

PRELIMINARY FINAL REPORT OF WOOLWORTHS LIMITED FOR THE FINANCIAL YEAR ENDED

29 JUNE 2014

ABN 88 000 014 675

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

Current Reporting Period: Financial Year ended 29 June 2014 (52 weeks)

Previous Corresponding Period: Financial Year ended 30 June 2013 (53 weeks)

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

Revenue and Net Profit

		Percentage Change %		Amount \$m
Revenue from continuing operations	up	3.9	to	61,194.9
Revenue from discontinued operations	down	100.0	to	nil
Total Group revenue from ordinary activities	up	2.7	to	61,194.9
Profit from continuing operations after tax attributable to members ¹	up	9.0	to	2,451.7
Profit from discontinued operations after tax attributable to members ²	down	100.0	to	nil
Profit from ordinary activities after tax attributable to members ³	up	8.5	to	2,451.7
Net profit attributable to members ³	up	8.5	to	2,451.7

¹ In the prior year, profit from continuing operations after tax included the following non-recurring items:

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

Excluding the impact of these amounts, profit from continuing operations after tax attributable to members increased 4.2% (or 6.1% adjusted for impact of the 53rd week in the 2013 financial year).

Refer to note 5 for further detail in relation to the SCA Property Group transaction and US 144A bond redemption costs.

² In the prior year, the net profit on sale of the Consumer Electronics businesses in Australia, New Zealand and India of \$7.9 million after tax was included in discontinued operations. Excluding the impact of this amount, net profit after tax from discontinued operations attributable to members was \$1.8 million.

³ Excluding the impact in the prior year of the one-off loss as a result of the transaction to create the SCA Property Group (\$28.5 million after tax), the Victorian transport fleet redundancy costs (\$18.1 million after tax), the US 144A bond redemption costs (\$57.6 million after tax) as well as the net profit on sale of the Consumer Electronics businesses (\$7.9 million after tax), net profit after tax attributable to members increased 4.1%.

Dividends (Distributions)

2014 Financial Year	Amount per security	Franked amount per security
Final dividend	72¢	72¢
Interim dividend	65¢	65¢
Record date for determining entitlement to the dividend:	Final Dividend: 12 September 2014	

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

Refer to Press Release – Final Profit and Dividend Announcement for the 52 weeks ended 29 June 2014.

**CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

	Note	2014 52 weeks \$m	2013 53 weeks \$m
Continuing Operations			
Revenue from the sale of goods	2 (a)	60,772.8	58,516.4
Other operating revenue	2 (a)	179.4	157.7
Total revenue from continuing operations		60,952.2	58,674.1
Cost of sales		(44,474.6)	(42,912.6)
Gross profit from continuing operations		16,477.6	15,761.5
Other revenue	2 (b)	242.7	247.6
Branch expenses		(10,176.0)	(9,799.8)
Administration expenses		(2,769.1)	(2,614.7)
Earnings from continuing operations before interest and tax		3,775.2	3,594.6
Financial expense	3	(277.8)	(410.1)
Financial income	3	17.7	30.3
Net financing costs from continuing operations		(260.1)	(379.8)
Profit from continuing operations before income tax expense		3,515.1	3,214.8
Income tax expense relating to continuing operations		(1,056.7)	(959.9)
Profit from continuing operations after income tax expense		2,458.4	2,254.9
Discontinued Operations			
Profit from discontinued operations	15	-	9.7
Profit for the period		2,458.4	2,264.6
Profit attributable to:			
Equity holders of the parent entity		2,451.7	2,259.4
Non-controlling interests		6.7	5.2
Profit for the period		2,458.4	2,264.6
Profit attributable to equity holders of the parent entity relates to:			
Profit from continuing operations		2,451.7	2,249.7
Profit from discontinued operations		-	9.7
Profit attributable to equity holders of the parent entity		2,451.7	2,259.4

**CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

	Note	2014 52 weeks	2013 53 weeks
Earnings Per Share (EPS) from continuing and discontinued operations			
Basic EPS (cents per share)	9	196.5	182.6
Diluted EPS (cents per share)	9	195.6	181.8
Weighted average number of shares used in the calculation of Basic EPS (million)	9	1,248.0	1,237.4
Earnings Per Share from continuing operations			
Basic EPS (cents per share)	9	196.5	181.8
Diluted EPS (cents per share)	9	195.6	181.0
Weighted average number of shares used in the calculation of Basic EPS (million)	9	1,248.0	1,237.4

The consolidated income statement should be read in conjunction with the accompanying notes to the preliminary final report.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

