

WOOLWORTHS GROUP



20 February 2019

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

APPENDIX 4D AND HALF-YEAR FINANCIAL REPORT

Attached for release to the market are:

- Appendix 4D
- 2019 Half-Year Financial Report

for the half-year ended 30 December 2018 (27 weeks).

For further information contact:

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Appendix 4D

under ASX Listing Rule 4.2A

Current reporting period
Prior corresponding period

25 June 2018 to 30 December 2018
26 June 2017 to 31 December 2017

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information

	% CHANGE		\$M
Total revenue from continuing operations	2.2	to	30,704
Profit from continuing operations after tax attributable to equity holders of the parent entity	2.1	to	920
Profit attributable to equity holders of the parent entity	1.0	to	979

Details relating to dividends¹

	CENTS PER SHARE	\$M
2018 final dividend (paid 12 October 2018)	50	657
2018 special dividend (paid 12 October 2018)	10	131
2019 interim dividend declared on 20 February 2019 ^{2,3}	45	593 ⁴

1 All dividends are fully franked at a 30% tax rate.

2 Record date for determining entitlement to the 2019 interim dividend is 1 March 2019.

3 The 2019 interim dividend is payable on or around 5 April 2019, and is not provided for at 30 December 2018.

4 Represents the anticipated dividend based on the shares on issue 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.

The Dividend Reinvestment Plan ('DRP') remains active. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. There is currently no DRP discount applied to the dividend and no limit on the number of shares that can participate in the DRP. Shares may be acquired on-market during this period to satisfy Woolworths Group Limited's obligation under the DRP.

Shares will be allocated to shareholders under the DRP for the 2019 interim dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of Woolworths Group Limited traded on the ASX over the period of 10 trading days commencing on 5 March 2019. The last date for receipt of election notices for the DRP is 4 March 2019.

NET TANGIBLE ASSETS PER SHARE

	AS AT	
	30 DECEMBER 2018	31 DECEMBER 2017
Net tangible assets per share	330.9	273.2

DETAILS OF SUBSIDIARIES AND ASSOCIATES

Entities where control was gained or lost

During the half-year ended 30 December 2018, the following entities were incorporated: Woolworths Petrol Limited (6 July 2018) and WGP No 2 Pty Limited (21 December 2018). Each of these entities is 100% owned by Woolworths Group Limited and incorporated in Australia. Control was not lost over any entities during the period.

Details of associates

	OWNERSHIP INTEREST AS AT	
	30 DECEMBER 2018	31 DECEMBER 2017
The Quantum Group Holdings Pty Limited	47.3%	47.3%
SouthTrade International Pty Ltd	25.0%	25.0%
B & J City Kitchen Pty Limited	23.0%	23.0%

OTHER

Additional Appendix 4D disclosure requirements and further information, including commentary on significant features of the operating performance, results of segments, trends in performance, and other factors affecting the results for the current period, are contained in the Half-Year Financial Report 2019, and Press Release (2019 Half-Year Results Announcement).

The consolidated financial statements contained within the Half-Year Financial Report 2019, upon which this report is based, have been reviewed by Deloitte Touche Tohmatsu.



Half-Year Financial Report 2019

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Directors' Report

This Half-Year Financial Report is presented by the directors in respect of Woolworths Group Limited (the 'Company') and the entities it controlled at the end of, or during, the half-year ended 30 December 2018 (the 'Group').

In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

THE DIRECTORS

The Directors of the Company at any time during or since the end of the half-year, and up to the date of this report, are:

Non-Executive Directors

G M Cairns (Chairman)
J R Broadbent
H S Kramer
S L McKenna
S R Perkins
K A Tesija
M J Ullmer

Executive Directors

B L Banducci (Managing Director and Chief Executive Officer)

REVIEW AND RESULTS OF OPERATIONS

Refer to 2019 Half-Year Results Announcement for the 27-week period ended 30 December 2018.

ROUNDING OF AMOUNTS

The Half-Year Financial Report is presented in Australian dollars and amounts have been rounded to the nearest million dollars, unless otherwise stated, in accordance with ASIC Corporations Instrument 2016/191.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 3.

The Half-Year Financial Report is made in accordance with a resolution of the Directors of the Company on 20 February 2019.



Gordon Cairns
Chairman



Brad Banducci
Chief Executive Officer

Auditor's Independence Declaration

Deloitte.

The Board of Directors
Woolworths Group Limited
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20 February 2019

Dear Board Members

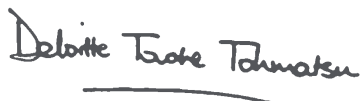
Woolworths Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Woolworths Group Limited.

