	(297.3)	(234.7)
Increase in trade payables	14.7	158.8
Increase in sundry payables and provisions	278.3	186.2
Net cash provided by operating activities	2,873.8	2,991.1

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

6. Details Relating to Dividends (Distributions)

		Date dividend payable/paid	Amount per security ¢
Final dividend	2012	12 October 2012	67
	2011	14 October 2011	65
Interim dividend	2012	27 April 2012	59
	2011	29 April 2011	57
Total	2012		126
	2011		122

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

	2012 ¢ per share	2011 ¢ per share
Ordinary securities (fully franked at 30% tax rate)	126	122

Interim and final dividend (distribution) on all securities

	2012 \$m	2011 \$m
Ordinary securities	1,549.3	1,484.3

Any other disclosures in relation to dividends (distributions).

On 23 August 2012, the board of directors declared a final dividend of 67 cents per share. The amount that will be paid on 12 October 2012 will be approximately \$825.4m. No provision has been made in the full year financial report in line with the requirements of AASB 137: Provisions, Contingent Liabilities and Contingent Assets.

Dividend Reinvestment Plans

The dividend reinvestment plan shown below is in operation.

Dividend Reinvestment Plan (DRP)

Under the terms and conditions of the DRP, eligible shareholders may elect to participate in the Plan in respect of all or part of their shareholding, subject to any maximum and/or minimum number of shares to participate in the DRP 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 DRP is 20,000.

The last date for receipt of election notices for the dividend reinvestment plan

14 September 2012

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

7. Issued Capital

	2012	2011
	\$m	\$m
Reconciliation of fully paid share capital		
Balance at beginning of period	3,988.6	3,784.4
Issue of shares as a result of options exercised under employee long term incentive plans	120.9	97.7
Issue of shares as a result of the Dividend Reinvestment Plan	199.6	197.7
Adjustment to share capital to reflect the final proceeds for shares issued under the Employee Share Plan	(6.9)	(6.5)
Issue of shares to the Woolworths Employee Share Trust	34.4	-
Shares bought back	-	(84.7)
Balance at end of period	4,336.6	3,988.6
	2012	2011
	No. (m)	No. (m)
Reconciliation of fully paid share capital		
Balance at beginning of period	1,216.5	1,231.2
Issue of shares as a result of options exercised under employee long term incentive plans	6.2	5.7
Issue of shares as a result of the Dividend Reinvestment Plan	7.9	7.1
Issue of shares to the Woolworths Employee Share Trust	1.3	-
Shares bought back	-	(27.5)
Balance at end of period	1,231.9	1,216.5

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

8. Earnings Per Share

	2012	2011
	¢ per share	¢ per share
Basic earnings per share		
From continuing operations	178.63	173.27
From discontinued operations	(29.96)	1.37
Total basic earnings per share	148.67	174.64

	2012	2011
	¢ per share	¢ per share
Diluted earnings per share		
From continuing operations	177.75	172.24
From discontinued operations	(29.82)	1.36
Total diluted earnings per share	147.93	173.60

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:

	2012	2011
	\$m	\$m
Earnings – continuing operations (a)	2,182.9	2,107.3
Earnings – discontinued operations (a)	(366.2)	16.7
Earnings – continuing and discontinued operations (a)	1,816.7	2,124.0

	2012	2011
	No. (m)	No. (m)
Weighted average number of ordinary shares (b), (c)	1,222.0	1,216.2

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:

	2012	2011
	\$m	\$m
Earnings – continuing operations (a)	2,182.9	2,107.3
Earnings – discontinued operations (a)	(366.2)	16.7
Earnings – continuing and discontinued operations (a)	1,816.7	2,124.0

	2012	2011
	No. (m)	No. (m)
Weighted average number of ordinary shares and potential ordinary shares (c), (d)	1,228.1	1,223.5

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

8. Earnings Per Share (continued)

- (a) Earnings used in the calculation of basic and diluted earnings per share reconciles to net profit in the consolidated income statement as follows:

	2012	2011
	\$m	\$m
Profit attributable to the members of Woolworths Limited	1,816.7	2,124.0
Earnings used in the calculation of basic earnings per share from:		
Continuing operations	2,182.9	2,107.3
Discontinued operations	(366.2)	16.7
Total continuing and discontinued operations	1,816.7	2,124.0

- (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.

- (c) 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:

	2012	2011
	No. (m)	No. (m)
Weighted average number of ordinary shares used in the calculation of basic EPS	1,222.0	1,216.2
Shares deemed to be issued for no consideration in respect of employee options	6.1	7.3
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	1,228.1	1,223.5

- (d) 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.

	2012	2011
	No. (m)	No. (m)
Shares deemed to be issued at average market price in respect of employee options	18.1	22.5

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

	2012	2011
	No. (m)	No. (m)
Not applicable	-	-

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

9. Net Tangible Assets Per Security

	2012	2011
	¢ per share	¢ per share
Net tangible assets per security	235.91	193.72
Add:		
Brand names, liquor and gaming licenses and property development rights	167.24	165.14
Net tangible assets per security adjusted for brand names, liquor and gaming licenses and property development rights	<u>403.15</u>	<u>358.86</u>

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

Control gained over entities

Name of entity (or group of entities) Not applicable

Date control gained Not applicable

2012
\$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: Not applicable

11. Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	2012 %	2011 %	2012 \$m	2011 \$m
Associates				
Gage Roads Brewing Co Limited	25%	25%	0.1	-
Aggregate share of profits			0.1	-

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012

12. Contingent Liabilities and Contingent Assets

	2012 \$m	2011 \$m
Contingent liabilities		
Bank guarantees ¹	80.3	50.3
Workers' compensation self-insurance guarantees ²	615.4	522.4
Outstanding letters of credit issued to suppliers	14.4	16.8
Other	6.5	6.5
	716.6	596.0

¹ This item mainly comprises guarantees relating to conditions set out in development applications and for the sale of properties in the normal course of business.

² State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the outstanding liability. Guarantees held at each balance date do not equal the liability at these dates due to delays in issuing the guarantees.

Contingent assets

None

13. Segment Information

The Group has five reportable segments related to continuing operations. The reportable segments were identified on the basis of internal reports on the components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and assess its performance.

These business units offer different products and services and are managed separately because they require different technology and marketing strategies. The Group's reportable segments are as follows:

- **Australian Food and Liquor** – procurement of Food and Liquor and products for resale to customers in Australia
- **New Zealand Supermarkets** – procurement of Food and Liquor and products for resale to customers in New Zealand
- **Petrol** – procurement of petroleum products for resale to customers in Australia
- **BIG W** – procurement of discount general merchandise products for resale to customers in Australia
- **Hotels** – provision of leisure and hospitality services including food and alcohol, accommodation, entertainment and gaming

The Unallocated group consists of the Group's other operating segments that are not separately reportable (including Home Improvement and Consumer Electronics India) as well as various support functions including Property and Head office costs.

Discontinued operations represent the Consumer Electronics segment, which is the procurement of electronic products for resale in Australia and New Zealand.

Geographical Segments

	Australia		New Zealand		Total Continuing Operations		Discontinued Operations ⁽¹⁾		Consolidated	
	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m
Segment disclosures										
Geographical segments										
Sales to customers	50,828.0	48,498.6	4,301.8	4,110.5	55,129.8	52,609.1	1,570.3	1,533.8	56,700.1	54,142.9
Other operating revenue	132.2	123.9	6.7	12.7	138.9	136.6	-	-	138.9	136.6
Other revenue	198.3	201.2	25.2	24.2	223.5	225.4	0.8	0.8	224.3	226.2
Revenue from external customers	51,158.5	48,823.7	4,333.7	4,147.4	55,492.2	52,971.1	1,571.1	1,534.6	57,063.3	54,505.7
Non-current assets ⁽²⁾	12,141.7	10,989.5	2,855.5	2,795.0	14,997.2	13,784.5	-	203.6	14,997.2	13,988.1

(1) Discontinued operations is comprised of Consumer Electronics Australia and New Zealand. In FY12, all assets related to discontinued operations are classified as current.

(2) Geographical non-current assets exclude financial instruments (fair value derivatives), deferred tax assets and intercompany receivables.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

