20 August 2018

FINAL PROFIT AND DIVIDEND ANNOUNCEMENT FOR THE 52 WEEKS ENDED 24 JUNE 2018

A year of business improvement; transformation on track

Group sales from continuing operations up 3.4%

Group EBIT from continuing operations up 9.5% to $2,548 million; Australian Food EBIT up 9.6%

Group NPAT of $1,724 million, up 12.5%

Dividend per share of 103c including 10c special dividend, up 22.6%

Solid progress on key priorities:

- Customer focus driving improved satisfaction and transaction growth across the Group
- Australian Food delivered strong sales and EBIT growth even with planned investment and ongoing deflation
- WooliesX starting to deliver on digital and data agenda; CountdownX established in June
- Endeavour Drinks' sales continue to outpace market
- Early progress in BIG W turnaround
- New strategic alliance with Caltex; IPO or sale of Petrol business actively being pursued
- 1Store fully rolled out in Woolworths Supermarkets and first phase of 'Simpler for Stores' underway

More to do:

- Being 'consistently good' at the fundamentals in Woolworths Supermarkets
- Delivering increasing convenience for our 'connected customers' in-store and online
- Building momentum in the BIG W turnaround with further reduction in losses expected in FY19
- Embedding 'Simpler for Stores' to deliver sustainable multi-year productivity improvements
- Further capital management will be considered as part of a successful exit of the Petrol business

FY18 KEY FINANCIAL HIGHLIGHTS

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Continuing operations			
Sales	56,726	54,841	3.4%
Earnings before interest and tax (EBIT)	2,548	2,326	9.5%
Net profit after tax (NPAT) attributable to equity holders of the parent entity	1,605	1,422	12.9%
Basic earnings per share (EPS) – cents	123.4	110.8	11.4%
Group			
NPAT attributable to equity holders of the parent entity	1,724	1,534	12.5%
Dividend per share (including special) – cents	103	84	22.6%
Final dividend – cents	50	50	-
Special dividend – cents	10	-	n.m.

Certain comparatives have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

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

Ratios and percentage changes referenced throughout this document are calculated on unrounded figures.

Brad Banducci, Woolworths Group CEO, said: "Our focus on customers putting us 1st remains at the core of what we do. All businesses* saw an increase in customer satisfaction and traffic (transactions) during the year. This has led to strong sales and EBIT growth and a significant reduction in net debt, even as we invest in strategic initiatives focused on delivering sustainable growth into the future. Having fixed the basics, our focus is shifting to being 'consistently good' at the fundamentals and creating meaningful shopping differentiation in the eyes of our customers. Across Woolworths Group, we plan to leverage digital and data to transform our businesses and deliver both exceptional customer and team experiences leading to sustainable growth for our shareholders.

"**Australian Food** delivered the strongest sales growth in a number of years in FY18 with comparable sales growth of 4.3%. As expected, sales growth began to moderate in the second half (H2'18: +3.7%, Easter-adjusted Q4'18: +3.1%) as we cycled very strong growth in the prior year, high levels of fruit and vegetable deflation and a decline in infant formula sales. Pleasingly, comparable transaction growth remained strong and EBIT grew by 9.6% for the year.

- **Woolworths Supermarkets**' growth continues to be customer-led with VOC scores improving over the course of the year. Overall Customer Satisfaction in June was 81% which increased 4 pts on the prior year and sustained levels achieved in March. Positive customer feedback continues to be strongly correlated with transaction growth, with comparable transactions increasing by 4.2% in FY18 and 3.6% in Q4'18. We have made good progress in our Renewal and Upgrade programs with 80 Renewals (including 11 new stores) and 54 Upgrades completed during the year including Marrickville Metro, Plumpton and Lakemba concept stores
- In **FoodCo** and **Metro,** the reformulation and rebranding of Woolworths (previously Select) and Essentials (previously Homebrand) is now complete with over 5,000 products materially improved. Metro comparable sales grew in double-digits and we opened our new concept store in Pitt Street Mall on 20 June. We also announced a new alliance with Caltex to open up to 250 Metro stores on Caltex sites over the next six years
- It was a busy first year for **WooliesX** with a significant investment in capability and the delivery of a number of initiatives across digital and data. We successfully rolled out Pick up nationwide; we also opened new customer fulfilment centres in Sydney and Melbourne to improve our home delivery experience and continued to evolve our overall digital shopping experience. Increasing personalised engagement with our customers has also led to an increase in Rewards members to 10.9 million at the end of June. Heightened customer expectations and competition will require us to continue investing in order to provide our customers with a seamless shopping experience with a number of exciting new initiatives expected to roll out over the course of FY19

"**Endeavour Drinks** grew comparable sales by 3.6% in FY18 with Easter-adjusted Q4'18 comparable sales growth of 2.8%. Sales growth remained robust in the second half; however, EBIT growth was lower due to continued price competition impacting Dan Murphy's. Steve Donohue was appointed as Managing Director in April with Martin Smith retiring at the end of the financial year. In FY19, we plan to further increase our investment in digital and data, leveraging learnings from WooliesX with focus on range, service and convenience.

"Following investments in the year in **New Zealand Food,** comparable sales grew at the fastest rate in a number of years with comparable sales increasing by 3.4% in FY18 and Easter-adjusted comparable sales increasing by 3.7% in Q4'18. In the second half of the year we established **CountdownX** to further accelerate the digital and data transformation in New Zealand. Natalie Davis, previously Woolworths Group Chief Customer Transformation Officer, was appointed as Managing Director of Woolworths New Zealand on 12 June following the retirement of Dave Chambers.

"In our Portfolio businesses:

- **BIG W** progressed its turnaround in FY18. Prices are significantly more competitive than this time last year, the majority of stores have been refreshed and the range is beginning to resonate with customers. Comparable sales increased by 0.9% in FY18, the first increase since FY09. The loss before interest and tax was $110 million. In FY19, we expect a further reduction in losses as we continue to build momentum in the business but, as always, financial performance will depend on trading over the key Christmas period
- **ALH Hotels** comparable sales growth was 3.7% for the year or 2.8% Easter-adjusted in Q4'18 with continued growth across all major parts of the business. EBIT growth in the second half was more subdued than the first half as we cycled a strong period of profit growth in the prior year. Two reviews into responsible gaming practices were recently completed at ALH with measures put in place to address the findings. Woolworths Group is committed to the highest level of responsible gaming and will continue to support ALH as it focuses even more intently on improving responsible gaming practices as announced in August

*Continuing operations

- In July, we announced a strategic alliance with Caltex with a new long-term fuel supply agreement for **Petrol** delivering a significant reduction in our wholesale cost of fuel. As part of the alliance, our customers will benefit from an extended network of fuel discount redemption sites and an ability to earn Rewards points on fuel and grocery purchases at over 700 Caltex sites. Woolworths Group is pursuing an IPO or sale of the Petrol business. The Petrol team maintained its customer focus with VOC remaining at 86% during the year despite the distraction of the sale process

"In summary, we are pleased with the progress we have made in FY18 and remain energised by the material opportunities we have to create a better business for our customers, team members and shareholders in the future. In Australian Food, sales in the first quarter slowed with comparable sales for the first seven weeks of Q1'19 increasing by 1.3%. Sales have been impacted by customers adjusting to the phasing-out of single-use plastic bags, a competitor continuity program, meat and fruit and vegetable deflation, and the cycling of our successful Earn and Learn program in the prior year. We expect sales momentum to improve over the course of the half. Our customer satisfaction metrics (VOC) are broadly back to the levels prior to the removal of single-use plastic bags, including Time in Queue. Our overall brand metrics have also continued to improve relative to our competitors, including price perception, brand preference and quality of fresh. These customer and brand scores along with our strong trading plans, give us confidence in the critical run into Christmas.

