WOOLWORTHS LIMITED
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28 August 2013

The Manager Companies
Australian Securities Exchange Limited
Company Announcements Office
Level 4 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

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

The Preliminary Final Report / Appendix 4E for the year ended 30 June 2013 is attached.

For and on Behalf of
WOOLWORTHS LIMITED

PETER J HORTON
Group General Counsel and Company Secretary

PRELIMINARY FINAL REPORT OF WOOLWORTHS LIMITED FOR THE FINANCIAL YEAR ENDED

30 JUNE 2013

ABN 88 000 014 675

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

Current Reporting Period:	**Financial Year ended 30 June 2013 (53 weeks)**
Previous Corresponding Period:	**Financial Year ended 24 June 2012 (52 weeks)**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Revenue and Net Profit

		Percentage Change %		Amount $m
Revenue from continuing operations	up	6.9%	to	58,921.7
Revenue from discontinued operations	down	n.c [1]	to	641.9
Total Group revenue from ordinary activities	**up**	**4.4%**	**to**	**59,563.6**
Profit from continuing operations after tax attributable to members [2]	up	3.3%	to	2,249.7
Profit from discontinued operations after tax attributable to members [3]	up	n.c [1]	to	9.7
Profit from ordinary activities after tax attributable to members [4]	**up**	**24.4%**	**to**	**2,259.4**
Net profit attributable to members [4]	**up**	**24.4%**	**to**	**2,259.4**

[1] Not comparable.

[2] Profit from continuing operations after tax includes the following non-recurring items:

- A one-off loss as a result of the transaction to create the Shopping Centres Australasia Property Group (SCA Property Group) ($28.5 million after tax)
- Victorian transport fleet redundancy costs ($18.1 million after tax)
- US 144A bond redemption costs ($57.6 million after tax)

Excluding the impact of these amounts, profit from continuing operations after tax attributable to members was $2,353.9 million, up 8.0%. Refer to note 5 for further detail in relation to the SCA Property Group Transaction and US 144A bond redemption costs.

[3] Includes the net profit on sale of the Consumer Electronics businesses in Australia, New Zealand and India of $7.9 million after tax. Excluding the impact of this amount, net profit after tax from discontinued operations attributable to members was $1.8 million.

[4] Excluding the impact in 2013 of the one-off loss as a result of the transaction to create the SCA Property Group ($28.5 million after tax), the Victorian transport fleet redundancy costs ($18.1 million after tax), the US 144A bond redemption costs ($57.6 million after tax) and the net profit on sale of the Consumer Electronic businesses ($7.9 million after tax), as well as the impact in 2012 of the Consumer Electronics restructure provision and impairment loss ($383.7 million after tax), net profit after tax attributable to members was $2,355.7 million, up 7.1%.

Dividends (Distributions)

2013 Financial Year	**Amount per security**	**Franked amount per security**
Final dividend	71¢	71¢
Interim dividend	62¢	62¢
Record date for determining entitlement to the dividend:	Final Dividend: 13 September 2013	

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

Refer to Press Release – Final Profit Report and Dividend Announcement for the 53 weeks ended 30 June 2013.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 53 weeks $m	2012 52 weeks $m
Continuing Operations			
Revenue from the sale of goods	2 (a)	58,516.4	54,777.1
Other operating revenue	2 (a)	157.7	138.9
Total revenue from continuing operations		**58,674.1**	**54,916.0**
Cost of sales		(42,912.6)	(40,455.0)
Gross profit from continuing operations		**15,761.5**	**14,461.0**
Other revenue	2 (b)	247.6	223.5
Branch expenses		(9,799.8)	(8,777.3)
Administration expenses		(2,614.7)	(2,560.8)
Earnings from continuing operations before interest and tax		**3,594.6**	**3,346.4**
Financial expense	3	(410.1)	(316.8)
Financial income	3	30.3	34.6
Net financing costs from continuing operations		**(379.8)**	**(282.2)**
Profit from continuing operations before income tax expense		**3,214.8**	**3,064.2**
Income tax expense relating to continuing operations		(959.9)	(885.0)
Profit from continuing operations after income tax expense		**2,254.9**	**2,179.2**
Discontinued Operations			
Profit/(loss) from discontinued operations	15	9.7	(362.0)
Profit for the period		**2,264.6**	**1,817.2**
Profit attributable to:			
Equity holders of the parent entity		2,259.4	1,816.7
Non-controlling interests		5.2	0.5
Profit for the period		**2,264.6**	**1,817.2**
Profit attributable to owners of the parent entity relates to:			
Profit from continuing operations		2,249.7	2,178.7
Profit/(loss) from discontinued operations		9.7	(362.0)
Profit attributable to equity holders of the parent entity		**2,259.4**	**1,816.7**

CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 53 weeks	2012 52 weeks
Earnings Per Share (EPS) from continuing and discontinued operations			
Basic EPS (cents per share)	9	182.6	148.7
Diluted EPS (cents per share)	9	181.8	147.9
Weighted average number of shares used in the calculation of Basic EPS (million)	9	1,237.4	1,222.0
Earnings Per Share from continuing operations			
Basic EPS (cents per share)	9	181.8	178.3
Diluted EPS (cents per share)	9	181.0	177.4
Weighted average number of shared used in the calculation of Basic EPS (million)	9	1,237.4	1,222.0

The consolidated income statement should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013 53 weeks $m	2012 52 weeks $m
Net profit from continuing operations	2,254.9	2,179.2
Net profit/(loss) from discontinued operations	9.7	(362.0)
Profit for the period	**2,264.6**	**1,817.2**
Other comprehensive income from continuing operations		
Movement in translation of foreign operations taken to equity	197.8	37.8
Movement in the fair value of investments in equity securities	32.9	(16.3)
Movement in the fair value of cash flow hedges	256.4	95.7
Transfer cash flow hedges to the income statement	(231.9)	(175.4)
Actuarial gains/(losses) on defined benefit plans	12.5	(50.8)
Tax effect of items recognised directly to equity	(36.3)	34.2
Other comprehensive income/(loss) for the period (net of tax) from continuing operations	**231.4**	**(74.8)**
Other comprehensive income from discontinued operations		
Movement in translation of foreign operations taken to equity	0.3	(0.8)
Movement in the fair value of cash flow hedges	0.4	(0.3)
Tax effect of items recognised directly to equity	(0.1)	0.2
Other comprehensive income/(loss) for the period (net of tax) from discontinued operations	**0.6**	**(0.9)**
Total comprehensive income from continuing operations	2,486.3	2,104.4
Total comprehensive income/(loss) from discontinued operations	10.3	(362.9)
Total comprehensive income for the period	**2,496.6**	**1,741.5**
Total comprehensive income from continuing operations attributable to:		
Equity holders of the parent entity	2,481.1	2,103.9
Non-controlling interests	5.2	0.5
Total comprehensive income for the period from continuing operations	**2,486.3**	**2,104.4**
Total comprehensive income from discontinued operations attributable to:		
Equity holders of the parent entity	10.3	(362.9)
Total comprehensive income/(loss) for the period from discontinued operations	**10.3**	**(362.9)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Income tax on other comprehensive income from continuing operations	**Before tax**	**Tax (expense)/ benefit**	**Net of tax**
For the year ended 30 June 2013	**$m**	**$m**	**$m**
Movement in translation of foreign operations taken to equity	197.8	(25.1)	172.7
Movement in the fair value of investments in equity securities	32.9	-	32.9
Movement in the fair value of cash flow hedges	256.4	(76.9)	179.5
Transfer cash flow hedges to the income statement	(231.9)	69.5	(162.4)
Actuarial gains on defined benefit plans	12.5	(3.8)	8.7
Total of items recognised in other comprehensive income	**267.7**	**(36.3)**	**231.4**

	Before tax	**Tax (expense)/ benefit**	**Net of tax**
For the year ended 24 June 2012	**$m**	**$m**	**$m**
Movement in translation of foreign operations taken to equity	37.8	(4.9)	32.9
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	**(109.0)**	**34.2**	**(74.8)**

Income tax on other comprehensive income from discontinued operations	**Before tax**	**Tax (expense)**	**Net of tax**
For the year ended 30 June 2013	**$m**	**$m**	**$m**
Movement in translation of foreign operations taken to equity	0.3	-	0.3
Movement in the fair value of cash flow hedges	0.4	(0.1)	0.3
Total of items recognised in other comprehensive income	**0.7**	**(0.1)**	**0.6**

	Before tax	**Tax benefit**	**Net of tax**
For the year ended 24 June 2012	**$m**	**$m**	**$m**
Movement in translation of foreign operations taken to equity	(0.8)	0.1	(0.7)
Movement in the fair value of cash flow hedges	(0.3)	0.1	(0.2)
Total of items recognised in other comprehensive income	**(1.1)**	**0.2**	**(0.9)**

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2013

	Note	2013 $m	2012 $m
Current assets			
Cash and cash equivalents	6 (a)	849.2	833.4
Trade and other receivables		968.6	869.9
Inventories		4,205.4	3,698.3
Other financial assets		54.2	23.8
		6,077.4	**5,425.4**
Assets classified as held for sale	15	148.7	376.7
Total current assets		**6,226.1**	**5,802.1**
Non-current assets			
Trade and other receivables		16.6	24.5
Other financial assets		358.7	238.8
Property, plant and equipment		9,246.1	9,589.0
Intangible assets		5,784.3	5,282.0
Deferred tax assets		618.4	644.7
Total non-current assets		**16,024.1**	**15,779.0**
Total assets		**22,250.2**	**21,581.1**
Current liabilities			
Trade and other payables		5,390.3	5,242.2
Borrowings		169.4	54.4
Current tax liabilities		193.2	221.5
Other financial liabilities		145.9	107.4
Provisions		967.2	939.8
		6,866.0	**6,565.3**
Liabilities directly associated with assets classified as held for sale	15	-	200.9
Total current liabilities		**6,866.0**	**6,766.2**
Non-current liabilities			
Borrowings		4,282.5	4,695.3
Other financial liabilities		992.6	887.2
Provisions		549.2	527.3
Other		259.4	258.8
Total non-current liabilities		**6,083.7**	**6,368.6**
Total liabilities		**12,949.7**	**13,134.8**
Net assets		**9,300.5**	**8,446.3**
Equity			
Issued capital		4,522.7	4,336.6
Shares held in trust		(180.5)	(60.7)
Reserves		25.1	(243.9)
Retained profits		4,661.1	4,163.4
		9,028.4	**8,195.4**
Amounts recognised directly in equity relating to assets classified as held for sale	15	-	(7.2)
Equity attributable to the members of Woolworths Limited		**9,028.4**	**8,188.2**
Non-controlling interests		272.1	258.1
Total equity		**9,300.5**	**8,446.3**

The consolidated balance sheet should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

For the year ended 30 June 2013	**Issued Capital**	**Shares Held In Trust**	**Hedging Reserve**	**Foreign Currency Translation Reserve**	**Remuneration Reserve**	**Asset Revaluation Reserve**	**Equity Instrument Reserve**	**Retained Profits**	**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 25 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
Profit after income tax expense	-	-	-	-	-	-	-	2,259.4	2,259.4	5.2	2,264.6
Other comprehensive income for the period (net of tax)	-	-	17.4	173.0	-	-	32.9	8.7	232.0	-	232.0
Total comprehensive income for the period (net of tax)	-	-	17.4	173.0	-	-	32.9	2,268.1	2,491.4	5.2	2,496.6
Dividends paid	-	-	-	-	-	-	-	(1,597.5)	(1,597.5)	(20.1)	(1,617.6)
Dividends paid - treasury shares								2.2	2.2	-	2.2
Issue of shares as a result of options exercised under employee long term incentive plans	188.1	-	-	-	-	-	-	-	188.1	-	188.1
Issue of shares as a result of the dividend reinvestment plan	198.6	-	-	-	-	-	-	-	198.6	-	198.6
Issue of shares under the employee share plan and long term incentive plans	-	26.0	-	-	(14.4)	-	-	-	11.6	-	11.6
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	230.0	230.0
Equity settled share based payments expense	-	-	-	-	34.9	-	-	-	34.9	-	34.9
Tax provision impact of share based payments	-	-	-	-	23.9	-	-	-	23.9	-	23.9
Sale of businesses	-	-	(0.2)	8.7	-	-	-	-	8.5	-	8.5
Reclassification of non-controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(197.3)	(197.3)
In-specie distribution to Woolworths Limited shareholders	(340.3)	-	-	-	-	-	-	(176.1)	(516.4)	-	(516.4)
Shares issued to /(acquired by) the Woolworths Employee Share Trust	145.8	(145.8)	-	-	-	-	-	-	-	-	-
Other	(6.1)	-	-	-	-	-	-	1.0	(5.1)	(3.8)	(8.9)
Balance at 30 June 2013	**4,522.7**	**(180.5)**	**(35.6)**	**(167.3)**	**290.6**	**16.4**	**(79.0)**	**4,661.1**	**9,028.4**	**272.1**	**9,300.5**

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 Profits**	**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 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 employee long term incentive 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 and long term incentive plans	-	29.8	-	-	(14.1)	-	-	-	15.7	-	15.7
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	110.0	110.0
Equity settled share based payments expense	-	-	-	-	39.8	-	-	-	39.8	-	39.8
Tax provision impact of share based payments					0.1				0.1		0.1
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)	-	-	-	-	-	-	-	-	-
Other	(6.9)	-	-	-	-	-	-	1.6	(5.3)	(0.3)	(5.6)
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**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 53 weeks $m	2012 52 weeks $m
Cash Flows From Operating Activities			
Receipts from customers		63,789.8	61,545.6
Receipts from vendors and tenants		47.0	50.9
Payments to suppliers and employees		(59,685.1)	(57,412.0)
Interest and costs of finance paid		(476.7)	(396.1)
Interest received		22.2	26.8
Income tax paid		(977.3)	(941.4)
Net cash provided by operating activities	6(e)	**2,719.9**	**2,873.8**
Cash Flows From Investing Activities			
Proceeds from the sale of property, plant and equipment		100.3	199.5
Proceeds from the sale of property to the Shopping Centres Australasia Property Group		802.8	-
Payments for property, plant and equipment - property development		(767.4)	(1,165.8)
Advances/(repayments) of property related receivables		14.8	(1.1)
Payments for property, plant and equipment (excluding property development)		(1,136.0)	(968.7)
Payments for intangible assets		(66.7)	(6.2)
Proceeds from the sale of subsidiaries		105.8	-
Payments for the purchase of businesses	6(b)	(235.4)	(145.2)
Payment for the purchase of investments		(28.0)	(0.6)
Dividends received		8.1	7.8
Net cash used in investing activities		**(1,201.7)**	**(2,080.3)**
Cash Flows From Financing Activities			
Proceeds from the issue of equity securities		188.1	120.9
Proceeds from the issue of equity securities in subsidiary to non-controlling interest		230.0	203.0
Proceeds from external borrowings		5,974.5	12,361.9
Repayment of external borrowings		(6,501.8)	(12,830.8)
Dividends paid	6(c)	(1,396.7)	(1,317.2)
Dividends paid to non-controlling interests		(20.1)	(15.6)
Repayment of employee share plan loans		5.6	8.6
Net cash used in financing activities		**(1,520.4)**	**(1,469.2)**
Net decrease in cash and cash equivalents held		**(2.2)**	**(675.7)**
Effect of exchange rate changes on foreign currency held		6.2	1.3
Cash and cash equivalents at the beginning of the period		845.2	1,519.6
Cash and cash equivalents at the end of the period	6(a)	**849.2**	**845.2**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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 24 June 2012. These accounting policies are consistent with Accounting Standards and with International Financial Reporting Standards.

Certain comparative amounts 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 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project';
- AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'; and
- AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

2. Profit From Ordinary Activities – Continuing Operations

	2013 53 weeks $m	2012 52 weeks $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	58,516.4	54,777.1
Other operating revenue	157.7	138.9
Revenue from operations	**58,674.1**	**54,916.0**
(b) Other revenue – continuing operations		
Rent and other	247.6	223.5
Total revenue (excluding financial income)	**58,921.7**	**55,139.5**
(c) Expenses – continuing operations		
Depreciation:		
Development properties and freehold land, warehouse, retail and other properties	47.3	45.4
Plant and equipment	762.9	713.6
Amortisation:		
Leasehold improvements	138.1	123.4
Gaming licences	15.9	-
Other intangibles	1.3	1.1
Total depreciation and amortisation	**965.5**	**883.5**
Net loss on disposal of property, plant and equipment	9.7	8.9
Employee benefits expense	7,001.6	6,414.9
Operating lease rental expenses:		
Minimum lease payments	1,704.5	1,500.5
Contingent rentals	59.7	59.0
Total operating lease rental expenses	**1,764.2**	**1,559.5**

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

3. Net Financing Costs – Continuing Operations

	2013 53 weeks $m	2012 52 weeks $m
Financial expense		
Interest expense – other parties [1]	(482.0)	(406.6)
Less: interest capitalised	77.4	90.1
Foreign exchange loss	(5.5)	(0.3)
	(410.1)	**(316.8)**
Financial income		
Dividend income	8.1	7.8
Interest income	22.2	26.8
	30.3	**34.6**
Net financing costs	**(379.8)**	**(282.2)**

[1] Includes costs associated with the US 144A bond redemption of $82.3 million before tax ($57.6 million after tax) – refer note 5 for further detail.

4. Commentary on Results

Refer to Press Release – Final Profit Report and Dividend Announcement for the 53 weeks ended 30 June 2013.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

5. Significant Transactions

Victorian Gaming Arrangements

In August 2012, new arrangements for gaming machine licences introduced by the Victorian Government came into effect. Under these arrangements, venue operators are allowed to acquire and operate their own gaming machines in approved venues. The gaming machine entitlements (total value of $174.1 million) are reflected as an intangible asset, with a corresponding liability representing the present value of future payments to the Victorian Government in respect of the licences. These payments will be made quarterly over a period of four years. The intangible asset will be amortised on a straight line basis over the life of the entitlement (10 years).

