

Company Results

HY Ended

1 January 2012

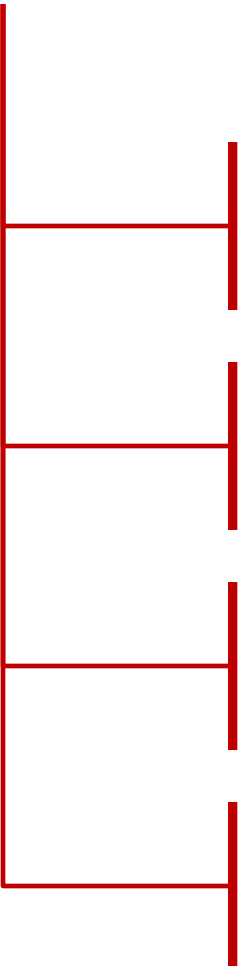
Grant O'Brien

Managing Director and
Chief Executive Officer



WOOLWORTHS LIMITED

AGENDA



GROUP STRATEGIC PRIORITIES

PROGRESS AGAINST STRATEGIC PRIORITIES

BUSINESS UNIT RESULTS

FINANCIAL PERFORMANCE

GROUP STRATEGIC PRIORITIES

OUR AMBITION

WOOLWORTHS LIMITED IS AUSTRALIA'S LEADING RETAIL GROUP, CREATING A CUSTOMER-DRIVEN FUTURE OF INNOVATION AND GROWTH

OUR
CUSTOMER



MULTIPLE
OPTIONS



REASONS
TO SHOP

Range

Service

Value

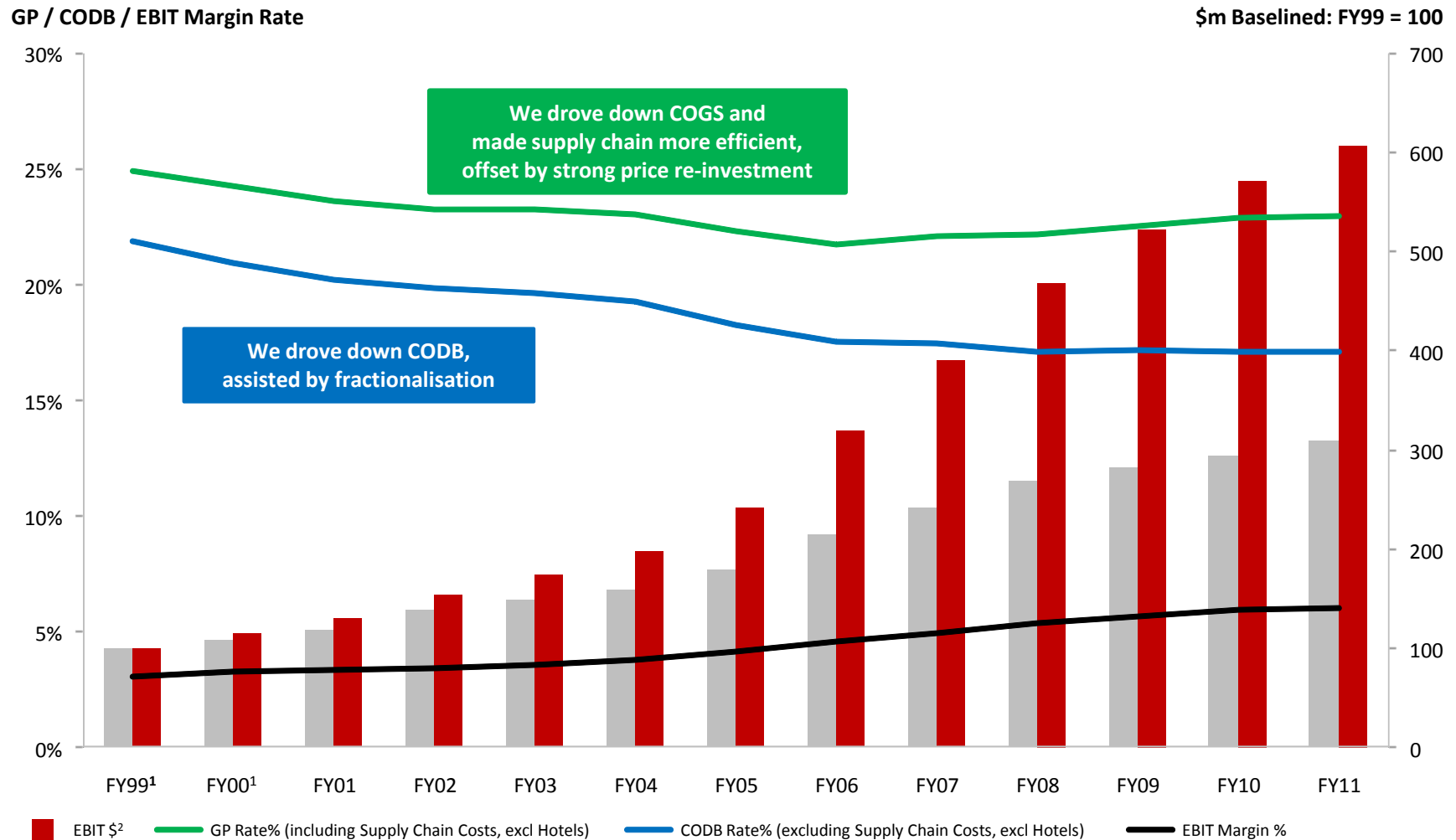
Convenience

BRANDS FOR
EVERYDAY
NEEDS



BUILDING ON OUR SUCCESS

OUR OBJECTIVE IS A RENEWED FOCUS ON INNOVATING FOR OUR CUSTOMERS AND OPTIMISE THE BUSINESS FOR OUR SHAREHOLDERS TO ACHIEVE GROWTH AND PERFORMANCE IMPROVEMENT FROM A STRONG AND STABLE BASE