"Finally, I would like to take this opportunity to thank our team members and partners for their hard work and support in FY18."

Woolworths Group Chairman, Gordon Cairns, said: "We made good progress in our transformation journey during the year and continue to support management in investing for the long-term as we progress exciting opportunities to improve customer experience, efficiency and returns to shareholders. Capital management has been an area of focus and today the Board has announced a fully franked final dividend of 50 cents per share. This takes the ordinary dividend for the year to 93 cents per share, an 11% increase on the prior year. In considering the improved trading performance and balance sheet strength in the year as well as the benefits from the new Petrol alliance, the Board has also announced a fully franked special dividend of 10 cents per share resulting in a H2'18 payout ratio of 104%.

"This special dividend and the removal of the 1.5% Dividend Reinvestment Plan discount announced in February, reflect our commitment to disciplined capital management, including distribution of franking credits to shareholders as appropriate. Further capital management will be considered as part of a successful exit of our Petrol business."

KEY PRIORITIES

Progress against the Woolworths Group key priorities over the last 12 months has been as follows:

1. Customer 1st and Team 1st culture
   - New Group Purpose, Ways-of-Working and Core Values activated across the Group
   - Voice of Customer, Voice of Team and Voice of Supplier scores further improved in FY18
   - Ranked first by suppliers in Food Retail Advantage buying survey, up from 11th in 2016
   - New initiatives to support the team including Gold Tier Status for Australian Workplace Equality Index, Woolworths Financial Wellbeing Program, Refugee Employment Program and Resourcing the Future (Indigenous employment)
   - More work to do to further embed Ways-of-Working in FY19

2. Connected, personalised and convenient shopping experiences
   - Pick up now available in over 2,900 stores including Australian and New Zealand supermarkets, Dan Murphy's, BWS and BIG W
   - BWS leading in on demand delivery; acquisition and expansion of Jimmy Brings
   - CountdownX launched to enable New Zealand Food to continue to lead online
   - New format Metro opened in Pitt Street Mall, Sydney featuring elements of Marrickville Metro concept
   - More work to do to improve the Home Delivery and Pick up experience for our customers

3. Transforming Australian and New Zealand Food
   - **Australian Food** transaction growth strong over the year reflecting improved customer satisfaction
   - 80 Renewals (including 11 new stores) and 54 Upgrades including Marrickville Metro, Plumpton, Lakemba
   - Investments in **New Zealand Food** driving improved customer and sales outcomes; Natalie Davis appointed as MD following the retirement of Dave Chambers
   - Australian and New Zealand Food online sales growth of over 30% in FY18 following investment in the offer
   - More work to do to deliver 'consistently good' shopping experiences and meaningful customer differentiation

4. Evolving our Endeavour Drinks business
   - Strong sales growth across BWS and Dan Murphy's despite increasingly competitive market
   - Customer 1st Ranging completed across all BWS stores with ranges tailored to local customers
   - My Dan Murphy's loyalty program now with 3 million members
   - New MD, Steve Donohue appointed following the retirement of Martin Smith
   - More work to do to position Endeavour Drinks for medium-term growth through digital, range, service and convenience

5. Unlocking value in our Portfolio
   - Progress on BIG W turnaround with strong item growth, but still early in the journey
   - New fuel supply agreement with Caltex delivering sustained cost of goods benefit to Petrol business
   - IPO or sale of Petrol business being actively pursued
   - Solid sales and EBIT growth in ALH Hotels with further commitment to responsible gaming practices
   - More work to do to continue momentum in BIG W turnaround and improve responsible gaming practices at ALH

6. End-to-end processes – 'better for customers' and 'simpler for stores'
   - 1Store (1POS, ticketing, back office) roll out to all Australian Food stores and attached BWS
   - Progress on Big 5 productivity initiatives in Woolworths Supermarkets (Availability, Stock Loss, Rostering, Ease of Pick up and 1Store)
   - 'Simpler for Stores' team established with series of detailed diagnostics completed and implementation underway
   - Completion of Melbourne South Regional Distribution Centre (MSRDC) building and automation installation on time and budget
   - More work to do to leverage end-to-end process improvement to sustainably improve overall operating efficiency and commission the MSRDC

GROUP PROFIT OR LOSS FOR THE 52 WEEKS ENDED 24 JUNE 2018

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Continuing operations			
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)	**5,712**	**5,398**	**5.8%**
Rent	(2,061)	(2,034)	1.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**3,651**	**3,364**	**8.6%**
Depreciation and amortisation	(1,103)	(1,038)	6.4%
EBIT	**2,548**	**2,326**	**9.5%**
Net financing costs	(154)	(194)	(20.6)%
Income tax expense	(718)	(651)	10.4%
NPAT	**1,676**	**1,481**	**13.1%**
Non-controlling interests	(71)	(59)	17.9%
NPAT from continuing operations attributable to equity holders of the parent entity	**1,605**	**1,422**	**12.9%**
NPAT from discontinued operations attributable to equity holders of the parent entity	119	112	6.3%
NPAT attributable to equity holders of the parent entity	**1,724**	**1,534**	**12.5%**
MARGINS – continuing operations			
Gross profit (%)	29.5	29.0	41 bps
Cost of doing business (%)	25.0	24.8	16 bps
EBIT (%)	4.5	4.2	25 bps
EARNINGS PER SHARE AND DIVIDENDS			
Weighted average ordinary shares on issue (million)	1,300.5	1,283.9	1.3%
Total Group basic EPS (cents)	132.6	119.4	11.1%
Basic EPS (cents) – from continuing operations	123.4	110.8	11.4%
Diluted EPS (cents) – from continuing operations	123.1	110.5	11.4%
Interim dividend per share (cents)	43.0	34.0	26.5%
Final dividend per share (cents) [i]	50.0	50.0	-
Special dividend per share (cents) [i]	10.0	-	n.m.
Total dividend per share (cents)	**103.0**	**84.0**	**22.6%**

[i] Final 2018 dividend and special dividend payable on 12 October 2018 will be fully franked.

Certain comparatives have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

Refer to Appendix Three for analysis of profit for the period from discontinued operations.