	2014 52 weeks \$m	2013 53 weeks \$m
Profit from continuing operations	2,458.4	2,254.9
Profit from discontinued operations	-	9.7
Profit for the period	2,458.4	2,264.6
Other comprehensive income/(loss) from continuing operations		
Items that may be reclassified subsequently to profit or loss		
Movement in translation of foreign operations taken to equity	270.3	197.8
Movement in the fair value of cash flow hedges	(139.1)	256.4
Transfer cash flow hedges to the income statement	46.7	(231.9)
Income tax relating to these items	(7.6)	(32.5)
Total items that may be reclassified subsequently to profit or loss	170.3	189.8
Items that will not be reclassified to profit or loss		
Movement in the fair value of investments in equity securities	(9.7)	32.9
Actuarial gains on defined benefit superannuation plans	15.1	12.5
Income tax relating to these items	(6.9)	(3.8)
Total items that will not be reclassified to profit or loss	(1.5)	41.6
Other comprehensive income for the period (net of tax) from continuing operations	168.8	231.4
Other comprehensive income from discontinued operations		
Items that may be reclassified subsequently to profit or loss		
Movement in translation of foreign operations taken to equity	-	0.3
Movement in the fair value of cash flow hedges	-	0.4
Income tax relating to these items	-	(0.1)
Total items that may be reclassified subsequently to profit or loss	-	0.6
Other comprehensive income for the period (net of tax) from discontinued operations	-	0.6
Total comprehensive income from continuing operations	2,627.2	2,486.3
Total comprehensive income from discontinued operations	-	10.3
Total comprehensive income for the period	2,627.2	2,496.6
Total comprehensive income from continuing operations attributable to:		
Equity holders of the parent entity	2,620.5	2,481.1
Non-controlling interests	6.7	5.2
Total comprehensive income for the period from continuing operations	2,627.2	2,486.3
Total comprehensive income from discontinued operations attributable to:		
Equity holders of the parent entity	-	10.3
Total comprehensive income for the period from discontinued operations	-	10.3

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
Income tax on other comprehensive income from continuing operations			
For the year ended 29 June 2014			
Items that may be reclassified subsequently to profit or loss			
Movement in translation of foreign operations taken to equity	270.3	(35.3)	235.0
Movement in the fair value of cash flow hedges	(139.1)	41.7	(97.4)
Transfer cash flow hedges to the income statement	46.7	(14.0)	32.7
	177.9	(7.6)	170.3
Items that will not be reclassified to profit or loss			
Movement in the fair value of investments in equity securities	(9.7)	-	(9.7)
Actuarial gains on defined benefit superannuation plans	15.1	(6.9)	8.2
	5.4	(6.9)	(1.5)
	183.3	(14.5)	168.8

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
For the year ended 30 June 2013			
Items that may be reclassified subsequently to profit or loss			
Movement in translation of foreign operations taken to equity	197.8	(25.1)	172.7
Movement in the fair value of cash flow hedges	256.4	(76.9)	179.5
Transfer cash flow hedges to the income statement	(231.9)	69.5	(162.4)
	222.3	(32.5)	189.8
Items that will not be reclassified to profit or loss			
Movement in the fair value of investments in equity securities	32.9	-	32.9
Actuarial gains on defined benefit superannuation plans	12.5	(3.8)	8.7
	45.4	(3.8)	41.6
	267.7	(36.3)	231.4

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
Income tax on other comprehensive income from discontinued operations			
For the year ended 29 June 2014			
Items that may be reclassified subsequently to profit or loss	-	-	-
	-	-	-

	Before tax	Tax (expense)/ benefit	Net of tax
	\$m	\$m	\$m
For the year ended 30 June 2013			
Items that may be reclassified subsequently to profit or loss			
Movement in translation of foreign operations taken to equity	0.3	-	0.3
Movement in the fair value of cash flow hedges	0.4	(0.1)	0.3
	0.7	(0.1)	0.6

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the preliminary final report.

**CONSOLIDATED BALANCE SHEET
AS AT 29 JUNE 2014**

	Note	2014 \$m	2013 \$m
Current assets			
Cash and cash equivalents		922.6	849.2
Trade and other receivables		925.7	968.6
Inventories		4,693.2	4,205.4
Other financial assets		12.7	54.2
		6,554.2	6,077.4
Assets classified as held for sale	16	620.6	148.7
Total current assets		7,174.8	6,226.1
Non-current assets			
Trade and other receivables		108.2	16.6
Other financial assets		304.7	358.7
Property, plant and equipment		9,600.7	9,246.1
Intangible assets		6,335.0	5,784.3
Deferred tax assets		681.8	618.4
Total non-current assets		17,030.4	16,024.1
Total assets		24,205.2	22,250.2
Current liabilities			
Trade and other payables		6,006.3	5,390.3
Borrowings		219.5	169.4
Current tax liabilities		158.9	193.2
Other financial liabilities		168.2	145.9
Provisions		1,005.3	967.2
Total current liabilities		7,558.2	6,866.0
Non-current liabilities			
Borrowings		4,136.0	4,282.5
Other financial liabilities		1,155.2	992.6
Provisions		567.4	549.2
Other		263.0	259.4
Total non-current liabilities		6,121.6	6,083.7
Total liabilities		13,679.8	12,949.7
Net assets		10,525.4	9,300.5
Equity			
Issued capital		4,850.1	4,522.7
Shares held in trust		(218.9)	(180.5)
Reserves		198.2	25.1
Retained earnings		5,423.1	4,661.1
Equity attributable to equity holders of the parent entity		10,252.5	9,028.4
Non-controlling interests		272.9	272.1
Total equity		10,525.4	9,300.5

The consolidated balance sheet should be read in conjunction with the accompanying notes to the preliminary final report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014