13. Segment Information (continued)

	Australian Food & Liquor ⁽¹⁾		New Zealand Supermarkets		Petrol		BIG W		Hotels ⁽²⁾		Unallocated ⁽³⁾		Total Continuing Operations		Discontinued Operations ⁽⁴⁾		Consolidated	
	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m	2012 \$A m	2011 \$A m
Segment disclosures																		
Business segments																		
Sales to customers	37,549.2	36,176.1	4,301.8	4,110.5	6,714.2	6,025.3	4,179.6	4,158.3	1,204.0	1,153.1	1,181.0	985.8	55,129.8	52,609.1	1,570.3	1,533.8	56,700.1	54,142.9
Other operating revenue	132.2	123.9	6.7	12.7	-	-	-	-	-	-	-	-	138.9	136.6	-	-	138.9	136.6
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	451.3	332.7	451.3	332.7	0.4	0.5	451.7	333.2
Segment revenue	37,681.4	36,300.0	4,308.5	4,123.2	6,714.2	6,025.3	4,179.6	4,158.3	1,204.0	1,153.1	1,632.3	1,318.5	55,720.0	53,078.4	1,570.7	1,534.3	57,290.7	54,612.7
Eliminations											(451.3)	(332.7)	(451.3)	(332.7)	(0.4)	(0.5)	(451.7)	(333.2)
Unallocated revenue ⁽⁵⁾											223.5	225.4	223.5	225.4	0.8	0.8	224.3	226.2
Total revenue	37,681.4	36,300.0	4,308.5	4,123.2	6,714.2	6,025.3	4,179.6	4,158.3	1,204.0	1,153.1	1,404.5	1,211.2	55,492.2	52,971.1	1,571.1	1,534.6	57,063.3	54,505.7
Segment earnings before interest and tax	2,817.2	2,678.9	224.5	191.9	127.1	117.6	178.4	177.0	195.7	183.7	(190.8)	(94.7)	3,352.1	3,254.4	24.6	22.0	3,376.7	3,276.4
Loss on remeasurement to fair value less costs to sell															(420.0)	-	(420.0)	-
Earnings before interest and tax	2,817.2	2,678.9	224.5	191.9	127.1	117.6	178.4	177.0	195.7	183.7	(190.8)	(94.7)	3,352.1	3,254.4	(395.4)	22.0	2,956.7	3,276.4
Net financing cost													(283.7)	(261.6)	0.1	0.1	(283.6)	(261.5)
Profit before income tax expense													3,068.4	2,992.8	(395.3)	22.1	2,673.1	3,014.9
Income tax expense													(885.0)	(869.2)	29.1	(5.4)	(855.9)	(874.6)
Profit after income tax expense													2,183.4	2,123.6	(366.2)	16.7	1,817.2	2,140.3
Segment depreciation and amortisation	521.3	500.2	84.8	71.5	32.2	31.7	82.7	75.1	64.9	66.6	97.8	84.2	883.7	829.3	12.2	28.6	895.9	857.9
Capital expenditure ⁽⁶⁾	497.9	934.0	202.5	266.8	45.1	58.6	88.1	116.9	180.2	146.1	1,334.5	1,009.1	2,348.3	2,531.5	19.3	53.7	2,367.6	2,585.2

(1) Australian Food & Liquor is comprised of supermarket and liquor stores and wholesale food and liquor in Australia.

(2) Hotels is comprised of on-premise liquor sales, food, accommodation, gaming and venue hire.

(3) Unallocated is comprised of corporate head office, the property division, Consumer Electronics India and the Home Improvement division.

(4) Discontinued operations is comprised of Consumer Electronics Australia and New Zealand.

(5) Unallocated revenue is comprised of rent and other revenue from operating activities across the group.

(6) Capital expenditure is comprised of property, plant and equipment and intangible asset additions.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

14. Assets Held for Sale and Discontinued Operations

Woolworths Limited has announced it will restructure its specialty Consumer Electronics brand Dick Smith, with a view to divesting this business. The business was being actively marketed for sale at 24 June 2012. As such, the Dick Smith Australia and New Zealand operations have been classified as a discontinued operation.

A restructure provision and impairment loss totalling \$420 million was recognised during the financial year in relation to the Dick Smith business. In accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations, the amount of this provision was determined by reference to the fair value less costs to sell of the business.

The full year results and cash flows from the discontinued operation are as follows:

	2012	2011
	\$m	\$m
Profit/(Loss) from Discontinued Operations		
Revenue	1,570.3	1,533.8
Other revenue	0.8	0.8
Total revenue	1,571.1	1,534.6
Expenses	(1,546.4)	(1,512.5)
Profit before income tax	24.7	22.1
Attributable income tax expense	(7.2)	(5.4)
Profit after tax before loss on re-measurement	17.5	16.7
Loss on re-measurement to fair value less costs to sell ¹	(420.0)	-
Attributable income tax expense	36.3	-
(Loss)/Profit for the period from discontinued operations	(366.2)	16.7
Cash Flows from Discontinued Operations		
Net cash inflows from operating activities	90.0	31.5
Net cash outflows from investing activities	(24.3)	(53.4)
Net cash inflows/(outflows)²	65.7	(21.9)

¹ Loss on re-measurement to fair value less costs to sell represents an impairment loss and restructuring provisions related to goodwill, inventory, property, plant and equipment and certain lease exit costs for the Dick Smith business.

² All cash flow financing activities for the Dick Smith business are intercompany in nature and are therefore excluded from this disclosure.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

14. Assets Held for Sale and Discontinued Operations (continued)

The major classes of assets and liabilities of the Dick Smith Australian and New Zealand businesses at the end of the reporting period (reported as a disposal group) together with other assets held for sale are as follows:

	2012	2011
	\$m	\$m
<i>Assets classified as held for sale</i>		
Disposal group held for sale (discontinued operation)		
Cash	11.8	
Trade and other receivables	10.8	
Inventories	149.3	
Property, plant and equipment	43.6	
Deferred tax assets	5.3	
Other financial assets	0.1	
Total disposal group held for sale (discontinued operations)	220.9	
Other assets held for sale – property, plant and equipment		
Property, plant and equipment	155.8	93.9
Total other assets held for sale – property, plant and equipment	155.8	93.9
Total assets classified as held for sale	376.7	93.9
<i>Liabilities directly associated with assets classified as held for sale</i>		
Disposal group held for sale (discontinued operation)		
Trade and other payables	180.9	
Provisions	13.4	
Other financial liabilities	0.2	
Other liabilities	6.4	
Total liabilities directly associated with assets classified as held for sale	200.9	
Total amounts recognised directly in equity associated with assets classified as held for sale	(7.2)	

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 24 JUNE 2012**

15. Subsequent Events

On 28 June 2012, ALH Group Pty Ltd (ALH), a 75% owned subsidiary of Woolworths Limited received approval from the Australian Competition and Consumer Commission (ACCC) for the acquisition of 28 Hotels from the Laundry Hotel Group, Waugh Hotel Group and DeAngelis Group. Approval was later obtained from the ACCC for the acquisition of one further hotel and one bottleshop. As at the date of this report, 27 sites have been acquired in four separate tranches for total consideration of \$153.4 million. The acquisition of an additional two hotels and one bottleshop are pending finalisation and two hotels remain subject to ACCC approval.

In 2006 the Victorian Government announced new arrangements for gaming machine licenses that came into effect from 16 August 2012. The new arrangements allow venue operators to acquire and operate their own gaming machines in approved venues. ALH has a commitment of \$164.3 million to acquire electronic gaming machine entitlements over the next 4 years and a commitment to acquire electronic gaming machines to the value of \$26.2 million in August 2012. ALH will recognise the entitlement as an intangible asset on acquisition in the 2013 financial year. This will be amortised on a straight line basis over the life of the entitlement. In addition, the obligation to the Victorian Government will be recorded at amortised cost and equal the present value of the remaining future payments to be made following initial recognition of the licence in 2012.

16. Information on Audit or Review

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

- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | 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.

WOOLWORTHS LIMITED

24 August 2012

PRESS RELEASE

FINAL PROFIT REPORT AND DIVIDEND ANNOUNCEMENT FOR THE 52 WEEKS ENDED 24 JUNE 2012

**Net Profit From Continuing Operations After Tax
up 3.6% to \$2,182.9 million**

**Net Profit After Tax down 14.5% to \$1,816.7 including
Discontinued Operations and Consumer Electronics Provision**

Ongoing progress against strategic priorities, with major initiatives achieved

- Total Group sales up 4.7%. Sales from continuing operations of \$55.1 billion, up 4.8%
- EBIT from continuing operations up 5.6% before investment in Home Improvement
- 3.0% increase in EBIT from continuing operations to \$3,352.1 million (total Group EBIT before Consumer Electronics provision up 3.1%)
- 3.6% increase in NPAT from continuing operations to \$2,182.9 million (total Group NPAT before Consumer Electronics provision up 3.6%) and 3.1% increase in EPS from continuing operations to 178.63 cents
- 14.5% decrease in NPAT and 14.9% decrease in EPS (including discontinued operations and Consumer Electronics provision)
- 3.3% increase in fully franked dividend to 126 cents per share

Woolworths Chief Executive Officer and Managing Director, Grant O'Brien, said: "The result is pleasing for both shareholders and customers. Despite some of the toughest retail conditions in recent times we have delivered value to customers through lower prices and value to shareholders through solid returns within guidance.

"We set clear priorities in November 2011 to: extend leadership in food and liquor; maximise shareholder value in our portfolio; maintain our record of building new growth businesses; and put in place the enablers for a new era of growth. This profit result, in this tough environment, reflects that we are on track and making progress against all these priorities.

WOOLWORTHS LIMITED

“The work that has been undertaken this year provides the platform for success in the future to meet the changing needs of our customers and build long term shareholder value. We are very much focused on ensuring that we are well positioned for a new era of retailing through both our store networks and range of multi-option channels.

“We report a solid increase in net profit after tax from continuing operations of 3.6%. It was also pleasing to achieve a strong increase of 5.6% in our EBIT result before the \$100 million investment in our new Home Improvement business which had its first store opening in September 2011. The sales result reflects a stronger end to the year which has continued into the start of the 2013 financial year.”

Woolworths Limited Chairman, James Strong, added: “The Board has announced a 3.3% increase in dividends per share to 126 cents for the 2012 financial year, up from 122 cents last year. Ongoing investment in the business and new strategic initiatives introduced by Grant in his first year as CEO are beginning to reap rewards and the business is well placed as it enters the 2013 financial year.”

Note: This announcement contains certain non-IFRS measures that Woolworths believe are relevant and appropriate for the understanding of the business. Refer to Appendix 2 for further information.