SALES SUMMARY - FY18

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Continuing operations			
Australian Food	37,379	35,836	4.3%
Endeavour Drinks	8,271	7,913	4.5%
New Zealand Food	5,898	5,843	0.9%
New Zealand Food (NZD)	*6,396*	*6,188*	*3.4%*
BIG W	3,566	3,542	0.7%
Hotels	1,612	1,553	3.7%
EziBuy	-	154	n.m.
Sales from continuing operations	**56,726**	**54,841**	**3.4%**
Discontinued operations			
Home Improvement	-	903	n.m.
Petrol	4,784	4,640	3.1%
Sales from discontinued operations	**4,784**	**5,543**	**n.m.**
Group sales continuing and discontinued operations	**61,510**	**60,384**	**1.9%**

BUSINESS PERFORMANCE

Earnings/(loss) before interest and tax (EBIT/LBIT)

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Continuing operations			
Australian Food	1,757	1,603	9.6%
Endeavour Drinks	516	503	2.8%
New Zealand Food	262	292	(10.4)%
New Zealand Food (NZD)	*284*	*309*	(8.2)%
BIG W	(110)	(151)	(26.9)%
Hotels	259	233	11.1%
Central overheads	(136)	(154)	(11.7)%
EBIT from continuing operations	**2,548**	**2,326**	**9.5%**
Discontinued operations			
Home Improvement	27	159	n.m.
Petrol	168	158	7.1%
EBIT from discontinued operations	**195**	**317**	**n.m.**
Group EBIT continuing and discontinued operations	**2,743**	**2,643**	**3.8%**

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GROUP TRADING PERFORMANCE

Sales from continuing operations were $56,726 million, an increase of 3.4% in FY18. Sales growth of 4.3% and 4.5% in Australian Food and Endeavour Drinks respectively was the major driver of the Group's sales increase.

FY18 sales by quarter is provided in Appendix Four.

Gross profit from continuing operations as a percentage of sales increased 41 bps on the prior year to 29.5% driven primarily by the gross profit improvement in Australian Food.

Cost of doing business (CODB) from continuing operations as a percentage of sales increased 16 bps on the prior year to 25.0% primarily due to an increase in Australian Food investment in strategic initiatives and higher depreciation.

EBIT from continuing operations increased 9.5% on the prior year to $2,548 million, driven by a 9.6% increase in Australian Food.

Net financing costs decreased 20.6% on the prior year due to the continued reduction in net debt.

NPAT from continuing operations attributable to equity holders of the parent entity increased by 12.9% on the prior year to $1,605 million, with corresponding EPS up 11.4% to 123.4 cents.

On a statutory basis, the NPAT attributable to equity holders of the parent entity was $1,724 million, an increase of 12.5%. The corresponding EPS of 132.6 cents increased 11.1% on the prior year.

AUSTRALIAN FOOD

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales	**37,379**	**35,836**	**4.3%**
EBITDA	**2,430**	**2,221**	**9.4%**
Depreciation and amortisation	(673)	(618)	8.9%
EBIT	**1,757**	**1,603**	**9.6%**
Gross margin (%)	29.1	28.5	63 bps
Cost of doing business (%)	24.4	24.0	41 bps
EBIT to sales (%)	4.7	4.5	23 bps
Sales per square metre ($)	**16,435**	**15,974**	**2.9%**
Funds employed	1,215	1,071	13.4%
Return on average funds employed (ROFE) (%)	170.7	166.1	4.6 pts

OPERATING METRICS

YEAR ON YEAR (%)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)	Q2'18 (13 WEEKS)	Q1'18 (14 WEEKS)
Customer metrics				
Overall Customer Satisfaction (including Online)	81%	81%	82%	79%
Store-controllable VOC	84%	84%	84%	82%
Sales productivity metrics	**Easter-adjusted**	**Easter-adjusted**		
Total sales	3.1%	4.2%	5.1%	4.7%
Comparable sales	3.1%	4.0%	5.0%	4.9%
Volume productivity metrics	**Easter-adjusted**	**Easter-adjusted**		
Comparable transaction growth (%)	3.6%	4.1%	4.4%	4.6%
Comparable items per basket (%)	1.0%	0.0%	0.6%	1.4%
Comparable item growth (%)	4.6%	4.1%	5.0%	6.0%
Change in average prices				
Total	(2.3)%	(1.3)%	(1.6)%	(2.4)%
Total excluding Tobacco	(4.0)%	(2.8)%	(3.2)%	(4.0)%

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TRADING PERFORMANCE

Australian Food's customer scores improved over the year with Overall Customer Satisfaction (including Online) in June increasing to 81% (FY17: 77%) and store-controllable VOC increasing to 84% (FY17: 80%). Both were in line with Q3'18 despite an impact from the removal of single-use plastic bags at the end of June.

All eight store-controllable VOC measures improved compared to the prior year. Ease of Pick up (+12 pts), Fruit & Vegetables (+8 pts) and On-shelf Availability (+4 pts) delivered the biggest improvement but continue to offer the most upside. In FY19, customer feedback measures will be broadened to include Net Promoter Score as part of short-term incentives, to better align with our ambition to provide a 'consistently good' shopping experience for our customers.

Australian Food sales of $37.4 billion increased 4.3% on the previous year, with comparable sales also increasing by 4.3%. Comparable customer transaction growth of 4.2% and an improvement in items per basket drove comparable item growth of 5.0% for the full year. Despite cycling strong prior year growth, we achieved comparable sales growth (Easter-adjusted) of 3.1% in Q4'18 with sales growth impacted somewhat by lower infant formula sales along with significant fruit and vegetable deflation.

Metro delivered double-digit comparable sales and we opened our new concept store in Pitt Street Mall, Sydney on 20 June. At the end of the financial year, there were 33 Metro branded stores with a further 15 small Woolworths Supermarkets now managed by the Metro team.

The continued digital and data investment in **WooliesX** over the past year has delivered positive results with Online VOC scores improving 6 pts to 79% at the end of June and Rewards VOC improving 9 pts to 71%. Online sales in FY18 totalled $1.1 billion growing over 30%. By the end of the year, online penetration exceeded 3% of Australian Food sales. Online sales benefitted from the successful rollout and ongoing improvement in our Pick up offer to over 1,000 locations in FY18 with Pick up sales increasing 119% and now representing approximately a quarter of total online sales.

Australian Food sales per square metre increased by 2.9% to $16,435, driven largely by strong comparable sales growth. During the year we opened 17 new stores including 11 supermarkets and six Metros (of which two were former Thomas Dux stores), and we closed seven ending the year with 1,008 Woolworths Supermarkets and Metro stores. Average space growth for the year was 1.4%.

Average prices declined by 1.9% in FY18 with lower prices translating into an improvement in price perception. Average price deflation increased in the fourth quarter to 2.3% largely due to lower fruit and vegetable prices (-9.7%) as we cycled fruit and vegetable inflation in Q4'17. Excluding fruit and vegetable deflation, average price deflation was 1.1% for the fourth quarter.

The focus on improving overall price trust for customers has continued through lowering shelf prices and a shift from promotional pricing to trusted everyday low prices. At the end of June, over 4,800 products were on Low Price Always or Prices Dropped programs, an increase of around 1,500 compared to the end of FY17.

Gross margin increased by 63 bps to 29.1%, primarily due to ongoing improvements in stock loss, our meat operating model, product mix and promotional effectiveness.