For the year ended 29 June 2014

	Issued Capital	Shares Held In Trust	Hedging Reserve	Foreign Currency Translation Reserve	Remuneration Reserve	Asset Revaluation Reserve	Equity Instrument Reserve	Retained Earnings	Equity Attributable to Members of Woolworths Limited	Non-Controlling Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 July 2013	4,522.7	(180.5)	(35.6)	(167.3)	290.6	16.4	(79.0)	4,661.1	9,028.4	272.1	9,300.5
Profit after income tax expense	-	-	-	-	-	-	-	2,451.7	2,451.7	6.7	2,458.4
Other comprehensive income for the period (net of tax)	-	-	(64.7)	235.0	-	-	(9.7)	8.2	168.8	-	168.8
Total comprehensive income for the period (net of tax)	-	-	(64.7)	235.0	-	-	(9.7)	2,459.9	2,620.5	6.7	2,627.2
Dividends paid	-	-	-	-	-	-	-	(1,703.8)	(1,703.8)	(32.0)	(1,735.8)
Dividends paid - treasury shares	-	-	-	-	-	-	-	5.9	5.9	-	5.9
Issue of shares as a result of options exercised under employee long term incentive plans	36.1	-	-	-	-	-	-	-	36.1	-	36.1
Issue of shares as a result of the dividend reinvestment plan	206.8	-	-	-	-	-	-	-	206.8	-	206.8
Issue of shares under the employee share plan and long term incentive plans	-	46.1	-	-	(46.6)	-	-	-	(0.5)	-	(0.5)
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	183.0	183.0
Equity settled share based payments expense	-	-	-	-	50.0	-	-	-	50.0	-	50.0
Tax provision impact of share based payments	-	-	-	-	9.1	-	-	-	9.1	-	9.1
Reclassification of non-controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(141.9)	(141.9)
Shares issued to/(acquired by) the Woolworths Employee Share Trust	84.5	(84.5)	-	-	-	-	-	-	-	-	-
Acquisition of business	-	-	-	-	-	-	-	-	-	(14.6)	(14.6)
Other	-	-	-	-	-	-	-	-	-	(0.4)	(0.4)
Balance at 29 June 2014	4,850.1	(218.9)	(100.3)	67.7	303.1	16.4	(88.7)	5,423.1	10,252.5	272.9	10,525.4

For the year ended 30 June 2013

	Issued Capital	Shares Held In Trust	Hedging Reserve	Foreign Currency Translation Reserve	Remuneration Reserve	Asset Revaluation Reserve	Equity Instrument Reserve	Retained Earnings	Equity Attributable to Members of Woolworths Limited	Non-Controlling Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 25 June 2012	4,336.6	(60.7)	(52.8)	(349.0)	246.2	16.4	(111.9)	4,163.4	8,188.2	258.1	8,446.3
Profit after income tax expense	-	-	-	-	-	-	-	2,259.4	2,259.4	5.2	2,264.6
Other comprehensive income for the period (net of tax)	-	-	17.4	173.0	-	-	32.9	8.7	232.0	-	232.0
Total comprehensive income for the period (net of tax)	-	-	17.4	173.0	-	-	32.9	2,268.1	2,491.4	5.2	2,496.6
Dividends paid	-	-	-	-	-	-	-	(1,597.5)	(1,597.5)	(20.1)	(1,617.6)
Dividends paid - treasury shares	-	-	-	-	-	-	-	2.2	2.2	-	2.2
Issue of shares as a result of options exercised under employee long term incentive plans	188.1	-	-	-	-	-	-	-	188.1	-	188.1
Issue of shares as a result of the dividend reinvestment plan	198.6	-	-	-	-	-	-	-	198.6	-	198.6
Issue of shares under the employee share plan and long term incentive plans	-	26.0	-	-	(14.4)	-	-	-	11.6	-	11.6
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	230.0	230.0
Equity settled share based payments expense	-	-	-	-	34.9	-	-	-	34.9	-	34.9
Tax provision impact of share based payments	-	-	-	-	23.9	-	-	-	23.9	-	23.9
Sale of businesses	-	-	(0.2)	8.7	-	-	-	-	8.5	-	8.5
Reclassification of non-controlling interests for recognition of financial liability	-	-	-	-	-	-	-	-	-	(197.3)	(197.3)
In-specie distribution to Woolworths Limited shareholders	(340.3)	-	-	-	-	-	-	(176.1)	(516.4)	-	(516.4)
Shares issued to/(acquired by) the Woolworths Employee Share Trust	145.8	(145.8)	-	-	-	-	-	-	-	-	-
Other	(6.1)	-	-	-	-	-	-	1.0	(5.1)	(3.8)	(8.9)
Balance at 30 June 2013	4,522.7	(180.5)	(35.6)	(167.3)	290.6	16.4	(79.0)	4,661.1	9,028.4	272.1	9,300.5

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the preliminary final report.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