PROGRESS AGAINST STRATEGIC PRIORITIES

At our Investor Briefing Day on 2 November 2011, we outlined our strategic priorities and business initiatives to ensure future growth and enhanced shareholder value.

“Whilst still early days, FY12 saw good progress on our strategic priorities and we have received positive customer feedback in relation to many new initiatives. Our team is very focused on these strategic priorities as we enhance the shopping experience for our customers as well as reward our shareholders through higher returns,” Grant O’Brien said.

1. Extend leadership in food and liquor

- ✓ The Supermarkets team are making strong progress in reinvigorating our Supermarket offer. Australia’s Fresh Food People are delivering customers: fresher food, Australia’s broadest range of national branded groceries, better value and an improved in-store experience, especially in the new 2015 store format
- ✓ June 2012 saw the launch of the new marketing campaign, re-affirming our position as ‘Australia’s Fresh Food People’. The campaign has been supported by the innovative use of unique media integration with ‘The Voice’ and we are very pleased with the strong positive customer response
- ✓ Space growth is continuing with 38 new Supermarkets opened during FY12 and a further 35 planned to open in FY13. This ongoing investment in new stores will provide growing presence in the marketplace as well as benefits for the communities in which we operate through job creation and economic stimulation
- ✓ Strong performance in liquor, led by Dan Murphy’s which expanded its customer offering to 160 stores, 30 of which are trading in the new ‘Store of the Future’ format. We have also developed www.danmurphys.com.au which is the most visited liquor website in Australia
- ✓ The New Zealand business transformation and positive Countdown brand momentum continues to deliver strong results and market share gains

2. Act on our portfolio to maximise shareholder value

- ✓ As advised on 31 January 2012, we decided to accelerate the restructure of the Dick Smith business with a view to divest the business in a staged and considered process and raised a provision for the restructure and possible sale. Consumer Electronics is disclosed as a discontinued operation. Whilst the sale process is continuing, we have prudently decided to increase our provision to \$420 million (from \$300 million at HY12), effectively providing for nearly all of the asset book value in this financial year. The additional provision relates to lease exit and restructure costs and provisions against inventory and property, plant and equipment
- ✓ BIG W has continued to make good progress in evolving its offer to meet the changing needs of consumers as part of realising its ambition to be Australia’s leading multi-option retailer
- ✓ Growing customer appreciation of our pub offer underpinned by our continued focus on being Australia’s most responsible operator of local pubs with an industry leading hotel and gaming charter underpinning strong commitment to responsible service

3. Maintain our track record of building new growth

- ✓ Multi-option is a key focus for the Group and continues to evolve at pace with:
 - ✓ 2.3 million downloads of the Group's mobile apps
 - ✓ additions and enhancements made to the multi-option offer during FY12 include the Masters transactional website, the Supermarkets mobile shopping app, a virtual supermarket shopping wall, the BIG W mobile app, BIG W toy sale pop-up stores, the Door Buster daily deals site, click then collect and a new generation supermarket online platform
 - ✓ a 95% increase in total online sales for the year – 48% excluding Cellarmasters
 - ✓ recognition of progress with Woolworths Supermarkets winning Online Retail Industry Awards for Best Multichannel Retailer and Best Online Retail Marketing Initiative
- ✓ FY12 saw the commencement of trading for our Masters business, with 15 stores open at the end of the financial year. Trading results from these stores are encouraging and we remain focused on the new store roll-out plan with at least 30 stores to be open by the end of FY13. Of the 150 sites we plan to secure over five years, there are 112 sites in the pipeline. At the end of the year, there were 12 stores under construction and five completing fitout
- ✓ During FY12, 12 hotels in Western Australia were acquired from the receivers of the Compass Group. Since the end of the financial year, 27 hotels and seven attached retail liquor outlets have been acquired from the Laundry, Waugh and DeAngelis Hotel Groups with the acquisition of an additional two hotels and one bottleshop pending finalisation and two hotels remaining subject to regulatory approval
- ✓ Danks acquired Tait Timber and Hardware and Mittagong Timber and Hardware during the year as part of its strategy to build a portfolio of company-owned hardware stores

4. Put in place the enablers for a new era of growth

- ✓ The new state of the art Hoxton Park Distribution Centre (DC) has commenced operations and is the most advanced retail general merchandise DC in Australia. The DC currently supports BIG W and will also support Home Improvement from October 2012
- ✓ Our data-driven 'Category Lab' continues to leverage deep insight from Australia and New Zealand's largest loyalty program. This customer centric category management commenced in Supermarkets and has extended across our other businesses, providing a tailored shopping experience for our customers
- ✓ Cost savings from Quantum initiatives which leverage group scale and incorporate global best practices are underway and will start delivering benefits in FY13
- ✓ We continue our focus on assembling a world class retail team by blending the best local and international talent at Board, Management Board and Senior Management level

BUSINESS PERFORMANCE

Earnings Before Interest and Tax (EBIT)

(\$ million)	FY11 Statutory (52 weeks)	FY12 Statutory (52 weeks)	Change
Continuing Operations			
Australian Food and Liquor	2,678.9	2,817.2	5.2%
Petrol	117.6	127.1	8.1%
Australian Supermarkets	2,796.5	2,944.3	5.3%
<i>New Zealand Supermarkets (NZD)</i>	<i>244.1</i>	<i>287.4</i>	<i>17.7%</i>
New Zealand Supermarkets	191.9	224.5	17.0%
BIG W	177.0	178.4	0.8%
Hotels	183.7	195.7	6.5%
Total Trading Result – Continuing Operations	3,349.1	3,542.9	5.8%
Central Overheads, Consumer Electronics India and Home Improvement	(94.7)	(190.8)	101.5%
Group EBIT – Continuing Operations	3,254.4	3,352.1	3.0%
Discontinued Operations			
Consumer Electronics – Australia & New Zealand	22.0	24.6	11.8%
Group EBIT – Discontinued Operations (before Consumer Electronics provision)	22.0	24.6	11.8%
Total Group EBIT (before Consumer Electronics provision)	3,276.4	3,376.7	3.1%
Consumer Electronics provision ¹	-	(420.0)	n.m
Total Group EBIT (after Consumer Electronics provision)	3,276.4	2,956.7	(9.8)%

BUSINESS PERFORMANCE

Grant O'Brien commented: "The 3.6% increase in net profit after tax from continuing operations to \$2,182.9 million was a pleasing result. The growth in our trading EBIT of 5.6% (before investment in Home Improvement) was particularly strong. This reflects the strength and resilience of our operations despite macroeconomic and market challenges and the growth and change agenda we are driving through our business.

"We have continued to focus our efforts on meeting the needs of our customers, with our continuing operations having served an additional 55.5 million customers this year, an increase of 4.1%. This reflects new and exciting customer offers as well as value delivered through price investment and deflation."

Sales from continuing operations grew by 4.8% to \$55.1 billion. This is a result underpinned by gains in customer numbers, market share and units sold. The last quarter in particular was a stronger end to what was a challenging year. Retail conditions remained subdued due to consumer and business uncertainty and an unseasonably cold and wet summer period. The impact of this was exacerbated by significant deflation.

Gross margin as a percentage of sales for continuing operations increased 23 bps, reflecting the benefits of global direct sourcing, increased effectiveness of promotional activity, improved stock management through the use of distribution centres, reduced shrinkage, increasing sales of exclusive brand products and the success of new store formats. We have continued to reinvest in lower prices, delivering greater value to customers.

Cost of Doing Business (CODB) as a percentage of sales for continuing operations increased 33 bps, predominantly as a result of our investment in Masters. Excluding the impact of Masters CODB increased 15 bps. Additional costs were also incurred in relation to the higher than usual number of store openings during the year and additional distribution centres being added to the network. Excluding these items, costs have been controlled in dollar terms in a challenging trading period with significant sell price deflation limiting the ability to fractionalise costs. We remain focused on reducing our cost base, particularly in areas outside the stores, with Project Quantum due to deliver results from FY13 onwards.

EBIT from continuing operations increased 3.0% on the previous year underpinned by a 6.0% increase in EBIT from our Food, Liquor and Petrol businesses in Australia and New Zealand. Whilst the EBIT margin decreased 11 bps reflecting our investment in the start up phase of the Masters Home Improvement business, EBIT margins across our other trading divisions have improved or been maintained.

NPAT from continuing operations increased 3.6% to \$2,182.9 million. This is a pleasing result for the period considering the difficult retail trading conditions, the investment in our new Home Improvement business as well as the change agenda within our business. Total NPAT including discontinued operations and the Consumer Electronics provision was down 14.5% on the previous year.

Closing inventory days for continuing operations are up 1.2 days on the previous year to 33.1 days. This has been impacted by the building of inventory in our Home Improvement business. Excluding Home Improvement, inventory days decreased 0.4 days compared to FY11. In light of the number of new stores and additional DC infrastructure added in FY12 across the group, this is a pleasing result which reflects ongoing improvements in stock management.

Cash flow generated by normal trading (EBITDA before movements in working capital) increased 3.3% to \$4,272.6 million. After taking into account the additional net investment in inventory (driven by the start-up phase of the Masters business) and other changes in working capital, cash from operating activities before interest and tax increased 1.0%. Net interest paid of \$369.3 million (FY11: \$309.6 million) increased as a result of higher debt levels reflecting the funding of planned capital expenditure, including property development activity and the start-up phase of the Masters business, as well as the full impact of the share buy-back activity undertaken in the prior year. Tax payments were \$941.4 million in FY12 (FY11: \$841.5 million). This increase is mainly attributable to a higher instalment rate in FY12 and higher tax refunds/credits in FY11 related to Research and Development and the Investment Allowance. Total cash provided by operating activities was \$2,873.8 million, down 3.9%.