CODB as a percentage of sales increased 41 bps to 24.4% as we invested to drive sales and gross margin and initiatives to support our long-term growth. Outside of volume and inflation increases, cost growth in FY18 was primarily a function of investment in three key areas:

- **Costs associated with strategic investments:** Approximately $130 million was on a range of strategic initiatives in FY18 including building digital and data capability in WooliesX and supply chain investments to drive benefits in the year and future years
  - One-off costs of $35 million were incurred due to strategic decisions to exit Meat manufacturing and other Supply Chain network facilities. This will deliver material benefits in future years as the business transitions to a new automated distribution centre in Melbourne (MSRDC) in FY19, a new Queensland secondary meat processing facility in FY20 and a new Fresh distribution centre in Victoria in FY21
  - In addition to online sales growth, WooliesX investment led to an increase in Rewards members to 10.9 million at the end of June and a lift in card scan rate by 2.8 pts. Critically, the underlying digital infrastructure was also upgraded to improve the overall digital user experience
  - Store-based strategic investments included Customer 1st Ranging which supported strong sales growth, a 3 pt improvement in Range VOC to 77%, as well as the Availability program (including Lost Sales Measure technology) which contributed to improvements in store efficiency and a 4 pt improvement in Availability VOC
  - Depreciation increased by $55 million (+8.9%) as a result of increased spend on store IT investments and Renewals
- **Customer-driven impacts:** Approximately $60 million of incremental costs resulted from evolving customer needs and shopping patterns, including increased trading on weekends (weekend VOC improved from 77% to 81%), Fresh unit growth ahead of sales and online sales growth of over 30%
- **Structural inflation:** Approximately $30 million was as a result of increases in underlying electricity costs and transaction costs as customers migrate from cash and EFTPOS into credit and tap tender types, which incur higher fees

Despite these investments, EBIT increased 9.6% to $1,757 million, a 4.7% EBIT margin for the year. Second half EBIT increased by 19 bps or 8.1% at a margin of 4.7%. ROFE increased by 4.6 pts with strong EBIT growth more than offsetting an increase in average funds employed.

Funds employed increased by 13.4% at year-end due to higher investment in Renewals, digital, 1POS, and the new MSRDC.

ENDEAVOUR DRINKS

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales	**8,271**	**7,913**	**4.5%**
EBITDA	**603**	**588**	**2.7%**
Depreciation and amortisation	(87)	(85)	3.1%
EBIT	**516**	**503**	**2.8%**
Gross margin (%)	23.1	23.1	2 bps
Cost of doing business (%)	16.9	16.7	13 bps
EBIT to sales (%)	6.2	6.4	(11) bps
Sales per square metre ($)	**18,155**	**17,917**	**1.3%**
Funds employed	3,214	3,017	6.5%
ROFE (%)	17.1	16.9	15 bps

OPERATING METRICS

YEAR ON YEAR (%)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)	Q2'18 (13 WEEKS)	Q1'18 (14 WEEKS)
Sales productivity metrics	**Easter-adjusted**	**Easter-adjusted**		
Total sales	4.0%	4.3%	5.8%	3.8%
Comparable sales	2.8%	3.3%	4.7%	3.3%

Certain comparatives in the above tables have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

TRADING PERFORMANCE

Endeavour Drinks sales increased by 4.5% to $8.3 billion in FY18 with comparable sales increasing 3.6%. BWS and Dan Murphy's both delivered solid sales growth driven by effective execution of seasonal events and a significant contribution from attached BWS stores.

Dan Murphy's maintained its market leading NPS and Dan Murphy's and BWS both strengthened key VOC metrics during the year.

Dan Murphy's sales growth was supported by eight new stores and strong double-digit sales growth in online. In the second half of the year, Dan Murphy's launched a new online website allowing customers faster and easier access. This has increased visits and online sales conversion. Dan Murphy's premium wine customers are experiencing an enhanced service offering through increased partnership with the Langton's wine broking business.

BWS had a pleasing year driven by its range segmentation and participation in the Rewards program. It opened 18 net new stores in FY18 bringing the network to 1,316 stores, with a successful trial of the store renewal program's integrated formats. There is a strong focus on customer convenience with the acquisition of Jimmy Brings during the year adding to the rollout of express delivery services from stores.

Endeavour Drinks sales per square metre increased by 1.3% with total sales growth of 4.5%, offset by net average space growth of 3.2%.

Endeavour Drinks' gross margin was flat at 23.1% with margin improvements in BWS wine and spirits categories offset by a change in sales mix and a minor reclassification of costs between gross margin and CODB.

CODB as a percentage of sales increased by 13 bps but was broadly flat compared to the prior year excluding the $8.4m gain on the sale of a business in FY17. EBIT increased 2.8% to $516 million in FY18, and excluding the prior year gain on sale, EBIT growth was 4.7%.

ROFE improved by 15 bps driven by continued improvement in working capital more than offsetting the impact of new store openings.

NEW ZEALAND FOOD[1]

NZ$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales	**6,396**	**6,188**	**3.4%**
EBITDA	**411**	**427**	**(3.6)%**
Depreciation and amortisation	(127)	(118)	8.8%
EBIT	**284**	**309**	**(8.2)%**
Gross margin (%)	24.2	24.2	(1) bps
Cost of doing business (%)	19.7	19.2	56 bps
EBIT to sales (%)	4.4	5.0	(56) bps
Sales per square metre ($)	**15,531**	**15,046**	**3.2%**
Funds employed	2,998	2,934	2.2%
ROFE (%)	9.5	10.5	(100) bps

OPERATING METRICS

YEAR ON YEAR (%)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)	Q2'18 (13 WEEKS)	Q1'18 (14 WEEKS)
Sales productivity metrics	Easter-adjusted	Easter-adjusted		
Total sales	2.5%	3.7%	4.0%	3.2%
Comparable sales	3.7%	3.8%	3.3%	2.7%
Volume productivity metrics	Easter-adjusted	Easter-adjusted		
Comparable transaction growth (%)	3.4%	4.3%	2.8%	1.5%
Comparable items per basket (%)	0.6%	(1.8)%	(1.8)%	(1.0)%
Comparable item growth (%)	4.0%	2.5%	1.0%	0.5%
Change in average prices	(1.8)%	(1.1)%	(0.1)%	0.1%

Certain comparatives in the above tables have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

TRADING PERFORMANCE

New Zealand Food's sales for the year were NZ$6.4 billion, an increase of 3.4% on the previous year (0.9% increase in AUD). Comparable sales also increased 3.4% for the year as planned investments drove core business sales momentum. This was the strongest comparable sales performance in seven years.

Higher comparable sales growth was consistent across the year and benefitted from previously announced key initiatives including investments in store team hours, Fruit & Vegetables and digital. Double-digit online growth accelerated further in the year due to an expanded delivery capacity, reduced delivery fees and the launch of free Pick up for orders over $50, with Online VOC scores improving over the year. In the second half of the year we established CountdownX to ensure that New Zealand Food maintains its leadership position in online and further enhances its digital and data capabilities.

Whilst Q4'18 comparable sales remained strong at 3.7%, total sales (+2.5%) were impacted by the scheduled closure of three Countdown stores in the second half. Deflation also accelerated in Q4'18 with a 1.8% decline in average prices, largely driven by lower Fruit & Vegetable and Grocery prices. There are now over 4,500 products on the Price Down program.