	2014	2013
	52 weeks	53 weeks
Note	\$m	\$m
Cash Flows From Operating Activities		
Receipts from customers	65,851.8	63,789.8
Receipts from tenants	39.9	47.0
Payments to suppliers and employees	(60,918.3)	(59,685.1)
Interest and costs of finance paid	(348.0)	(476.7)
Interest received	9.8	22.2
Income tax paid	(1,162.5)	(977.3)
Net cash provided by operating activities	3,472.7	2,719.9
Cash Flows From Investing Activities		
Proceeds from the sale of property, plant and equipment	181.7	100.3
Proceeds from the sale of property to the Shopping Centres Australasia Property Group	12.2	802.8
Payments for property, plant and equipment - property development	(519.0)	(767.4)
(Advances)/repayments of property related receivables	(15.9)	14.8
Payments for property, plant and equipment (excluding property development)	(1,321.5)	(1,136.0)
Payments for intangible assets	(42.3)	(66.7)
Proceeds from the sale of subsidiaries	37.0	105.8
Payments for the purchase of businesses	(371.5)	(235.4)
Payment for the purchase of investments	-	(28.0)
Dividends received	7.9	8.1
Net cash used in investing activities	(2,031.4)	(1,201.7)
Cash Flows From Financing Activities		
Proceeds from the issue of equity securities	36.1	188.1
Proceeds from the issue of equity securities in subsidiary to non-controlling interest	183.0	230.0
Proceeds from external borrowings	7,859.8	5,974.5
Repayment of external borrowings	(7,927.1)	(6,501.8)
Dividends paid	(1,491.1)	(1,396.7)
Dividends paid to non-controlling interests	(32.0)	(20.1)
Movements in employee share plan loans	(0.6)	5.6
Net cash used in financing activities	(1,371.9)	(1,520.4)
Net increase/(decrease) in cash and cash equivalents held	69.4	(2.2)
Effect of exchange rate changes on foreign currency held	4.0	6.2
Cash and cash equivalents at the beginning of the period	849.2	845.2
Cash and cash equivalents at the end of the period	922.6	849.2

The consolidated statement of cash flows should be read in conjunction with the accompanying notes to the preliminary final report.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted in the Company's annual financial report for the 53 weeks ended 30 June 2013 except for where changes have been made due to application of new accounting standards. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. The following amendments to Australian Accounting Standards have been adopted during the period but do not have a material impact on the Group. Where there has been a significant change in accounting policy, an explanation of the change has been provided below:

- AASB 10 'Consolidated Financial Statements';

AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

- AASB 11 'Joint Arrangements';

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists has changed. The Group is required to classify its interests in joint arrangements as either joint operations or joint ventures in accordance with the structure of the arrangement. Joint operations give the parties a right to the underlying assets and obligations of the arrangement and are accounted for by recognising the Group's share of those assets and obligations. Joint ventures give the parties a right to the net assets of the arrangement and are accounted for using the equity method.

- AASB 12 'Disclosure of Interests in Other Entities';

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements.

- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13';

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. It does not change when fair value is required to be used, but rather provides guidance on how to determine fair value when required or permitted.

The scope of AASB 13 is broad and applies to both financial instrument items and non-financial instrument items where other AASBs require or permit fair value measurement (excluding share based payments under AASB 2 'Share-based Payment' and leasing transactions within the scope of AASB 117 'Leases'). AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. Fair value is an 'exit price' regardless of whether that price is directly observable or estimated using another valuation technique. The impact of adopting this standard has resulted in more extensive disclosures in the consolidated financial statements. AASB 13 has been applied prospectively.

NOTES TO THE PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014

1. Basis of Preparation (continued)

- AASB 119 'Employee Benefits (2011)' and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)';
The revisions to AASB 119 have resulted in amendments to the Group's accounting policy for defined benefit plans. The interest cost and expected return on plan assets used in the previous version of AASB 119 are replaced with a 'net interest' amount, which is calculated by applying the discount rate to the net defined benefit asset or liability. The impact of this change is immaterial to the Group and therefore there is no restatement of comparative information.
- AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income';
As a result of amendments made to AASB 101 'Presentation of Financial Statements', the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that may be reclassified to profit or loss from those that would not be. Comparative information has been re-presented accordingly.
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)';
The Group has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.
- AASB 127 'Separate Financial Statements (2011)';
- AASB 128 'Investments in Associates and Joint Ventures (2011)';
- AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements';
- AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards';
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements 2009-2011 Cycle';
- AASB 2012-9 'Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039';
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments';
- AASB 1048 'Interpretation of Standards (2013)';
- AASB CF 2013-1 'Amendments to the Australian Conceptual Framework'; and
- AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part A).

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

2. Profit From Ordinary Activities – Continuing Operations

	2014 52 weeks \$m	2013 53 weeks \$m
Profit from continuing operations before income tax includes the following items of revenue and expense:		
(a) Operating revenue		
Revenue from the sale of goods	60,772.8	58,516.4
Other operating revenue	179.4	157.7
Revenue from operations	60,952.2	58,674.1
(b) Other revenue		
Rent and other	242.7	247.6
Total revenue	61,194.9	58,921.7
(c) Expenses		
Depreciation:		
Development properties and freehold land, warehouse, retail and other properties	41.5	47.3
Plant and equipment	782.7	762.9
Amortisation:		
Leasehold improvements	151.3	138.1
Gaming licences	17.2	15.9
Other intangible assets	3.6	1.3
Total depreciation and amortisation	996.3	965.5
Net loss on disposal of property, plant and equipment	2.5	9.7
Employee benefits expense	7,293.8	7,001.6
Operating lease rental expenses:		
Minimum lease payments	1,846.3	1,704.5
Contingent rentals	52.4	59.7
Total operating lease rental expenses	1,898.7	1,764.2