The cash realisation ratio² was 93.7% or 102.8% after excluding the impact of additional net investments in inventory which was driven by building inventory within the Masters Home Improvement business.

We continue to enhance **shareholder value** by investing capital in core and growth opportunities such as our new store pipeline, our multi-option offer, our Masters business and bolt on acquisitions, including the Compass Group, Tait Timber and Hardware and Mittagong Timber and Hardware, as well as optimising the existing operations.

Our **fixed charges cover ratio** excluding the Consumer Electronics provision remains strong at 2.9 times. We have maintained our financial strength and flexibility as reflected by the maintenance of our strong investment grade credit ratings by Standard & Poor's and Moody's. We continue to seek to optimise our returns on capital over time.

FOOD, LIQUOR AND PETROL

Key highlights for the year

- **Australian Supermarkets** Solid growth in sales and EBIT as well as growth in customer transactions, items sold and market share; 38 new supermarkets opened during FY12; launch of new marketing campaign re-affirming our position as 'Australia's Fresh Food People' and execution of successful programs including 'Extra Special, Extra Simple Savings' and 'Earn & Learn' for schools
- **New Zealand Supermarkets** Completed transformation to the single Countdown brand in FY12; strong momentum with solid growth in sales, EBIT and market share
- **Liquor** 20 Dan Murphy's store openings in FY12, bringing total Dan Murphy's stores to 160; strong growth in multi-option with the Dan Murphy's website being the most visited liquor website in Australia; enhanced vertical integration capabilities from leveraging expertise of the Cellarmasters Group

Australian Supermarkets (incl. Liquor and Petrol)

	FY11 (52 weeks)	FY12 (52 weeks)	Change
Sales - Food and Liquor (\$ million)	36,176	37,549	3.8%
Sales - Petrol (\$ million)	6,025	6,714	11.4%
Sales - Total (\$ million)	42,201	44,263	4.9%
Gross Margin (%)	24.71	24.80	9 bps
Cost of Doing Business (%)	18.08	18.15	7 bps
EBIT to Sales (%)	6.63	6.65	2 bps
EBIT (\$ million)	2,796.5	2,944.3	5.3%
Funds Employed (\$ million)	3,967.1	4,019.3	1.3%
Return on Funds Employed (%)	75.7	73.7	(201) bps

Australian Food and Liquor

Australian Food and Liquor sales for the year were \$37.5 billion, an increase of \$1.4 billion or 3.8% on the previous year. Comparable store sales in Australian Food and Liquor increased 1.1% for the year (FY11: 3.0%).

In a market characterised by subdued consumer confidence and with highly competitive trading conditions, we increased market share, customer numbers and items sold. During the year, we served on average of 19.5 million customers per week. Trading continues to be impacted by significant deflation, particularly in produce, seafood, bakery and deli.

The standard shelf price movement index³ for the year was zero (FY11: 2.6%). Produce prices experienced significant deflation as supply improved and we cycled the high prices resulting from the natural disasters in the prior year. Excluding produce, the index for the year was 0.7%. Produce deflation was experienced for the last nine months of the year and was approximately -5.7% for the full year (FY11: 11.3% inflation).

Average prices experienced deflation for the second half of 4.4% (first half deflation of 3.7%) and for the full year of 4.0% when the effects of promotions and volumes are included. The higher deflation in the second half reflects the impact of produce deflation.

We opened 38 Australian Supermarkets during the year, bringing total Australian Supermarkets to 872. 62% are in the new 2010 or 2015 formats and both formats continue to perform strongly. Total trading area in Australian Food and Liquor increased by 5.3% (FY11: 3.5%) for the year.

Australian Food and Liquor EBIT increased 5.2% to \$2,817.2 million for the year, with EBIT margin increasing 9 bps.

The increase in gross margin reflects several factors, including significant focus on reducing shrinkage, improvements in buying, including benefits gained from global sourcing expansion and improvement of the exclusive brand ranges, further reductions in direct store deliveries and the roll out of new formats. Much of the benefit received from these initiatives has been reinvested in price reductions for the value conscious customer.

CODB was well controlled in dollar terms. CODB as a percentage of sales was impacted by a challenging trading year with significant sell price deflation. The first full year of Cellarmasters CODB also contributed to the increase. There were also additional costs incurred as a result of a higher than usual number of store openings in the year.

Petrol

Petrol sales for the year, including Woolworths/Caltex Alliance sites, were \$6.7 billion, an increase of 11.4% on the previous year. This reflects an increase in average fuel sell prices (FY12: 142.9 cpl, FY11: 131.2 cpl). Comparable sales increased 8.8% for the year.

Petrol volumes increased 1.7% on the previous year, however comparable volumes decreased 0.7%. This reflects the market being flat as a result of higher fuel sell prices and tight family budgets, as well as vehicles becoming more fuel efficient, resulting in customers filling up less regularly whilst continuing to maintain their average dollar fills.

Total merchandise (non-fuel) sales were up 8.0% for the year and comparable merchandise (non-fuel) sales were up 2.8% for the year.

Petrol EBIT increased 8.1% to \$127.1 million for the year as a result of increased volumes, buying benefits achieved with our supply partner Caltex and a higher percentage of EBIT contributed by non-fuel sales.

We opened 18 petrol canopies during the year, bringing the total to 599, including 132 Woolworths/Caltex alliance sites.

Australian Supermarkets – Progress against strategic objectives

1. First choice for fresh food

- ✓ A renewed focus on quality and freshness is delivering sales momentum and market share growth across the Fresh food departments. This is being emphasised through the 'Fresh or Free Guarantee'
- ✓ Australia's Fresh Food People brand campaign has been well received by customers
- ✓ The continued roll out of our new 2015 store format is delivering strong growth in Fresh, with customer research showing a very positive reaction to the product quality and overall store ambience
- ✓ Following the Australian Supermarket first of Meat Standards Australia (MSA) certified 'Tender, Juicy beef', we now have a range of MSA lamb giving customers a guaranteed tender cut every time
- ✓ We have an additional 39 stores with a bakery, giving a total of 610 stores baking hot bread in-store every day

2. Unbeatable value

- ✓ We have continued to work hard to build confidence in our value contract with customers ensuring we offer the value they expect and deserve
- ✓ Hundreds of 'Extra Specials' are now available to our Everyday Rewards card holders through the 'Extra Special, Extra Simple' offer. Customers simply scan their card and save 20% or more on Australia's biggest brands. The customer response to this has been very positive
- ✓ We have held grocery prices at levels similar to last year with our standard shelf price movement index being 0% for the year (0.7% excluding produce where prices experienced significant deflation as supply improved and we cycled the high prices resulting from natural disasters in 2011).
- ✓ As the benefits from over 30 shrinkage projects come to fruition, significant shrinkage savings have been realised which have assisted in holding prices down

3. Customer led – the power of insights

- ✓ Our 'Category Lab' continues to place the customer at the centre of our category management practices
- ✓ We have completed category deep dives on over 45% of our sales base, covering over 100 categories in the last 12 months, resulting in an improving range that is being tailored to our customer's needs
- ✓ We have added to our customer feedback programs with initiatives including weekly 'Customer Talkback' focus groups, accompanied shops, interacting on social media and 'Staff Talkback' sessions to continue to provide deep insights into what delights our customers and where they see opportunities for us

4. Exciting new offers

- ✓ Customers continue to demonstrate their desire to eat better with our Macro Wholefoods Market range, which saw sales growth of over 40% on the previous year
- ✓ Woolworths Select continues to grow with customers looking for National brand quality at a better price. Select sales increased approximately 20% in FY12
- ✓ Sushi is being made fresh daily in 10 stores and continues to be rolled out. Customers are enjoying the exciting new sushi offer
- ✓ Addition of new and exciting customer offers in Fresh Food including ready to cook meat and vegetable products
- ✓ Our range tailoring has made way for exciting new international categories in selected stores. The first are South African and Middle Eastern foods; both delivering growth beyond expectations

5. Shopping tailored for our customers

- ✓ The Woolworths Smartphone app was upgraded with a key enhancement enabling customers to shop online from their mobile phones and tablets
- ✓ The app was the iTunes Top Lifestyle app and tenth most downloaded Free app for 2011 with over 1.8 million downloads to date
- ✓ We launched an iPad app in late June, bringing the successful Fresh Magazine into the digital world. The iPad app gives recipes, step-by-step cooking instructions and video demonstrations
- ✓ Click then collect continues to gain momentum, providing a convenient shopping solution for customers. It is now operating out of 93 stores across all Australian states and territories.

Liquor

Liquor experienced another year of strong growth across all brands, particularly Dan Murphy's, gaining further market share and increasing overall profitability at a higher rate than sales growth. Our convenience liquor business (BWS and Woolworths Liquor) also trended well complementing the growth of big box liquor. Group liquor sales (including ALH Group liquor sales) for the year totalled \$6.6 billion (FY11: \$5.9 billion).

Whilst comparable sales for liquor grew for the year at a faster rate than food, this has not had a material impact on Australian Food and Liquor comparable sales growth.