As lead audit partner for the half-year review of the financial report of Woolworths Group Limited for the half-year ended 30 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A V Griffiths
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss

	NOTE	HALF-YEAR ENDED	
		30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
Continuing operations			
Revenue from the sale of goods and services		30,587	29,907
Cost of sales		(21,682)	(21,186)
Gross profit		8,905	8,721
Other revenue		117	120
Branch expenses		(5,711)	(5,677)
Administration expenses		(1,866)	(1,734)
Earnings before interest and tax		1,445	1,430
Finance costs		(71)	(82)
Profit before income tax		1,374	1,348
Income tax expense		(412)	(404)
Profit for the period from continuing operations		962	944
Discontinued operations			
Profit from discontinued operations, after tax	7	59	67
Profit for the period		1,021	1,011
Profit attributable to:			
Equity holders of the parent entity		979	969
Non-controlling interests		42	42
		1,021	1,011
Profit attributable to equity holders of the parent entity relates to:			
Profit from continuing operations		920	902
Profit from discontinued operations		59	67
		979	969
		CENTS	CENTS
Earnings per share ('EPS') attributable to equity holders of the parent entity			
Basic EPS		74.7	74.9
Diluted EPS		74.4	74.4
EPS attributable to equity holders of the parent entity from continuing operations			
Basic EPS		70.3	69.7
Diluted EPS		70.0	69.3

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Other Comprehensive Income

	HALF-YEAR ENDED	
	30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
Profit for the period	1,021	1,011
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
<i>Hedging reserve</i>		
Movement in the fair value of cash flow hedges	24	(12)
Income tax effect	(6)	3
<i>Foreign currency translation reserve</i>		
Movement in translation of foreign operations taken to equity	67	(156)
Income tax effect	(6)	17
<i>Items that will not be reclassified to profit or loss</i>		
<i>Equity instrument reserve</i>		
Movement in the fair value of investments in equity securities	(11)	4
Other comprehensive income/(loss) (net of tax)	68	(144)
Total comprehensive income for the period	1,089	867
Total comprehensive income attributable to:		
Equity holders of the parent entity	1,047	825
Non-controlling interests	42	42
	1,089	867
Total comprehensive income from continuing operations attributable to:		
Equity holders of the parent entity	988	758
Non-controlling interests	42	42
	1,030	800

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

	NOTE	AS AT		
		30 DECEMBER 2018 \$M	24 JUNE 2018 \$M	31 DECEMBER 2017 \$M
Current assets				
Cash and cash equivalents		1,618	1,273	1,688
Trade and other receivables		821	801	837
Inventories		4,752	4,233	4,558
Other financial assets		54	53	16
		7,245	6,360	7,099
Assets held for sale	8	843	821	741
Total current assets		8,088	7,181	7,840
Non-current assets				
Trade and other receivables		107	93	73
Other financial assets		622	522	443
Property, plant and equipment		9,335	9,026	8,635
Intangible assets		6,522	6,465	6,426
Deferred tax assets		215	271	366
Total non-current assets		16,801	16,377	15,943
Total assets		24,889	23,558	23,783
Current liabilities				
Trade and other payables		7,726	6,960	7,525
Borrowings		555	604	88
Current tax payable		117	110	175
Other financial liabilities		60	50	72
Provisions		1,352	1,451	1,475
		9,810	9,175	9,335
Liabilities directly associated with assets held for sale	8	207	21	21
Total current liabilities		10,017	9,196	9,356
Non-current liabilities				
Borrowings		2,316	2,199	2,709
Other financial liabilities		39	61	105
Provisions		932	942	937
Other non-current liabilities		321	311	316
Total non-current liabilities		3,608	3,513	4,067
Total liabilities		13,625	12,709	13,423
Net assets		11,264	10,849	10,360
Equity				
Contributed equity	5	6,169	6,055	5,881
Reserves		447	353	232
Retained earnings		4,267	4,073	3,878
Equity attributable to equity holders of the parent entity		10,883	10,481	9,991
Non-controlling interests		381	368	369
Total equity		11,264	10,849	10,360

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 DECEMBER 2018	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY					NON-CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M		
Balance at 25 June 2018	6,201	(146)	353	4,073	10,481	368	10,849
Profit after income tax expense	-	-	-	979	979	42	1,021
Other comprehensive income (net of tax)	-	-	68	-	68	-	68
Total comprehensive income (net of tax)	-	-	68	979	1,047	42	1,089
Dividends paid	-	-	-	(788)	(788)	(29)	(817)
Issue of shares under the dividend reinvestment plan	114	(3)	-	3	114	-	114
Issue of shares under employee long-term incentive plans	-	3	(3)	-	-	-	-
Share-based payments expense	-	-	29	-	29	-	29
Balance at 30 December 2018	6,315	(146)	447	4,267	10,883	381	11,264

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY					NON-CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M		
Balance at 26 June 2017	5,719	(104)	357	3,554	9,526	350	9,876
Profit after income tax expense	-	-	-	969	969	42	1,011
Other comprehensive income (net of tax)	-	-	(144)	-	(144)	-	(144)
Total comprehensive income (net of tax)	-	-	(144)	969	825	42	867
Dividends paid	-	-	-	(647)	(647)	(23)	(670)
Dividends received – treasury shares	-	-	-	2	2	-	2
Issue of shares under the dividend reinvestment plan	257	(2)	-	-	255	-	255
Issue of shares under employee long-term incentive plans	-	11	(11)	-	-	-	-
Share-based payments expense	-	-	30	-	30	-	30
Balance at 31 December 2017	5,976	(95)	232	3,878	9,991	369	10,360