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

3. Net Financing Costs – Continuing Operations

	2014	2013
	52 weeks	53 weeks
	\$m	\$m
Financial expense		
Interest expense – other parties ¹	(352.0)	(482.0)
Less: interest capitalised	81.5	77.4
Foreign exchange loss	(7.3)	(5.5)
	(277.8)	(410.1)
Financial income		
Dividend income	7.9	8.1
Interest income	9.8	22.2
	17.7	30.3
Net financing costs	(260.1)	(379.8)

¹Included in 2013 are costs associated with the US 144A bond redemption of \$82.3 million before tax (\$57.6 million after tax) – refer note 5 for further detail.

4. Commentary on Results

Refer to Press Release – Final Profit and Dividend Announcement for the 52 weeks ended 29 June 2014.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014****5. Significant Transactions****2014 financial year**

There were no significant transactions that occurred during the 2014 financial year.

2013 financial year*(i) Creation of Shopping Centres Australasia Property Group and In-specie Distribution to Woolworths Limited Shareholders*

In October 2012, Woolworths Limited announced a proposal to create the Shopping Centres Australasia Property Group (SCA Property Group); a newly established ASX listed Real Estate Investment Trust (REIT) through an in-specie distribution of stapled units in the SCA Property Group to all Woolworths Limited shareholders. This proposal was voted in favour of at the Woolworths Limited Annual General Meeting on 22 November 2012 and the transaction was implemented on 11 December 2012. Woolworths transferred its ownership of 68 properties to the SCA Property Group in the 2013 financial year, reducing the property, plant and equipment held by the Woolworths Group by \$1.3 billion. Cash consideration of \$802.8 million was received in respect of the sale of these properties.

A one-off loss of \$28.5 million after tax was incurred as a result of this transaction, relating largely to provisions for rental guarantees provided by Woolworths in relation to specialty leasing risk.

One additional New Zealand property was sold to the SCA Property Group in November 2013, bringing the total consideration to \$815.0m, and a total reduction in property, plant and equipment held by the Woolworths Group of \$1.3 billion.

(ii) Divestment of Consumer Electronics Businesses

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

(iii) US 144A Bond Redemption Costs

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

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

6. Notes to the Consolidated Statement of Cash Flows

	2014 \$m	2013 \$m
(a) Businesses acquired		
Details of the aggregate cash outflow relating to the acquisition of businesses and the aggregate assets and liabilities of those businesses as at the date of acquisition were as follows:		
Property, plant and equipment	16.5	29.8
Inventories	35.8	30.6
Liquor and gaming licences and other intangible assets	67.9	158.5
Cash	0.2	3.2
Receivables	17.2	10.9
Deferred tax liability	(6.8)	(0.9)
Accounts payable	(22.4)	(20.0)
Provisions	(4.4)	(5.0)
Other liabilities	(2.2)	(7.2)
Net assets acquired	101.8	199.9
Non-controlling interest share of acquired businesses	(1.6)	(7.2)
Goodwill on acquisition	274.1	45.9
Fair value of net assets acquired	374.3	238.6
Analysed as follows:		
Consideration:		
- cash paid	371.7	238.6
- contingent consideration	2.6	-
Total consideration	374.3	238.6
Cash paid	371.7	238.6
Less: cash balances acquired	(0.2)	(3.2)
Cash consideration paid for the purchase of businesses, net of cash acquired	371.5	235.4

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

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

(b) Non-cash financing and investing activities

In accordance with the Company's Dividend Reinvestment Plan (DRP), \$206.8 million of the total dividend of \$1,703.8 million (12%) was reinvested in the shares of the Company (2013: \$198.6 million of the total dividend of \$1,597.5 million (12%)). 2014 also includes \$5.9 million of dividends paid on treasury shares (2013: \$2.2 million).

	2014	2013
	\$m	\$m
(c) Financing facilities – total Group		
Unrestricted access was available at the balance date to the following lines of credit:		
Total facilities¹		
Bank overdrafts	38.2	30.5
Bank loan facilities	3,588.5	3,629.2
	3,626.7	3,659.7
Used at balance date		
Bank overdrafts	-	-
Bank loan facilities	112.0	168.1
	112.0	168.1
Unused at balance date		
Bank overdrafts	38.2	30.5
Bank loan facilities	3,476.5	3,461.1
	3,514.7	3,491.6

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

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

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

	2014 52 weeks \$m	2013 53 weeks \$m
<i>(d) Reconciliation of net cash provided by operating activities to profit after income tax expense:</i>		
Profit after income tax expense	2,458.4	2,264.6
Depreciation and amortisation	996.3	965.5
Foreign exchange losses	21.4	13.3
Employee benefits expense – share based payments	50.0	34.9
Loss on disposal and write off of property, plant and equipment	2.5	9.7
Borrowing costs capitalised	(81.5)	(77.4)
Amortisation of borrowing costs	6.5	6.4
Profit from sale of subsidiaries	-	(9.9)
Dividends received	(7.9)	(8.1)
Other	3.4	(7.5)
(Increase)/decrease in deferred tax asset	(50.3)	1.8
Decrease in current tax liability	(42.3)	(17.2)
Increase in trade and other receivables	(21.2)	(61.8)
Increase in inventories	(420.9)	(550.3)
Increase in trade payables	524.1	59.7
Increase in sundry payables and provisions	34.2	96.2
Net cash provided by operating activities	3,472.7	2,719.9