Liquor – Progress against strategic objectives

1. Grow network

- ✓ We opened 20 Dan Murphy's and 46 BWS stores during the year. Total liquor outlets were 1,313 at the end of FY12
- ✓ The Compass acquisition added 12 hotels to the network. The Laundry acquisition in FY13 has added an additional 27 hotels and seven attached retail liquor outlets to the network with the purchase of a further two hotels and one bottleshop pending finalisation and two hotels awaiting regulatory approval

2. Improve store formats

- ✓ 30 Dan Murphy's trading in the new format at the end of FY12
- ✓ We continue to refine space utilisation and improve the customer offer for our two convenience liquor brands (BWS and Woolworths Liquor)

3. Multi-option

- ✓ Dan Murphy's online experienced a very strong year and is the most visited liquor website in Australia
- ✓ The Cellarmasters Group has now had a full year of trading under the ownership of Woolworths and is performing well

4. Grow own and exclusive brand share

- ✓ Key new brands launched in the second half of FY12 include Stonyfell, Krondorf, Cat Amongst the Pigeons and Tun Beer

5. Vertical integration

- ✓ The first own brands managed by Dorrien Winemaking went into production during FY12 and are now available for retail sale
- ✓ We have consolidated our own brand bottling and packaging in the Barossa Valley at Vinpac International

6. Australia's best local pubs

- ✓ Our Hotel offer has achieved strong customer support with good success in our Food and Bar offers
- ✓ New system implementations were installed in hotels during the year, including centralised price and range control, payroll, rostering and time and attendance
- ✓ Our industry leading hotel and gaming charter continues to underpin our strong commitment to responsible service
- ✓ Changes to meet the new Victorian gaming arrangements were completed ahead of the August 2012 regulatory deadlines

7. Grow the best talent

- ✓ We continue to focus on staff training and development to advance responsible service and improve product knowledge

Funds Employed

Return on funds employed (ROFE) for Australian Food and Liquor (including petrol) for the year was 73.7%, down from 75.7% in the prior year. The decrease is largely attributable to the inclusion of the first full year of Cellarmasters, a strategic multi-option and production acquisition made in the prior year. Excluding the impact of the Cellarmasters business, ROFE was 79.8%, up from 79.2% in the prior year.

Inventory levels have continued to be well managed with inventory days at year end down 1.0 day.

New Zealand Supermarkets

Key highlights for the year

- Good momentum on all key metrics
- Margin improvements resulting from reduced shrinkage, continued range reviews, better promotional planning and the conversion from direct store deliveries to distribution centre deliveries
- Successful commissioning of the new National Distribution Centre in South Auckland providing significant improvements to supply chain capabilities

<u>\$NZD</u>	FY11 (52 weeks)	FY12 (52 weeks)	Change
Sales (\$ million)	5,362	5,522	3.0%
Gross Margin (%)	22.64	23.27	63 bps
Cost of Doing Business (%) ⁴	17.93	17.97	4 bps
EBIT to Sales (%) ⁴	4.71	5.30	59 bps
Trading EBIT (\$ million)	252.4	292.5	15.9%
Less Intercompany Charges (\$ million)	(8.3)	(5.1)	(38.6)%
Reported EBIT (\$ million)	244.1	287.4	17.7%
Funds Employed (\$ million)	3,208.7	3,222.8	0.4%

New Zealand Supermarkets

New Zealand Supermarkets sales for the year were NZ\$5.5 billion, an increase of 3.0%⁵ on the previous year (4.6% increase in AUD).

Comparable sales grew 3.3%⁵ for the year. Impacts stemming from stores closed due to the Christchurch earthquake in February 2011 and the petrol sites transferred back to Gull have been excluded from comparable sales.

The Countdown Supermarkets food price index inflation for the year was 1.1% (FY11: 1.4%).

We opened seven new Countdown supermarkets and reopened one earthquake damaged Countdown during the year, increasing total Countdown supermarkets by year end to 161. There are also 54 franchise stores, having opened three during the year. One Countdown store remains closed as a result of the February 2011 Christchurch earthquake and is planned to reopen in 2013.

Trading EBIT increased 15.9%^{4, 5, 6}, with EBIT margin up 59 bps⁵ on the previous year. This is a very pleasing result given the supermarket industry has been relatively static over the last 12 months and inflation has been low. The result is underpinned by the shift to the single Countdown brand which has seen great momentum build across the business with growth in market share, customer numbers, basket size and items sold. Customers continue to respond well to the price positioning and the delivery of value provided by Countdown stores.

Gross margin increased 63 bps⁵ on the previous year as a result of reduced shrinkage, continued merchandise range reviews, more effective promotional planning and the conversion from direct store deliveries to distribution centre deliveries.

CODB was well managed, increasing 4 bps⁵ to 17.97%⁵. This increase is attributable to the increase in supply chain costs as a result of more stock being managed through the distribution centres and increased insurance costs stemming from the 2011 Christchurch earthquakes.

The increase in funds employed reflects our continued investment in new stores, refurbishments and the new distribution centres in South Auckland and Christchurch, offset by depreciation.

New Zealand Supermarkets – Progress against strategic objectives

1. Single brand

- ✓ All stores now trading as Countdown

2. Grow Countdown network

- ✓ Network now has 161 stores, excluding Countdown Ferrymead, which is being rebuilt post the February 2011 Christchurch earthquake
- ✓ Seven new stores opened during the year, with four in the second half

3. Larger, modern format stores

- ✓ Extensions and refurbishments continue, with 73% of all stores now converted to the 2010 or 2015 format providing customers with improved value and an enhanced shopping experience

4. Multi-option

- ✓ Strong online sales growth continues with positive response from customers
- ✓ Countdown Smartphone app launched during FY12 and has proved very popular, with over 140,000 downloads
- ✓ Leveraging insight provided by the Onecard loyalty program and other digital mediums such as the Countdown Facebook site to enhance the customer shopping experience

5. Grow franchise network

- ✓ Two FreshChoice new format franchise stores opened in Auckland
- ✓ One new format SuperValue store in Edgware opened, a rebuilt store post the February 2011 Christchurch earthquake

6. Grow market share

- ✓ Continued growth in market share over the year in both dollars and units sold

7. Supply chain

- ✓ Successful commissioning of the National DC in South Auckland in June 2011 as well as the opening of a consolidated Christchurch Regional DC in July 2012
- ✓ These mark significant improvements in the supply chain capability in NZ, both in terms of increasing range and distribution effectiveness

BIG W

Key highlights for the year

- **Total Sales and EBIT slightly above last year** reflecting the relevance of our merchandise offer and strong cost control in a challenging trading environment
- **Continued improvement** in sales, customer numbers and items sold seen throughout the year
- **Gross Margin improvement** delivered through changes in sales mix, increased global sourcing volumes, strong inventory management and strong control of promotional activity
- **Strong merchandise offer** as new and innovative brands drove sales by offering our customers unique products at a great price. Volume growth in key value programs in apparel was very strong
- **Well controlled costs** with CODB dollars for comparable stores remaining flat when compared to the prior year. Costs were impacted by the new distribution centre and multi-option investment
- **New Distribution Centre** Successful transition to new distribution centre
- **Multi-option** We continue to develop our multi-option capabilities

	FY11 (52 weeks)	FY12 (52 weeks)	Change
Sales (\$ million)	4,158	4,180	0.5%
Gross Margin (%)	30.63	31.72	109 bps
Cost of Doing Business (%)	26.37	27.45	108 bps
EBIT to Sales (%)	4.26	4.27	1 bps
EBIT (\$ million)	177.0	178.4	0.8%
Funds Employed (\$ million)	822.1	897.4	9.2%
Return on Funds Employed (%)	22.0	20.8	(122) bps

BIG W sales for the year were \$4.2 billion, an increase of 0.5% on the previous year. Comparable sales for the year decreased 1.5%.

EBIT increased 0.8% to \$178.4 million for the year, with EBIT margin improving 1 bps. EBIT growth in the second half was 13.1%, reflecting strong gross margins and well managed costs.

Sales for the second half of the year have shown an improved trend, with total sales increasing 2.9%. Comparable sales increased 0.3% for the second half, which is pleasing given the continued price deflation and challenging retail conditions.

Customer numbers and items sold increased during the year, reflecting our strong brand proposition by offering the lowest prices on the widest range of quality and branded merchandise every day. Areas that performed well during the year include Womenswear, Footwear, Menswear, Toys and Books.

We opened seven new stores during the year, bringing the total to 172.

The changes in Gross margin % and CODB % reflect:

- The transition to the new distribution centre at Hoxton Park in Sydney, which opened in March 2012. The additional costs, including transition costs, are recorded in CODB with the benefits recorded in gross profit. The benefits include savings in freight costs and outside storage costs. This shift between CODB and gross margin occurred in the current year and will continue in the next financial year. The transition to the new distribution centre was very smooth with transition costs of \$6.4 million being lower than expected. The benefits of this new infrastructure will emerge in future years and support the growth of the physical stores and the multi-option business
- Gross margin improvement through changes in sales mix, increased global sourcing volumes, strong inventory management and strong control of promotional activity
- Costs associated with the seven new stores that were opened during the year. CODB dollars for like stores were flat, despite inflationary pressures on costs
- Costs associated with the investment in BIG W's multi-option business
- The deflationary environment and its resulting impact on sales

The increase in funds employed of 9.2% reflects continued investment in the BIG W business to build a platform for long term growth. Key investments during the year include seven new stores, refurbishments, supply chain systems, investment in our multi-option capabilities and the new distribution centre at Hoxton Park.

Average inventory increased 0.4 days when allowing for the impact of incremental indent, driven by the seven new stores. BIG W closing inventory was higher than last year due to seven new stores and the higher investment in high volume apparel lines.