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

	NOTE	HALF-YEAR ENDED	
		30 DECEMBER 2018 ¹ \$M	31 DECEMBER 2017 ¹ \$M
Cash flows from operating activities			
Receipts from customers		35,909	35,103
Payments to suppliers and employees		(33,422)	(32,697)
Finance costs paid		(86)	(95)
Income tax paid		(386)	(336)
Net cash provided by operating activities		2,015	1,975
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment and assets held for sale		115	35
Payments for property, plant and equipment and intangible assets		(1,002)	(876)
Proceeds from the sale of subsidiaries and investments, net of cash disposed		-	272
Payments for the purchase of businesses, net of cash acquired		(26)	(38)
Payment to Home Consortium acquisition trust		-	(251)
Repayment from Home Consortium acquisition trust		-	251
Dividends received		2	2
Net cash used in investing activities		(911)	(605)
Cash flows from financing activities			
Repayment of borrowings		(49)	(165)
Dividends paid	4	(674)	(390)
Dividends paid to non-controlling interests		(29)	(26)
Net cash used in financing activities		(752)	(581)
Net increase in cash and cash equivalents		352	789
Effect of exchange rate changes on cash and cash equivalents		4	(3)
Cash and cash equivalents at the beginning of the period		1,277	917
Cash and cash equivalents at the end of the period		1,633	1,703
AS AT			
		30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
Cash and cash equivalents (in the Consolidated Statement of Financial Position)		1,618	1,688
Cash and cash equivalents (included in Other assets within Assets held for sale)		15	15
		1,633	1,703

1 The above Consolidated Statement of Cash Flows includes both cash flows from continuing and discontinued operations. Cash flows from discontinued operations are disclosed in Note 7.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Condensed Notes to the Consolidated Financial Statements

1 BASIS OF PREPARATION

Woolworths Group Limited (the 'Company') is a for-profit company which is incorporated and domiciled in Australia. The Half-Year Financial Report of the Company is for the 27-week period ended 30 December 2018 and comprises the Company and its subsidiaries (together referred to as the 'Group'). The comparative period is the 27-week period ended 31 December 2017. The Half-Year Financial Report was authorised for issue by the Directors on 20 February 2019.

BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income, and derivative assets and liabilities at fair value through profit or loss.

The Half-Year Financial Report is presented in Australian dollars and amounts have been rounded to the nearest million dollars unless otherwise stated, in accordance with *ASIC Corporations Instrument 2016/191*.

The accounting policies and methods of computation adopted in the preparation of the Half-Year Financial Report are consistent with those adopted in the Company's Annual Report for the 52-week period ended 24 June 2018 ('2018 Annual Report'), unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Where applicable, comparative amounts have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group.

STATEMENT OF COMPLIANCE

The Half-Year Financial Report of the Group is a general purpose condensed financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* ('AASB 134') and the *Corporations Act 2001*.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Half-Year Financial Report does not include all of the information required for a full Annual Financial Report, and should be read in conjunction with the 2018 Annual Report, and any public announcements by Woolworths Group Limited and its subsidiaries during the half-year in accordance with continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules.

New and amended standards adopted by the Group

The Group adopted all relevant new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board which are effective for annual reporting periods beginning on or after 25 June 2018. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period, and are not likely to significantly affect future periods.

AASB 15 Revenue from Contracts with Customers ('AASB 15')

AASB 15 is a new standard which replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts*. AASB 15 establishes a principle-based approach for goods, services, and construction contracts, which requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to those obligations. Revenue is recognised only when the performance obligation is satisfied and the control of goods or services is transferred, typically at the point of sale.

The Group adopted AASB 15 during the current year, using the modified retrospective approach, which requires a cumulative catch-up adjustment to retained earnings and no restatement of comparative amounts. The Group performed a detailed assessment of the impact of AASB 15 in accordance with the five-step model. The timing and amount of revenue recognised was consistent with existing accounting standards as a majority of transactions are for sale of goods in store, online, or to wholesale customers, where no judgement is required in assessing when the performance obligation is satisfied and transfer of control occurs (which is at the point of sale or on delivery of goods to the customer). Accordingly, no adjustment to retained earnings has been made.

The Group disaggregates its revenue on the basis of its business units as presented in Note 2.

AASB 9 Financial Instruments ('AASB 9')

AASB 9 is a new standard which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. In previous years, the Group early adopted AASB 9 (2013), and related amendments. AASB 9 (2014) superseded AASB 9 (2013) and introduced a new expected credit loss impairment model for financial assets and a new classification and measurement category 'fair value through other comprehensive income' for certain debt and equity instruments. This amendment became effective in the current year and the Group adopted the amendment on the initial application date.

An assessment was performed on the impact of the expected credit loss impairment model and the new classification and measurement category. Based on the assessment, the Group concluded that the impact on transition to AASB 9 (2014) was not material. Accordingly, no comparative amounts have been adjusted.

1 BASIS OF PREPARATION (CONTINUED)

Issued standards and interpretations not yet adopted

AASB 16 Leases ('AASB 16')

AASB 16 will replace existing accounting requirements for leases under AASB 117 *Leases* ('AASB 117'), Interpretation 4 - *Determining whether an Arrangement contains a Lease* and Interpretation 115 *Operating Leases - Incentives*.

Under existing requirements, leases are classified based on their nature as either finance leases, which are recognised in the Consolidated Statement of Financial Position, or operating leases, which are not recognised in the Consolidated Statement of Financial Position. The Group recognises operating lease expense on a straight-line basis over the term of the leases, and recognises assets and liabilities only to the extent that there is a timing difference between actual lease payments and the expense recognised.

Under AASB 16, where the Group is a lessee, there is no distinction between operating leases and finance leases. The Group is required to recognise leases in the Consolidated Statement of Financial Position as lease assets and associated lease liabilities with the exception of short-term and low value leases for which the Group can elect to continue to account for the lease payments as an expense over the lease term. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the lease assets. The Group will assess lease assets for impairment under AASB 136 *Impairment of Assets*. In addition, the Group will no longer recognise provisions for onerous operating leases, it will include the payments due under the lease in its lease liability.

