

Chairman's letter

WOOLWORTHS GROUP

APRIL 2019

woolworthsgroup.com.au



Dear Shareholder

I wanted to take this opportunity to share the progress we have made in the first half of the 2019 financial year.

It was a more challenging half but the transformation of Woolworths Group continues to progress and we have taken a number of positive steps to deliver on your Board's commitment to long-term sustainable shareholder value.

We recently completed the sale of Woolworths Petrol to EG Group. Together with a strong balance sheet, this has enabled the Group to return \$1.7 billion to shareholders by way of an off-market buy-back. This complements the \$1.4 billion of dividends already paid to shareholders this financial year through the F18 final and special dividends, and F19 interim dividends.

The recently completed review of the BIG W network is also an example of the Board's considered approach to the Group's Portfolio.

The decision will lead to a more robust and sustainable store and DC network.

Earlier this year, we welcomed Jennifer Carr-Smith to the Woolworths Group Board as a non-executive director. The appointment aligns with the Board's strategic focus on digital, data and technology given Jennifer's extensive career experience including at US online businesses Peapod and Groupon.

As always, your Board remains determined to capitalise on the opportunities ahead to make Woolworths Group a better business benefitting customers, team members, suppliers and, importantly, shareholders. I would like to thank you for your continued support of Woolworths Group.

Gordon Cairns
CHAIRMAN

H19 financial highlights

Interim dividend per share

45¢

▲ 4.7% vs H18

Basic earnings per share

70.3¢

▲ 0.9% vs H18

Group sales from continuing operations

\$30.6B

▲ 2.3% vs H18

Group EBIT from continuing operations

\$1,445M

▲ 1.0% vs H18

Return on average funds employed

24.1%

▲ 6 bps vs H18

Woolworths Group sustainability

At Woolworths Group we understand our approach to sustainability can impact our economies, communities and environment, and more importantly, our responsibility for creating a better tomorrow.

During the half, we made good progress on our sustainability and community agenda, with a number of key initiatives underway across our People, Planet and Prosperity pillars.

To read more about our progress across the sustainability agenda, please go to woolworthsgroup.com.au/sustainability



Important dates

5 APRIL 2019

Payment date for interim dividend

2 MAY 2019

Q3'19 Sales announcement

29 AUGUST 2019

F19 Full Year Earnings announcement

30 SEPTEMBER 2019

Payment date for final dividend

30 OCTOBER 2019

AGM Sydney