Creation of Shopping Centres Australasia Property Group and In-specie Distribution to Woolworths Limited Shareholders

In October 2012, Woolworths Limited announced a proposal to create the Shopping Centres Australasia Property Group (SCA Property Group); a newly established ASX listed Real Estate Investment Trust (REIT) through an in-specie distribution of stapled units in the SCA Property Group to all Woolworths Limited shareholders. This proposal was voted in favour of at the Woolworths Limited Annual General Meeting on 22 November 2012 and the transaction was implemented on 11 December 2012. Woolworths transferred its ownership of 68 properties to the SCA Property Group in the 2013 financial year, reducing the property, plant and equipment held by the Woolworths Group by $1.3 billion.

A one-off loss of $28.5 million after tax was incurred as a result of this transaction, relating largely to provisions for rental guarantees provided by Woolworths in relation to specialty leasing risk. Cash consideration of $802.8 million was received from the SCA Property Group in respect of the sale of the properties. One additional New Zealand property will be sold to the SCA Property Group in the first half of the 2014 financial year, at the time its development is complete.

Divestment of Consumer Electronics Businesses

In October 2012, Woolworths completed the sale of 100% of its shares in Woolworths Wholesale (India) Private Limited to Infiniti Retail Limited and in November 2012 completed the sale of the Dick Smith Electronics Australia and New Zealand businesses to Anchorage Capital Partners. Refer to note 15 for further details.

US 144A Bond Redemption Costs

In June 2013, the redemption of some US 144A bonds was finalised. US$614.8 million of bonds were redeemed with a one-off cost to the profit and loss (financing costs) of $82.3 million before tax ($57.6 million after tax) in the 2013 financial year.

NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

6. Notes to the Consolidated Statement of Cash Flows

	2013 $m	2012 $m
(a) Reconciliation of cash		
For the purposes of the consolidated statement of cash flows, cash and cash equivalents include 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	849.2	833.4
Cash at bank and on hand from discontinued operations	-	11.8
Cash and cash equivalents at the end of the period	**849.2**	**845.2**
(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	29.8	49.8
Inventories	30.6	10.0
Liquor and gaming licences and other intangible assets	158.5	40.1
Cash	3.2	0.3
Receivables	10.9	7.8
Deferred tax (liability)/asset	(0.9)	0.3
Accounts payable	(20.0)	(4.8)
Provisions	(5.0)	(1.1)
Other liabilities	(7.2)	-
Net assets acquired	**199.9**	**102.4**
Minority interest share of acquired business	(7.2)	-
Goodwill on acquisition	45.9	42.1
Fair value of net assets acquired	**238.6**	**144.5**
Analysed as follows:		
Consideration		
- cash paid	238.6	144.5
Total consideration	**238.6**	**144.5**
Cash paid	238.6	144.5
Add: deferred consideration paid	-	1.0
Less: cash balances acquired	(3.2)	(0.3)
Cash consideration paid	**235.4**	**145.2**

6. 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), $198.6 million of the total dividend of $1,597.5 million (12%) was reinvested in the shares of the Company (2012: $199.6 million of the total dividend of $1,516.8 million (13%)). 2013 also includes $2.2 million of dividends paid on treasury shares.

	2013 $m	2012 $m
(d) Financing facilities – total Group		
Unrestricted access was available at the balance date to the following lines of credit:		
Total facilities[1]		
Bank overdrafts	30.5	37.6
Bank loan facilities	3,629.2	3,431.6
	3,659.7	3,469.2
Used at balance date		
Bank overdrafts	-	-
Bank loan facilities	168.1	51.9
	168.1	51.9
Unused at balance date		
Bank overdrafts	30.5	37.6
Bank loan facilities	3,461.1	3,379.7
	3,491.6	3,417.3

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

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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

	2013 53 weeks $m	2012 52 weeks $m
(e) Reconciliation of net cash provided by operating activities to profit after income tax expense:		
Profit after income tax expense	2,264.6	1,817.2
Depreciation and amortisation	965.5	895.9
Foreign exchange losses/(gains)	13.3	(0.8)
Employee benefits expense – share based payments	34.9	39.8
Loss on disposal and write off of property, plant and equipment	9.7	10.2
Borrowing costs capitalised	(77.4)	(90.1)
Amortisation of borrowing costs	6.4	8.1
Consumer Electronics restructuring provision	-	393.1
Profit from sale of subsidiaries	(9.9)	-
Dividends received	(8.1)	(7.8)
Other	(7.5)	5.4
Decrease/(increase) in deferred tax asset	1.8	(104.7)
(Decrease)/increase in current tax liability	(17.2)	19.1
Increase in trade and other receivables	(61.8)	(107.3)
Increase in inventories	(550.3)	(297.3)
Increase in trade payables	59.7	14.7
Increase in sundry payables and provisions	96.2	278.3
Net cash provided by operating activities	**2,719.9**	**2,873.8**

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

7. Details Relating to Dividends (Distributions)

		Date dividend payable/paid	Amount per security ¢
Final dividend	2013	11 October 2013	71
	2012	12 October 2012	67
Interim dividend	2013	26 April 2013	62
	2012	27 April 2012	59
Total	2013		133
	2012		126

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

	2013 ¢ per share	2012 ¢ per share
Ordinary securities (fully franked at 30% tax rate)	133	126

Interim and final dividend (distribution) on all securities

	2013 $m	2012 $m
Ordinary securities	1,658.3[1]	1,550.8

[1] Represents the anticipated dividend based on the shares on issue as at the date of this report. This value will change if there are any shares issued between the date of this report and the ex-dividend date.

Any other disclosures in relation to dividends (distributions).

On 28 August 2013, the board of directors declared a final dividend of 71 cents per share. The amount that will be paid on 11 October 2013 will be approximately $887.7 million. 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 DRP 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 DRP. 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	13 September 2013

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

8. Issued Capital

	2013 $m	2012 $m
Reconciliation of fully paid share capital		
Balance at beginning of period	4,336.6	3,988.6
Issue of shares as a result of options exercised under employee long term incentive plans	188.1	120.9
Issue of shares as a result of the Dividend Reinvestment Plan	198.6	199.6
Adjustment to reflect the final proceeds for shares issued under the Employee Share Plan	(6.1)	(6.9)
Issue of shares to the Woolworths Employee Share Trust	145.8	34.4
In-specie distribution to Woolworths Limited shareholders associated with creation of the SCA Property Group[1]	(340.3)	-
Balance at end of period	**4,522.7**	**4,336.6**

	2013 No. (m)	2012 No. (m)
Reconciliation of fully paid share capital		
Balance at beginning of period	1,231.9	1,216.5
Issue of shares as a result of options exercised under employee long term incentive plans	7.4	6.2
Issue of shares as a result of the Dividend Reinvestment Plan	6.4	7.9
Issue of shares to the Woolworths Employee Share Trust	4.5	1.3
Balance at end of period	**1,250.2**	**1,231.9**

[1] Includes capital component of the in-specie distribution as well as costs (stamp duty, advisory and other) associated with the transaction.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

9. Earnings Per Share

Basic earnings per share	**2013** **53 weeks** **¢ per share**	**2012** **52 weeks** **¢ per share**
From continuing operations	181.8	178.3
From discontinued operations	0.8	(29.6)
Total basic earnings per share	182.6	148.7

Diluted earnings per share	**2013** **53 weeks** **¢ per share**	**2012** **52 weeks** **¢ per share**
From continuing operations	181.0	177.4
From discontinued operations	0.8	(29.5)
Total diluted earnings per share	181.8	147.9

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:

	2013 **53 weeks** **$m**	**2012** **52 weeks** **$m**
Earnings – continuing operations (a)	2,249.7	2,178.7
Earnings – discontinued operations (a)	9.7	(362.0)
Earnings – continuing and discontinued operations (a)	2,259.4	1,816.7

	2013 **No. (m)**	**2012** **No. (m)**
Weighted average number of ordinary shares (b), (c)	1,237.4	1,222.0

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:

	2013 **53 weeks** **$m**	**2012** **52 weeks** **$m**
Earnings – continuing operations (a)	2,249.7	2,178.7
Earnings – discontinued operations (a)	9.7	(362.0)
Earnings – continuing and discontinued operations (a)	2,259.4	1,816.7

	2013 **No. (m)**	**2012** **No. (m)**
Weighted average number of ordinary shares and potential ordinary shares (b), (c), (d)	1,243.1	1,228.1

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

9. 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:

	2013 53 weeks $m	2012 52 weeks $m
Profit attributable to the members of Woolworths Limited	2,259.4	1,816.7
Earnings used in the calculation of basic earnings per share from:		
Continuing operations	2,249.7	2,178.7
Discontinued operations	9.7	(362.0)
Total continuing and discontinued operations	2,259.4	1,816.7

(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:

	2013 No. (m)	2012 No. (m)
Weighted average number of ordinary shares used in the calculation of basic EPS	1,237.4	1,222.0
Shares deemed to be issued for no consideration in respect of employee options	5.7	6.1
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	1,243.1	1,228.1

(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.

	2013 No. (m)	2012 No. (m)
Shares deemed to be issued at average market price in respect of employee options	5.0	18.1

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

10. Net Tangible Assets Per Security

	2013 ¢ per share	2012 ¢ per share
Net tangible assets per security	259.5	235.9
Add:		
Brand names, liquor and gaming licences and property development rights per security	190.6	167.2
Net tangible assets per security adjusted for brand names, liquor and gaming licences and property development rights	450.1	403.1

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

Control gained over entities

Name of entity (or group of entities)	Austral Refrigeration (Suzhou) Co. Ltd
Date control gained	25 January 2013

	2013 $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:	0.3

Name of entity (or group of entities)	Hardings Hardware Pty Ltd
Date control gained	8 March 2013

	2013 $m[1]
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, from the date of gaining control:	1.5

[1] Represents 100% of the contribution from Hardings Hardware Pty Ltd. The contribution to the equity holders of Woolworths Limited is $0.6 million.

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

Control lost over entities

Name of entity (or group of entities)	Woolworths Wholesale (India) Private Limited
Date control lost	15 October 2012
Name of entity (or group of entities)	DSE Holdings Pty Limited Dick Smith Electronics Franchising Pty Ltd Dick Smith Management Pty Ltd Dick Smith Electronics Pty Limited Dick Smith Electronics Staff Superannuation Fund Pty Limited Dick Smith (Wholesale) Pty Ltd InterTAN Australia Pty Ltd DSE (NZ) Limited
Date control lost	26 November 2012

For details of the contribution of the controlled entity (or group of entities) to profit/(loss) after tax from ordinary activities during the current period up until the date control was lost and the previous corresponding period, refer to note 15.

Name of entity (or group of entities)	Shopping Centres Australasia Property Group RE Limited Shopping Centres Australasia Property Holdings Pty Ltd Shopping Centres Australasia Property Operations Pty Ltd Shopping Centres Australasia Property Group Trustee NZ Limited
Date control lost	11 December 2012

	2013 $m
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, up until the date control was lost:	-

For further details on the transaction involving these entities, refer to note 5.

NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

12. Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit	
	2013	2012	2013 53 weeks	2012 52 weeks
Name of Entity	**%**	**%**	**$m**	**$m**
Associates				
Gage Roads Brewing Co Limited	25%	25%	0.2	0.1
GDL Rx No1 Limited	49%	-	-	-
The Quantium Group Holdings Pty. Limited	50%	-	0.2	-
Aggregate share of profits			**0.4**	**0.1**

13. Contingent Liabilities and Contingent Assets

	2013 $m	2012 $m
Contingent liabilities		
Bank guarantees[1]	49.4	80.3
Workers' compensation self-insurance guarantees[2]	779.5	615.4
Outstanding letters of credit issued to suppliers	5.5	14.4
Other	6.5	6.5
	840.9	**716.6**

[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.

Contingent assets

None

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

14. Segment Information

The Group has six 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
- **Home Improvement** – procurement of home improvement products for resale to customers in Australia

The Unallocated group consists of the Group's other operating segments that are not separately reportable as well as various support functions including property and head office costs.

Discontinued operations represents the Consumer Electronics segment, which is the procurement of electronic products for resale to customers in Australia and New Zealand and a wholesale business in India.

Geographical Segments

	Australia		New Zealand		Total Continuing Operations		Discontinued Operations [1]		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	$A m	$A m	$A m	$A m	$A m	$A m	$A m	$A m	$A m	$A m
Segment disclosures										
Geographical segments										
Sales to customers	53,916.7	50,475.3	4,599.7	4,301.8	58,516.4	54,777.1	641.6	1,923.0	59,158.0	56,700.1
Other operating revenue	149.9	132.2	7.8	6.7	157.7	138.9	-	-	157.7	138.9
Other revenue	217.4	198.3	30.2	25.2	247.6	223.5	0.3	0.8	247.9	224.3
Revenue from external customers	**54,284.0**	**50,805.8**	**4,637.7**	**4,333.7**	**58,921.7**	**55,139.5**	**641.9**	**1,923.8**	**59,563.6**	**57,063.3**
Non-current assets [2]	12,307.2	12,141.7	2,909.8	2,855.5	15,217.0	14,997.2	-	-	15,217.0	14,997.2

[1] Discontinued operations is comprised of Consumer Electronics Australia, New Zealand and India. In FY12, all assets related to discontinued operations were 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 30 JUNE 2013

14. Segment Information (continued)

Business Segments

	Australian Food & Liquor (1)		New Zealand Supermarkets		Petrol		BIG W		Hotels (2)		Home Improvement		Unallocated (3)		Total Continuing Operations		Discontinued Operations (4)		Consolidated	
	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m	2013 $A m	2012 $A m
Segment disclosures																				
Business segments																				
Sales to customers	40,031.2	37,549.2	4,599.7	4,301.8	6,793.9	6,714.2	4,383.4	4,179.6	1,468.9	1,204.0	1,239.3	828.3	-	-	58,516.4	54,777.1	641.6	1,923.0	59,158.0	56,700.1
Other operating revenue	149.9	132.2	7.8	6.7	-	-	-	-	-	-	-	-	-	-	157.7	138.9	-	-	157.7	138.9
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	654.1	451.3	654.1	451.3	0.2	0.4	654.3	451.7
Segment revenue	40,181.1	37,681.4	4,607.5	4,308.5	6,793.9	6,714.2	4,383.4	4,179.6	1,468.9	1,204.0	1,239.3	828.3	654.1	451.3	59,328.2	55,367.3	641.8	1,923.4	59,970.0	57,290.7
Eliminations													(654.1)	(451.3)	(654.1)	(451.3)	(0.2)	(0.4)	(654.3)	(451.7)
Unallocated revenue (5)													247.6	223.5	247.6	223.5	0.3	0.8	247.9	224.3
Total revenue	40,181.1	37,681.4	4,607.5	4,308.5	6,793.9	6,714.2	4,383.4	4,179.6	1,468.9	1,204.0	1,239.3	828.3	247.6	223.5	58,921.7	55,139.5	641.9	1,923.8	59,563.6	57,063.3
Segment earnings before interest and tax	3,061.6	2,817.2	236.2	224.5	137.7	127.1	191.3	178.4	263.7	195.7	(138.9)	(96.7)	(98.4)	(99.8)	3,653.2	3,346.4	2.5	30.3	3,655.7	3,376.7
Loss on SCA Group property transaction															(32.8)	-	-	-	(32.8)	-
Profit on sale of subsidiaries															-	-	9.9	-	9.9	-
Victorian transport fleet redundancy costs															(25.8)	-	-	-	(25.8)	-
Loss on remeasurement to fair value less costs to sell															-	-	-	(420.0)	-	(420.0)
Earnings before interest and tax															3,594.6	3,346.4	12.4	(389.7)	3,607.0	2,956.7
Net financing cost															(379.8)	(282.2)	(0.5)	(1.4)	(380.3)	(283.6)
Profit before income tax expense															3,214.8	3,064.2	11.9	(391.1)	3,226.7	2,673.1
Income tax expense															(959.9)	(885.0)	(2.2)	29.1	(962.1)	(855.9)
Profit after income tax expense															2,254.9	2,179.2	9.7	(362.0)	2,264.6	1,817.2
Segment depreciation and amortisation	542.0	521.3	86.0	84.8	32.8	32.2	93.5	82.7	98.3	64.9	40.3	17.0	72.6	80.6	965.5	883.5	-	12.4	965.5	895.9
Capital expenditure (6)	653.7	497.9	129.2	202.5	60.5	45.1	57.6	88.1	522.1	180.2	418.4	537.1	531.4	797.2	2,372.9	2,348.1	2.6	19.5	2,375.5	2,367.6

(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 and the property division.
(4) Discontinued operations is comprised of Consumer Electronics Australia, New Zealand and India.
(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 30 JUNE 2013

15. Assets Held for Sale and Discontinued Operations

In January 2012, Woolworths Limited announced its intention to restructure its Consumer Electronics Australia and New Zealand business, with a view to divesting this business. Subsequent to this, as part of the broader Woolworths Group strategy, it was determined that Woolworths would exit the Consumer Electronics market segment and thus its Consumer Electronics wholesale business in India would be divested.

On 27 September 2012, the Group announced the sale of its wholesale operations in India to Infiniti Retail Limited (Infiniti) and the sale of Dick Smith Australia and New Zealand to Anchorage Capital Partners (Anchorage).

The sale of the shares in Woolworths Wholesale (India) Private Limited to Infiniti took effect from 15 October 2012 and the sale of Dick Smith Holdings Pty Limited and its subsidiaries to Anchorage took effect from 26 November 2012.

As announced in July 2013, Woolworths Limited agreed to release Anchorage from its obligation to provide agreed benefits to Woolworths from any upside resulting from the future sale of Dick Smith by Anchorage. In return, Woolworths is entitled to receive payments totalling $74.0 million ($50.0 million paid in June 2013 and a further $24.0 million payable in 12 monthly instalments commencing July 2013). This additional consideration has been recorded as income in the 2013 financial year.