The Group's accounting for leases as a lessor remains largely unchanged under AASB 16 and the Group will therefore continue to classify leases as either finance or operating leases.

The implementation project team has made significant progress in setting accounting policy, continuing to refine the Group's assessment of the estimated impact of the standard, implementation data and system requirements, and design and communication of the impact on operations and ongoing compliance processes. The Group remains on track to adopt the new standard with effect from 1 July 2019. The project includes members from the finance, treasury, and property functions, with oversight from the Chief Financial Officer.

Transition

The Group will apply AASB 16 with effect from 1 July 2019, using the modified retrospective approach. Under this approach, the Group will recognise a lease asset calculated as if AASB 16 had always applied, and the liability will represent the outstanding liability under the lease arrangement using the incremental borrowing rate at date of transition. The difference between the asset and liability, adjusted for deferred tax, is recognised as an adjustment to opening retained earnings on 1 July 2019 with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Group can elect, on a lease by lease basis, whether to apply a number of practical expedients on transition, including the use of hindsight in determining the lease term where the contract contains options to extend the lease, or to continue to apply operating lease accounting for leases with less than 12 months remaining from the transition date. The Group is assessing the potential impact of using these practical expedients. The Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sublease.

Estimated impact of the adoption of AASB 16 as at 30 December 2018

The Group has assessed the estimated impact that AASB 16 would have had on its Consolidated Financial Statements as at 30 December 2018 (excluding discontinued operations):

ESTIMATED IMPACT ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 DECEMBER 2018

	\$BN
Recognition of lease liabilities	\$14.0 to \$15.0
Recognition of lease assets	\$11.0 to \$12.0

The net effect of the lease liabilities and lease assets, adjusted for deferred tax and the reversal of the existing straight-line lease and incentive liability, and prepayments, will be recognised in opening retained earnings.

The impact predominantly relates to the Group's property leases for retail premises, warehousing facilities, distribution centres, and support offices.

1 BASIS OF PREPARATION (CONTINUED)

Issued standards and interpretations not yet adopted (continued)

AASB 16 Leases ('AASB 16') (continued)

Estimated impact of the adoption of AASB 16 as at 30 December 2018 (continued)

The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on various factors, including the Group's borrowing rate at 1 July 2019, the composition of the Group's lease portfolio, the extent to which the Group chooses to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Group presents its first financial statements that include the date of initial application.

Operating lease commitments and non-lease components of property leases

At the end of the reporting period, the Group has non-cancellable undiscounted operating lease commitments of \$22.7 billion (including embedded non-lease components).

Under AASB 16, payments for non-lease components are excluded from the lease liability unless an election is made to combine lease and non-lease components. A material portion of the Group's leased property portfolio has non-lease components, known as property outgoings, embedded within their respective contracts. The Group will not elect to combine lease and non-lease components for its property leases. Accordingly, the calculated lease liability for property leases with an embedded non-lease component, will exclude an estimate of the standalone price of the non-lease component. At 30 December 2018, the estimated standalone price of non-lease components within operating lease commitments is \$3.7 billion.

2 SEGMENT DISCLOSURES FROM CONTINUING OPERATIONS

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Chief Executive Officer in order to allocate resources to the business unit and assess its performance. These business units offer different products and services and are managed separately.

The Group's reportable segments are as follows:

- **Australian Food** – procurement of food products for resale to customers in Australia;
- **New Zealand Food** – procurement of food and drinks for resale to customers in New Zealand;
- **Endeavour Drinks** – procurement of drinks 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 drinks, accommodation, entertainment, and gaming in Australia; and
- **Other** – consists of the Group's other operating segments that are not separately reportable as well as various support functions including property and central overhead costs.

The financial performance of the Group, in particular BIG W, is affected by seasonality whereby earnings are typically greater in the first half of the financial year due to the Christmas trading period.

There are varying levels of integration between the Australian Food, Endeavour Drinks, and Hotels reportable segments. This includes the common usage of property and services and administration functions. Inter-segment pricing is determined on an arm's length basis.

The primary reporting measure of the reportable segments is earnings before interest and tax ('EBIT') which is consistent with the way management monitor and report the performance of these segments.

Where applicable, comparative amounts have been re-presented to conform with current period internal reports reviewed by the Chief Executive Officer.

Condensed Notes to the Consolidated Financial Statements

2 SEGMENT DISCLOSURES FROM CONTINUING OPERATIONS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 DECEMBER 2018	AUSTRALIAN FOOD \$M	NEW ZEALAND FOOD \$M	ENDEAVOUR DRINKS \$M	BIG W \$M	HOTELS \$M	OTHER \$M	CONSOLIDATED CONTINUING OPERATIONS \$M
Revenue from the sale of goods and services	19,892	3,143	4,596	2,091	865	-	30,587
Inter-segment revenue	-	-	-	-	-	5	5
Segment revenue	19,892	3,143	4,596	2,091	865	5	30,592
Eliminations						(5)	(5)
Other revenue ¹						117	117
Total revenue	19,892	3,143	4,596	2,091	865	117	30,704
Earnings/(loss) before interest and tax	937	137	290	(8)	161	(72)	1,445
Finance costs							(71)
Profit before income tax							1,374
Income tax expense							(412)
Profit for the period from continuing operations							962
Depreciation and amortisation	380	59	51	42	56	23	611
Capital expenditure²	487	80	41	65	87	266	1,026