BIG W – Progress against strategic objectives

1. Win on value everyday

- ✓ New brand campaign launched in July 2012 – 'Everyone's a Winner with Australia's Lowest Prices' and 'Cha-Ching!'
- ✓ BIG W's focus on the four elements being Price, Brands, Quality and Range provides a unique opportunity for differentiation
- ✓ BIG W continues to reinforce our price leadership position. Our key value programs in apparel have seen a very positive response from our customers with double digit unit growth in the second half of the year
- ✓ In Womenswear, our Emerson brand offers great quality at a great price and has performed above expectations
- ✓ Innovation and newness in our merchandise offer has contributed to the solid sales result by offering our customers unique products at a great price. Examples include TV advertorial products such as the Ahh Bra and Ab CirclePro
- ✓ We are excited to launch two new exclusive 'Active/Fitness' brands into our business in the first quarter of the new financial year. These exclusive brands have been developed with and are named after leading Australian fitness personalities Michelle Bridges and Guy Leech

2. Continue to grow store footprint

- ✓ Opened seven new stores during the year, including our new format store located adjacent to Canberra Airport
- ✓ Strong property pipeline that supports growth to 200 stores

3. Lead in multi-option

- ✓ Continue to develop our multi-option capabilities and extend our leadership in the Australian market with our www.bigw.com.au offer
- ✓ Launched fully transactional iPhone app in June to coincide with the launch of the BIG W Toy Sale event. This is the first app world-wide to also enable customers to lay-by online. The launch was supported by an interactive brochure and pop up (virtual) stores enabling BIG W customers to shop anywhere, anytime
- ✓ Online sales up 76% with continued expansion of the range available on www.bigw.com.au
- ✓ Continuing to engage in social media – Facebook “likes” are now over 150,000

4. Exploit benefits of supply chain overhaul

- ✓ We opened our third distribution centre in Hoxton Park in Sydney in March 2012. The project was completed on time and below budget, with a smooth transition. The DC is now fully operational and supporting stores in New South Wales and Victoria
- ✓ Continued investment in enhanced supply chain systems

5. Step up global sourcing

- ✓ Increase in gross margin influenced by increase in global sourcing volumes which grew 40%

HOTELS

Key highlights for the year

- **Good momentum** Solid sales and EBIT growth in a challenging trading environment underpinned by customer appreciation of our improved Food and Bar offers
- **Growth through acquisition** Acquired 12 hotels in Western Australia from the receivers of the Compass Group and since year end, acquired 27 hotels and 7 attached liquor retail outlets from the Laundry, Waugh and DeAngelis Hotel Groups
- **Well controlled costs** Strong cost control throughout the year leading to CODB % improvements

	FY11 (52 weeks)	FY12 (52 weeks)	Change
Sales (\$ million)	1,153	1,204	4.4%
Gross Margin (%)	81.53	81.26	(27) bps
Cost of Doing Business (%)	65.60	65.01	(59) bps
EBIT to Sales (%)	15.93	16.25	32 bps
EBIT (\$ million)	183.7	195.7	6.5%

Hotels

Our Hotel business continues to perform well, reflecting the overall quality of our management team, venue portfolio and strength of the diversified income streams. The Hotel business is a key enabler of Dan Murphy's and BWS, with 59 Dan Murphy's stores on hotel sites and 448 BWS stores affiliated with hotels. Continued focus on responsible service of alcohol and gaming remains a key focus.

Hotel sales for the year were \$1.2 billion, an increase of 4.4% on the previous year.

Comparable sales increased 2.0% for the full year reflecting the growing customer appreciation of our Food and Bar offers across the network. Comparable gaming sales increased 0.7% for the year. This growth is lower than the prior year and reflects more cautious consumer spending and industry changes in Victoria in the lead up to the August 2012 regulatory change.

12 hotels located in Western Australia were acquired from the receivers of the Compass Group, we opened a further five hotels during the year and closed four hotels and one managed club. This takes the total number of venues to 294. Post year end, 27 hotels and seven attached retail liquor outlets have been acquired from the Laundry, Waugh and DeAngelis Hotel Groups with the acquisition of an additional two hotels and one bottleshop pending finalisation. An additional two sites, which are part of this transaction, remain subject to ACCC approval.

EBIT increased 6.5% to \$195.7 million driven by strong sales growth and good cost control, assisting the CODB %. This was partially offset by the ongoing change in sales mix towards the food offering, resulting in lower gross margins.

Implementation of changes in our hotels to meet the changes to Victorian gaming arrangements are complete. Whilst reducing overall electronic gaming machine numbers, overall these changes will be beneficial for our Hotel business.

HOME IMPROVEMENT

We continue to make good progress on our Home Improvement business joint venture with Lowe's. Home Improvement sales increased 24.7% to \$828 million for the year.

Key highlights include:

- Our first Masters store commenced trade during September 2011, with 15 stores open at the end of the year. Feedback has been very positive in relation to the new home improvement offering, with customers welcoming the innovative range, particularly in the tools, home appliance, kitchen and lighting categories
- We now have stores in Western Australia, Victoria, New South Wales, Queensland, ACT and South Australia
- Of the 150 sites we plan to secure over five years, there are 112 sites in the pipeline. At the end of the year, there were 12 stores under construction and five completing fitout. We expect at least 30 stores in total to be open by the end of FY13
- Our DC located in Hoppers Crossing Victoria is successfully supporting the Masters store network. Our second DC in Hoxton Park New South Wales will commence dispatch during the next few months and will provide additional support to the network and freight savings across the group
- In June, we launched Australia's first online Home Improvement store through the Masters transactional website with over 10,000 visitors a day. This is enabling us to reach more customers with the Masters offering. We continue to increase the range offered online to further improve the customer offer
- We successfully acquired Tait Timber and Hardware in November 2011 and Mittagong Timber and Hardware in February 2012 to further build the Danks Retail business

CONSUMER ELECTRONICS INDIA

Our business venture with TATA in India now services 77 stores operating under the Croma brand. Sales for the full year were \$353 million, up 9.6% on the previous year. EBIT increased to \$5.7 million for the year. As part of this venture, Woolworths provides buying, wholesale, supply chain and general consulting services to TATA.

DISCONTINUED OPERATIONS

CONSUMER ELECTRONICS AUSTRALIA AND NEW ZEALAND

Following a strategic review, Woolworths announced on 31 January 2012 that the Dick Smith business would be restructured and divested as a going concern in a staged and managed process. During FY12, as part of the restructure process, 52 underperforming stores across Australia and New Zealand were closed, bringing the total number of stores to 348, including 286 in Australia and 62 in New Zealand at year end. A further 22 stores were closed in July. The core business continues to trade strongly and profitably.

The sale process remains underway and a restructuring loss of \$420 million (including \$300 million raised at HY12) has been included in the FY12 result. This represents provisions and impairment losses relating to lease exit and restructure costs, goodwill, inventory and property, plant and equipment. As a result of the proposed divestment, Consumer Electronics Australia and New Zealand has been disclosed as a discontinued operation.

	FY11 (52 weeks)	FY12 (52 weeks)	Change
Sales (\$ million)	1,534	1,570	2.3%
EBIT before restructure provision (\$ million)	22.0	24.6	11.8%
EBIT (\$ million)	22.0	(395.4)	n.m

The increase in EBIT before the restructure provision reflects the impact of a stronger underlying business, coupled with the successful delivery of a cost optimisation program that has achieved significant sustainable cost reductions across all areas of the business.

Consumer Electronics Australia

Consumer Electronics Australia sales increased 2.1% to \$1.3 billion for the year.

Comparable sales increased 4.3% for the year reflecting a strong promotional program, stock clearances and store closure sales during the fourth quarter. The value of the Dick Smith brand has been reinforced in the market through campaigns such as 'Dick Does' and 'Cheapest Ever'.

Consumer Electronics New Zealand

Consumer Electronics New Zealand sales increased 2.8%⁵ to NZ\$331 million for the year.

Comparable sales increased 6.9%⁵ for the year reflecting the same initiatives as the Australian business during the latter part of the year.

OVERHEADS, EXPENSES AND BALANCE SHEET

Central Overheads (including Home Improvement and Consumer Electronics India)

Central overheads have increased to \$190.8 million for the year reflecting expected Home Improvement start-up costs of approximately \$100 million (net of Danks operating profit before tax and non-controlling interest). Corporate costs, also included in central overheads, were relatively flat.

Balance Sheet and Cash Flow Statement

Our balance sheet and cash flow remain strong.

Cash Flow

Cash generated by normal trading (EBITDA before movements in working capital) increased 3.3% to \$4,272.6 million. After taking into account the additional net investment in inventory (largely driven by the start-up phase of the Masters business) and other changes in working capital, cash from operating activities before interest and tax increased 1.0%.

Net interest paid of \$369.3 million (FY11: \$309.6 million) increased as a result of higher net debt levels reflecting the funding of planned capital expenditure, including property development activity and the start-up phase of the Masters business, as well as the full impact of the share buy-back activity undertaken in the prior year.

Tax payments were \$941.4 million in FY12 (FY11: \$841.5 million). This increase is mainly attributable to a higher instalment rate in FY12 and higher tax refunds/credits in FY11 related to Research and Development and the Investment Allowance.

Total cash provided by operating activities was \$2,873.8 million, down 3.9%.

Cash used in investing activities decreased 4.5% to \$2,080.3 million, primarily as a result of lower business acquisitions during FY12.