Gross margin was relatively unchanged on the prior year with further improvements in stock loss through store ranging and process excellence initiatives offsetting increased price investment.

CODB as a percentage of sales increased 56 bps on the previous year driven by investment in the store team to improve the customer experience and further strengthen digital capability, with the result that EBITDA and EBIT decreased 3.6% and 8.2% respectively.

ROFE declined by 100 bps in FY18 to 9.5% largely due to the reduction in EBIT following the investments detailed above.

PORTFOLIO BUSINESSES – BIG W

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales	**3,566**	**3,542**	**0.7%**
LBITDA	**(30)**	**(72)**	**(57.3)%**
Depreciation and amortisation	(80)	(79)	0.3%
LBIT	**(110)**	**(151)**	**(26.9)%**
Gross margin (%)	31.7	31.3	43 bps
Cost of doing business (%)	34.8	35.6	(74) bps
LBIT to sales (%)	(3.1)	(4.2)	117 bps
Sales per square metre ($)	**3,369**	**3,345**	**0.7%**
Funds employed	502	514	(2.3)%
ROFE (%)	(23.3)	(31.6)	8.3 pts

OPERATING METRICS

YEAR ON YEAR (%)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)	Q2'18 (13 WEEKS)	Q1'18 (14 WEEKS)
Sales productivity metrics	**Easter-adjusted**	**Easter-adjusted**		
Total sales	1.7%	(1.3)%	(0.1)%	2.5%
Comparable sales	2.0%	(1.2)%	0.1%	2.9%
Volume productivity metrics	**Easter-adjusted**	**Easter-adjusted**		
Comparable transaction growth (%)	2.4%	(0.1)%	1.5%	1.7%
Comparable items per basket (%)	2.4%	4.1%	2.8%	5.1%
Comparable item growth (%)	4.9%	4.0%	4.3%	6.8%

Certain comparatives in the above tables have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

TRADING PERFORMANCE

BIG W's sales of $3.6 billion for the year increased 0.7% with comparable sales increasing by 0.9%, the first year of positive comparable sales growth since FY09. Easter-adjusted Q4'18 comparable sales grew 2.0%, positively impacted by Kids, Home and seasonal apparel categories.

Lower prices, improved product ranges, changes to store experience and the evolving digital offer has led to an increase in comparable items per basket of 3.5% and customer transactions of 1.4% on last year.

By the end of FY18, BIG W had dropped prices on over 4,500 items, completed a refresh of 165 stores and increased convenience for customers with Pick up available in all stores. Ranges have been reset in line with customers' core needs with 13 Customer 1st Ranging categories introduced.

BIG W has materially improved the digital experience and the convenience offer for customers with average weekly visits to bigw.com.au up 25% on FY17. Free same day Pick up was launched across all stores, customer shopping tools were implemented (including in-store stock check), the delivery network was expanded as well as more payment options introduced, including Afterpay.

Gross profit improved by 43 bps to 31.7%, as improved sell-through and inventory management of apparel allowed for reduced levels of markdown activity in H2'18.

CODB decreased by 74 bps to 34.8% but increased on a trading basis with store cost efficiencies offset by increases in marketing and transformation costs. CODB in FY17 included an asset impairment and onerous lease provision of $35.3 million.

Funds employed declined by 2.3% primarily reflecting lower levels of inventory at the end of June, particularly in apparel.

FY18 was a year of stabilisation for BIG W with progress made on the turnaround plan, but there is still a long way to go. BIG W has started the journey to being a purpose-led organisation and the team and customers continue to be the primary focus. For the year ahead, BIG W will continue to invest in price to regain customer trust, reset ranges in-store, improve the convenience of the in-store and digital experience and improve stock availability.

BIG W opened one new store and closed three stores this year, ending FY18 at 183 stores.

PORTFOLIO BUSINESSES – HOTELS

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales	**1,612**	**1,553**	**3.7%**
EBIT	**259**	**233**	**11.1%**
Gross margin (%)	84.2	83.1	107 bps
Cost of doing business (%)	68.1	68.1	-
EBIT to sales (%)	16.1	15.0	107 bps

TRADING PERFORMANCE

Sales for the year were $1.6 billion, an increase of 3.7% on the prior year. Comparable sales increased by 3.7%. In Q4'18, Easter-adjusted comparable sales increased by 2.8%. Sales growth was driven by strong trading across all areas of the business assisted by the refurbishment of 52 venues during the year.

Gross margin increased by 107 bps due to favourable changes in business mix and better buying.

CODB as a percentage of sales was flat on the prior year due to strong cost control.

EBIT increased 11.1% to $259 million. EBIT growth was assisted by live sporting events in the first half with the second half cycling a strong trading period in the prior year.

DISCONTINUED OPERATIONS

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
Sales			
Home Improvement	-	903	n.m.
Petrol	4,784	4,640	3.1%
EBIT			
Home Improvement	27	159	n.m.
Petrol	168	158	7.1%

Certain comparatives have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

Refer to Appendix Three for analysis of profit for the period from discontinued operations.

TRADING PERFORMANCE

Petrol

Petrol sales increased by 3.1% compared to the prior year driven by higher average fuel selling prices. Comparable volumes declined by 6.5% with Q4'18 Easter-adjusted comparable volumes declining 12.7%. This was due to a 15.8% increase in fuel selling prices (Q4'18: 144.7c, Q4'17: 124.9c) leading to smaller tank fill sizes and market share losses as a result of new store growth not keeping pace with overall market growth.

Merchandise sales increased by 1.3% in FY18 compared to the prior year.

EBIT increased by 7.1%, benefitting from a reduction in depreciation in the first half following the reclassification of Petrol to 'net assets held for sale'. Adjusting for this, EBIT would have been marginally down compared to the prior year.

On 24 December 2016, Woolworths Group entered into an agreement to sell its Petrol business, comprising 527 Woolworths-owned fuel and convenience sites and 16 committed development sites, to BP for $1.785 billion. The Petrol business was classified as a discontinued operation at that time. This agreement was terminated on 24 June 2018.

On 5 July 2018, Woolworths Group announced that it entered into a long-term alliance with Caltex across convenience, wholesale food, redemption, and loyalty. Under the terms of the agreement, the four cents per litre fuel redemption offering will be expanded across 125 new sites within the Caltex network. Customers will also earn Woolworths Rewards points on fuel and merchandise purchases at over 700 Caltex sites across Australia.

Woolworths Group will provide wholesale food supply to 700 existing Caltex convenience sites and co-create a convenience offering under the Metro banner at up to 250 Caltex sites over the next six years with 50 sites planned over the next two years.

Woolworths Group also entered into a new 15-year wholesale fuel supply arrangement with Caltex. The pre-tax benefit to the Petrol business is expected to exceed $80 million per annum. In addition, on 9 July 2018, Caltex made a one-off payment of $50 million to the Group.

On 5 July 2018, Woolworths Group also announced that it would continue to pursue an exit of the Petrol business through an IPO or sale resulting in the continued presentation as a discontinued operation.

Home Improvement

On 18 January 2016, the Woolworths Group announced that it intended to exit the Home Improvement business. Consequently, the Home Improvement business was classified as a discontinued operation.