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017	AUSTRALIAN FOOD \$M	NEW ZEALAND FOOD \$M	ENDEAVOUR DRINKS \$M	BIG W \$M	HOTELS \$M	OTHER \$M	CONSOLIDATED CONTINUING OPERATIONS \$M
Revenue from the sale of goods and services	19,436	3,060	4,513	2,037	861	-	29,907
Inter-segment revenue	-	-	-	-	-	13	13
Segment revenue	19,436	3,060	4,513	2,037	861	13	29,920
Eliminations						(13)	(13)
Other revenue ¹						120	120
Total revenue	19,436	3,060	4,513	2,037	861	120	30,027
Earnings/(loss) before interest and tax	901	139	309	(10)	163	(72)	1,430
Finance costs							(82)
Profit before income tax							1,348
Income tax expense							(404)
Profit for the period from continuing operations							944
Depreciation and amortisation	341	60	46	41	53	22	563
Capital expenditure²	469	53	54	50	98	153	877

1 Other revenue is comprised of rent and revenue from non-operating activities across the Group and as such is not allocated to the reportable operating segments.

2 Capital expenditure is comprised of property, plant and equipment, and intangible asset acquisitions.

Condensed Notes to the Consolidated Financial Statements

3 IMPAIRMENT OF NON-FINANCIAL ASSETS

During the half-year ended 30 December 2018, the Group has reviewed each cash-generating unit for indications of impairment using both internal and external sources of information. This included an assessment of past and future performance against expectations, and a review of key assumptions including discount rates and growth rates.

BIG W

Consistent with the 2018 Annual Report disclosure, there are a number of risks and uncertainties associated with the execution of the BIG W turnaround plan, including adverse changes in trading conditions, the competitive landscape, and the inability of BIG W to execute the multi-year plan in line with the assumptions made. The assessment of the recoverable amount represents management's best estimate of the performance of BIG W, taking into account risks, uncertainties, and opportunities for improvement in the business. Management will continue to assess the progress of the BIG W business against these estimates and has commenced a review of the store and distribution network in the context of a challenging market. It is possible that further asset impairments and onerous lease provisions may be required in relation to the BIG W store and distribution network in future periods.

At 30 December 2018, the estimated recoverable amount of the business is higher than its carrying amount of \$410 million (31 December 2017: \$374 million). At 30 December 2018, the undiscounted lease commitments are approximately \$2.7 billion.

4 DIVIDENDS

	HALF-YEAR TO 30 DECEMBER 2018			HALF-YEAR TO 31 DECEMBER 2017		
	CENTS PER SHARE	TOTAL AMOUNT \$M	DATE OF PAYMENT	CENTS PER SHARE	TOTAL AMOUNT \$M	DATE OF PAYMENT
Prior year final	50	657	12 October 2018	50	647	6 October 2017
Prior year special	10	131	12 October 2018	-	-	n/a
Dividends paid during the period	60	788		50	647	
Issue of shares under the dividend reinvestment plan		(114)			(255)	
Dividends received - treasury shares		-			(2)	
Dividends paid in cash		674			390	

All dividends are fully franked at a 30% tax rate.

On 20 February 2019, the Board of Directors declared an interim dividend in respect of the 2019 financial year of 45 cents per share, fully franked at a 30% tax rate. The amount will be paid on or around 5 April 2019 and is expected to be \$593 million. As the dividends were declared subsequent to 30 December 2018, no provision has been made as at 30 December 2018.

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan ("DRP") remains active. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. There is currently no DRP discount applied to the dividend and no limit on the number of shares that can participate in the DRP. Shares may be acquired on-market during this period to satisfy the Company's obligation under the DRP.

Shares will be allocated to shareholders under the DRP for the 2019 interim dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of Woolworths Group Limited traded on the ASX over the period of 10 trading days commencing on 5 March 2019. The last date for receipt of election notices for the DRP is 4 March 2019.

5 CONTRIBUTED EQUITY

	HALF-YEAR TO 30 DECEMBER 2018		YEAR TO 24 JUNE 2018	
	NUMBER M	\$M	NUMBER M	\$M
SHARE CAPITAL				
1,317,416,960 fully paid ordinary shares (24 June 2018: 1,313,323,941)				
<i>Movement:</i>				
Balance at the beginning of the period	1,313.3	6,201	1,294.4	5,719
Issue of shares as a result of the DRP	4.1	114	18.9	482
Balance at the end of the period	1,317.4	6,315	1,313.3	6,201
SHARES HELD IN TRUST				
<i>Movement:</i>				
Balance at the beginning of the period	(4.9)	(146)	(3.4)	(104)
Issue of shares under employee long-term incentive plans	0.1	3	0.5	18
Shares acquired as a result of DRP	(0.1)	(3)	(2.0)	(60)
Balance at the end of the period	(4.9)	(146)	(4.9)	(146)
Contributed equity at the end of the period	1,312.5	6,169	1,308.4	6,055

6 COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments of the Group at the reporting date are as follows:

	AS AT	
	30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
<i>Estimated capital expenditure under firm contracts, payable:</i>		
Not later than one year	512	481
Later than one year, not later than two years	-	3
Later than two years, not later than five years	-	-
	512	484

7 DISCONTINUED OPERATIONS

Petrol

On 9 November 2018, the Group entered into an agreement to sell its Petrol business, comprising 540 fuel convenience sites, to EG Group for \$1.725 billion. As part of the transaction, the Group entered into a commercial alliance with EG Group covering fuel discount redemption, loyalty, and wholesale product supply for up to 15 years. In accordance with the terms of the agreement, customers will be able to redeem the four cents per litre fuel discount, and earn Woolworths Rewards points on fuel and merchandise purchases, at fuel convenience sites owned or operated by EG Group. The Group will also commence wholesale product supply to these fuel convenience sites. The transaction is subject to Foreign Investment Review Board approval. Completion is expected to occur in the second half of the financial year.