The full year results and cash flows from discontinued operations (the Consumer Electronics business in Australia, New Zealand and India) are as follows:

	2013 53 weeks $m	2012 52 weeks $m
Profit/(Loss) from Discontinued Operations		
Revenue	641.6	1,923.0
Other revenue	0.3	0.8
Total revenue	**641.9**	**1,923.8**
Expenses	(639.9)	(1,894.9)
Profit before income tax	**2.0**	**28.9**
Attributable income tax expense	(0.2)	(7.2)
Profit after tax before loss on re-measurement	**1.8**	**21.7**
Loss on re-measurement to fair value less costs to sell[1]	-	(420.0)
Attributable income tax expense	-	36.3
Profit/(loss) from discontinued operations	**1.8**	**(362.0)**
Profit on sale of subsidiaries before income tax	9.9	-
Attributable income tax expense	(2.0)	-
Profit on sale of subsidiaries after income tax	**7.9**	**-**
Profit/(loss) for the period from discontinued operations	**9.7**	**(362.0)**
Cash Flows from Discontinued Operations		
Net cash (outflow)/inflow from operating activities	(113.7)	83.4
Net cash inflow/(outflow) from investing activities	103.3	(24.5)
Net cash inflows from financing activities	10.3	3.7
Net cash (outflow)/inflow	**(0.1)**	**62.6**

[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 Australian and New Zealand businesses.

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

Details of the sale of the subsidiaries are as follows:

	2013 $m
Consideration received or receivable:	
Cash	126.3
Proceeds receivable [1]	24.0
Total disposal consideration	**150.3**
Carrying amount of net assets sold	131.9
Reserves transferred to profit and loss	8.5
Profit on sale before income tax	**9.9**
Attributable income tax expense	(2.0)
Profit on sale after income tax	**7.9**

[1] Amounts to be received during the 2014 financial year.

The combined carrying amounts of assets and liabilities as at the date of sale were as follows:

	2013 $m
Cash and cash equivalents	20.5
Trade and other receivables	34.2
Inventories	245.9
Property, plant and equipment	50.9
Deferred tax asset	4.5
Total assets	**356.0**
Trade and other payables	(184.7)
Interest bearing liabilities	(20.7)
Provisions	(12.9)
Other liabilities	(5.8)
Total liabilities	**(224.1)**
Net assets	**131.9**
Reserves transferred to profit and loss on sale of businesses	8.5

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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

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

	2013 $m	2012[1] $m
Assets classified as held for sale		
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	148.7	155.8
Total other assets held for sale – property, plant and equipment	**148.7**	**155.8**
Total assets classified as held for sale	**148.7**	**376.7**
Liabilities directly associated with assets classified as held for sale		
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)**

[1] Disposal group assets and liabilities held for sale at 24 June 2012 represents the Dick Smith Australian and New Zealand businesses.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

16. Subsequent Events

On 22 August 2013, Woolworths Limited announced its intention to acquire New Zealand-based direct retailer EziBuy Holdings Limited (EziBuy). EziBuy is a leading direct-to-customer retailer of apparel and homewares in Australia and New Zealand operating primarily via an online platform, catalogues and contact centres. Purchase consideration is NZ$350 million and the acquisition remains subject to approval from New Zealand's Overseas Investment Office.

17. Information on Audit or Review

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

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

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

Not applicable.

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

Not applicable.

WOOLWORTHS LIMITED

28 August 2013

FINAL PROFIT REPORT AND DIVIDEND ANNOUNCEMENT FOR THE 53 WEEKS ENDED 30 JUNE 2013

Our Strategic Priorities are delivering sustainable profit growth with solid foundations laid for the future

Net Profit After Tax of $2,259.4 million, up 24.4%

Net Profit After Tax From Continuing Operations Before Significant Items[1] of $2,353.9 million, up 8.0% or 6.1% on a normalised 52 week basis[2]

Fully Franked FY13 Dividends of 133 Cents Per Share, up 5.6%

$2.2 billion[3] Returned to Shareholders via Dividends and the In-specie Distribution on Divestment of the SCA Property Group

Key financial highlights for the 2013 financial year

Sales

- Sales from continuing operations of $58.5 billion, up 6.8% or 4.8% on a normalised 52 week basis[2] (total Group sales up 4.3%)

Earnings Before Interest and Tax (EBIT)

- EBIT from continuing operations before significant items[1] and the investment in Home Improvement up 10.1% or 8.1% on a normalised 52 week basis[2]
- EBIT from continuing operations before significant items[1] of $3,653.2 million, up 9.2% or 7.2% on a normalised 52 week basis[2] (total Group EBIT up 22.0%)

Net Profit After Tax (NPAT) and Earnings per Share (EPS)

- Group NPAT of $2,259.4 million, up 24.4% with corresponding EPS up 22.8% to 182.6 cents
- NPAT from continuing operations before significant items[1] of $2,353.9 million, up 8.0% or 6.1% on a normalised 52 week basis[2] with corresponding EPS up 6.7% or 4.8% on a normalised 52 week basis[2] to 190.2 cents

Return on Average Funds Employed (ROFE)

- Group ROFE of 27.6%, up 353 bps
- ROFE from continuing operations before significant items[1] of 28.0%, up 24 bps

Media Release

Woolworths Managing Director and Chief Executive Officer, Grant O'Brien, said: "We are very pleased to report a strong profit result with net profit after tax from continuing operations before significant items[1] up 8.0% or 6.1% on a normalised 52 week basis[2].

"This result demonstrates increased momentum across the Group that shows Woolworths will continue to generate sustainable profit growth into the future.

"Customers are benefiting from lower prices and suppliers are benefiting from higher volumes. Combined with our strong cost discipline, we are also able to reward our shareholders through higher returns.

"We are seeing good early results from the four Strategic Priorities that were laid out in 2011:

1. Extending leadership in Food and Liquor;
2. Acting on our portfolio to maximise shareholder value;
3. Maintaining our track record of building new growth businesses; and
4. Putting in place the enablers for a new era of growth.

"This strong result has been delivered against a backdrop of challenging retail conditions and high levels of consumer uncertainty. Notwithstanding these conditions, we have seen good momentum across the Group with higher comparable sales and stronger profit growth. In 2013, we served an average of 28.4 million customers per week, an increase of 3.6% on the previous year.

"We know more about our customers than ever before and as we enhance our offer to meet their needs, delivering a better shopping experience and more relevant ranges, more customers are shopping with us.

"We continued to invest heavily in price during the year with our 'More Savings Every Day' campaign the latest initiative to help ease customers' cost of living pressures. Throughout the year, value improvement programs have reinforced Woolworths' position as Australia's lowest priced full range supermarket.

"We continue to work on our Strategic Priorities to maximise the value delivered to shareholders through our existing portfolio whilst also looking to the future with new growth businesses. This is the path to a sustainable future for Woolworths. While there is more to do to realise our ambition of double digit profit growth in the future, the evidence shows we are heading in the right direction."

Woolworths Limited Chairman, Ralph Waters, said: "The Board has announced a 5.6% increase in dividends per share to 133 cents for the 2013 financial year, up from 126 cents last year. This is in addition to the return of $0.5 billion to shareholders on divestment of the SCA Property Group during the year.

"I am pleased with the 2013 financial results delivered by the Company and believe that Woolworths is well placed to continue to reward both its customers and its shareholders into the future."

Note: This announcement contains certain non-IFRS measures that Woolworths believes are relevant and appropriate to understanding its business. Refer to Appendix One for further information.

PROGRESS AGAINST STRATEGIC PRIORITIES

In November 2011, Woolworths' Strategic Priorities to deliver future growth and enhance shareholder value were outlined to investors. During the 2013 financial year, pleasing progress has been made against each of these, with the key highlights as follows:

1. Extend leadership in Food and Liquor

- ✓ ***Increasing momentum in Food and Liquor*** with higher comparable sales and EBIT growth, strong volume growth, increased market share and strong trading area growth
- ✓ ***Continued value leadership*** has reinforced our position as Australia's lowest priced full range supermarket with our customers saving through a range of initiatives such as the 'More Savings Every Day' campaign and 'Extra Special' offers for our loyal Everyday Rewards customers. Average prices in Australian Food and Liquor were 2.9% lower than the previous year
- ✓ ***Driving Fresh market share growth*** with new innovations such as direct from farmer initiatives, new bakeries and Meat Standards Australia (MSA) lines of beef and lamb leading to solid market share growth
- ✓ ***Australia's leading liquor destination, in-store and online*** with strong sales and market share growth. Consolidation of our convenience offer under the BWS banner resulting in a refreshed and re-focused offer. We continued our expansion of Dan Murphy's and our direct and online channels via danmurphys.com.au, Langton's and Cellarmasters. Dan Murphy's was this month awarded Online Retailer of the Year at the Online Retail Industry Awards (ORIAs)
- ✓ ***New Zealand market share growth*** continued the strong performance of the last few years with the next stage of our New Zealand Supermarkets growth strategy in progress

2. Act on our portfolio to maximise shareholder value

- ✓ ***Property divestment and capital management*** through the creation of the Shopping Centres Australasia Property Group (SCA Property Group), a new ASX listed Real Estate Investment Trust. This resulted in the sale of property independently valued at $1.4 billion and a $0.5 billion return to Woolworths shareholders
- ✓ ***Australia's best and most responsible hotels*** underpinned by an industry leading hotel and gaming charter with our commitment to establishing voluntary pre-commitment technology ahead of any state legislation. The FY13 Victorian gaming regulatory changes presented clear benefits but also some interim challenges which we navigated well during the year. We successfully expanded our hotel business with 34 hotels and their associated retail liquor outlets acquired by our Australian Leisure and Hospitality Group (ALH), including 29 as part of the acquisition of hotels from the Laundy Hotel Group, Waugh Hotel Group, DeAngelis Hotel Group and Bayfield Hotel Group (the Laundy transaction)

PROGRESS AGAINST STRATEGIC PRIORITIES (continued)

2. Act on our portfolio to maximise shareholder value (continued)

- ✓ ***BIG W's customer offer continues to evolve*** with a strategic repositioning of BIG W now underway which will see an increased focus on categories of high customer importance and a move away from lower returning categories. We are focused on maintaining profitable growth despite changes to the sales mix possibly resulting in lower sales growth during transition
- ✓ ***Consumer Electronics divestment complete*** with the sale of the Dick Smith Electronics business in Australia and New Zealand and our Consumer Electronics business in India

3. Maintain our track record of building new growth businesses

- ✓ ***Growing our leadership as Australia's largest domestic online retailer*** with 42% growth in online sales from continuing operations for the year. We are on track to deliver over $1 billion of online sales in FY14. Transactional mobile sites are now used for all our brands, more than 3.2 million apps have been downloaded by our customers and Click & Collect is being rolled out across all our businesses
- ✓ ***Acquisition of EziBuy*** a leading direct retailer of apparel and homewares in Australia and New Zealand will accelerate our multi-option capabilities in general merchandise and act as a launch pad for our next phase of growth. We expect EziBuy to be EPS accretive in FY14, with numerous synergies to be realised in the future
- ✓ ***Building Australia's best Home Improvement offer*** with 31 Masters stores trading at the end of the financial year. The customer response to our differentiated product range, service guarantee and pricing strategy gives us confidence that we are building a sustainable future for Masters which will become a long term profit contributor for the Group. We have a strong property pipeline and are targeting to have approximately 90 stores open by the end of the 2016 financial year

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

- ✓ ***Building on our world class supply chain*** continues with our state of the art Hoxton Park distribution centre (DC), the most advanced retail general merchandise DC in Australia delivering significant efficiency improvements in our BIG W and Home Improvement businesses. We have commenced the planning and implementation of the next generation of capability enhancements
- ✓ ***Driving continued efficiencies in stores*** has delivered significant cost reductions in areas of our Australian Supermarkets business with more savings planned for FY14. We will leverage these initiatives across the Group
- ✓ ***Customer data improving our offer*** with the acquisition of 50% of The Quantium Group Holdings Pty. Limited (Quantium), Australia's leading data-driven strategy business. This has increased our capability in using our data to deliver insights to enhance our market leading position and further help us to satisfy our customers' needs
- ✓ ***Assembling a world class retail team*** blending the best local and international talent at all levels of the organisation

BUSINESS PERFORMANCE

Earnings Before Interest and Tax (EBIT) ($ million)	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Continuing Operations (before significant items[1])				
Australian Food and Liquor	2,817.2	3,061.6	8.7%	6.7%
Petrol	127.1	137.7	8.3%	6.2%
Australian Food, Liquor and Petrol	**2,944.3**	**3,199.3**	**8.7%**	**6.7%**
New Zealand Supermarkets (NZD)	*287.4*	*302.7*	*5.3%*	*3.5%*
New Zealand Supermarkets	**224.5**	**236.2**	**5.2%**	**3.3%**
BIG W	**178.4**	**191.3**	**7.2%**	**5.5%**
Hotels	**195.7**	**263.7**	**34.7%**	**32.2%**
Group EBIT – Continuing Operations before Central Overheads and Home Improvement	**3,542.9**	**3,890.5**	**9.8%**	**7.8%**
Central Overheads	(99.8)	(98.4)	(1.4)%	(3.3)%
Group EBIT – Continuing Operations before Home Improvement	**3,443.1**	**3,792.1**	**10.1%**	**8.1%**
Home Improvement	(96.7)	(138.9)	43.6%	40.8%
Group EBIT – Continuing Operations	**3,346.4**	**3,653.2**	**9.2%**	**7.2%**
Discontinued Operations (before significant items[1])				
Consumer Electronics – Australia, New Zealand and India	30.3	2.5	n.c[4]	
Group EBIT – Discontinued Operations	**30.3**	**2.5**	**n.c[4]**	
Total Group EBIT (before significant items[1])	**3,376.7**	**3,655.7**	**8.3%**	
Significant Items[1] (before tax)				
One-off loss on SCA Property Group transaction	-	(32.8)	n.c	
Consumer Electronics provision / Net gain on disposal of Consumer Electronics businesses	(420.0)	9.9	n.c	
Victorian transport fleet redundancies	-	(25.8)	n.c	
Total Group EBIT (after significant items[1])	**2,956.7**	**3,607.0**	**22.0%**	

Net Profit After Tax (NPAT) ($ million)	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Net profit after income tax and non-controlling interests (before significant items[1])				
Continuing Operations	2,178.7	2,353.9	8.0%	6.1%
Discontinued Operations	21.7	1.8	n.c[4]	
Total Group net profit after income tax and non-controlling interests (before significant items[1])	**2,200.4**	**2,355.7**	**7.1%**	
Significant Items[1] (after tax)				
One-off loss on SCA Property Group transaction	-	(28.5)	n.c	
Consumer Electronics provision / Net gain on disposal of Consumer Electronics businesses	(383.7)	7.9	n.c	
Victorian transport fleet redundancies	-	(18.1)	n.c	
US 144A bond redemption costs	-	(57.6)	n.c	
Total Group net profit after income tax and non-controlling interests (after significant items[1])	**1,816.7**	**2,259.4**	**24.4%**	

BUSINESS PERFORMANCE

The 8.0% increase in net profit after tax from continuing operations before significant items[1] (6.1% on a normalised 52 week basis[2]) was a very pleasing result which was underpinned by growth in EBIT from continuing operations before significant items[1] of 9.2% (7.2% on a normalised 52 week basis[2]).

The result reflects the underlying strength and resilience of each of our businesses and our ability to deliver solid results despite the broader economic and market challenges prevailing throughout the year.

Our work to continue to enhance our offer is good for customers as we deliver a better shopping experience, more relevant ranges and lower prices. Our suppliers benefit through increased volumes and our shareholders are rewarded through higher returns.

Sales from continuing operations increased 6.8% on the previous year (4.8% on a normalised 52 week basis[2]) to $58.5 billion. Momentum continues to increase for Australian Food and Liquor, with comparable sales growth for the second half of the financial year higher than the first half and prior year.

Gross margin as a percentage of sales for continuing operations increased 54 bps on the prior year reflecting better buying, increased direct global sourcing, reduced shrinkage, positive changes in sales mix and efficiency improvements from new DCs. Gross margins were also impacted by the Victorian gaming regulatory changes which became effective in August 2012. These changes increase the share of gaming revenue retained by our Hotels business, which attracts a higher margin than food and bar sales. Throughout the year, we have continued to reinvest in lower prices, delivering greater value to customers as evidenced by continued price deflation in Australian Food and Liquor and BIG W as well as low inflation in New Zealand Supermarkets.

Cost of Doing Business (CODB) as a percentage of sales for our Australian Food and Liquor business decreased on the prior year. This is a strong result given higher utility costs and costs associated with a large number of new stores yet to reach mature trading levels.

CODB as a percentage of sales for continuing operations before significant items[1] increased 6 bps after excluding our new Masters business, Hotels where FY13 was impacted by acquisition costs (primarily associated with the Laundy transaction) and the Victorian gaming regulatory changes and additional net rental costs following the sale of properties to the SCA Property Group. This result was achieved despite higher utility costs, a large number of new immature stores and costs associated with the operation of the new DC at Hoxton Park.

CODB as a percentage of sales for continuing operations before significant items[1] increased 41 bps on the prior year to 20.70%.

Costs have been well controlled in dollar terms, with areas of price deflation limiting the ability to fractionalise costs.

EBIT from continuing operations before significant items[1] increased 9.2% on the previous year (7.2% on a normalised 52 week basis[2]) driven by strong results in our Australian Food and Liquor and Hotels businesses. The EBIT margin for continuing operations before significant items[1] increased 13 bps.

BUSINESS PERFORMANCE (continued)

Interest expense excluding one-off costs associated with the US 144A bond redemption was broadly in line with the prior year.

Income tax expense was higher than the prior year as a result of larger non-deductible expenses including amortisation of the ALH gaming entitlements resulting from the recent changes to the Victorian gaming regulations and business acquisition costs relating to the Laundy transaction.