On 4 August 2017, the Joint Venture Agreement (held with a subsidiary of Lowe's Companies, Inc.) was terminated. On 11 October 2017, the sale of Hydrox for a headline sale price of $525 million to Home Investment Consortium Trust was completed.

The result of the finalisation of the exit from the Home Improvement business is not significant to the Woolworths Group result.

CENTRAL OVERHEADS

Central overheads were $136 million, a reduction of 11.7% on the prior year, which included a $12.6 million gain from property sales. In FY19, we continue to expect central overheads to be approximately $150 million per annum excluding the one-off payment of $50 million from Caltex made as part of the new fuel and convenience alliance.

GROUP BALANCE SHEET AS AT 24 JUNE 2018

$ MILLION	FY18 24 JUNE 2018	FY17 25 JUNE 2017	CHANGE
Inventory	4,233	4,207	0.6%
Trade payables	(5,316)	(5,195)	2.3%
Net investment in inventory	**(1,083)**	**(988)**	**9.6%**
Receivables	894	817	9.7%
Other creditors	(1,955)	(1,928)	1.4%
Provisions	(2,393)	(2,481)	(3.7)%
Fixed assets and investments	9,179	8,556	7.3%
Net assets held for sale	800	1,223	(34.6)%
Intangible assets	6,465	6,533	(1.0)%
Total funds employed	**11,907**	**11,732**	**1.5%**
Net tax balances	161	291	(44.7)%
Net assets employed	**12,068**	**12,023**	**0.4%**
Net repayable debt	(1,219)	(1,896)	(35.5)%
Other financial liabilities	-	(251)	n.m.
Net assets	**10,849**	**9,876**	**9.8%**
Non-controlling interests	368	350	5.1%
Shareholders' equity	10,481	9,526	10.0%
Total equity	**10,849**	**9,876**	**9.8%**
KEY RATIOS – continuing operations			
Closing inventory days (based on COGS)	37.8	38.7	(0.9)
Closing trade payable days (based on COGS)	46.2	46.7	(0.5)
ROFE	24.1%	22.3%	188 bps
ROFE– lease-adjusted	14.0%	13.1%	90 bps

Certain comparatives in the above tables have been reclassified to conform to the current period's presentation to better reflect the nature of financial position and performance of the Group. Refer to Appendix Two for further information.

Closing inventory of $4,233 million has remained broadly flat. Closing inventory days decreased to 37.8 days and average inventory days decreased 1 day to 39.0 days.

Net investment in inventory of $1,083 million was favourable to the prior year due to an increase in trade payables.

Provisions of $2,393 million decreased $88 million driven by cash utilisation of FY16 significant items provisions. Excluding Home Improvement and significant items previously recognised, provisions increased $102 million primarily due to an increase in employee entitlement provisions and provisions related to exiting Meat manufacturing and other supply chain network facilities in FY20 and FY21.

Fixed assets and investments of $9,179 million increased by $623 million. This was driven by capital expenditure of $1,950 million relating to store refurbishments, supply chain and IT infrastructure offset by depreciation and asset disposals and retirements in the ordinary course of business.

Net assets held for sale of $800 million primarily relate to Petrol and other Woolworths Group properties held for sale. The decrease on the prior year was largely as a result of the disposal of the Home Improvement business.

Net tax balances of $161 million decreased $130 million due to the movement of net tax benefits arising from provisions and accruals.

Net repayable debt of $1,219 million declined by $677 million due to strong cash generation during the year.

Other financial liabilities decreased by $251 million due to the settlement of the Hydrox Put Option liability following the sale of Home Improvement.

ROFE from continuing operations was 24.1%, an increase of 188 bps on the prior year driven by higher EBIT. Lease-adjusted ROFE increased 90 bps to 14.0%. Group ROFE was 25.0% (FY17: 25.0%).

GROUP CASH FLOW FOR THE 52 WEEKS ENDED 24 JUNE 2018

$ MILLION	FY18 (52 WEEKS)	FY17 (52 WEEKS)	CHANGE
EBITDA – continuing operations	3,651	3,364	
EBITDA – discontinued operations	195	340	
EBITDA	**3,846**	**3,704**	**3.8%**
(Reversal of impairment)/ impairment of non-financial assets	(24)	14	
Net (increase)/ decrease in inventory	(60)	305	
Net increase in trade payables	129	323	
Net decrease in provisions	(61)	(822)	
Net change in other working capital and non-cash	(55)	500	
Cash from operating activities before interest and tax	**3,775**	**4,024**	**(6.2)%**
Net interest paid	(184)	(234)	
Tax paid	(661)	(668)	
Total cash provided by operating activities	**2,930**	**3,122**	**(6.1)%**
Proceeds from the sale of property, plant and equipment and businesses and investments	372	481	
Payments for the purchase of property, plant and equipment, property development, intangible assets, investments and contingent consideration	(1,848)	(1,910)	
Other	(34)	(2)	
Total cash used in investing activities	**(1,510)**	**(1,431)**	**5.5%**
Proceeds from share issues/other	-	56	
Dividends paid (including to non-controlling interests)	(780)	(563)	
Free cash flow after equity related financing activities	**640**	**1,184**	**(46.1)%**

Cash flow from operating activities before interest and tax was $3,775 million, driven by an improvement in EBITDA of 3.8% (8.6% for continuing operations) reflecting the improved trading performance across the Group.

The **cash realisation ratio** was 101% with lower net investment in inventory compared to the FY17 financial year-end offset by the cash utilisation of provisions.

Net interest paid of $184 million decreased $50 million due to lower net debt.

Tax payments decreased marginally to $661 million for the year (FY17: $668 million) despite a higher tax expense predominately due to the reduction in the income tax instalment rate.

Proceeds from the sale of property, plant and equipment and businesses and investments were lower than the prior year due to lower proceeds from the sale of properties despite net cash proceeds of $259 million received from the disposal of Home Improvement.

Payments for the purchase of property, plant and equipment, property development, intangible assets, investments and contingent consideration was broadly in line with the prior year at $1,848 million.

Cash used in investing activities was $1,510 million, an increase of 5.5% on the prior year. Our **fixed charges cover ratio** has increased to 2.6 times compared to 2.5 times at FY17.

CAPITAL MANAGEMENT

Woolworths Group manages its capital structure with the objective of enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital. It will seek to return capital to shareholders when that is consistent with its long-term capital structure objectives and where it will enhance shareholder value. The 10 cents per share special dividend declared in addition to the 2018 final dividend is an example of this disciplined approach to capital management. Woolworths Group remains committed to a solid investment grade credit rating[2] and a number of actions can be undertaken to support the credit profile including the sale of non-core assets, further working capital initiatives and adjusting its growth capital expenditure and property leasing profile.

Financing transactions during FY18

Maturities

US$100 million (A$127 million) in US Senior Notes (private placement) were repaid early in May 2018 using surplus cash. The loan was originally maturing in April 2020.

In November 2017, A$1.3 billion of undrawn syndicated bank facilities were voluntarily cancelled as they were surplus to business requirements.

In November 2017, A$400 million bank guarantee facility matured. It was replaced with pre-financing obtained in May 2017 and increased to A$500 million. This facility is for the purpose of Woolworths Group meeting its WorkCover obligations as a 'self-insurer' by issuing bank guarantees in favour of Australian WorkCover authorities and is underpinned by the international surety market. The new facility is for a three-year commitment to November 2020 and is currently fully drawn.