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

7. Details Relating to Dividends (Distributions)

		Date dividend payable/paid	Amount per security ¢
Final dividend	2014	10 October 2014	72
	2013	11 October 2013	71
Interim dividend	2014	24 April 2014	65
	2013	26 April 2013	62
Total	2014		137
	2013		133

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

	2014 ¢ per share	2013 ¢ per share
Ordinary securities (fully franked at 30% tax rate)	137	133

Interim and final dividend (distribution) on all securities

	2014 \$m	2013 \$m
Ordinary securities	1,722.7 ¹	1,658.8

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

Any other disclosures in relation to dividends (distributions).

On 28 August 2014, the board of directors declared a final dividend of 72 cents per share. The amount that will be paid on 10 October 2014 will be approximately \$907.1 million. No provision has been made in the full year financial report in line with the requirements of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.

Dividend Reinvestment Plans

The dividend reinvestment plan shown below is in operation

Dividend Reinvestment Plan (DRP)

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

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

15 September 2014

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

8. Issued Capital

	2014	2013
	\$m	\$m
Reconciliation of fully paid share capital		
Balance at beginning of period	4,522.7	4,336.6
Issue of shares as a result of options exercised under employee long term incentive plans	36.1	188.1
Issue of shares as a result of the dividend reinvestment plan	206.8	198.6
Adjustment to reflect the final proceeds for shares issued under the Employee Share Plan	-	(6.1)
Issue of shares to the Woolworths Employee Share Trust	84.5	145.8
In-specie distribution to Woolworths Limited shareholders associated with creation of the SCA Property Group ¹	-	(340.3)
Balance at end of period	4,850.1	4,522.7
	2014	2013
	No. (m)	No. (m)
Reconciliation of fully paid share capital		
Balance at beginning of period	1,250.2	1,231.9
Issue of shares as a result of options exercised under employee long term incentive plans	1.4	7.4
Issue of shares as a result of the dividend reinvestment plan	5.8	6.4
Issue of shares to the Woolworths Employee Share Trust	2.4	4.5
Balance at end of period	1,259.8	1,250.2

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

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

9. Earnings Per Share

	2014	2013
	52 weeks	53 weeks
	¢ per share	¢ per share
Basic earnings per share		
From continuing operations	196.5	181.8
From discontinued operations	-	0.8
Total basic earnings per share	196.5	182.6

	2014	2013
	52 weeks	53 weeks
	¢ per share	¢ per share
Diluted earnings per share		
From continuing operations	195.6	181.0
From discontinued operations	-	0.8
Total diluted earnings per share	195.6	181.8

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2014	2013
	52 weeks	53 weeks
	\$m	\$m
Earnings – continuing operations (a)	2,451.7	2,249.7
Earnings – discontinued operations (a)	-	9.7
Earnings – continuing and discontinued operations (a)	2,451.7	2,259.4

	2014	2013
	No. (m)	No. (m)
Weighted average number of ordinary shares (b), (c)	1,248.0	1,237.4

Diluted earnings per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2014	2013
	52 weeks	53 weeks
	\$m	\$m
Earnings – continuing operations (a)	2,451.7	2,249.7
Earnings – discontinued operations (a)	-	9.7
Earnings – continuing and discontinued operations (a)	2,451.7	2,259.4

	2014	2013
	No. (m)	No. (m)
Weighted average number of ordinary shares and potential ordinary shares (b), (c), (d)	1,253.2	1,243.1

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

9. Earnings Per Share (continued)

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

	2014	2013
	52 weeks	53 weeks
	\$m	\$m
Profit attributable to equity holders of the parent entity	2,451.7	2,259.4
Earnings used in the calculation of basic and diluted earnings per share from:		
Continuing operations	2,451.7	2,249.7
Discontinued operations	-	9.7
Total continuing and discontinued operations	2,451.7	2,259.4

- (b) Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share.

- (c) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2014	2013
	No. (m)	No. (m)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,248.0	1,237.4
Shares deemed to be issued for no consideration in respect of employee options and performance rights	5.2	5.7
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	1,253.2	1,243.1

- (d) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

	2014	2013
	No. (m)	No. (m)
Shares deemed to be issued at average market price in respect of employee options and performance rights	2.4	5.0

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

10. Net Tangible Assets Per Security

	2014	2013
	¢ per share	¢ per share
Net tangible assets per security	311.0	259.5
Add:		
Brand names, liquor and gaming licences and property development rights per security	194.7	190.6
Net tangible assets per security adjusted for brand names, customer relationships, liquor and gaming licences and property development rights	505.7	450.1

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

Control gained over entities

Name of entity (or group of entities)	Multichannel Holdings Limited Multichannel Limited Ezibuy Holdings Limited Ezibuy Limited Ezibuy Operations Limited Profile Limited Sara Apparel Limited Ezibuy Pty. Limited Ezibuy Australia Limited Ezibuy International Limited
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Date control gained 30 August 2013