Condensed Notes to the Consolidated Financial Statements

7 DISCONTINUED OPERATIONS (CONTINUED)

Analysis of profit for the period from discontinued operations

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

	HALF-YEAR ENDED	
	30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
PETROL		
Revenue from the sale of goods	2,579	2,458
Expenses	(2,495)	(2,363)
Earnings before interest and tax^{1,2}	84	95
Finance income	-	-
Profit before income tax	84	95
Income tax expense	(25)	(29)
Profit for the period from Petrol discontinued operations	59	66
HOME IMPROVEMENT		
Revenue from the sale of goods	-	-
Expenses	-	3
Reversal of impairment of Home Improvement assets and store exit costs	-	24
Earnings before interest and tax	-	27
Finance costs	-	(3)
Profit before income tax	-	24
Income tax expense	-	(23)
Profit for the period from Home Improvement discontinued operations	-	1
Total profit from discontinued operations attributable to equity holders of the parent entity	59	67

- 1 Included in the Petrol EBIT for the half-year ended 30 December 2018 are overhead and other costs of \$9 million to \$12 million (half-year ended 31 December 2017: \$9 million to \$12 million) that are expected to remain with the Group following the sale. A portion of these costs may be recovered in the short-term under the Transition Services Arrangement. The Group plans to minimise the impact of these costs going forward.
- 2 Included in the Petrol EBIT for the half-year ended 30 December 2018 is the cost of funding the full 4cpl fuel discount offer of \$30 million (half-year ended 31 December 2017: \$34 million).

Cash flows from/(used in) discontinued operations

Cash flows from/(used in) discontinued operations (the Petrol and Home Improvement businesses) during the period are set out below:

	HALF-YEAR ENDED	
	30 DECEMBER 2018 \$M	31 DECEMBER 2017 \$M
PETROL		
Net cash inflow from operating activities	29	13
Net cash outflow from investing activities	(18)	(6)
Net cash inflow from financing activities	-	-
	11	7
HOME IMPROVEMENT		
Net cash outflow from operating activities	-	(41)
Net cash outflow from investing activities	-	(69)
Net cash inflow from financing activities	-	-
	-	(110)

Condensed Notes to the Consolidated Financial Statements

8 ASSETS HELD FOR SALE

The assets and liabilities relating to the Petrol business, and other Group properties, have been classified as held for sale.

	AS AT	
	30 DECEMBER 2018 \$M	24 JUNE 2018 \$M
Property, plant and equipment	687	666
Other assets	156	155
Total assets held for sale	843	821
<hr/>		
Trade and other payables	171	-
Provisions	36	21
Total liabilities directly associated with assets held for sale	207	21

9 CONTINGENT LIABILITIES

The Group has provided the following guarantees however the probability of having to make a payment under these guarantees is considered remote:

- Guarantees in the normal course of business relating to conditions set out in development applications and for the sale of properties; and
- Guarantees against workers' compensation self-insurance liabilities as required by State WorkCover authorities. The guarantees are based on independent actuarial advice of the outstanding liability.

No provision has been made in the financial statements in respect of these contingent liabilities, however there is a provision of \$589 million for self-insured risks (24 June 2018: \$596 million), which includes liabilities relating to workers' compensation claims, that has been recognised in Provisions in the Consolidated Statement of Financial Position at the reporting date.

10 SUBSEQUENT EVENTS

At the date of this report, other than the items disclosed throughout this Half-Year Financial Report, there have not been any other matters or circumstances occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors.



Gordon Cairns
Chairman

20 February 2019



Brad Banducci
Chief Executive Officer

Independent Auditor's Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WOOLWORTHS GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Woolworths Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the Consolidated Statement of Financial Position as at 30 December 2018, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated group's financial position as at 30 December 2018 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Woolworths Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

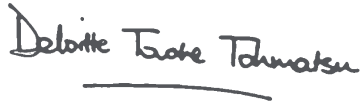
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Woolworths Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Independent Auditor's Review Report

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Woolworths Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated group's financial position as at 30 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