NPAT from continuing operations before significant items[1] increased 8.0% on the previous year (6.1% on a normalised 52 week basis[2]) to $2,353.9 million, with corresponding EPS up 6.7% (4.8% on a normalised 52 weeks basis[2]) to 190.2 cents. Total Group NPAT was up 24.4% on the previous year.

Closing inventory days for continuing operations increased 3.4 days on the previous year to 36.5 days. This increase is largely a result of inventory in our growing Home Improvement business as well as incremental inventory as a result of increased direct global sourcing. Excluding Home Improvement and incremental global sourced inventory, closing inventory increased 1.1 days on the previous year. This increase is in line with expectations, given the number of new stores opened in FY13, a focus on in-store stock availability in Supermarkets, increasing sales of own and exclusive brands in Liquor and increased utilisation of our own liquor production facilities.

Excluding the impact of Home Improvement and incremental global sourced inventory, average inventory days declined by 0.2 days, reflecting strong inventory control throughout the year.

Free cash flow generated by the business after the payment of dividends was $525.1 million (FY12: net outflow of $206.8 million) or $945.1 million after excluding the impact of the difference in the timing of the reporting date relative to the prior year and the effect of this on creditor payments. The positive free cash flow generated excluding proceeds from the sale of properties to the SCA Property Group and after adjusting for the timing of creditor payments was $142.3 million and demonstrates our ability to generate strong cash flows from our operations.

The **cash realisation ratio**[5] was 84% or 97% after excluding the difference in the timing of the reporting date relative to the prior year and the impact of this on creditor payments, compared to 94% in the prior year. This is a strong result despite the build in inventory, including inventory in our Home Improvement business.

We have maintained our financial strength and flexibility as reflected by the maintenance of our strong investment grade credit ratings by Standard & Poor's (A- since 2001) and Moody's (A3 since 2005)[6]. Our **fixed charges cover ratio**[7] before significant items[1] of 3.0 times remains strong (FY12: 2.9 times). We continue to seek to optimise our returns on capital over time.

We are focused on enhancing long term **shareholder value** by disciplined investment of capital in core and growth opportunities such as our new store pipeline, our multi-option offer, our Home Improvement business and bolt on acquisitions, such as the Laundy transaction and EziBuy, as well as optimising existing operations.

FOOD, LIQUOR AND PETROL

Key highlights for the year

- **Australian Supermarkets** Lower costs have allowed us to reduce prices driving higher volumes resulting in sustainable profit growth. We served an additional 0.7 million customers per week during the year, an increase of approximately 4.2% on the previous financial year. 34 (net 25) Australian Supermarkets were opened during the year. We are extending our leadership in Fresh
- **Liquor** Continued increase in sales growth across all brands. All Woolworths Supermarket Liquor sites re-branded to BWS. Dan Murphy's continues to deliver strong growth. Multi-option continues to perform strongly, producing double digit sales growth with Dan Murphy's recently awarded Online Retailer of the Year at the ORIAs
- **New Zealand Supermarkets** Increased market share, customer numbers and items sold drove the increase in sales and EBIT, despite challenging retail trading conditions

Australian Food, Liquor and Petrol

	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Sales - Food and Liquor ($ million)	37,549	40,031	6.6%	4.7%
Sales - Petrol ($ million)	6,714	6,794	1.2%	(0.8)%
Sales - Total ($ million)	**44,263**	**46,825**	**5.8%**	**3.9%**
Gross Margin (%)	24.80	25.10	30 bps	
Cost of Doing Business (%)	18.15	18.27	12 bps	
EBIT to Sales (%)	6.65	6.83	18 bps	
EBIT ($ million)	**2,944.3**	**3,199.3**	**8.7%**	**6.7%**
Funds Employed ($ million)	4,019.3	4,326.4	7.6%	
Return on Average Funds Employed (%)	73.7	76.7	294 bps	

Australian Food and Liquor (excluding Petrol)

Australian Food and Liquor sales for the year were $40.0 billion, an increase of $2.5 billion or 6.6% on the previous year (4.7% on a normalised 52 week basis[2]).

Comparable store sales in Australian Food and Liquor increased 2.7% for the year[2]. Momentum has been building throughout the year with comparable sales growth for the second half of the financial year of 3.0%[2], which compares to a 2.4% increase in the first half and a 1.1% increase in the previous year.

During the year, the Australian Food and Liquor business continued to increase market share, customer numbers and basket size with strong volume growth a key highlight.

Average prices experienced deflation of 2.9% for the year when the effects of promotions and volumes are included.

Australian Food and Liquor (excluding Petrol) (continued)

The standard shelf price movement index[8] for the year was inflation of 1.0% (FY12: zero) with inflation levels being consistent across the first and second half of the year. Throughout the year, inflation has been low across most significant categories as we have continued to lower prices across a wide range of products for the benefit of our customers.

We continue to compete on value as evidenced by the continued decrease in our average prices. The launch of our 'More Savings Every Day' marketing campaign at the end of the fourth quarter has been well received by customers with hundreds of prices reduced on branded and own brand products.

We opened 34 Australian Supermarkets during the year, a net increase of 25 stores, bringing the total to 897. We also opened 16 Dan Murphy's (15 net) during the year, bringing the total to 175 and a net additional 14 BWS stores, bring the total to 690.

Australian Food and Liquor EBIT of $3,061.6 million increased 8.7% on the previous year (6.7% on a normalised 52 week basis[2]), with EBIT margin increasing 15 bps. It was pleasing to see EBIT growth in Australian Food and Liquor increase in both the first and second half of the financial year despite our investment in lower prices which accelerated during the second half. The result was underpinned by good cost control.

Gross margins continued to improve, reflecting better buying, increased freight efficiencies, more effective promotions and reduced shrinkage. Much of the benefit obtained from these initiatives has been reinvested into price for the benefit of our customers.

As a percentage of sales, Australian Food and Liquor CODB decreased on the prior year. This is a strong result given higher utility costs and costs associated with a large number of new stores yet to reach mature trading levels. The number of stores yet to reach mature trading levels is higher than previous years given the large number of store openings undertaken in the last two financial years.

Petrol

Petrol sales for the year, including Woolworths/Caltex alliance sites, were $6.8 billion, an increase of 1.2% on the previous year (a decrease of 0.8% on a normalised 52 week basis[2]). This was impacted by lower average fuel sell prices for the year (FY13: 142.4 cpl, FY12: 142.9 cpl).

Petrol volumes increased 0.5% for the year (decreased 1.4% on a normalised 52 week basis[2]). Throughout the year, volumes have been impacted by a flat fuel market and the move towards more fuel efficient vehicles. Additionally, our focus on targeted fuel promotions and providing customers with leading offers within our Supermarkets reduced our reliance on fuel discounts, resulting in lower fuel volumes but providing positive benefits overall. The diesel conversion program continues to increase the range and availability of fuels across sites delivering solid growth and capturing changing market demand.

Comparable (dollar) sales decreased 2.3% and comparable volumes decreased 2.9% for the year[2].

Total merchandise (non-fuel) sales increased 8.3% for the year (6.4% on a normalised 52 week basis[2]). Comparable merchandise (non-fuel) sales increased 2.4% for the year[2]. The solid performance in merchandise sales has been driven by improved ranging and promotional activity.

Petrol EBIT increased 8.3% on the previous year (6.2% on a normalised 52 week basis[2]) to $137.7 million attributable to improved gross profit margins as consumers continue to shift towards premium unleaded and diesel fuels, buying benefits achieved with our supply partner Caltex as well as stronger merchandise sales. This was partially offset by higher CODB largely attributable to costs associated with the new petrol canopies opened during the year.

We opened 16 petrol canopies during the year and closed one Woolworths and one Woolworths/Caltex alliance site bringing the total to 613, including 131 Woolworths/Caltex alliance sites.

Australian Supermarkets – Progress against strategic objectives

1. First choice for fresh food

- ✓ As Australia's Fresh Food People, we are extending our leadership in Fresh with significant improvements to our offer, quality and freshness across the store, resulting in increased market share
- ✓ We achieved record levels of produce sales supported by a faster supply chain to deliver fresher food with a longer shelf life to our stores which has seen a reduction in Fresh days stock on hand during the year
- ✓ We introduced a number of new products including sweet Solanato tomatoes, sweet crunch lettuce and perfectly ripe stone fruit (peaches and nectarines) with a good customer response
- ✓ Our MSA beef continues to be a favourite with customers, with double digit volume growth over last year, leading to strong market share growth. We remain the only supermarket offering MSA certified lamb
- ✓ We opened 11 meat serveries in FY13 providing specialty fresh meat cuts and specialist advice. We plan to roll this out to 150 stores by FY16
- ✓ We also opened 91 new bakeries during the year and broadened our range in artisan style breads, patisserie and premium cakes. We now have bakeries in 78% of our Supermarkets with an ambition to have a fresh bakery in every store
- ✓ We are trialling a new premium deli counter concept and have added 38 speciality cheese counters with the potential to roll this out to 250 stores
- ✓ Our new hot food offer is currently available in over 350 stores with the potential for a roll out to 600 stores
- ✓ Ready to go roast beef, pork and lamb hot food offers are being trialled in 22 stores

2. Unbeatable value

- ✓ We reinforced our price leadership with the best value for customers across a comparable basket of goods
- ✓ 'More Savings Every Day' has cut prices on essential items customers buy most often with more than 1,000 products undergoing a long term reduction in price called 'Every Day Value'
- ✓ The launch of 'Extra Special' offers in June provides savings of up to 50% on more than 1,000 lines exclusively to our Everyday Rewards loyalty program customers
- ✓ We have reinvigorated our specials program targeted at families including buy one get one free, half price specials and 'Big Family Special'
- ✓ Customer tracking has shown improved price perception since the launch of 'More Savings Every Day'
- ✓ Our focus on value with price cuts across the store on everyday lines has seen average prices in deflation of 2.9% for the year

Australian Supermarkets – Progress against strategic objectives (continued)

3. Customer insights transforming our business

- ✓ In April 2013, Woolworths acquired a 50% stake in Quantium, Australia's leading data-driven strategy business with world leading capability in retail data and big data analytics. The investment will help Woolworths and our suppliers leverage our Everyday Rewards data to deliver insights and better decisions across pricing, ranging and promotions
- ✓ Insights have enabled targeted campaigns by customer groups. Our 'Cash for Easter' campaign, for example, offered targeted stretch offers to customers based on Everyday Rewards insights
- ✓ The innovative 'Category Lab' is now fully embedded in our category review process aimed at enhancing the offer for customers
- ✓ We rolled out the 'Net Promoter Score' customer satisfaction program to stores which involves asking customers for feedback on their most recent shopping experience
- ✓ Everyday Rewards has reinforced its position as Australia's leading retail loyalty program with membership up by 11% to over 7 million members and card scan rates noticeably increasing following the introduction of 'Extra Special' offers

4. Exciting new offers

- ✓ Over 90,000 'Caffitaly' coffee machines were sold in the second half, making ours among Australia's most popular, and helping us gain share in the overall coffee capsule market
- ✓ We launched a range of sandwiches and salads as part of a high quality 'food to go' offer
- ✓ In grocery, we expanded our range of gift cards and our kitchen and home office ranges and also introduced the sale of bus tickets in 60 New South Wales stores to provide customers with greater convenience
- ✓ In South Australia, we have piloted a program to increase the range of local produce and products
- ✓ Innovation continues across the network with 49 sushi counters (targeting 200), 19 fresh pizza bars (targeting 300) and freshly made barista coffee
- ✓ We launched our new premium Gold range and a new Australian sourced Select tinned fruit range. 76% of Homebrand, 59% of Select and 92% of Macro products are Australian sourced
- ✓ The Macro range continues to grow, satisfying our customers' desire for more choice in healthy eating with sales up more than 40% for the year

5. Multi-option

- ✓ We are evolving our offer to the channels that suit customers best. Our online sales grew more than 50% compared to the previous year, further strengthening our leading market position in the online food market
- ✓ We now have 135 stores offering Click & Collect, including three drive throughs
- ✓ Home delivery is now available to over 90% of Australian households
- ✓ During the year we updated our truck fleet, implemented intelligent route scheduling software and introduced multi-order picking which led to significant distribution efficiencies

Australian Supermarkets – Progress against strategic objectives (continued)

5. Multi-option (continued)

- ✓ Our app was further enhanced during the year including adding the ability to compare local fuel prices, provide expert information on seasonal fresh food and an easier login for Everyday Rewards members
- ✓ We opened a further 34 Australian Supermarkets in FY13, employing an additional 2,000 people. Formats evolve with each store as we introduce a range of new innovations and categories

Liquor

Woolworths Liquor Group continued its clear leadership across all customer segments and channels. Group liquor sales (including ALH Group on premise liquor sales) for the year totalled $7.2 billion, an increase of 8.9% on the previous year (7.0% on a normalised 52 week basis[2]) reflecting strong success in BWS, Dan Murphy's, Cellarmasters and online channels.

Liquor – Progress against strategic objectives

1. Enhance our leading multi-option offer

- ✓ We opened 16 (15 net) Dan Murphy's and 38 (14 net) BWS stores during the year. Total liquor outlets were 1,355 at the end of the year
- ✓ During FY13, we implemented Click & Collect in all Dan Murphy's stores nationwide – a first for a major Australian national retailer. The fusion of Dan Murphy's online and the physical stores through Click & Collect is proving popular with customers
- ✓ danmurphys.com.au delivered strong growth over the year and continues to lead the very competitive online liquor market
- ✓ Dan Murphy's was recently awarded Online Retailer of the Year at the ORIAs reflecting the success of our mobile site, gifting solutions and Click & Collect
- ✓ Strong double digit sales growth was also delivered by our other 'direct to consumer' businesses Cellarmasters, Langton's and winemarket.com.au

2. Improve our store formats

- ✓ We have completed the re-branding of all 475 Woolworths Supermarket Liquor sites to BWS, making BWS the single largest chain of liquor stores in Australia with a network of 1,180 stores
- ✓ The rebranding involved refreshed BWS signage, aligned promotional programs, layout improvements and investment in staff training and service - the results are achieving good customer recognition and acceptance

Liquor – Progress against strategic objectives (continued)

3. Grow own and exclusive brand share

- ✓ We formally launched Pinnacle Liquor in August 2012 which aligns production, marketing and product development teams for our own and exclusive brands under an integrated management structure
- ✓ We saw continued growth in our own and exclusive brands, including our exclusive imported wine range. Major launches during FY13 include the Sail & Anchor Craft Beer range (produced by Gage Roads) and Riddoch of Coonawarra
- ✓ For the fifth year in a row, our Dorrien Estate winemaking facility has achieved an outstanding overall 5 stars rating in the James Halliday Australian Wine Companion with the star-rating elevated from 'black' to 'red' this year to reflect a consistent record of excellence over many years

Funds Employed – Australian Food, Liquor and Petrol

Return on average funds employed (ROFE) for Australian Food, Liquor and Petrol for the year was 76.7%, up from 73.7% in the prior year. The increase reflects strong EBIT growth (8.7% or 6.7% on a normalised 52 week basis[2]) and the continued investment in the roll out of new supermarkets, liquor outlets and petrol canopies and higher inventory.

Australian Food, Liquor and Petrol closing inventory increased 2.0 days, which was in line with expectations. The increase is attributable to inventory in new stores opened during the financial year, a focus on in-store stock availability in Supermarkets, increasing sales of own and exclusive brands in Liquor and increased utilisation of our own liquor production facilities.

New Zealand Supermarkets

Key highlights for the year

- **Sustained growth** in market share, customer numbers and items sold
- **Double-digit sales growth** from our online business as customers continue to look for new ways to shop with New Zealand's leading online food retailer
- **New categories** showing strong potential with five pilot pharmacies operating in Countdown stores at year end
- **Pleasing profit growth** despite challenging retail trading conditions and low inflation

$NZD *Before Significant Items*[1]	**FY12 (52 weeks)**	**FY13 (53 weeks)**	**Change**	**Change Normalised**[2]
Sales ($ million)	**5,522**	**5,749**	**4.1%**	**2.3%**
Gross Margin (%)	23.27	23.30	3 bps	
Cost of Doing Business (%)[9]	17.97	17.96	(1) bp	
EBIT to Sales (%)[9]	5.30	5.34	4 bps	
Trading EBIT ($ million)[9]	**292.5**	**307.0**	**5.0%**	**3.1%**
Less Intercompany Charges ($ million)[9]	(5.1)	(4.3)	(15.7)%	
Reported EBIT ($ million)	**287.4**	**302.7**	**5.3%**	**3.5%**
Funds Employed ($ million)	3,222.8	3,221.4	- %	
Return on Average Funds Employed (%)	8.9	9.4	45 bps	

New Zealand Supermarkets' sales for the year were NZ$5.7 billion, an increase of 4.1%[10] on the previous year (6.9% increase in AUD) or 2.3%[10] on a normalised 52 week basis[2] (5.0%[2] in AUD). Comparable sales for the year were flat[2,10].

Lower prices for milk, butter and cheese which were passed onto our customers, as well as an increased frequency of customer promotions across a number of trading departments have resulted in a low level of inflation. The Countdown Supermarkets food price index showed retail price inflation of just 0.2% for the year (FY12: 1.1%).

We opened eight and closed three Countdown Supermarkets during the year, bringing the total to 166. We also opened three and closed two franchise stores bringing the total to 55 franchise stores at the end of the year.

Trading EBIT before significant items[1] increased 5.0%[9,10](3.1%[9,10] on a normalised 52 week basis[2]), with EBIT margin before significant items[1] up 4 bps[9,10] on the previous year. The result in the second half of the year has been impacted by NZ$7.7 million of additional rental expense (net of depreciation) following the divestment of the SCA Property Group. Excluding this, trading EBIT before significant items[1] increased 7.6%[9,10] (5.7%[9,10] on a normalised 52 week basis[2]). This is a solid result given the New Zealand retail environment has been characterised by low growth and low inflation with retail trading conditions becoming increasingly challenging during the year.