Upcoming refinancing

The Group has A$500 million domestic Medium Term Notes maturing in March 2019.

NEW STORE ROLLOUT PLANS FROM CONTINUING OPERATIONS

Space rollout is supported by detailed plans for the next three to five years identifying specific sites.

	FY18 NET STORE OPENINGS (INCL. ACQUISITIONS)	MEDIUM TERM TARGET (NET)
Australian Food (including Metro)	10	10-20 new full range supermarkets per annum
New Zealand Food		
Countdown	(3)	3-4 new supermarkets per annum
Franchise stores	4	
Dan Murphy's	8	6-10 new stores per annum
BWS (including attached)	18	6-10 new stores per annum (standalone)
BIG W	(2)	Only where previously committed
Hotels (ALH Group)	(6)	Acquire as appropriate opportunities arise

OUTLOOK

Brad Banducci said: "Across the Woolworths Group, we continue to be energised by the many opportunities to transform our business to be better for customers, team members and shareholders.

"In Australian Food, sales in the first seven weeks of Q1'19 slowed as customers adjusted to the removal of single-use plastic bags, the impact of a competitor continuity program, meat and fruit and vegetable deflation and the cycling of Earn and Learn in the prior year. We expect sales momentum to improve over the course of the half and are confident that we have strong plans in place to be 'consistently good' at the fundamentals and drive further shopping differentiation relative to our competitors.

"New Zealand Food is enjoying strong core sales momentum following investments made in FY18. In FY19, we will continue to invest in CountdownX to enhance our leadership position in online.

"Endeavour Drinks is focused on evolving the business for sustainable medium-term growth through a focus on range curation, knowledgeable service and increased convenience, with further investment to enhance its digital and data capabilities planned for FY19.

"We expect continued progress from BIG W in FY19 with a further reduction in losses. However, financial performance will continue to be driven by the key Christmas trading period.

"Further capital management will be considered as part of a successful exit of the Petrol business."

Q1'19 sales release is scheduled for 1 November 2018. FY19 will be a 53-week year.

-ends-

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APPENDIX ONE: ASIC REGULATORY GUIDE 230 DISCLOSING NON-IFRS FINANCIAL INFORMATION AND GLOSSARY

The 2018 Full Year Report and dividend announcement for the 52 weeks ended 24 June 2018 contains certain non-IFRS financial measures of historical financial performance, balance sheet or cash flows. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards and may not be directly comparable with other companies' measures but are common practice in the industry in which Woolworths Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Security and Investments Commission (ASIC) in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

These measures are used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the underlying drivers of the business, performance and trends, as well as position of the Woolworths Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods (such as comparable sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Woolworths Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with the prior year. Non-IFRS measures are not subject to audit or review.

Glossary

Cash realisation ratio	Operating cash flow as a percentage of group net profit after tax before depreciation and amortisation
Comparable sales	Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from store disruption as a result of store refurbishment or new store openings
Cost of doing business (CODB)	Expenses which relate to the operation of the business
Customer 1st Ranging	Developing a clearly defined range to provide an easier shopping experience for the customer
Customer fulfilment centre	Customer fulfilment centres are dedicated online distribution centres
Fixed charges cover ratio	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
Free cash flow	Cash flow generated by the Woolworths Group after equity related financing activities including dividends
Funds employed	Net assets employed excluding net tax balances
Net assets employed	Net assets excluding net repayable debt and other financial liabilities
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of 0-10. The score is the net result of the percentage of customers providing a score of 9 or 10 (promoters) less the percentage of customers providing a score of 0-6 (detractors)
Net repayable debt	Borrowings less cash balances including debt hedging derivatives
Renewals	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
Return on Funds Employed (ROFE)	ROFE is calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed. Lease-adjusted ROFE adjusts funds employed for the present value of future lease obligations and EBIT for the implied interest on those obligations
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area

Stock loss	The value of stock written-off, wasted, stolen, cleared, marked-down or adjusted from all stores nationally (sometimes expressed as a percentage of sales)
Upgrades	A lighter upgrade typically involving a front-of-store upgrade and Produce/Bakery enhancement
Voice of Customer (VOC)	Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on a number of criteria. Expressed as the percentage of customers providing a rating of six or seven on a seven point scale
Voice of Supplier (VOS)	Bimonthly survey (six times per year) of a broad spectrum of Australian Food's suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes scored as a percentage of suppliers that provided a rating of six or seven on a seven point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of our team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions

Other non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Cash flow from operating activities before interest and tax
- Trading area
- Fixed assets and investments
- Net tax balances
- Closing trade payable days
- Change in average prices
- Easter-adjusted metrics
- Volume productivity metrics including transaction growth, items per basket and item growth
- Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)
- Free cash flow after equity related financing activities excluding dividends
- Significant items
- Net investment in inventory
- Net assets held for sale
- Closing inventory days
- Average inventory days
- Margins including gross profit, CODB and EBIT/ (LBIT)

APPENDIX TWO: RE-PRESENTATION OF PRIOR PERIOD COMPARATIVES

1. SALES

The Group has entered into significant new agency arrangements and as a result has re-presented the comparative period sales for certain legal form agency arrangements (including gift cards and telephone recharges) that have historically been presented on a gross basis, as net. The re-presentation does not have any impact on profit or loss.

FY17 quarterly sales after agency restatement

$ MILLION	Q1'17	Q2'17	Q3'17	Q4'17
Australian Food	9,202	9,238	9,144	8,252
New Zealand Food (AUD)	1,502	1,543	1,482	1,316
New Zealand Food (NZD)	*1,577*	*1,626*	*1,579*	*1,406*
BIG W	868	1,147	747	780

FY17 quarterly sales before agency restatement (previously reported)

$ MILLION	Q1'17	Q2'17	Q3'17	Q4'17
Australian Food	9,321	9,392	9,276	8,382
New Zealand Food (AUD)	1,513	1,556	1,492	1,326
New Zealand Food (NZD)	*1,588*	*1,639*	*1,589*	*1,416*
BIG W	880	1,170	757	791

2. DEPRECIATION AND AMORTISATION

Previously, depreciation and amortisation allocated to businesses by the Group in relation to central assets was included in CODB and not separately displayed as depreciation and amortisation by business. This allocated depreciation and amortisation is now displayed in each businesses' depreciation and amortisation in the current and comparative period. This change has had no impact on Group or business EBIT or Group depreciation and amortisation.