A V Griffiths

Partner

Chartered Accountants

Sydney, 20 February 2019

Condensed five year summary

PROFIT OR LOSS

		HALF-YEAR ENDED				
		30 DECEMBER 2018 27 WEEKS	31 DECEMBER 2017 27 WEEKS	1 JANUARY 2017 27 WEEKS	3 JANUARY 2016 27 WEEKS	4 JANUARY 2015 27 WEEKS
Continuing operations before significant items¹						
Sales ²	\$m	30,587	29,907	28,816	28,066	31,249
Cost of goods sold ²	\$m	(21,682)	(21,186)	(20,500)	(19,997)	(22,657)
Gross profit	\$m	8,905	8,721	8,316	8,069	8,592
<i>Gross profit margin²</i>	%	29.1	29.2	28.9	28.8	27.5
Cost of doing business ('CODB')	\$m	(7,460)	(7,291)	(7,015)	(6,546)	(6,360)
<i>CODB margin²</i>	%	24.4	24.4	24.3	23.3	20.4
Selling, general and administration expenses (excluding rent, depreciation and amortisation)	\$m	(5,770)	(5,660)	(5,443)	(5,039)	(4,871)
EBITDAR	\$m	3,135	3,061	2,873	3,030	3,721
<i>EBITDAR margin²</i>	%	10.2	10.2	10.0	10.8	11.9
Rent (including fitout rent)	\$m	(1,079)	(1,068)	(1,047)	(1,013)	(992)
EBITDA	\$m	2,056	1,993	1,826	2,017	2,729
<i>EBITDA margin²</i>	%	6.7	6.7	6.3	7.2	8.7
Depreciation and amortisation	\$m	(611)	(563)	(525)	(494)	(497)
EBIT	\$m	1,445	1,430	1,301	1,523	2,232
<i>EBIT margin²</i>	%	4.7	4.8	4.5	5.4	7.1
Finance costs	\$m	(71)	(82)	(99)	(113)	(122)
Woolworths Notes interest	\$m	-	-	(14)	(20)	(21)
Profit before tax and significant items¹	\$m	1,374	1,348	1,188	1,390	2,089
Income tax expense	\$m	(412)	(404)	(368)	(417)	(628)
Profit after tax and before significant items¹	\$m	962	944	820	973	1,461
Discontinued operations before significant items^{1,3}						
Profit/(loss) after tax and before significant items ^{1,3}	\$m	59	67	(82)	(47)	(73)
Group net profit after tax before significant items¹	\$m	1,021	1,011	738	926	1,388
Significant items after tax ¹	\$m	-	-	-	(3,014)	(104)
Group net profit/(loss) after tax	\$m	1,021	1,011	738	(2,088)	1,284
Non-controlling interests	\$m	(42)	(42)	(34)	1,115	(4)
Profit/(loss) attributable to equity holders of the parent entity after tax	\$m	979	969	704	(973)	1,280

* The five year summary has been condensed to include financial information and metrics considered key to the Half-Year Financial Report. The full version of the five year summary can be found on the Woolworths Group Limited website. Visit www.woolworthsgroup.com.au

Condensed five year summary

BALANCE SHEET

		AS AT				
		30 DECEMBER 2018 27 WEEKS	31 DECEMBER 2017 27 WEEKS	1 JANUARY 2017 27 WEEKS	3 JANUARY 2016 27 WEEKS	4 JANUARY 2015 27 WEEKS
Inventory	\$m	4,752	4,558	4,536	4,923	4,835
Trade payables	\$m	(6,074)	(5,784)	(5,854)	(5,385)	(4,449)
Net investment in inventory	\$m	(1,322)	(1,226)	(1,318)	(462)	386
Receivables	\$m	928	910	871	1,071	1,059
Other creditors and provisions	\$m	(4,257)	(4,468)	(5,049)	(4,586)	(3,268)
Fixed assets and investments	\$m	9,477	8,777	7,999	8,842	9,906
Net assets held for sale	\$m	636	720	1,294	360	287
Intangible assets	\$m	6,522	6,426	6,564	6,254	6,432
Total funds employed⁴	\$m	11,984	11,139	10,361	11,479	14,802
Net tax balances	\$m	98	191	489	1,094	553
Net assets employed	\$m	12,082	11,330	10,850	12,573	15,355
Cash and borrowings ⁵	\$m	(1,253)	(1,109)	(1,840)	(3,522)	(3,350)
Other financial assets and liabilities ⁶	\$m	435	139	352	358	(819)
Total net assets	\$m	11,264	10,360	9,362	9,409	11,186
Non-controlling interests	\$m	381	369	340	321	303
Shareholders' equity	\$m	10,883	9,991	9,022	9,088	10,883
Total equity	\$m	11,264	10,360	9,362	9,409	11,186
ROFE - group before significant items ^{1,7}	%	24.6	28.1	20.1	22.6	-
ROFE - continuing operations ⁷	%	24.1	24.0	-	-	-
Return on equity - continuing and discontinued operations before significant items ⁸	%	9.2	9.9	7.9	10.2	12.7

* The five year summary has been condensed to include financial information and metrics considered key to the Half-Year Financial Report. The full version of the five year summary can be found on the Woolworths Group Limited website. Visit www.woolworthsgroup.com.au