New Zealand Supermarkets (continued)

The increase in gross margin of 3 bps[10] on the previous year is attributable to a variety of initiatives including partnering with suppliers, reductions in shrinkage and waste in stores and reduced direct to store deliveries. We have continued to be competitive in the market with a number of cost savings passed on to customers through lower shelf prices.

CODB as a percentage of sales before significant items[1] decreased 1 bp[9,10] on the prior year despite the additional costs incurred as a result of the creation of the SCA Property Group. Excluding these costs, CODB as a percentage of sales before significant items[1] decreased 15 bps[9,10], reflecting continued cost savings and efficiencies gained in support offices and DCs.

Return on average funds employed (ROFE) increased 45 bps[10] reflecting the 5.3%[10] increase in reported EBIT (3.5%[10] increase on a normalised 52 week basis[2]) and a consistent level of funds employed, representing the sale of 13 New Zealand properties to the SCA Property Group during the period offset by continued investment in new stores and refurbishments and higher inventory as a result of new stores opened during the year. ROFE in FY13 was negatively impacted by the timing of the reporting date relative to the prior year and the impact of this on creditor payments.

New Zealand Supermarkets – Progress against strategic objectives

1. Grow Countdown network

- ✓ During FY13 there were eight new stores opened, and three closed. The network now stands at 166 stores
- ✓ The Wellington region, which has been under represented in the past, opened three new stores during the year, which have been positively received by our customers
- ✓ Five new and replacement stores are currently under construction including Countdown Ferrymead, which is the last remaining store to be rebuilt following the February 2011 Christchurch earthquake
- ✓ 80% of all stores have now been converted to the latest Countdown format, providing an enhanced shopping experience for our customers
- ✓ Five refurbishments to the latest format were completed during the year

2. Customer value and innovative offers

- ✓ Focus continues on new and more effective promotions with 'Door Blaster Deals', for example, and themed promotions with trade partners such as 'Win a house with Unilever'
- ✓ Five pilot pharmacies are now operating in Countdown stores with an early and very favourable customer reaction
- ✓ Rollout of the new 'Bulk Foods' (variable quantity dry goods) offer to 10 stores has received a great response from customers

New Zealand Supermarkets – Progress against strategic objectives (continued)

3. Multi-option

- ✓ As New Zealand's leading online food retailer, we grew online sales 32%[10] on the previous year (29% on a normalised 52 week basis[2,10]) with 12 new fulfilment centres opened
- ✓ Click & Collect is being rolled out progressively – now offered at 43 stores
- ✓ Pharmacy only lines are now available online through three stores with an in-store pharmacy
- ✓ We now have 1.8 million Onecard members

4. Supply chain

- ✓ Reconfigured National and Regional DC operations continue to improve supply chain service and efficiency across the network reducing the cost to serve
- ✓ As a result of the reconfigured network, supply chain costs decreased by 7%[10] in FY13

5. Grow franchise network

- ✓ We have developed our franchise network strategy plan with a focus on rural New Zealand and in-fill opportunities
- ✓ Our franchisees are investing in their stores recognising the momentum in the business. 20% of the franchise network is now trading in the new format
- ✓ Two new format FreshChoice and one SuperValue franchise store opened during the year taking our franchise store network to 55. A further two new stores are under construction for FY14
- ✓ Improving the customer experience continued during the year with five stores refurbished or extended

BIG W

Key highlights for the year

- **Pleasing sales growth** for the year with Home, Leisure, Toys & Sporting and Apparel categories the highlights, leading to increased market share in the discount department store sector driven by **increased items sold** (+9%) and customer numbers
- **Increase in profitability** reflecting the successful execution of our strategic initiatives and relevance of our merchandise offer
- **Gross margin improvement** delivered through better buying, freight savings, less markdowns, strong control of promotional activity and positive changes in sales mix
- **Launch of new brand campaign** 'Everyone's a Winner with Australia's Lowest Prices – Cha-Ching!', and the introduction of BIG W's brand ambassador, Eric Stonestreet, have resonated well with customers, reconfirming our strong value proposition
- **Integration of BIG W online channels** with the store network to provide customers with options in how they research and shop

	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Sales ($ million)	**4,180**	**4,383**	**4.9%**	**2.0%**
Gross Margin (%)	31.72	32.74	102 bps	
Cost of Doing Business (%)	27.45	28.38	93 bps	
EBIT to Sales (%)	4.27	4.36	9 bps	
EBIT ($ million)	**178.4**	**191.3**	**7.2%**	**5.5%**
Funds Employed ($ million)	897.4	992.8	10.6%	
Return on Average Funds Employed (%)	20.8	20.2	(51) bps	

BIG W sales for the year were $4.4 billion, an increase of 4.9% on the previous year (2.0% on a normalised 52 week basis[2]).

Strong comparable sales growth in the first half was offset by a weaker second half impacted by unseasonable warm weather which softened sales of winter apparel relative to expectations, ongoing price deflation (FY13: 4.2%) and strong sales growth in May and June last year supported by government stimulus programs.

The Home Entertainment category was impacted not only by prior year stimulus programs but also by 11.8% deflation for the year. Excluding Home Entertainment sales, comparable sales growth for the year was positive, driven by strong sales in the Home, Leisure, Toys & Sporting and Apparel categories.

Customer numbers and items sold increased both for the second half as well as for the full year, reflecting our strong brand proposition, offering the lowest prices on the widest range of quality and branded merchandise every day.

BIG W (continued)

We opened six new stores during the year (including two which opened in the last two weeks of the year), bringing the total to 178.

EBIT of $191.3 million increased 7.2% on the previous year (5.5% on a normalised 52 week basis[2]), with the EBIT margin improving 9 bps reflecting the successful execution of our strategic initiatives and the relevance of our merchandise offer.

The 102 bps increase in gross margin reflects better buying (including increased direct global sourcing), freight savings from the operation of the new Hoxton Park DC, less markdowns, strategic decisions around the use of promotional activity and a positive shift in sales mix.

CODB as a percentage of sales increased 93 bps on the prior year, reflecting the costs of operating six additional stores compared to the same time last year and costs associated with the operation of the new DC at Hoxton Park. Excluding these costs, CODB dollars were in line with the prior year on a normalised 52 week basis[2].

The increase in funds employed of 10.6% reflects the impact of the difference in the timing of the reporting date relative to the prior year and the impact of this on creditor payments. Excluding this, funds employed increased by 4.7%, reflecting continued investment in the BIG W business including six new stores and two refurbishments since the prior year as well as higher inventory which was impacted by direct global sourcing and new store openings.

Excluding the impact of increased direct global sourcing and new stores, average inventory increased 0.6 days. We have been successful in clearing winter stock during the start of the 2014 financial year.

BIG W – Progress against strategic objectives

The strategic focus areas for the business are as follows:

1. Win on value everyday

- ✓ Good progress with our new brand campaign launched in July 2012 – 'Everyone's a Winner with Australia's Lowest Prices – Cha-Ching!', and the use of our Brand Ambassador, Eric Stonestreet, which has excellent customer recall and an opportunity to build further momentum
- ✓ 'Brands at the lowest prices' continues to resonate with our customers. We have worked closely with our brand partners to deliver newness and innovation at the lowest prices
- ✓ Strong growth in units sold and customers in FY13. Examples include:
  - Our high volume value apparel program is up 43% in unit sales for the full year
  - Our Smart Value brand has continued to grow, experiencing 110% unit growth over the full year

BIG W – Progress against strategic objectives (continued)

2. Growing our store footprint whilst realising our multi-option ambition

- ✓ The vision is for BIG W to be Australasia's leading multi-option discretionary retailer and we are focused on integrating our digital channels with our store network to provide options for our customers in how they shop
- ✓ The BIG W transactional app has been downloaded more than 500,000 times and is used monthly by more than 80,000 customers. Over 13% of our online sales now come from mobile devices
- ✓ We have continued our focus on delivering a profitable range online. In January, we introduced apparel online with our Back to School range and in May we added Industrial Wear. We now have more than 30,000 SKUs online and have further expanded our apparel and footwear online range in August, including the addition of items from our Morrissey, Mambo, Emerson and Avella ranges
- ✓ We opened six new stores in FY13 and plan to open a further four in FY14
- ✓ Click & Collect was implemented in ten Sydney stores during August 2013

3. Differentiate our offer through merchandising and range innovation

- ✓ We have 10 stores in our latest format, all of which reflect improved adjacencies, merchandising and space allocations. This includes changes to Womenswear, Menswear and Footwear, flexible fixturing and space, improved sight lines and directional signage and a reduced cost to build
- ✓ We introduced Peter Morrissey home and apparel ranges, Michelle Bridges and Guy Leech activewear ranges, Samsung tablets and phones, coffee machines and pods
- ✓ Our own Emerson brand (women's apparel) is now the number one brand in our business with sales outperforming expectations

4. Transforming our business for the future

- ✓ We have identified a number of opportunities to refine and align our offer with our core customers' needs, whilst delivering improved financial outcomes
- ✓ A strategic repositioning of BIG W is now underway which will see an increased focus on categories of high customer importance and a move away from lower returning categories. We are focused on maintaining profitable growth despite changes to the sales mix possibly resulting in lower sales growth during transition
- ✓ We continue to focus on driving gross margin improvement through expanding our direct global sourcing capability and working with our suppliers to deliver the lowest prices
- ✓ We commenced a review to identify and implement more productive and cost effective processes and systems. We have made further investments in implementing a new allocations system in April this year, and a new merchandise system, due for completion in the 2014 financial year

Combined, all of these initiatives will enable BIG W to continue to deliver sustainable profit growth in the future.

HOTELS

Key highlights for the year

- **Good momentum** Sales and EBIT growth in a challenging trading environment with Victorian gaming regulatory changes presenting clear benefits but also some interim challenges
- **Growth through acquisition** Acquired 34 hotels and 16 retail liquor outlets (inclusive of one Dan Murphy's). 29 of these hotels and 10 retail liquor outlets were acquired as part of the Laundy transaction, which included one retail outlet re-branded as Dan Murphy's
- **Commitment to responsible gaming** As part of our commitment to implementing gaming pre-commitment technology, we have initiated a project to replace our back of house gaming systems. Trials in four sites have been completed with a plan to roll out remaining sites ahead of any planned state legislation

	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Sales ($ million)	**1,204**	**1,469**	**22.0%**	**19.7%**
Gross Margin (%)	81.26	82.55	129 bps	
Cost of Doing Business (%)	65.01	64.60	(41) bps	
EBIT to Sales (%)	16.25	17.95	170 bps	
EBIT ($ million)	**195.7**	**263.7**	**34.7%**	**32.2%**

Hotel sales for the year were $1.5 billion, an increase of 22.0% on the previous year or 19.7% on a normalised 52 week basis[2]. Comparable sales for the year increased 10.5%[2].

Growth was driven by hotel acquisitions during the first half of the financial year and the Victorian gaming regulatory changes, which came into effect in August 2012.

There have been a number of regulatory changes in Victoria. From 1 July 2012, ATMs were no longer permitted in venues operating electronic gaming machines (EGMs). The removal of ATMs has had a negative effect, not only on gaming turnover, but also on bar and food revenue. This impact was expected.

From 16 August 2012, new arrangements came into effect in Victoria, which allow venue operators to own and operate EGMs in their own right. Under the new arrangements, venues acquired machines and licence entitlements to operate machines and pay monitoring fees and other costs associated with operating them. In return the venues receive a greater share of revenue derived from these machines. Additionally, a restriction was placed on the total number of hotel EGMs that may be held by any one operator. This restriction resulted in ALH being required to reduce the number of EGMs from its existing network.

Hotels (continued)

Leading into the commencement of the new arrangements, ALH removed more than 1,000 EGMs in order to rebalance the network to meet this requirement. The net positive contribution resulting from these changes is in line with expectations.

Our Hotel business continues to be resilient. The diversified and geographic spread of ALH income streams has assisted during the year to counter dampened bar sales experienced across most states. Our food offer remains a focus and continues to produce good results.

The Hotel business is a key enabler of Dan Murphy's and BWS, with 68 Dan Murphy's stores on hotel sites and 458 BWS stores affiliated with hotels.

We have a commitment to be Australia's most responsible hotel and gaming operator – going above and beyond what is required by legislation. Our plan is for all EGMs to have voluntary pre-commitment limits installed ahead of any planned state legislation with four trial sites already in place.

Additionally, our hotel and gaming charter is subject to rigorous internal and external audits, all management and key hotel staff are given comprehensive ongoing training and we have well established partnerships with expert groups including Gambler's Help and the Salvation Army.

During the year, 29 hotels and 10 retail outlets (including one re-branded as Dan Murphy's) were acquired as part of the Laundy transaction. We also acquired a further five hotels with seven associated retail liquor outlets, re-opened one new hotel following a re-build and closed three venues. This takes the total number of venues to 326 (a net increase of 32 hotels for the year).

EBIT of $263.7 million increased 34.7% on the previous year (32.2% on a normalised 52 week basis[2]). This growth was driven by incremental EBIT as a result of the Victorian gaming regulatory changes as well as sales growth and good cost control in the existing business. FY13 EBIT includes $14.2 million of acquisition costs (largely stamp duty), mainly related to the Laundy transaction, which are required to be expensed through the profit and loss.

HOME IMPROVEMENT

Key highlights for the year

- **Delivering on our commitment to bring competition to the Australian Home Improvement market** with 31 Masters stores trading at the end of the financial year, up from 15 in the prior year driving a significant increase in sales
- **Pleasing customer response** to Masters' differentiated offering and pricing strategy
- **Growing network of HoME Timber & Hardware stores** with 15 stores added during the financial year (including those re-branded from Thrifty Link) bringing the total to 267, the largest representation ever
- **Successful promotional campaigns building national exposure** Masters' major sponsorship of Seven's 'House Rules' program has provided national exposure for the brand

($ million)	FY12 (52 weeks)	FY13 (53 weeks)	Change	Change Normalised[2]
Sales - Masters	146	529	262%	
Sales - Danks	682	710	4.1%	
Sales - Total	**828**	**1,239**	**49.6%**	**46.7%**
EBIT - Masters	(117.4)	(156.6)	33.4%	
EBIT - Danks	20.7	17.7	(14.5)%	
EBIT - Total	**(96.7)**	**(138.9)**	**43.6%**	**40.8%**

Home Improvement sales for the year were $1.2 billion, an increase of 49.6% on the previous year (46.7% on a normalised 52 week basis[2]). Masters sales were up 262% on the previous year to $529 million and Danks sales were up 4.1% to $710 million on a 53 week basis.

Masters opened 16 stores across the country in FY13, giving us 31 stores trading at the end of the financial year. Store roll outs are critical to our success and have been delivered on schedule with a further 18 stores planned for FY14. The 15 Masters stores opened for more than 12 months were in line with the business case sales target.

The customer response to our differentiated product range, great service and online convenience as well as our pricing strategy gives us confidence that we are building a sustainable future for Masters which will become a long term profit contributor for the Group. We will continue to build on the solid base we have established, refining our offer as required and working closely with our partner Lowe's who is providing us with invaluable support.

Home Improvement (continued)

Our range across all departments from hardware to gardening to décor to kitchen and flooring installations has resonated well with customers. We also continue to offer superior service in-store with our 'Blue Buttons' that bring a service associate to the customer within 60 seconds, and online with our 'Chat Now' service. The recent Masters' sponsorship of Seven's 'House Rules' program has provided national exposure for our brand and returned positive results along with the affiliated 'Masters Price Rules' marketing campaign.

Masters was the first Home Improvement chain to launch online and mobile shopping, enabling our customers to conveniently buy Home Improvement items anytime, anywhere. This was recognised with Masters recently being awarded the ORIA for 'Best New Online Retailer' 2013. Masters.com.au has more than 25,000 unique visitors a day with more than 40,000 app downloads to date and 30,000 products available online. Customers can also check availability of stock and have multiple convenient delivery options including Click & Collect in every store.

Danks' high reliance on the trade and building sectors and the softness of these segments has impacted our performance with sales for the 2013 financial year below budgeted levels.

Despite this challenging environment, HoME Timber & Hardware continues to attract new stores. Growth has been driven by:

- ✓ An improved business value proposition providing additional value to stores through both improved product pricing and services
- ✓ The 'Go Where the Tradies Go' brand campaign exhibiting significantly enhanced effectiveness amongst our target customers
- ✓ The acquisition of Hardings Hardware, adding six stores to the company store network in Victoria, Queensland and South Australia (the latter two states where company stores were not previously represented). There are now 26 company stores in total

Home Improvement losses before interest and tax of $138.9 million were more than initially anticipated mainly due to optimistic sales budgets for Masters and Danks, relatively higher wage costs for new store openings, and lower gross margins due to the Masters' sales mix and the highly competitive trade segment in which Danks operates. Masters' losses per store have declined compared to the prior financial year as fixed overheads are absorbed over a larger number of stores.

Based on our planned store rollout profile and current forecasts (targeting approximately 90 stores opened by the end of FY16), we expect Masters to break even during FY16. This forecast assumes moderate growth in sales per store for a start up business, improvements in gross margin as the sales mix stabilises, efficiencies in store and increased fractionalisation of costs in the distribution and support network as sales levels increase. Given the greenfields nature of the Masters business, short term results will continue to vary. However, we expect the losses for FY14 not to exceed this year's level.

DISCONTINUED OPERATIONS

CONSUMER ELECTRONICS

The sale of the Consumer Electronics business in India to Infiniti Retail Limited was completed on 15 October 2012 and the sale of the Dick Smith Electronics business to Anchorage Capital Partners (Anchorage) was completed on 26 November 2012.

During the second half of the financial year, Woolworths agreed to release Anchorage from its obligation to provide agreed benefits to Woolworths from any upside resulting from a future sale of Dick Smith by Anchorage. In return, Woolworths will receive payments totalling $74 million ($50 million received in FY13 and a further $24 million receivable in 12 equal monthly instalments commencing in July 2013). The additional $74 million has been recorded as income in the 2013 financial year, within our results from discontinued operations.