Free cash flow generated by the business was \$996.5 million (FY11: \$990.3 million). The cash realisation ratio² was 93.7%. After excluding the impact of the additional net investment in inventory which largely resulted from building inventory within the Masters Home Improvement business, the cash realisation ratio was 102.8%.

After taking into account proceeds from share issues and the payment of dividends, additional debt of \$206.8 million was drawn during the year.

Balance Sheet

Key balance sheet movements for the continuing operations of the Group relative to the prior year are explained as follows:

- Inventory increased 8.4%, primarily driven by the building of Masters' inventory. Excluding Masters, inventory increased 3.3% on the prior year
- Trade payables were in line with the prior year
- Receivables increased 19.9%, primarily reflecting increased prepayments, property deposits and receivables in businesses acquired by Danks
- Fixed assets and investments increased by \$1,158.3 million to \$9,846.5 million, reflecting ongoing capital expenditure offset by depreciation
- Intangibles increased \$116.0 million to \$5,282.0 million reflecting intangibles related mainly to acquisitions of the Compass Hotel Group and Home Improvement retail outlets as well as fluctuations in foreign exchange rates which increased the value of intangibles relating to New Zealand Supermarkets
- Net repayable debt (which includes cash, borrowings, financial assets and liabilities) has increased \$300.5 million reflecting increased net borrowings to fund capital expenditure and the start-up phases of the Masters business. The remainder of the increase is due to currency revaluations which have been offset by lower hedge related liabilities
- Return on funds employed declined 237 bps to 27.8% predominately reflecting our investment in the start up phase of Masters and property development undertaken to facilitate ongoing store roll outs

CAPITAL MANAGEMENT

Objectives

Woolworths sets its capital structure with the objective of enhancing long term 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 long standing strong investment grade credit ratings from Standard & Poor's and Moody's Investor Services.

Capital Management

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 \$11.9 billion has been returned to shareholders through dividends (including the final dividend for the financial year ended 24 June 2012) and on-market and off-market share buy backs.

Given the trading environment, there was no share buy back activity in 2012 and none is anticipated in 2013.

The payment of the April 2012 and October 2012 dividends will return over \$658 million in franking credits to shareholders. Woolworths expects that after these events, there will be approximately \$1.5 billion of franking credits available for future distribution.

Over the last few years, Woolworths has been utilising its strong balance sheet to fund growth initiatives such as our property pipeline and our new Masters Home Improvement business. This has seen us draw down debt to fund these initiatives utilising capacity within our existing credit ratings. We expect to utilise additional net borrowings during FY13, however as the Masters business moves towards a breakeven position and we pass the peak in our property development pipeline, net cash generation is expected.

Financing Transactions

In October 2011, Woolworths executed a A\$1.2 billion syndicated revolving bank loan facility comprised of two tranches, three years (A\$580 million) and five years (A\$620 million). Shortly thereafter, two existing syndicated bank loan facilities of A\$800 million and US\$700 million, maturing in April and May 2012 respectively, were terminated.

In November 2011, Woolworths issued A\$700 million in hybrid notes having a 25 year maturity with a non-call period of five years.

In March 2012, Woolworths issued A\$500 million of Medium Term Notes into the domestic institutional market with a maturity of seven years.

Maturities during the year included A\$600 million in perpetual hybrid notes which were redeemed at the expiry of the five year non-call period in September 2011 and US\$300 million in US 144A notes (hedged at A\$410 million) in November 2011.

There are no maturities of debt in the immediate term. At the end of FY12, Woolworths had \$3.4 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. Woolworths increased its involvement in the development of sites using its own balance sheet due to the significant decline in third party property development. This has resulted in Woolworths' 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 2012 financial year were approximately \$200 million.

Defined plans to continue space roll out

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

	Gross Store Openings in FY12	Target
Australian Supermarkets	38	15-25 new Supermarkets per annum and 3%+ space growth. In FY13, we plan to open 35 Supermarkets and will achieve approximately 4.2% space growth.
New Zealand Supermarkets	8 ⁷	3-5 new Supermarkets per annum
Dan Murphy's	20	Plans to open 10-15 new stores per annum targeting over 200 stores
BWS	46	Plans to open 6-10 stores (net) per annum
Petrol	18	Will grow supporting the Supermarket roll out strategy
BIG W	7	4-7 stores per annum
Hotels (ALH Group)	17 ⁸	Acquire selectively as appropriate opportunities arise
Home Improvement	20 ⁹	Planning to secure 150 Masters sites in 5 years (from announcement of JV). Plan to open 15-20 Masters stores per annum

OUTLOOK

Woolworths has a clear strategy which is building momentum with benefits arising from continuing investment underpinning long term sustainable profit growth.

We expect the Australian and New Zealand retail sectors to continue to experience challenging trading conditions with low consumer confidence continuing to dampen consumer retail spending in FY13. Woolworths has the ability to adapt to challenging economic circumstances and is proving it is a resilient business.

Masters Home Improvement start-up costs will continue and are anticipated to be approximately \$80 million (net of Danks operating profit and before tax and non-controlling interests) reflecting the second year of this greenfields development. The amount of these start-up costs is dependent on a range of factors, in particular, new store roll-outs. The quantum of these costs will begin to decline after FY13.

We expect further earnings growth in FY13, with net profit after tax from continuing operations expected to grow in the range of 3% - 6% (on a normalised 52 week basis), subject to the uncertainties detailed below (note: FY13 will be a 53 week year).

- Ends -

For further information contact:

Media
Clare Kimball, Corporate Communications
(02) 8885 1461

Investors and Analysts
Tom Pockett, Finance Director
(02) 8885 1105

Profit and Loss for the 52 weeks ended 24 June 2012

	FY11 (52 weeks) (\$m)	FY12 (52 weeks) (\$m)	Change
GROUP SALES			
<u>Continuing Operations</u>			
Australian Food and Liquor	36,176	37,549	3.8%
New Zealand Supermarkets	4,111	4,302	4.6%
Petrol	6,025	6,714	11.4%
Supermarket Division	46,312	48,565	4.9%
BIG W	4,158	4,180	0.5%
Consumer Electronics India	322	353	9.6%
Hotels	1,153	1,204	4.4%
Home Improvement	664	828	24.7%
Group Sales – Continuing Operations	52,609	55,130	4.8%
Group Sales – Continuing Operations (excl Petrol)	46,584	48,416	3.9%
<u>Discontinued Operations</u>			
Consumer Electronics Australia and New Zealand	1,534	1,570	2.3%
Group Sales – Discontinued Operations	1,534	1,570	2.3%
Total Group Sales	54,143	56,700	4.7%
Total Group Sales (excl Petrol)	48,118	49,986	3.9%
MARGINS – Continuing Operations			
Gross Profit	26.03	26.26	23 bps
Cost of Doing Business	19.85	20.18	33 bps
EBIT to sales	6.19	6.08	(11) bps
GROUP PROFIT			
<u>Continuing Operations</u>			
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)	5,538.1	5,795.5	4.6%
Rent	(1,454.4)	(1,559.7)	7.2%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,083.7	4,235.8	3.7%
Depreciation and amortisation	(829.3)	(883.7)	6.6%
Earnings before interest and tax (EBIT)	3,254.4	3,352.1	3.0%
Net financial expenses ⁱ	(261.6)	(283.7)	8.4%
Income tax expense	(869.2)	(885.0)	1.8%
Net profit after income tax	2,123.6	2,183.4	2.8%
Non-controlling interests	(16.3)	(0.5)	(96.9)%
Profit from continuing operations after income tax and non-controlling interests	2,107.3	2,182.9	3.6%
<u>Discontinued Operations</u>			
Profit after income tax from discontinued operations before Consumer Electronics provision ⁱⁱ	16.7	17.5	4.8%
Group net profit after income tax and non-controlling interests before Consumer Electronics provision	2,124.0	2,200.4	3.6%
Consumer Electronics provision after income tax	-	(383.7)	n.m
Group net profit after income tax, non-controlling interests and Consumer Electronics provision	2,124.0	1,816.7	(14.5)%

Profit and Loss for the 52 weeks ended 24 June 2012 (continued)

	FY11 (52 weeks) (\$m)	FY12 (52 weeks) (\$m)	Change
GROUP			
Funds Employed (period end)	11,802.8	12,754.8	8.1%
ROFE (average)	29.3%	24.1%	(520) bps
Weighted average ordinary shares on issue (million)	1,216.2	1,222.0	0.5%
Ordinary earnings per share (cents)	174.64	148.67	(14.9)%
Diluted earnings per share (cents)	173.60	147.93	(14.8)%
Interim dividend per share (cents)	57	59	3.5%
Final dividend per share (cents) ⁱⁱⁱ	65	67	3.1%
Total dividend per share (cents)	122	126	3.3%

ⁱ Breakdown of net financing costs – Continuing Operations

Interest expense	(332.7)	(381.2)	14.6%
Less interest capitalised	55.6	90.1	62.1%
Net interest expense	(277.1)	(291.1)	5.1%
Dividend income	10.6	7.8	(26.4)%
Foreign exchange gain/ (loss)	4.9	(0.4)	(108.2)%
Net financing costs – Continuing Operations	(261.6)	(283.7)	8.4%

ⁱⁱ Discontinued operations represent the Consumer Electronics Australia and New Zealand businesses