APPENDIX THREE: ANALYSIS OF PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

The profit for the Home Improvement and Petrol businesses for the reporting period are separately set out below, including comparative information:

HOME IMPROVEMENT	FY18 $M	FY17 $M
Revenue from the sale of goods	-	903
Expenses	3	(1,066)
Reversal of impairment of Home Improvement assets and store exit costs	24	573
Put option liability	-	(251)
Earnings before interest and income tax	**27**	**159**
Net financing costs	(3)	(18)
Profit before income tax	**24**	**141**
Income tax expense	(23)	(140)
Profit for the period from Home Improvement discontinued operations	**1**	**1**
PETROL		
Revenue from the sale of goods	4,784	4,640
Expenses	(4,616)	(4,482)
Earnings before interest and income tax	**168**	**158**
Net financing costs	1	-
Profit before income tax	**169**	**158**
Income tax expense	(51)	(47)
Profit for the period from Petrol discontinued operations	**118**	**111**
Total profit from discontinued operations attributable to equity holders of the parent entity	**119**	**112**

APPENDIX FOUR: QUARTERLY SALES SUMMARY

Group sales – fourth quarter

$ MILLION	Q4'18 (12 WEEKS)	Q4'17 (12 WEEKS)	CHANGE
Continuing operations			
Australian Food	8,469	8,252	2.6%
Endeavour Drinks	1,738	1,719	1.2%
New Zealand Food (AUD)	1,348	1,316	2.2%
New Zealand Food (NZD)	*1,446*	*1,406*	*2.8%*
BIG W	759	780	(2.7)%
Hotels	361	348	3.6%
EziBuy	-	39	n.m.
Sales from continuing operations	**12,675**	**12,454**	**1.8%**
Discontinued operations			
Home Improvement	-	-	-
Petrol	1,111	1,083	2.5%
Sales from discontinued operations	**1,111**	**1,083**	**2.5%**
Group sales	**13,786**	**13,537**	**1.8%**

TOTAL SALES GROWTH %	Q1'18	Q2'18	HY18	Q3'18	EAST-ADJ Q3'18	Q4'18	EAST-ADJ Q4'18	H2'18	FY18
Australian Food	4.7	5.1	4.9	4.7	4.2	2.6	3.1	3.7	4.3
Endeavour Drinks	3.8	5.8	4.8	6.9	4.3	1.2	4.0	4.1	4.5
NZ Food (AUD)	0.4	(0.6)	(0.2)	1.9	2.2	2.2	1.9	2.1	0.9
NZ Food (NZD)	*3.2*	*4.0*	*3.6*	*3.4*	*3.7*	*2.8*	*2.5*	*3.1*	*3.4*
BIG W	2.5	(0.1)	1.1	3.2	(1.3)	(2.7)	1.7	0.1	0.7
Hotels	4.1	3.9	4.0	3.3	4.0	3.6	3.0	3.7	3.7
Continuing operations	**3.7**	**3.9**	**3.8**	**4.3**	**3.4**	**1.8**	**2.7**	**3.1**	**3.4**

COMPARABLE SALES GROWTH %	Q1'18	Q2'18	HY18	Q3'18	EAST-ADJ Q3'18	Q4'18	EAST-ADJ Q4'18	H2'18	FY18
Australian Food	4.9	5.0	4.9	4.4	4.0	2.6	3.1	3.6	4.3
Endeavour Drinks	3.3	4.7	4.1	6.1	3.3	(0.2)	2.8	3.0	3.6
NZ Food (NZD)	2.7	3.3	3.0	3.5	3.8	4.0	3.7	3.8	3.4
BIG W	2.9	0.1	1.3	3.3	(1.2)	(2.3)	2.0	0.3	0.9
Hotels	4.1	3.8	4.0	3.2	3.9	3.4	2.8	3.3	3.7

APPENDIX FIVE: FIVE YEAR STORE AND TRADING AREA ANALYSIS

YEAR ENDED 24 JUNE 2018 STORES (NUMBER)	2018 FULL YEAR	2017 FULL YEAR	2016 FULL YEAR	2015 FULL YEAR	2014 FULL YEAR
Continuing operations					
NSW & ACT	**317**	312	303	292	282
QLD	**234**	234	237	230	225
VIC	**249**	244	242	234	224
SA & NT	**79**	80	84	82	80
WA	**98**	94	94	92	89
TAS	**31**	31	32	31	31
Australian Food	**1,008**	995	992	961	931
New Zealand supermarkets	**181**	184	184	177	171
Australian and New Zealand retail stores	**1,189**	1,179	1,176	1,138	1,102
Thomas Dux	**-**	3	5	9	11
Freestanding Liquor (incl. Dan Murphy's)	**398**	387	373	359	349
Attached Liquor	**560**	550	544	527	509
ALH Retail Liquor Outlets	**585**	580	569	557	544
Summergate	**2**	2	2	2	-
Woolworths Petrol [i]	**-**	-	-	513	499
Caltex/Woolworths Petrol	**-**	-	-	-	131
Total Food, Petrol & Endeavour Drinks	**2,734**	2,701	2,669	3,105	3,145
BIG W	**183**	185	186	184	182
Hotels (includes clubs)	**323**	329	331	330	329
EziBuy	**-**	-	5	5	4
Home Timber & Hardware (retail)	**-**	-	-	-	28
Masters	**-**	-	-	-	49
Total continuing operations	**3,240**	**3,215**	**3,191**	**3,624**	**3,737**
Discontinued operations					
Woolworths Petrol	**534**	531	527	-	-
Home Improvement	**-**	-	106	102	-
Total Group	**3,774**	3,746	3,824	3,726	3,737
Wholesale customer stores (continuing operations)					
Super Value and Fresh Choice	**69**	65	64	60	59
Home Timber & Hardware wholesale	**-**	-	-	-	475
Statewide Independent Wholesale	**220**	220	220	220	220
Total continuing operations	**289**	285	284	280	754
Discontinued operations (Home Timber & Hardware wholesale)	**-**	-	349	452	-
Total wholesale customer stores	**289**	285	633	732	754
Trading area (sqm) [ii]					
Australian Food	**2,281,866**	2,252,709	2,229,714	2,143,082	-
Endeavour Drinks	**460,841**	446,083	430,691	413,409	-
New Zealand Supermarkets	**405,274**	415,970	417,966	397,889	-
BIG W	**1,046,333**	1,055,838	1,061,413	1,051,159	-

[i] In 2014 three distribution centres were included in store numbers.

[ii] As a result of separating the trading performance of Australian Food & Petrol and Endeavour Drinks, we are now disclosing separate trading area for Australian Food and Endeavour Drinks. FY15 trading area has been restated on the same basis and is no longer comparable to previously reported data.

APPENDIX SIX: NEW STORES AND REFURBISHMENTS

FULL-YEAR	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Continuing operations			
Australian Food (including Metro and Thomas Dux)	17	10	69
Endeavour Drinks (including attached)	43	26	77
New Zealand Food	1	(3)	7
BIG W	1	(2)	1
Hotels	1	(6)	52
Total continuing operations	**63**	**25**	**206**
Discontinued operations			
Petrol	3	3	-
Total	**66**	**28**	**206**

FOURTH QUARTER	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Continuing operations			
Australian Food (including Metro)	2	1	26
Endeavour Drinks (including attached)	10	3	22
New Zealand Food	-	(1)	3
BIG W	-	(3)	-
Hotels	-	(3)	13
Total continuing operations	**12**	**(3)**	**64**
Discontinued operations			
Petrol	1	1	-
Total	**13**	**(2)**	**64**

ENDNOTES

n.m. Not meaningful

[1] Growth for New Zealand Food is quoted in New Zealand dollars.

[2] 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 Group's debt providers.

Click here to view the shareholder communication for these results.