	2014
	\$m
Contribution of the controlled entity (or group of entities) to profit after tax from ordinary activities during the period, from the date of gaining control:	5.1

Name of entity (or group of entities) Southtrade International Pty Ltd

Date control gained 31 October 2013

	2014
	\$m
Contribution of the controlled entity (or group of entities) to profit after tax from ordinary activities during the period, from the date of gaining control:	0.8

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

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

Control lost over entities

Name of entity (or group of entities)	Austral Refrigeration (Suzhou) Co. Ltd
Date control lost	15 November 2013

	2014
	\$m
Contribution of the controlled entity (or group of entities) to profit after tax from ordinary activities during the period, up until the date control was lost:	0.5

12. Details of Associates

Name of Entity	Ownership Interest		Contribution to net profit	
	2014 %	2013 %	2014 52 weeks \$m	2013 53 weeks \$m
Associates				
Gage Roads Brewing Co Limited	25%	25%	(0.1)	0.2
The Quantum Group Holdings Pty. Limited	50%	50%	3.7	0.2
Aggregate share of profits			3.6	0.4

13. Contingent Liabilities and Contingent Assets

	2014 \$m	2013 \$m
Contingent liabilities		
Bank guarantees ¹	52.2	49.4
Workers' compensation self-insurance guarantees ²	768.8	779.5
Outstanding letters of credit issued to suppliers	6.0	5.5
Other	3.0	6.5
	830.0	840.9

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

² State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the outstanding liability.

**NOTES TO THE PRELIMINARY FINAL REPORT
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13. Contingent Liabilities and Contingent Assets (continued)

Infinity Cable

Between March 2012 and September 2013, electrical cable purchased from Infinity Cable Co Pty Ltd (Infinity) was sold by a number of Australian electrical wholesalers and retailers including Woolworths/Lowe’s joint venture, Masters Home Improvement and Home Timber and Hardware stores. Whilst there is no immediate safety risk, affected cable fails the required ageing tests specified in the Standard and could become prematurely brittle with age.

On 27 August 2014, a Task Force of relevant regulators, including the Australian Competition and Consumer Commission, issued a consolidated voluntary Safety Recall Notice under which suppliers of affected cable will remedy affected consumers having regard to their particular circumstances and the requirements of the Task Force. A reliable estimate as to the cost associated with remediation or other action required at this time is not possible.

Contingent assets

None

14. Segment Information

Reportable segments are identified on the basis of internal reports on the components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and assess its performance.

The Group has five reportable segments related to continuing operations. These business units offer different products and services and are managed separately because they require different technology and marketing strategies. The Group’s reportable segments are as follows:

- **Australian Food, Liquor and Petrol** – procurement of food and liquor and petroleum products for resale to customers in Australia
- **New Zealand Supermarkets** – procurement of food and liquor products for resale to customers in New Zealand
- **General Merchandise** – procurement of discount general merchandise products for resale to customers predominantly in Australia
- **Hotels** – provision of leisure and hospitality services including food and alcohol, accommodation, entertainment and gaming
- **Home Improvement** – procurement of home improvement products for resale to customers in Australia

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

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

Geographical Segments

	Australia		New Zealand		Total Continuing Operations		Discontinued Operations ⁽¹⁾		Consolidated	
	2014 \$A m	2013 \$A m	2014 \$A m	2013 \$A m	2014 \$A m	2013 \$A m	2014 \$A m	2013 \$A m	2014 \$A m	2013 \$A m
Segment disclosures										
Geographical segments										
Sales to customers	55,587.3	53,916.7	5,185.5	4,599.7	60,772.8	58,516.4	-	641.6	60,772.8	59,158.0
Other operating revenue	171.8	149.9	7.6	7.8	179.4	157.7	-	-	179.4	157.7
Other revenue	205.5	217.4	37.2	30.2	242.7	247.6	-	0.3	242.7	247.9
Revenue from external customers	55,964.6	54,284.0	5,230.3	4,637.7	61,194.9	58,921.7	-	641.9	61,194.9	59,563.6
Non-current assets ⁽²⁾	12,647.4	12,307.2	3,569.7	2,909.8	16,217.1	15,217.0	-	-	16,217.1	15,217.0

⁽¹⁾ Discontinued operations is comprised of Consumer Electronics Australia, New Zealand and India.