The total net gain on disposal on the Consumer Electronics businesses (including the additional $74 million proceeds from the sale of Dick Smith Electronics), is $9.9 million before tax ($7.9 million after tax[11]). This has been recorded in FY13. Lease commitments to the value of approximately $300 million (unexpired lease term) were transferred with the sale of the Dick Smith business.

The trading results from the Consumer Electronics businesses have been disclosed as a discontinued operation up until the dates of sale.

Consumer Electronics – Australia, New Zealand and India

($ million)	FY12 (52 weeks)	FY13 (53 weeks)	Change
Sales	**1,923**	**642**	**n.c[4]**
EBIT before significant items[1]	**30.3**	**2.5**	**n.c[4]**
Less: restructure provision / net gain on disposal	(420.0)	9.9	n.c[4]
EBIT after significant items[1]	**(389.7)**	**12.4**	**n.c[4]**

Consumer Electronics sales for the year were $436 million in Australia and NZ$115 million in New Zealand for the period the Dick Smith business was under the ownership of Woolworths.

Consumer Electronics India sales for the year were $116 million during the period this business was under the ownership of Woolworths.

OVERHEADS, CASH FLOW AND BALANCE SHEET

Central Overheads

Central overheads have decreased 1.4% to $98.4 million for the year. The decrease reflects gains on the sale of several properties across the Group (particularly, in our Hotels business) offset by additional (net) costs in our property division following the sale of properties to the SCA Property Group (reduction in rental income net of savings in depreciation and outgoings expenses).

Corporate costs were well controlled throughout the year.

Balance Sheet and Cash Flow

Our balance sheet and cash flow remain strong.

Balance Sheet

Key balance sheet movements for the continuing operations[12] of the Group relative to the prior year are explained as follows:

- Inventory increased 13.7% on the previous year, driven by an increase in Masters inventory with the roll out of new stores, increased direct global sourcing, new stores opened during FY13, a focus on in-store stock availability in Supermarkets, increasing sales of own and exclusive brands in Liquor and increased utilisation of our own liquor production facilities. Excluding Home Improvement, incremental direct global sourcing and the Pinnacle Liquor Group, inventory increased 6.1% on the previous year
- Net investment in inventory was impacted by the difference in the timing of the reporting date relative to the prior year and the impact of this on creditor payments ($420 million)
- Receivables increased 10.2% reflecting growth in Danks resulting from the acquisition of Hardings Hardware and receivables from property divestments and the sale of Dick Smith
- Fixed assets and investments decreased by $281.7 million to $9,564.8 million, reflecting the sale of property offset by ongoing capital expenditure and property development (net of depreciation)
- Intangible assets increased $502.3 million to $5,784.3 million primarily reflecting intangibles related to the acquisition of hotels as part of the Laundy transaction and the acquisition of Hardings Hardware as well as the purchase of gaming entitlements as a result of the changes to the Victorian gaming regulations which came into effect in August 2012
- Other financial liabilities increased $317.5 million to $751.4 million primarily reflecting the ALH gaming entitlement liability of $109.0 million resulting from the FY13 changes to the Victorian gaming regulations and an increase in the value of the Lowe’s put option in our Home Improvement business to $631.2 million

Balance Sheet (continued)

- Net repayable debt (which includes cash, borrowings, hedge assets and liabilities) has decreased $569.2 million to $3,746.9 million primarily reflecting a reduction in borrowings as a result of the US 144A bond redemption
- Shareholders' equity for the Group increased $840.2 million to $9,028.4 million. This is net of a $0.5 billion reduction reflecting the in-specie distribution to shareholders on creation of the SCA Property Group
- Return on average funds employed before significant items[1] increased 24 bps to 28.0%[13] or 69 bps excluding the impact of the difference in the timing of the reporting date relative to the prior year and the impact of this on creditor payments.

Cash Flow

Free cash flow generated by the business after the payment of dividends was $525.1 million (FY12: net outflow of $206.8 million) or $945.1 million after excluding the impact of the difference in the timing of the reporting date relative to the prior year and the effect of this on creditor payments. The positive free cash flow generated excluding proceeds from the sale of properties to the SCA Property Group and after adjusting for the timing of creditor payments was $142.3 million and demonstrates our ability to generate strong cash flows from our operations.

Cash from operating activities before interest and tax decreased 0.8%, however increased 9.3% after excluding the impact of the difference in the timing of the reporting date relative to the prior year and the effect of this on creditor payments. Net interest paid of $454.5 million was consistent with the prior year after excluding the additional costs associated with the US 144A bond redemption of $82.3 million. Tax payments increased to $977.3 million in FY13 (FY12: $941.4 million).

Cash used in investing activities decreased $878.6 million to $1,201.7 million. Cash proceeds of $802.8 million were received on the sale of properties to the SCA Property Group. A further $100.3 million was received on the sale of other property across the Group and $105.8 million was received from the sale of the Consumer Electronics businesses (with a further $24 million to be received in FY14).

Payments for the purchase of businesses and investments were $263.4 million which largely represented the acquisition of Hotels as part of the Laundy transaction, the acquisition of the Hardings Hardware business and the acquisition of 50% of the Quantium Group.

Expenditure on property development of $752.6 million was lower than the prior year (FY12: $1,166.9 million) given a decrease in the level of development activity.

Expenditure on property, plant and equipment of $1,136.0 million (FY12: $968.7 million) was higher as a result of increased expenditure on store refurbishments.

Cash Flow (continued)

Cash contributions from Lowe's in relation to our Home Improvement business were $230.0 million (FY12: $203.0 million).

The cash realisation ratio[5] was 84% or 97% after excluding the difference in the timing of the reporting date relative to the prior year and the impact of this on creditor payments, compared to 94% in the prior year. This is a strong result despite the build in inventory, including inventory in our Home Improvement business.

We have maintained our financial strength and flexibility as reflected by the maintenance of our strong investment grade credit ratings by Standard & Poor's (A- since 2001) and Moody's (A3 since 2005)[6]. Our fixed charges cover ratio[7] before significant items[1] of 3.0 times remains strong (FY12: 2.9 times). We continue to seek to optimise our returns on capital over time.

CAPITAL MANAGEMENT[6]

Objectives

Woolworths manages 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.

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, more than $14 billion has been returned to shareholders through dividends (including the final dividend for the 2013 financial year), on-market and off-market share buy backs and the in-specie distribution on the divestment of the SCA Property Group.

There was no share buy back activity in the 2013 financial year and none is anticipated in the 2014 financial year.

The payment of the April 2013 and October 2013 dividends, as well as the in-specie distribution associated with the SCA Property Group, will return $2.2 billion[3] (including the capital and dividend components of the in-specie distribution) and $0.8 billion in franking credits to shareholders. Woolworths expects that after these events, there will be approximately $1.6 billion of franking credits available for future distribution.

Debt financing

Debt Financing Policy

Woolworths has a long term debt financing policy, which involves:

- A bias towards longer term debt to match longer term assets;
- Minimising re-financing risks by staggering debt maturities and using diversified sources of debt; and
- Fully hedging interest rate and foreign currency exposure to provide certainty around funding costs (with the exception of working capital funding).

The Board considers the benefits of certainty in liquidity and funding costs to outweigh potential benefits of increased exposure to financial markets. This may result in weighted average funding costs at any point in time being higher or lower than current spot funding rates.

This policy proved very successful during the recent global financial crisis.

Debt financing (continued)

US 144A bond redemption

In June 2013, Woolworths conducted a tender process whereby the company redeemed a total of US$614.8 million of its outstanding US144A bonds prior to their original maturity dates, which range between November 2015 and April 2021.

The bond buy back was funded primarily with proceeds from the sale of properties to the SCA Property Group and proceeds from the sale of the Consumer Electronics businesses.

A one-off cost of $82.3 million before tax ($57.6 million after tax) was incurred, representing a premium paid on the bonds to redeem them early and termination of associated derivatives. This one-off cost will be more than offset by future net interest savings in both nominal and present value terms due to a reduction in the weighted average cost of Woolworths' remaining debt. Future gross interest expense savings attributable to the redeemed bonds total $207 million, which would have been partially offset by interest income had the above mentioned proceeds been placed on deposit.

Upcoming maturities

There are no maturities of debt in the immediate term. At the end of FY13, Woolworths had $3.5 billion in undrawn bank loan facilities.

Property sales program

Woolworths has a history of developing marketplace style retail centres through its property development arm. In recent times, Woolworths increased its involvement in the development of sites using its own balance sheet due to the significant decline in third party property development since the global financial crisis. This resulted in Woolworths' ownership of a larger (than historical) portfolio of retail centres which has allowed us to continue to invest in our new store pipeline.

Woolworths is generally not a long term holder of property assets and will continue its strategy of divesting property assets as appropriate market opportunities arise.

Creation of the SCA Property Group

During the year, we created a new ASX listed Real Estate Investment Trust, the SCA Property Group, through an in-specie distribution of stapled units in this entity to all Woolworths shareholders. The transaction involved the sale of 69 properties, independently valued at approximately $1.4 billion, to the SCA Property Group and has reduced the quantum of property on the Woolworths balance sheet, releasing capital to enable a greater focus on growth in our core retail businesses.

As envisaged, a one-off loss of $28.5 million after tax ($32.8 million before tax) was incurred on the sale of assets to the SCA Property Group. As disclosed in the Woolworths Explanatory Memorandum dated 5 October 2012, this primarily represents provisions for rental guarantees provided by Woolworths in relation to specialty leasing risk.

Creation of the SCA Property Group (continued)

As at 30 June 2013, 68 properties had been sold to the SCA Property Group, with one further New Zealand property to be sold in early FY14. Three properties remain under development and Woolworths will complete the construction of these assets for consideration agreed with the SCA Property Group.

Cash consideration of $802.8 million was received by Woolworths, resulting from equity and debt raising in the SCA Property Group.

As a result of the transaction, shareholders' equity decreased by $0.5 billion representing the in-specie distribution to shareholders which was comprised of an income component of $0.2 billion and a capital component (including related transaction costs) of $0.3 billion.

On a recurring basis, this transaction will add additional net costs representing additional rental expense and reduced specialty rental income offset by lower depreciation and outgoings expenses and lower net interest costs. As anticipated, this transaction is forecast to reduce reported EPS for FY14 by less than 1%.

Defined plans to continue space roll out

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

	Net Store Openings in FY13 (incl. acquisitions)	Long-Term Target (Net)
Australian Supermarkets	25	20 – 30 new Supermarkets per annum and 3%+ space growth (28 planned for FY14 with approximately 4% space growth)
New Zealand Supermarkets		
Countdown	5	3 – 5 new Supermarkets per annum (4 planned for FY14)
Franchise Stores	1	4 planned for FY14
Dan Murphy's	15	Plans to open 10 – 15 new stores per annum targeting more than 200 stores (13 planned for FY14)
BWS	14	Plans to open 6 – 10 stores (net) per annum (2 planned for FY14)
Petrol	14	Will grow supporting the Supermarket roll out strategy (17 planned for FY14)
BIG W	6	3 – 5 stores per annum (4 planned for FY14)
Hotels (ALH Group)	32	Acquire selectively as appropriate opportunities arise
Home Improvement	21*	Planning to secure 150 Masters sites in 5 years (from announcement of JV). Plan to open 18 Masters stores in FY14. Targeting approximately 90 stores by the end of FY16

* Represents 16 Masters stores and five Danks Retail stores

OUTLOOK

We are seeing good results from our Strategic Priorities that were laid out in 2011 which are building momentum across the Group and give us confidence that we can generate profitable growth.

We expect retail conditions to remain subdued in FY14 with ongoing consumer caution reflecting cost of living pressures, a flat job market and uncertainty created by the Federal Election despite historically low interest rates. We are hopeful that we may see a modest improvement in conditions over the course of the financial year.

Subject to the uncertainties noted above, we expect another year of profit growth with FY14 net profit after tax from continuing operations expected to increase 4% - 7% (on a normalised 52 week basis excluding significant items[1]).

- Ends -

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Profit and Loss for the 53 weeks ended 30 June 2013

GROUP SALES	FY12 (52 weeks) ($m)	FY13 (53 weeks) ($m)	Change	Change Normalised[2]
Continuing Operations				
Australian Food and Liquor	37,549	40,031	6.6%	4.7%
Petrol	6,714	6,794	1.2%	(0.8)%
Australian Food, Liquor and Petrol	**44,263**	**46,825**	**5.8%**	**3.9%**
New Zealand Supermarkets (NZD)	*5,522*	*5,749*	*4.1%*	*2.3%*
New Zealand Supermarkets	**4,302**	**4,600**	**6.9%**	**5.0%**
BIG W	**4,180**	**4,383**	**4.9%**	**2.0%**
Hotels	**1,204**	**1,469**	**22.0%**	**19.7%**
Home Improvement	**828**	**1,239**	**49.6%**	**46.7%**
Group Sales – Continuing Operations	**54,777**	**58,516**	**6.8%**	**4.8%**
Group Sales – Continuing Operations (excl Petrol)	***48,063***	***51,722***	***7.6%***	***5.6%***
Discontinued Operations				
Group Sales – Discontinued Operations [i]	**1,923**	**642**	**n.c[4]**	**n.c[4]**
Total Group Sales	**56,700**	**59,158**	**4.3%**	**2.4%**
GROUP PROFIT				
Continuing Operations (before significant items[1])				
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)	5,789.4	6,382.9	10.3%	
Rent	(1,559.5)	(1,764.2)	13.1%	
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**4,229.9**	**4,618.7**	**9.2%**	
Depreciation and amortisation	(883.5)	(965.5)	9.3%	
Earnings before interest and tax (EBIT)	**3,346.4**	**3,653.2**	**9.2%**	**7.2%**
Net financial expenses [ii]	(282.2)	(297.5)	5.4%	
Income tax expense	(885.0)	(996.6)	12.6%	
Net profit after income tax	**2,179.2**	**2,359.1**	**8.3%**	
Non-controlling interests	(0.5)	(5.2)	940.0%	
Net profit from continuing operations after income tax and non-controlling interests	**2,178.7**	**2,353.9**	**8.0%**	**6.1%**
Discontinued Operations (before significant items[1])				
Net profit from discontinued operations after income tax [i]	**21.7**	**1.8**	**n.c[4]**	
Total Group net profit after income tax and non-controlling interests before significant items[1]	**2,200.4**	**2,355.7**	**7.1%**	
Significant Items[1] (after income tax)				
One-off loss on SCA Property Group transaction	-	(28.5)	n.c	
Consumer Electronics provision / Net gain on disposal of Consumer Electronics businesses	(383.7)	7.9	n.c	
Victorian transport fleet redundancies	-	(18.1)	n.c	
US 144A bond redemption costs	-	(57.6)	n.c	
Total Group net profit after income tax, non-controlling interests and significant items[1]	**1,816.7**	**2,259.4**	**24.4%**	

Profit and Loss for the 53 weeks ended 30 June 2013 (continued)

	FY12 (52 weeks) ($m)	FY13 (53 weeks) ($m)	Change	Normalised Change[2]
MARGINS – Continuing Operations (before significant items[1])				
Gross Profit	26.40	26.94	54 bps	
Cost of Doing Business	20.29	20.70	41 bps	
EBIT	6.11	6.24	13 bps	
Weighted average ordinary shares on issue (million)	1,222.0	1,237.4	1.3%	
Ordinary earnings per share (cents) – continuing operations before significant items[1]	178.3	190.2	6.7%	4.8%
Diluted earnings per share (cents) – continuing operations before significant items[1]	177.4	189.4	6.8%	4.8%
Ordinary earnings per share (cents) – total Group	148.7	182.6	22.8%	
Diluted earnings per share (cents) – total Group	147.9	181.8	22.9%	
Interim dividend per share (cents)	59	62	5.1%	
Final dividend per share (cents) [iii]	67	71	6.0%	
Total dividend per share (cents)	**126**	**133**	**5.6%**	

[i] Discontinued operations represents the Consumer Electronics businesses in Australia, New Zealand and India

[ii] Breakdown of net financial expenses – Continuing Operations (before significant items[1])

	FY12	FY13	Change
Interest expense	(379.8)	(377.5)	(0.6)%
Less interest capitalised	90.1	77.4	(14.1)%
Net interest expense	**(289.7)**	**(300.1)**	**3.6%**
Dividend income	7.8	8.1	3.8%
Foreign exchange loss	(0.3)	(5.5)	1,733.3%
Net financial expenses – Continuing Operations (before significant items[1])	**(282.2)**	**(297.5)**	**5.4%**

[iii] Final 2013 dividend payable on 11 October 2013 will be fully franked at 30%

Group Balance Sheet as at 30 June 2013

	FY12 [i] 24 June 2012 ($m)	FY13 30 June 2013 ($m)	Change FY13/FY12
Continuing Operations			
Inventory	3,698.3	4,205.4	13.7%
Trade Payables [ii]	(4,013.4)	(4,080.0)	1.7%
Net Investment in Inventory	**(315.1)**	**125.4**	**(139.8)%**
Receivables	894.4	985.2	10.2%
Other Creditors	(2,954.7)	(3,086.1)	4.4%
Working Capital	**(2,375.4)**	**(1,975.5)**	**(16.8)%**
Fixed Assets and Investments	9,846.5	9,564.8	(2.9)%
Intangible assets	5,282.0	5,784.3	9.5%
Total Funds Employed	**12,753.1**	**13,373.6**	**4.9%**
Net Tax Balances	423.2	425.2	0.5%
Net Assets Employed	**13,176.3**	**13,798.8**	**4.7%**
Net Repayable Debt	(4,316.1)	(3,746.9)	(13.2)%
Other Financial Liabilities [iii]	(433.9)	(751.4)	73.2%
Net Assets – Continuing Operations	**8,426.3**	**9,300.5**	**10.4%**
Discontinued Operations			
Assets Classified as Held for Sale	220.9	-	n.c[4]
Liabilities Associated with Assets Classified as Held for Sale	(200.9)	-	n.c[4]
Net Assets – Discontinued Operations	**20.0**	**-**	**n.c[4]**
Total Net Assets	**8,446.3**	**9,300.5**	**10.1%**
Non-controlling Interests	258.1	272.1	5.4%
Shareholders' Equity	8,188.2	9,028.4	10.3%
Total Equity	**8,446.3**	**9,300.5**	**10.1%**
Key Ratios – Continuing Operations before significant items[1] [iv]			
Closing Inventory Days (based on COGS)	33.1	36.5	3.4 days
Closing Creditor Days (based on sales) [ii]	46.1	45.4	(0.7) days
Return on Average Funds Employed (ROFE)	27.8%	28.0%	24 bps

[i] In line with statutory reporting requirements for balance sheet items, the continuing operations balance sheet for FY12 includes Consumer Electronics India on the basis that this entity was not classified as a discontinued operation until FY13. Discontinued operations balances at FY12 reflect Consumer Electronics Australia and New Zealand.