Condensed five year summary

CASH FLOW

	HALF-YEAR ENDED				
	30 DECEMBER 2018 27 WEEKS \$M	31 DECEMBER 2017 27 WEEKS \$M	1 JANUARY 2017 27 WEEKS \$M	3 JANUARY 2016 27 WEEKS \$M	4 JANUARY 2015 27 WEEKS \$M
Continuing and discontinued operations³					
EBITDA	2,140	2,115	1,801	(1,230)	2,516
Movement in net investment in inventory	409	233	912	(273)	(446)
Other operating cash flows and other non-cash ⁹	(62)	58	45	3,526	208
Net interest paid	(86)	(95)	(133)	(151)	(171)
Tax paid	(386)	(336)	(429)	(619)	(599)
Net cash provided by operating activities	2,015	1,975	2,196	1,253	1,508
Payments for property, plant, equipment and intangible assets	(1,002)	(876)	(755)	(855)	(925)
Proceeds on disposal of property, plant and equipment, subsidiaries and investments	115	307	369	273	673
Other investing cash flows	(24)	(36)	-	(17)	(82)
Net cash used in investing activities	(911)	(605)	(386)	(599)	(334)
New shares issued	-	-	56	-	7
Issue of subsidiary shares to non-controlling interests	-	-	-	120	120
Movement in gross debt	(49)	(165)	(1,113)	(282)	125
Dividends paid	(674)	(390)	(266)	(802)	(796)
Dividends paid to non-controlling interests	(29)	(26)	(5)	(17)	(1)
Transactions with non-controlling interests	-	-	-	(12)	(14)
Net cash used in financing activities	(752)	(581)	(1,328)	(993)	(559)
Net increase/(decrease) in cash and cash equivalents	352	789	482	(339)	615

SHAREHOLDER VALUE AND FINANCIAL STRENGTH

		30 DECEMBER 2018 27 WEEKS	31 DECEMBER 2017 27 WEEKS	1 JANUARY 2017 27 WEEKS	3 JANUARY 2016 27 WEEKS	4 JANUARY 2015 27 WEEKS
Shareholder value						
Ordinary share price closing	\$	29.55	27.30	24.10	24.50	30.63
Market capitalisation	\$bn	38.8	35.5	31.0	31.1	38.7
Weighted average shares on issue	m	1,310.0	1,294.3	1,282.1	1,261.8	1,254.9
Basic EPS - continuing operations before significant items ¹	cents per share	70.3	69.7	61.3	74.8	114.2
Interim dividend	cents per share	45.0	43.0	34.0	44.0	67.0
Payout ratio before significant items ¹	%	60.6	57.9	62.2	60.4	61.1
Financial strength						
Fixed charges cover ¹⁰	times	2.7	2.7	2.4	2.5	3.1

* The five year summary has been condensed to include financial information and metrics considered key to the Half-Year Financial Report. The full version of the five year summary can be found on the Woolworths Group Limited website. Visit www.woolworthsgroup.com.au

Condensed five year summary

Notes to five year summary

- 1 Significant items represent:
 - In 2016, costs of \$951 million before tax from continuing operations (\$760 million after tax, \$749 million attributable to equity holders of the parent entity and \$11 million attributable to non-controlling interests) relating to the Operating model and strategic changes, Store network optimisation and property rationalisation, and BIG W impairment;
 - In 2016, costs of \$3,063 million before tax from discontinued operations (\$2,993 million after tax, \$1,878 million attributable to equity holders of the parent entity and \$1,115 million attributable to non-controlling interests) relating to impairment of Home Improvement assets and related store exit costs;
 - In 2015, costs of \$426 million before tax (\$308 million after tax, \$307 million attributable to equity holders of the parent entity and \$1 million attributable to non-controlling interests) relating to the General Merchandise transformation, Business transformation, Redundancy, and Property portfolio review. Note \$3 million of this significant item related to discontinued operations.
- 2 The Group has entered into significant new agency arrangements. As a result, the Group has re-presented the comparative period sales for certain legal form agency arrangements, that have historically been presented on a gross basis, as net.
- 3 Discontinued operations consist of the following:
 - For statutory reporting, the Petrol business was reported as a discontinued operation from 2017. For comparative purposes, with the exception of the balance sheet, 2016 has been restated to report Petrol as a discontinued operation;
 - The Home Improvement business was reported as a discontinued operation from 2016. For comparative purposes, with the exception of the balance sheet, 2015 has been restated to show Home Improvement as a discontinued operation.
- 4 Total funds employed is net assets excluding net tax balances, cash and borrowings, other financial liabilities, and assets and liabilities as a result of hedging per AASB 9 *Financial Instruments*.
- 5 Cash and borrowings is gross debt less cash on hand, cash at bank, and cash on short term deposit.
- 6 Other financial assets and liabilities primarily represent put options held by non-controlling interests, Hotels gaming entitlement liability, Hills Licence, and assets and liabilities as a result of hedging per AASB 9 *Financial Instruments*.
- 7 Return on funds employed ('ROFE') is calculated as EBIT for the previous 12 months as a percentage of average (opening, mid, and closing) funds employed. ROFE before significant items is calculated as EBIT for the previous 12 months before significant items as a percentage of average funds employed. Due to a change in the Group's income tax accounting policy in 2017, the Group is required to 'gross up' the balance sheet for goodwill and deferred tax liabilities in relation to historic purchases of indefinite useful life intangibles (2016-2019: \$612m). This change does not impact profit or loss and has been excluded from the ROFE calculation.
- 8 Return on equity is profit after income tax (before significant items) attributable to shareholders, divided by average (of opening and closing) shareholders' equity for the period.
- 9 Other operating cash flows and other non-cash in 2016 includes \$3,790 million of significant items recognised in relation to the impairment of Home Improvement assets and related store exit costs.
- 10 Fixed charges cover is EBITDAR (before significant items) divided by rent and interest costs. Rent and interest costs include capitalised interest, but exclude foreign exchange gains/losses and dividend income.

Certain comparative amounts have been reclassified to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group.

Ratios are calculated based on unrounded figures.