ⁱⁱⁱ Final dividend payable on 12 October 2012 will be fully franked at 30%

Group Balance Sheet as at 24 June 2012

	FY11 26 June 2011 (\$m)	PRO-FORMA ⁱ FY11 26 June 2011 (\$m)	FY12 24 June 2012 (\$m)	FY11/ FY12 Change	FY11 (PRO- FORMA) / FY12 Change
<u>Continuing Operations</u>					
Inventory	3,736.5	3,412.0	3,698.3	(1.0)%	8.4%
Trade Payables	(4,132.0)	(4,020.0)	(4,013.4)	(2.9)%	(0.2)%
Net Investment in Inventory	(395.5)	(608.0)	(315.1)	(20.3)%	(48.2)%
Receivables	778.0	745.8	894.4	15.0%	19.9%
Other Creditors	(2,646.8)	(2,597.0)	(2,954.7)	11.6%	13.8%
Working Capital	(2,264.3)	(2,459.2)	(2,375.4)	4.9%	(3.4)%
Fixed Assets and Investments	8,830.5	8,688.2	9,846.5	11.5%	13.3%
Intangibles	5,236.6	5,166.0	5,282.0	0.9%	2.2%
Total Funds Employed	11,802.8	11,395.0	12,753.1	8.1%	11.9%
Net Tax Balances	305.7	295.3	423.2	38.4%	43.3%
Net Assets Employed	12,108.5	11,690.3	13,176.3	8.8%	12.7%
Net Repayable Debt	(4,010.9)	(4,015.6)	(4,316.1)	7.6%	7.5%
Other Financial Liabilities (Lowe's Put Option)	(344.8)	(344.8)	(433.9)	25.8%	25.8%
Capital Call Receivable from Non-controlling Interest	93.0	93.0	-	n.m	n.m
Net Assets – Continuing Operations	7,845.8	7,422.9	8,426.3	7.4%	13.5%
<u>Discontinued Operations</u>					
Assets Classified as Held for Sale	-	592.9	220.9	n.m	(62.7)%
Liabilities Associated with Assets Classified as Held for Sale	-	(170.0)	(200.9)	n.m	18.2%
Net Assets – Discontinued Operations	-	422.9	20.0	n.m	(95.3)%
Total Net Assets	7,845.8	7,845.8	8,446.3	7.7%	7.7%
Non-controlling Interests	252.6	252.6	258.1	2.2%	2.2%
Shareholders' Equity	7,593.2	7,593.2	8,188.2	7.8%	7.8%
Total Equity	7,845.8	7,845.8	8,446.3	7.7%	7.7%
Key Ratios – Continuing Operations					
Inventory Days (Based on COGS)		31.9	33.1		
Creditor Days (Based on Sales)		45.8	46.0		
Return on Funds Employed (ROFE)		30.1%	27.8%		

ⁱ Pro-forma FY11 balance sheet has been included for comparability and represents the FY11 balance sheet restated to disclose Dick Smith as a discontinued operation

Group Cash Flow for the 52 weeks ended 24 June 2012

	FY11 (52 weeks) (\$m)	FY12 (52 weeks) (\$m)	Change
EBITDA – Total Group (excluding Consumer Electronics provision)	4,134.3	4,272.6	3.3%
Net (increase) in inventory	(234.7)	(297.3)	
Net change in other working capital and non-cash	242.6	209.2	
Cash from Operating Activities before interest and tax	4,142.2	4,184.5	1.0%
Net interest paid (including costs of Woolworths Notes)	(309.6)	(369.3)	
Tax paid	(841.5)	(941.4)	
Total cash provided by Operating Activities	2,991.1	2,873.8	(3.9)%
Payments for the purchase of businesses	(443.9)	(145.8)	
Advances related to property development	(13.1)	(1.1)	
Payments for property, plant and equipment – property development	(996.9)	(1,165.8)	
Payments for property, plant and equipment – other	(1,128.5)	(974.9)	
Proceeds on disposal of property, plant and equipment	394.4	199.5	
Dividends received	10.6	7.8	
Total cash used in Investing Activities	(2,177.4)	(2,080.3)	
Lowe’s cash contributions (Home Improvement)	176.6	203.0	
Free Cash Flow	990.3	996.5	
Proceeds from share issues / other	76.3	129.5	
Dividends paid	(1,273.2)	(1,332.8)	
Share buy-backs	(738.7)	-	
Free Cash Flow after equity related Financing Activities	(945.3)	(206.8)	

Appendix One

Five Year Store and Trading Area Analysis					
Year Ended 24 June 2012	2012	2011	2010	2009	2008
	FULL	FULL	FULL	FULL	FULL
STORES (number)	YEAR	YEAR	YEAR	YEAR	YEAR
NSW & ACT	262	255	248	241	234
QLD	203	194	189	186	177
VIC	214	203	200	192	187
SA & NT	78	76	74	72	72
WA	85	83	83	82	81
TAS	30	29	29	29	29
Supermarkets in Australia ⁱ	872	840	823	802	780
New Zealand Supermarkets ⁱⁱ	161	156	152	149	149
Total Supermarkets	1,033	996	975	951	929
Thomas Dux	11	11	11	3	1
Freestanding Liquor (incl. Dan Murphy's)	329	305	281	256	233
ALH Retail Liquor Outlets	507	488	480	463	434
Caltex/WOW Petrol	132	132	132	133	133
Woolworths Petrol – Australia	467	449	429	409	389
Woolworths Petrol/Convenience – New Zealand	-	-	22	22	22
Total Supermarket Division	2,479	2,381	2,330	2,237	2,141
BIG W	172	165	161	156	151
Dick Smith	-	390	394	349	310
Tandy	-	4	22	87	106
Total General Merchandise Division	172	559	577	592	567
Hotels (includes clubs)	294	282	284	280	271
Danks (Home Improvement Retail)	21	19	8	-	-
Masters	15	-	-	-	-
Total Continuing Operations	2,981	3,241	3,199	3,109	2,979
Discontinued Operations	348	-	-	-	-
Total Group	3,329	3,241	3,199	3,109	2,979
Wholesale customer stores					
Dick Smith	-	3	18	35	43
Progressive	54	51	54	53	52
Croma (India CEG)	77	64	50	33	22
Danks (Home Improvement Wholesale)	518	543	581	-	-
Statewide Independent Wholesale	220	220	220	218	216
Total Wholesale customer stores	869	881	923	339	333
Trading Area (sqm)					
Supermarkets Division – Australia ⁱⁱⁱ	2,318,756	2,202,620	2,127,195	2,037,680	1,945,641
Supermarkets Division – New Zealand ^{iv}	351,744	333,274	325,256	303,889	296,549
General Merchandise Division ^v	1,107,732	1,086,082	1,061,934	1,038,561	989,767
Store Movements July 11 - June 12	ⁱ Australian Supermarkets		ⁱⁱ New Zealand Supermarkets		
New Stores – incremental	38			7	
Closures – permanent	(5)			(1)	
Net Closures – re-development	(1)			(2)	
Temporary Closures – natural disasters	-			1	
Net New Stores	32			5	
ⁱⁱⁱ Australian Food and Liquor trading area (excluding Petrol and ALH BWS outlets) has increased by:				5.3%	FY11: 3.5%
^{iv} Excludes Gull and franchise stores					
^v Includes BIG W, Dick Smith and Tandy, excludes Woolworths India					

Appendix Two

ASIC Regulatory Guide 230 Disclosing non-IFRS financial information

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Woolworths is required to make a clear statement about the non-IFRS information included in the Profit Report and Dividend Announcement ('Profit Announcement') for the 52 weeks ended 24 June 2012.

In addition to statutory report amounts, the following non-IFRS measures are used by management and the directors' as the primary measures of assessing financial performance of the Group and individual segments:

Non-IFRS measures used in describing the Business Performance include:

- Total Group EBITDA, EBIT and NPAT before Consumer Electronics provision
- EBIT
- Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)
- Total Trading Result – Continuing Operations or trading EBIT, which represents business segment EBIT before central overheads and the investment in Home Improvement
- Fixed Charges Cover Ratio
- Cost of doing business
- Comparable sales

Non-IFRS measures used in describing Balance Sheet and Cash Flow Statement include:

- Funds employed separated between continuing operations and discontinued operations
- Funds employed excluding Consumer Electronics provision
- Cash flow from operating activities before interest and tax
- Free cash flow
- Free cash flow after dividends and share issues
- Pro forma FY 2012 balance sheet, restated to remove balances relating to the Dick Smith business which has been classified as assets and liabilities held for sale in the FY 2012 balance sheet

The directors consider that these performance measures are appropriate for their purposes and present meaningful information on the underlying drivers of the continuing business after announcing acceleration of the restructure of the Consumer Electronics brand Dick Smith, with a view to divesting the business. Many of the measures used are common practice in the industry within which Woolworths operates.

The Profit Announcement has not been audited in accordance with Australian Auditing Standards.

Endnotes

¹ Represents provision associated with the announcement to restructure and divest the Dick Smith business

² Operating cash flow as a percentage of net profit after tax before depreciation and amortisation (excluding the Consumer Electronics provision)

³ The standard 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

⁴ Excludes intercompany charges

⁵ Quoted in NZD

⁶ FY11 result included NZ\$14.8 million of one off Earthquake related costs. Excluding these costs, trading EBIT increased 9.5%

⁷ Includes reopening of one store previously closed as a result of the Christchurch earthquake

⁸ 12 hotels located in Western Australia were acquired from the receivers of the Compass Group

⁹ 15 Masters stores opened and Danks acquisition of four stores and one truss plant from Tait Timber and Hardware and Mittagong Timber and Hardware