[ii] FY13 trade payables were impacted by the timing of the reporting rate relative to the prior year and the effect of this on creditor payments (impact of $420 million).

[iii] Other financial liabilities primarily represent the put option held by Lowe's in the Home Improvement business and the ALH gaming entitlement liability resulting from the FY13 changes to the Victorian gaming regulations.

[iv] For comparability, these ratios exclude Consumer Electronics Australia, New Zealand and India for both FY13 and FY12.

Group Cash Flow for the 53 weeks ended 30 June 2013

	FY12 (52 weeks) ($m)	FY13 (53 weeks) ($m)	Change
EBITDA – continuing operations before significant items[1]	4,229.9	4,618.7	9.2%
EBITDA – discontinued operations before significant items[1]	42.7	2.5	n.c[4]
Significant items[1] (before tax)	(420.0)	(48.7)	n.c
EBITDA – Total	**3,852.6**	**4,572.5**	**18.7%**
Consumer Electronics provision / Net gain on disposal of Consumer Electronics businesses	393.1	(9.9)	
Net (increase) in inventory	(297.3)	(550.3)	
Net increase in accounts payable	14.7	59.7	
Net increase in provisions and sundry creditors	273.5	94.5	
Net (increase) in trade and other receivables	(107.3)	(61.8)	
Net change in other working capital and non-cash	55.2	47.0	
Cash from Operating Activities before interest and tax	**4,184.5**	**4,151.7**	**(0.8)%**
Net interest paid (including costs of Woolworths Notes)	(369.3)	(454.5)	
Tax paid	(941.4)	(977.3)	
Total cash provided by Operating Activities	**2,873.8**	**2,719.9**	**(5.4)%**
Proceeds from the sale of property to the SCA Property Group	-	802.8	
Proceeds from the sale of property, plant and equipment	199.5	100.3	
Proceeds from the sale of subsidiaries	-	105.8	
Payments for the purchase of businesses and investments	(145.8)	(263.4)	
Payments for property, plant and equipment – property development	(1,166.9)	(752.6)	
Payments for property, plant and equipment – other	(968.7)	(1,136.0)	
Payments for intangible assets	(6.2)	(66.7)	
Dividends received	7.8	8.1	
Total cash used in Investing Activities	**(2,080.3)**	**(1,201.7)**	**(42.2)%**
Lowe's cash contributions (Home Improvement)	203.0	230.0	
Free Cash Flow	**996.5**	**1,748.2**	
Proceeds from share issues / other	129.5	193.7	
Dividends paid (including to non-controlling interests)	(1,332.8)	(1,416.8)	
Free Cash Flow after equity related Financing Activities	**(206.8)**	**525.1**	
Creditor payment timing differences resulting from the 53rd week	-	420.0	
Free Cash Flow after equity related Financing Activities adjusted for creditor payment timing differences	**(206.8)**	**945.1**	

Appendix One

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 Final Profit Report and Dividend Announcement ('Profit Announcement') for the 53 weeks ended 30 June 2013.

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

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

- EBITDAR, EBITDA, EBIT, NPAT and EPS before significant items[1]
- EBIT
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)
- Group EBIT – Continuing Operations before central overheads and Home Improvement
- Group EBIT – Continuing Operations before Home Improvement
- Fixed charges cover ratio
- Cost of doing business
- Comparable sales
- Normalised growth, which represents FY13 growth adjusted to remove the impact of the 53rd week in the 2013 financial year

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

- Funds employed
- Funds employed before significant items[1]
- Cash flow from operating activities before interest and tax
- Free cash flow
- Free cash flow after equity related financing activities
- Cash realisation ratio

At times, the above items are used separately for continuing and discontinued operations as well as for the Group.

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 the exit from the Consumer Electronics market segment, SCA Property Group transaction, US 144A bond redemption and Victorian transport fleet redundancies. Many of the measures used are common practice in the industry within which Woolworths operates.

Appendix One (continued)

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

The following table provides a reconciliation of EBIT and NPAT before significant items[1] to the statutory Income Statement.

	FY12 (52 weeks) ($m)	FY13 (53 weeks) ($m)
EBIT		
Group EBIT – Continuing Operations before significant items[1]	**3,346.4**	**3,653.2**
Other items included in statutory EBIT:		
One-off loss on SCA Property Group transaction (before tax)	-	(32.8)
Victorian transport fleet redundancies (before tax)	-	(25.8)
Statutory EBIT – Continuing Operations	**3,346.4**	**3,594.6**
NPAT		
Profit after income tax and non-controlling interests before significant items[1] – Continuing Operations	**2,178.7**	**2,353.9**
Other items included in statutory NPAT:		
One-off loss on SCA Property Group transaction (after tax)	-	(28.5)
Victorian transport fleet redundancies (after tax)	-	(18.1)
US 144A bond redemption costs (after tax)	-	(57.6)
Statutory profit attributable to equity holders of the parent entity – Continuing Operations	**2,178.7**	**2,249.7**
Profit after income tax and non-controlling interests before significant items[1] – Discontinued Operations	**21.7**	**1.8**
Other items included in statutory NPAT:		
Consumer Electronics provision / Net gain on disposal of Consumer Electronics businesses (after tax)	(383.7)	7.9
Statutory profit attributable to equity holders of the parent entity – Discontinued Operations	**(362.0)**	**9.7**
Statutory profit attributable to equity holders of the parent entity	**1,816.7**	**2,259.4**

Appendix Two

Five Year Store and Trading Area Analysis Year Ended 30 June 2013 STORES (number)	2013 FULL YEAR	2012 FULL YEAR	2011 FULL YEAR	2010 FULL YEAR	2009 FULL YEAR
NSW & ACT	271	262	255	248	241
QLD	209	203	194	189	186
VIC	221	214	203	200	192
SA & NT	78	78	76	74	72
WA	88	85	83	83	82
TAS	30	30	29	29	29
Supermarkets in Australia [i]	897	872	840	823	802
New Zealand Supermarkets [ii]	166	161	156	152	149
Total Supermarkets	1,063	1,033	996	975	951
Thomas Dux	11	11	11	11	3
Freestanding Liquor (incl. Dan Murphy's)	339	329	305	281	256
ALH Retail Liquor Outlets	526	507	488	480	463
Caltex/WOW Petrol	131	132	132	132	133
Woolworths Petrol – Australia	482	467	449	429	409
Woolworths Petrol/Convenience – New Zealand	-	-	-	22	22
Total Food, Liquor and Petrol	**2,552**	**2,479**	**2,381**	**2,330**	**2,237**
BIG W	178	172	165	161	156
Dick Smith	-	-	390	394	349
Tandy	-	-	4	22	87
Total General Merchandise Division	178	172	559	577	592
Hotels (includes clubs)	326	294	282	284	280
Danks (Home Improvement Retail)	26	21	19	8	-
Masters	31	15	-	-	-
Total Continuing Operations	**3,113**	**2,981**	**3,241**	**3,199**	**3,109**
Discontinued Operations (Dick Smith and Tandy)	-	348	-	-	-
Total Group	**3,113**	**3,329**	**3,241**	**3,199**	**3,109**
Wholesale customer stores					
Dick Smith	-	-	3	18	35
Progressive	55	54	51	54	53
Croma (Consumer Electronics India)	-	77	64	50	33
Danks (Home Improvement Wholesale)	490	518	543	581	-
Statewide Independent Wholesale	220	220	220	220	218
Total Wholesale customer stores	**765**	**869**	**881**	**923**	**339**
Trading Area (sqm)					
Supermarkets Division – Australia	2,413,527	2,318,756	2,202,620	2,127,195	2,037,680
Supermarkets Division – New Zealand [iii]	372,373	351,744	333,274	325,256	303,889
General Merchandise Division [iv]	1,016,086	1,107,732	1,086,082	1,061,934	1,038,561

Store Movements July 12 – June 13	[i] Australian Supermarkets	[ii] New Zealand Supermarkets
New Stores – incremental	34	8
Closures – permanent	(9)	(3)
Net New Stores	**25**	**5**

[iii] Excludes Gull and franchise stores
[iv] Includes BIG W, Dick Smith and Tandy in the periods these businesses were owned by Woolworths. Excludes Woolworths India

Endnotes

n.c – not comparable

[1] Significant items include the following:

Continuing Operations

One-off loss associated with SCA Property Group transaction

- In FY13, a one-off loss of $32.8 million before tax ($28.5 million after tax) was incurred on the sale of assets to the SCA Property Group. This was in line with the loss anticipated at the time the transaction was announced. The loss primarily represents provisions for rental guarantees provided by Woolworths in relation to specialty leasing risk. Woolworths will provide a rental guarantee for a period of two years over specialty tenancies vacant as at the Implementation Date until they are first let for properties in the Completed Portfolio and for a period of two years from completion of development over all specialty income for the properties in the Development Portfolio. Refer to the Woolworths Limited Explanatory Memorandum dated 5 October 2012 for further detail.
- The sale of New Zealand properties impacts the New Zealand Supermarkets result whereas the sale of Australian properties is reflected in Central Overheads.

Victorian transport fleet redundancies

- During the second half of FY13, Woolworths entered into arrangements with Linfox to outsource its Victorian transport fleet. The Victorian trucking fleet was the last in the network to be owned and operated by Woolworths and the change brings arrangements into line with all other areas. This incurred a one-off redundancy cost of $25.8 million before tax ($18.1 million after tax).

US 144A bond redemption

- In June 2013, US$614.8 million of US 144A bonds were redeemed with a one-off cost to the profit and loss (within net financial expenses) of A$82.3 million before tax (A$57.6 million after tax) representing a premium paid on the bonds to redeem them early and termination of associated derivatives. This one off cost will be more than offset by future net interest savings in both nominal and present value terms due to a reduction in the weighted average cost of Woolworths' remaining debt. Future gross interest expense savings attributable to the redeemed bonds total $207 million, which would have been partially offset by interest income had the proceeds from the sale of property to the SCA Property Group and the Consumer Electronics businesses been placed on deposit.

Discontinued Operations

Sale of Consumer Electronics businesses

- The sale of the Dick Smith Electronics business to Anchorage Capital Partners (Anchorage) was completed on 26 November 2012 and the sale of the Consumer Electronics business in India to Infiniti Retail Limited was completed on 15 October 2012.
- In relation to the sale of these businesses in FY13, a net gain of $9.9 million before tax ($7.9 million after tax) was recorded. Given the structure of the sale transactions, there was no material tax expense or benefit recorded from the disposal of the Consumer Electronics businesses.
- In FY12, a $420.0 million provision before tax ($383.7 million after tax) was raised in relation to the restructure and proposed divestment of the Dick Smith Electronics business.
- As these businesses have been sold, no further losses are anticipated.

[2] For comparability, full year growth has been adjusted to remove the impact of the 53rd week in the 2013 financial year. Comparable sales growth has been calculated on a 53 week basis.

[3] Represents the April 2013 and October 2013 dividends and the December 2012 in-specie distribution (dividend and capital components) as calculated for accounting purposes.

[4] FY12 and FY13 Consumer Electronics results are not for comparable periods given the divestment of the Consumer Electronics businesses during FY13.

[5] Operating cash flow as a percentage of total group net profit after tax before depreciation and amortisation.

[6] 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.

[7] Group earnings before interest, tax, depreciation, amortisation and rent (EBITDAR) divided by rent and interest costs. Rent and interest costs include capitalised interest but exclude foreign exchange gains / losses and dividend income.

[8] 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.

[9] Excludes intercompany charges. Intercompany charges represent management fees and royalties paid to the Australian Group.

[10] Growth for New Zealand Supermarkets is quoted in New Zealand Dollars.

[11] Given the structure of the transactions, there is no material tax benefit or expense recorded from the disposal of the Consumer Electronics businesses.

[12] In line with statutory reporting requirements for balance sheet items, the continuing operations balance sheet for FY12 includes Consumer Electronics India on the basis that this entity was not classified as a discontinued operation until FY13. Discontinued operations balances at FY12 reflect Consumer Electronics Australia and New Zealand.

[13] For comparability, ROFE for both FY13 and FY12 excludes Consumer Electronics Australia, New Zealand and India.

FIVE YEAR ANALYSIS

PROFIT AND LOSS	2013	2012 [(1)]	2011 [(1)]	2010	2009
Weeks	**53**	**52**	**52**	**52**	**52**

SALES ($m)

Australian Food and Liquor [(2)]	40,031.2	37,549.2	36,176.1	34,675.4	32,977.2
Supermarkets NZ	4,599.7	4,301.8	4,110.5	4,130.6	4,034.3
Petrol	6,793.9	6,714.2	6,025.3	5,481.0	5,482.1
Total Supermarkets	51,424.8	48,565.2	46,311.9	44,287.0	42,493.6
BIG W	4,383.4	4,179.6	4,158.3	4,193.1	4,267.3
Consumer Electronics [(1)]	-	-	1,855.5	1,782.4	1,723.6
General Merchandise	4,383.4	4,179.6	6,013.8	5,975.5	5,990.9
Hotels	1,468.9	1,204.0	1,153.1	1,102.0	1,110.3
Home Improvement [(3)]	1,239.3	828.3	-	-	-
Unallocated [(4)]	-	-	664.1	329.8	-
Total continuing operations	**58,516.4**	**54,777.1**	**54,142.9**	**51,694.3**	**49,594.8**
Discontinued operations [(1)]	641.6	1,923.0	-	-	-
Total Group	**59,158.0**	**56,700.1**	**54,142.9**	**51,694.3**	**49,594.8**

EARNINGS BEFORE INTEREST AND TAX ($m)

Continuing operations *before significant items* [(5)]					
Australian Food and Liquor [(2)]	3,061.6	2,817.2	2,678.9	2,492.5	2,206.9
Supermarkets NZ	236.2	224.5	191.9	190.4	153.9
Petrol	137.7	127.1	117.6	99.5	87.5
Total Supermarkets	3,435.5	3,168.8	2,988.4	2,782.4	2,448.3
BIG W	191.3	178.4	177.0	200.0	200.2
Consumer Electronics [(1)]	-	-	26.8	31.5	50.8
General Merchandise	191.3	178.4	203.8	231.5	251.0
Hotels	263.7	195.7	183.7	176.7	218.0
Home Improvement [(3)]	(138.9)	(96.7)	-	-	-
Total trading operations	3,751.6	3,446.2	3,375.9	3,190.6	2,917.3
Net property income / (expense)	4.7	5.3	11.8	2.5	(7.2)
Central overheads/unallocated	(103.1)	(105.1)	(111.3)	(111.0)	(94.6)
Total unallocated [(4)]	(98.4)	(99.8)	(99.5)	(108.5)	(101.8)
Total continuing operations *before significant items* [(5)]	**3,653.2**	**3,346.4**	**3,276.4**	**3,082.1**	**2,815.5**
Discontinued operations [(1)]					
Discontinued operations *before significant items* [(1) (5)]	2.5	30.3	-	-	-
Total Group *before significant items* [(5)]	**3,655.7**	**3,376.7**	**3,276.4**	**3,082.1**	**2,815.5**
Significant items [(5)]	(48.7)	(420.0)	-	-	-
Total Group	**3,607.0**	**2,956.7**	**3,276.4**	**3,082.1**	**2,815.5**

EBIT TO SALES %

Continuing operations *before significant items* [(5)]					
Australian Food and Liquor [(2)]	7.65	7.50	7.41	7.19	6.69
Supermarkets NZ	5.14	5.22	4.67	4.61	3.81
Petrol	2.03	1.89	1.95	1.82	1.60
BIG W	4.36	4.27	4.26	4.77	4.69
Consumer Electronics [(1)]	-	-	1.44	1.77	2.95
Hotels	17.95	16.25	15.93	16.03	19.63
Home Improvement [(3)]	(11.21)	(11.67)	-	-	-
Total continuing operations *before significant items* [(5)]	**6.24**	**6.11**	**6.05**	**5.96**	**5.68**
Discontinued operations [(1)]					
Discontinued operations *before significant items* [(1) (5)]	0.39	1.58	-	-	-
Total Group *before significant items* [(5)]	**6.18**	**5.96**	**6.05**	**5.96**	**5.68**
Total Group	**6.10**	**5.21**	**6.05**	**5.96**	**5.68**

PROFIT & LOSS DETAIL ($m)