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

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

14. Segment Information (continued)

	Australian Food, Liquor & Petrol ⁽¹⁾		New Zealand Supermarkets		General Merchandise ⁽²⁾		Hotels ⁽³⁾		Home Improvement		Unallocated ⁽⁴⁾		Total Continuing Operations		Discontinued Operations ⁽⁵⁾		Consolidated	
	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m	FY14 \$A m	FY13 \$A m
Segment disclosures																		
Business segments																		
Sales to customers	48,235.9	46,825.1	5,185.5	4,599.7	4,351.8	4,383.4	1,472.2	1,468.9	1,527.4	1,239.3	-	-	60,772.8	58,516.4	-	641.6	60,772.8	59,158.0
Other operating revenue	171.8	149.9	7.6	7.8	-	-	-	-	-	-	-	-	179.4	157.7	-	-	179.4	157.7
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	781.0	654.1	781.0	654.1	-	0.2	781.0	654.3
Segment revenue	48,407.7	46,975.0	5,193.1	4,607.5	4,351.8	4,383.4	1,472.2	1,468.9	1,527.4	1,239.3	781.0	654.1	61,733.2	59,328.2	-	641.8	61,733.2	59,970.0
Eliminations											(781.0)	(654.1)	(781.0)	(654.1)	-	(0.2)	(781.0)	(654.3)
Unallocated revenue ⁽⁶⁾											242.7	247.6	242.7	247.6	-	0.3	242.7	247.9
Total revenue	48,407.7	46,975.0	5,193.1	4,607.5	4,351.8	4,383.4	1,472.2	1,468.9	1,527.4	1,239.3	242.7	247.6	61,194.9	58,921.7	-	641.9	61,194.9	59,563.6
Segment earnings before interest and tax	3,368.0	3,199.3	271.4	236.2	152.9	191.3	275.4	263.7	(169.0)	(138.9)	(123.5)	(98.4)	3,775.2	3,653.2	-	2.5	3,775.2	3,655.7
Loss on SCA Group property transaction													-	(32.8)	-	-	-	(32.8)
Profit on sale of subsidiaries													-	-	-	9.9	-	9.9
Victorian transport fleet redundancy costs													-	(25.8)	-	-	-	(25.8)
Earnings before interest and tax													3,775.2	3,594.6	-	12.4	3,775.2	3,607.0
Net financing cost													(260.1)	(379.8)	-	(0.5)	(260.1)	(380.3)
Profit before income tax expense													3,515.1	3,214.8	-	11.9	3,515.1	3,226.7
Income tax expense													(1,056.7)	(959.9)	-	(2.2)	(1,056.7)	(962.1)
Profit after income tax expense													2,458.4	2,254.9	-	9.7	2,458.4	2,264.6
Segment depreciation and amortisation	579.7	574.8	96.3	86.0	94.0	93.5	101.2	98.3	58.3	40.3	66.8	72.6	996.3	965.5	-	-	996.3	965.5
Capital expenditure ⁽⁷⁾	789.3	714.2	140.1	129.2	363.0	57.6	138.3	522.1	352.2	418.4	510.0	531.4	2,292.9	2,372.9	-	2.6	2,292.9	2,375.5

(1) Australian Food, Liquor, and Petrol is comprised of supermarket and liquor stores, wholesale food and liquor in Australia, and petrol canopies. Petrol was previously disclosed as a separate segment. The 2013 comparative has been restated accordingly.

(2) General Merchandise includes BIG W and Ezibuy

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

(4) Unallocated is comprised of corporate head office and the property division.

(5) Discontinued operations is comprised of Consumer Electronics Australia, New Zealand and India.

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

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

**NOTES TO THE PRELIMINARY FINAL REPORT
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15. Discontinued Operations

2014 financial year

There were no discontinued operations during the 2014 financial year.

2013 financial year

Details with respect to discontinued operations during the 2013 financial year are provided below.

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

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

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

In July 2013, Woolworths Limited agreed to release Anchorage from its obligation to provide agreed benefits to Woolworths from any upside resulting from the future sale of Dick Smith by Anchorage. In return, Woolworths received payments totalling \$74.0 million (\$50.0 million paid in June 2013 and a further \$24.0 million paid during the 2014 financial year). This additional consideration was recorded as income in the 2013 financial year.

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

	2014	2013
	\$m	\$m
Profit from discontinued operations		
Revenue	-	641.6
Other revenue	-	0.3
Total revenue	-	641.9
Expenses	-	(639.9)
Profit before income tax	-	2.0
Attributable income tax expense	-	(0.2)
Profit for the period from discontinued operations	-	1.8
Profit on sale of subsidiaries before income tax	-	9.9
Attributable income tax expense	-	(2.0)
Profit on sale of subsidiaries after income tax	-	7.9
Profit from discontinued operations	-	9.7
Cash Flows from discontinued operations		
Net cash outflow from operating activities	-	(113.7)
Net cash inflow from investing activities	-	103.3
Net cash inflow from financing activities	-	10.3
Net cash outflow	-	(0.1)

**NOTES TO THE PRELIMINARY FINAL REPORT
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15. Discontinued Operations (continued)

Details of the sale of the subsidiaries are as follows:

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

¹ Proceeds receivable at 30 June 2013 were received during the 2014 financial year.

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

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

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 29 JUNE 2014**

16. Assets Held for Sale

At June 2014, in line with Woolworths' strategy of divesting property assets as appropriate market opportunities arise, the disposal of a number of property holdings in hotels was being investigated. The carrying amount of these assets at the end of the reporting period (reported as a disposal group) together with other assets held for sale are as follows:

	2014 \$m	2013 \$m
Assets held for sale – property, plant and equipment		
Property, plant and equipment	620.6	148.7
Total assets held for sale – property, plant and equipment	620.6	148.7

17. Subsequent Events

There have been no events subsequent to the balance date, which would have a material impact on the Group's financial statements at 29 June 2014.

18. Information on Audit or Review

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

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

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

Not applicable.

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

Not applicable.