Continuing operations *before significant items* [(5)]					
Sales	58,516.4	54,777.1	54,142.9	51,694.3	49,594.8
Cost of goods sold	(42,754.9)	(40,316.1)	(40,049.7)	(38,300.7)	(36,871.4)
Gross profit	15,761.5	14,461.0	14,093.2	13,393.6	12,723.4
Gross profit margin %	*26.94*	*26.40*	*26.03*	*25.91*	*25.66*
Cost of doing business (CODB)	(12,108.3)	(11,114.6)	(10,816.8)	(10,311.5)	(9,907.9)
CODB %	*20.70*	*20.29*	*19.98*	*19.95*	*19.98*
Selling, general and admin expenses (excluding, rent, depreciation and amortisation)	(9,378.6)	(8,671.6)	(8,417.7)	(8,035.9)	(7,768.8)
EBITDAR	6,382.9	5,789.4	5,675.5	5,357.7	4,954.6
EBITDAR margin %	*10.91*	*10.57*	*10.48*	*10.36*	*9.99*
Rent (including fitout rent)	(1,764.2)	(1,559.5)	(1,541.2)	(1,477.9)	(1,409.7)
EBITDA	4,618.7	4,229.9	4,134.3	3,879.8	3,544.9
EBITDA margin (%)	*7.89*	*7.72*	*7.64*	*7.51*	*7.15*
Depreciation and amortisation	(965.5)	(883.5)	(857.9)	(797.7)	(729.4)
EBIT	3,653.2	3,346.4	3,276.4	3,082.1	2,815.5
EBIT margin (%)	*6.24*	*6.11*	*6.05*	*5.96*	*5.68*
Net financing cost	(251.1)	(242.9)	(225.3)	(181.5)	(149.9)
Woolworths Notes interest	(46.4)	(39.3)	(36.2)	(30.0)	(39.3)
Profit before tax and significant items [(5)]	3,355.7	3,064.2	3,014.9	2,870.6	2,626.3
Taxation	(996.6)	(885.0)	(874.6)	(832.6)	(766.3)
Profit after tax and *before significant items* [(5)]	2,359.1	2,179.2	2,140.3	2,038.0	1,860.0
Discontinued operations [(1)]					
Profit after tax and *before significant items* [(1)(5)]	1.8	21.7	-	-	-
Group net profit after tax *before significant items* [(5)]	**2,360.9**	**2,200.9**	**2,140.3**	**2,038.0**	**1,860.0**
Significant items after tax [(5)]	(96.3)	(383.7)	-	-	-
Group net profit after tax	**2,264.6**	**1,817.2**	**2,140.3**	**2,038.0**	**1,860.0**
Non-controlling interests	(5.2)	(0.5)	(16.3)	(17.2)	(24.3)
Profit attributable to members of Woolworths Limited after tax	**2,259.4**	**1,816.7**	**2,124.0**	**2,020.8**	**1,835.7**

FIVE YEAR ANALYSIS

BALANCE SHEET ($m)	2013	2012 [1]	2011 [1]	2010	2009
Weeks	**53**	**52**	**52**	**52**	**52**
Inventory	4,205.4	3,698.3	3,736.5	3,438.8	3,292.6
Accounts Payable	(4,080.0)	(4,013.4)	(4,132.0)	(3,953.3)	(3,855.4)
Net investment in inventory	125.4	(315.1)	(395.5)	(514.5)	(562.8)
Fixed assets and investments	9,564.8	9,846.5	8,830.5	7,802.9	6,822.2
Intangibles	5,784.3	5,282.0	5,236.6	5,071.0	4,933.1
Receivables	985.2	894.4	778.0	672.2	467.2
Other creditors	(3,086.1)	(2,954.7)	(2,646.8)	(2,455.9)	(2,340.4)
Total funds employed [6]	**13,373.6**	**12,753.1**	**11,802.8**	**10,575.7**	**9,319.3**
Net tax balances	425.2	423.2	305.7	233.6	201.1
Net assets employed	**13,798.8**	**13,176.3**	**12,108.5**	**10,809.3**	**9,520.4**
Cash and borrowings [7]	(3,602.7)	(3,916.3)	(3,325.3)	(2,828.7)	(2,412.3)
Capital call receivable from non-controlling interest	-	-	93.0	-	-
Other financial assets and liabilities	(895.6)	(833.7)	(1,030.4)	(162.9)	(50.8)
Net assets continuing operations	**9,300.5**	**8,426.3**	**7,845.8**	**7,817.7**	**7,057.3**
Net assets discontinued operations [1]	-	20.0	-	-	-
Total net assets	**9,300.5**	**8,446.3**	**7,845.8**	**7,817.7**	**7,057.3**
Non-controlling interests	272.1	258.1	252.6	247.3	244.8
Shareholders' equity	9,028.4	8,188.2	7,593.2	7,570.4	6,812.5
Total equity	**9,300.5**	**8,446.3**	**7,845.8**	**7,817.7**	**7,057.3**

CASH FLOW ($m)					
Continuing and discontinued operations [1]					
EBITDA	4,572.5	3,852.6	4,134.3	3,879.8	3,544.9
Movement in net investment in inventory	(490.6)	(282.6)	(75.9)	(69.5)	(138.4)
Other operating cash flows and other non cash	69.8	614.5	83.8	88.4	244.2
Net interest paid	(454.5)	(369.3)	(309.6)	(249.8)	(244.4)
Tax paid	(977.3)	(941.4)	(841.5)	(896.9)	(802.1)
Operating cash flow	**2,719.9**	**2,873.8**	**2,991.1**	**2,752.0**	**2,604.2**
Payments for property, plant, equipment and intangibles	(1,955.3)	(2,141.8)	(2,138.5)	(1,817.7)	(1,678.2)
Proceeds on disposal of property, plant and equipment and subsidiaries	1,008.9	199.5	394.4	55.4	18.7
Other investing cash flows	(255.3)	(138.0)	(433.3)	(189.9)	(146.7)
Cash flow from operations after investing activities	**1,518.2**	**793.5**	**813.7**	**799.8**	**798.0**
Movement in gross debt	(527.3)	(468.9)	1,758.3	486.1	160.8
Issue of subsidiary shares to non-controlling interests	230.0	203.0	176.6	79.5	-
Dividends paid	(1,396.7)	(1,317.2)	(1,260.0)	(1,164.6)	(1,012.4)
Dividends paid to non-controlling interests	(20.1)	(15.6)	(13.2)	(16.8)	(29.2)
Buyback of shares	-	-	(738.7)	(294.6)	-
New shares issued	193.7	129.5	105.1	77.5	71.9
Payments for shares acquired by the Woolworths Employee Share Trust	-	-	(28.8)	-	-
Effects of exchange rate changes on balance of cash held in foreign currencies	6.2	1.3	(6.8)	(0.2)	3.0
Net cash flow	**4.0**	**(674.4)**	**806.2**	**(33.3)**	**(7.9)**

FIVE YEAR ANALYSIS

SHAREHOLDER VALUE	2013	2012 [1]	2011 [1]	2010	2009
Weeks	**53**	**52**	**52**	**52**	**52**
ROFE (Pre-tax return on funds employed) (%) [8]					
Group normal	27.61	24.08	29.28	30.98	31.93
Continuing operations before significant items [1][5][8]	27.99	27.75	29.28	30.98	31.93
DU PONT ANALYSIS (*before significant items*) (%) [5]					
EBIT to sales	6.18	5.96	6.05	5.96	5.68
Service burden [9]	91.85	91.60	92.02	93.14	93.28
Tax burden [10]	70.16	71.14	70.99	71.00	70.82
Asset turn [11]	2.70	2.67	2.77	2.94	3.06
Financial leverage [12]	2.55	2.69	2.58	2.44	2.53
Return on equity [13]	27.37	27.89	28.01	28.10	28.67
EARNINGS PER SHARE					
Ordinary share price closing ($)	32.81	26.38	27.25	27.40	25.96
Market capitalisation ($m)	41,018.7	32,498.3	33,149.6	33,733.2	31,905.9
Weighted average shares on issue	1,237.4	1,222.0	1,216.2	1,232.1	1,218.0
Normal basic EPS (cents per share) [14]	182.6	148.7	174.6	164.0	150.7
Normal basic EPS *before significant items* (cents per share) [5] [14]	190.4	180.1	174.6	164.0	150.7
Normal basic EPS continuing operations *before significant items* (cents per share) [5] [14]	190.2	178.3	174.6	164.0	150.7
Interim dividend ($m)	770.6	723.9	691.4	657.2	588.3
Interim dividend (cents per share)	62.0	59.0	57.0	53.0	48.0
Final Dividend ($m) [15]	887.7	826.9	792.9	766.3	692.0
Final dividend (cents per share)	71.0	67.0	65.0	62.0	56.0
Total dividend ($m) [15]	1,658.3	1,550.8	1,484.3	1,423.5	1,280.3
Total dividend (cents per share)	133.0	126.0	122.0	115.0	104.0
Payout ratio (%)	73.40	85.36	69.88	70.44	69.74
Payout ratio *before significant items* (%) [5]	70.40	70.48	69.88	70.44	69.74
Price/earnings ratio (times)	17.97	17.74	15.60	16.71	17.23
Price/earnings ratio *before significant items* (times) [5]	17.23	14.65	15.60	16.71	17.23
Price/cash flow ratio	14.91	11.23	11.08	12.29	12.13
GROWTH RATES (continuing operations *before significant items*) (% increase) [1] [5]					
Sales	6.83	4.76	4.74	4.23	5.44
Sales per equivalent week	4.81	4.76	4.74	4.23	7.47
EBITDA	9.19	3.72	6.56	9.44	11.51
EBIT	9.17	2.98	6.30	9.47	11.34
Profit before tax	9.51	2.51	5.03	9.30	12.36
Normal basic EPS	6.67	3.06	6.48	8.82	11.73

FINANCIAL STRENGTH (*before significant items*) [5]

	2013	2012 [1]	2011 [1]	2010	2009
Service cover ratio (times) [16]	12.27	11.91	12.53	14.57	14.88
Fixed charges cover (times) [17]	3.0	2.9	3.0	3.1	3.0
Sales to inventory (times) [18]	14.69	14.95	15.09	15.36	15.74
Capital expenditure to EBITDA (%)	42.31	50.13	51.73	46.85	47.34
Operating cash flow per share ($)	2.20	2.35	2.46	2.23	2.14
Serviced gearing (%) [19]	28.72	33.76	33.83	27.16	25.87
Current assets to current liabilities (%)	90.68	85.75	78.87	71.66	74.97

FIVE YEAR ANALYSIS

PRODUCTIVITY	2013	2012 [1]	2011 [1]	2010	2009
STORES (Number)					
Supermarkets					
New South Wales and Australian Capital Territory	271	262	255	248	241
Queensland	209	203	194	189	186
Victoria	221	214	203	200	192
South Australia and Northern Territory	78	78	76	74	72
Western Australia	88	85	83	83	82
Tasmania	30	30	29	29	29
Supermarkets - Australia	**897**	**872**	**840**	**823**	**802**
Supermarkets - New Zealand	166	161	156	152	149
Total Supermarkets	**1,063**	**1,033**	**996**	**975**	**951**
Thomas Dux	11	11	11	11	3
Freestanding Liquor	339	329	305	281	256
ALH Group Retail Outlets	526	507	488	480	463
Caltex / WOW Petrol	131	132	132	132	133
WOW Petrol - Australia	482	467	449	429	409
WOW Petrol - New Zealand	-	-	-	22	22
Total Supermarket Division	**2,552**	**2,479**	**2,381**	**2,330**	**2,237**
General Merchandise					
BIG W	178	172	165	161	156
Dick Smith Electronics	-	-	390	394	349
Tandy	-	-	4	22	87
Total General Merchandise	**178**	**172**	**559**	**577**	**592**
Hotels including clubs (ALH Group)	326	294	282	284	280
Danks (Home Improvement Retail)	26	21	19	8	-
Masters	31	15	-	-	-
Total continuing operations	**3,113**	**2,981**	**3,241**	**3,199**	**3,109**
Discontinued operations [1]					
Dick Smith Electronics	-	347	-	-	-
Tandy	-	1	-	-	-
TOTAL GROUP	**3,113**	**3,329**	**3,241**	**3,199**	**3,109**

FIVE YEAR ANALYSIS

STORES (Movement) FY13	24 JUNE 2012	OPENED/ACQ	CLOSED	30 JUNE 2013
Supermarkets				
New South Wales and Australian Capital Territory	262	10	1	271
Queensland	203	8	2	209
Victoria	214	9	2	221
South Australia and Northern Territory	78	3	3	78
Western Australia	85	4	1	88
Tasmania	30	-	-	30
Supermarkets - Australia	**872**	**34**	**9**	**897**
Supermarkets - New Zealand	161	8	3	166
Total Supermarkets	**1,033**	**42**	**12**	**1,063**
Thomas Dux	11	-	-	11
Freestanding Liquor	329	17	7	339
ALH Group retail outlets	507	37	18	526
Caltex / WOW Petrol	132	-	1	131
WOW Petrol - Australia	467	16	1	482
Total Supermarket Division	**2,479**	**112**	**39**	**2,552**
General Merchandise				
BIG W	172	6	-	178
Total General Merchandise	**172**	**6**	**-**	**178**
Hotels (ALH Group)	294	35	3	326
Danks (Home Improvement Retail)	21	6	1	26
Masters	15	16	-	31
Total continuing operations	**2,981**	**175**	**43**	**3,113**
Discontinued operations [1]				
Dick Smith Electronics and Tandy (Aust/NZ)	348	2	350	-
TOTAL GROUP MOVEMENT	**3,329**	**177**	**393**	**3,113**

	2013	2012 [1]	2011 [1]	2010	2009
Weeks	**53**	**52**	**52**	**52**	**52**
AREA (sqm)					
Supermarket Division (Australia) [20]	2,413,527	2,318,756	2,202,620	2,127,195	2,037,680
Supermarket Division (New Zealand) [21]	372,373	351,744	333,274	325,256	303,889
General Merchandise Division [22]	1,016,086	1,107,732	1,086,082	1,061,934	1,038,561
SALES PER AVERAGE SQUARE METRE (normalised 52 weeks)					
Supermarket Division (Australia) [20]	15,972.9	15,980.2	16,171.8	16,103.1	16,002.5
Supermarket Division (New Zealand) [21]	14,568.1	15,178.9	15,131.6	15,042.1	15,001.6
General Merchandise Division [22]	4,275.2	5,241.9	5,299.9	5,449.8	5,722.7

FIVE YEAR ANALYSIS

NOTES TO STATISTICS

1. On 27 September 2012, Woolworths announced its exit from the Consumer Electronics market segment with the sale of its wholesale operations in India and the Dick Smith Electronics business in Australia and New Zealand.
   Australia and New Zealand Dick Smith Electronics operations have been reported as a discontinued operation from financial year 2012. India Wholesale operations have been reported as a discontinued operation from financial year 2013. For comparative purposes at full year 2013, with the exception of the balance sheet, financial year 2012 has been adjusted to include India Wholesale as a discontinued operation. Financial year 2011 balances are consistent with the way they were reported at financial year 2011 (that is, do not reflect any restatement of the profit and loss for discontinued operations).
2. Includes the Wholesale division that was reported separately prior to financial year 2010.
3. Prior to financial year 2012, Home Improvement was included in the 'Unallocated' category.
4. Unallocated consists of the group's other operating segments that are not separately reportable (Home Improvement prior to financial year 2012) as well as various support functions including Property and Head office costs.
5. Significant items represent:
   - in 2013, profit of $9.9m before tax ($7.9m after tax) on sale of the Consumer Electronics businesses
   - in 2013, the one-off loss of $32.8m before tax ($28.5m after tax) on the Shopping Centres Australasia Property Group transaction
   - in 2013, the one-off costs of $25.8m before tax ($18.1m after tax) for Victorian transport fleet redundancies
   - in 2013, the one-off costs of $82.3m before tax ($57.6m after tax) relating to the US 144A bond redemption
   - in 2012, the $420.0m before tax ($383.7m after tax) restructuring provision set aside for the restructure and divestment of Dick Smith Electronics in Australia and New Zealand.

   Where noted, profit and loss items have been adjusted to reflect these significant items.
6. Funds employed is net assets excluding net tax balances, provision for dividends, net debt, other financial liabilities and assets and liabilities as a result of hedging per AASB 139 Financial Instruments: Recognition and Measurement.
7. Cash and Borrowings is gross debt less cash on hand, cash at bank and cash on short term deposit.
8. Return on funds employed (ROFE) is EBIT as a percentage of average (of opening and closing) funds employed for the year. For comparability, the continuing operations ratio excludes Consumer Electronics Australia, New Zealand and India for both financial years 2012 and 2013.
9. Service burden is net operating profit before income tax expressed as a percentage of EBIT.
10. Tax burden is normal profit after income tax attributable to shareholders expressed as a percentage of normal profit before income tax.
11. Asset turn is total sales divided by average (of opening and closing) total assets for the year.
12. Financial leverage is average (of opening and closing) total assets divided by average (of opening and closing) shareholders' equity for the year.
13. Return on equity is profit after income tax attributable to shareholders, divided by average (of opening and closing) shareholders' equity for the year.
14. Normal basic earnings per share (Normal EPS) is profit after tax and servicing Hybrid Notes attributable to shareholders divided by the weighted average number of ordinary shares on issue during the period. The weighted average number of shares on issue has been calculated in accordance with Accounting Standard AASB 133 Earnings per Share.
15. The current year figure represents the dividend value given the shares on issue at the date the full year results are released to the market. This figure will change if there are any shares issued between the reporting date and the ex-dividend date.
16. Service cover ratio is EBIT divided by the sum of net financing cost and Hybrid Notes interest.
17. Fixed charges cover is EBITDAR divided by rent and interest costs. Rent and interest costs include capitalised interest but exclude foreign exchange gains/losses and dividend income.
18. Sales to inventory is total sales divided by average (of opening and closing) inventory.
19. Serviced gearing is cash and borrowings together with the hedge assets and liabilities related to those borrowings divided by cash and borrowings together with the hedge assets and liabilities related to those borrowings plus total equity.
20. Supermarkets Division excludes Langton's, Cellarmasters, Petrol, Wholesale and ALH Group retail (BWS) .
21. New Zealand Supermarkets excludes Gull and franchise outlets. Sales per square metre presented in New Zealand dollars.
22. Includes BIG W, Dick Smith and Tandy. Excludes Woolworths India. 2013 sales per square metre represents BIG W only.

Certain comparative amounts 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.