STRATEGIC PRIORITIES FOR FUTURE GROWTH

1

EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR

- Re-establish marketing supremacy around value and growth
- Unlock sales growth for a tougher consumer and competitive environment
- Accelerate our leadership in Fresh Food
- Extend leadership in liquor
- Continue momentum to become #1 in New Zealand

2

ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE

- Revisit the way we participate in the consumer electronics category
- Accelerate alignment of BIG W offer to new consumer and competitive reality
- Continue to be Australia's most responsible operator of local pubs

3

MAINTAIN OUR TRACK RECORD OF BUILDING NEW GROWTH

- Be Australia's undisputed leader in multi-option retailing
- Scale up from an encouraging start to become a unique, sustainable and profitable home improvement business
- Continue to consider new domestic and international growth opportunities

4

PUT IN PLACE THE ENABLERS FOR A NEW ERA OF GROWTH

- Deliver step change in productivity through our supply chain
- Leverage investment in customer data to fuel growth and customer centricity
- Continue to invest in our business to ensure long-term shareholder growth
- Combine the best retail talent in Australia with the best in the world

PROGRESS AGAINST STRATEGIC PRIORITIES

EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR

STRATEGIC PROGRESS
GOOD INITIAL START –
MUCH MORE TO DO

Tjeerd Jegen making excellent progress with people, planning and performance strategies for Australian Supermarkets

Space growth improvements continuing, further increasing Woolworths' competitive position, with up to 39 new supermarkets this year

Excellent momentum in liquor continues with further extension of market share leadership and best value price perception

New Zealand transformation delivering strong results with market share gains and positive brand momentum

WELL UNDERWAY



Excellent progress against strategy



Space growth continuing



Further momentum
in Liquor



Transformation in NZ

MORE TO DO

Supermarkets marketing review nearing completion

30 shrinkage projects underway

Further work required to better capture fresh opportunities

ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE

STRATEGIC PROGRESS
GOOD INITIAL START –
MUCH MORE TO DO

Accelerated the review of Dick Smith, culminating in a decision to restructure and divest the business. Sale process is underway with pleasing interest from prospective vendors

Initial steps taken to improve BIG W's value perception with sharper entry price points and clearer messaging including

- "Get it For Less" campaign
- Launch of "Smart Value"
- Appointment of Saatchi & Saatchi as new marketing agency



Divestment process underway



Clearer value messaging



Sharper entry price points

More work to be done to reinforce BIG W's value perception

MAINTAIN OUR TRACK RECORD OF BUILDING NEW GROWTH

**STRATEGIC PROGRESS
GOOD INITIAL START –
MUCH MORE TO DO**

Strong multi-option growth with strategy firmly on track under the direction of Penny Winn

Launch of Door Buster, Supermarkets mobile shopping app, virtual shopping wall, BIG W mobile app, "Click then Collect" trials and rollout of new supermarket platform

118% increase in total online sales for the half – 47% without Cellarmasters

9 Masters stores currently open and trading well, with a further 18 under construction

Acquisition of 12 Hotels from Compass Group in WA. Agreement to purchase Hotels from Laundry Group in NSW – a total of 31 new Hotels and 2 Bottle Shops, subject to ACCC. Acquisition of Tait Timber and Hardware by Danks

WELL UNDERWAY

MORE TO DO



Mobile shopping options



New online platform



Launch of Door Buster



9 Masters stores opened



43 new hotels

Continue to explore opportunities for further growth both domestically and overseas in a prudent manner

PUT IN PLACE THE ENABLERS FOR A NEW ERA OF GROWTH

**STRATEGIC PROGRESS
GOOD INITIAL START –
MUCH MORE TO DO**

Latest supply chain initiative, Hoxton Park DC, about to go live – the most advanced retail DC in Australia, supporting BIG W, Home Improvement and multi-option fulfilment



Hoxton Park about to go live

Data driven "Category Lab" is proving to be a growing and powerful capability, leveraging Australia and NZ's largest loyalty program



Largest loyalty program

Cost savings resulting from Quantum initiatives leveraging group scale and incorporating global best practices



Powerful "Category Lab" capability

Focused on assembling a world class retail team blending the best local and international talent at Board, Management Board and Senior Management level



World class retail team

Extensive Quantum initiatives underway covering supply chain, IT, finance, call centres, non-trading procurement and global direct sourcing

WELL UNDERWAY

MORE TO DO

BUSINESS UNIT RESULTS

RESULTS — HALF YEAR 2012

	Continuing Operations		Total Group Before CE Provision ¹		Total Group After CE Provision	
	HY12		HY12		HY12	
Sales – Group	\$28.9b	↑ 5.2%	\$29.7b	↑ 5.0%	\$29.7b	↑ 5.0%
EBITDA	\$2,282.5m	↑ 4.1%	\$2,314.2m	↑ 3.9%	\$2,014.2m	↓ 9.6%
EBIT	\$1,825.9m	↑ 3.3%	\$1,845.4m	↑ 3.3%	\$1,545.4m	↓ 13.5%
NPAT	\$1,184.3m	↑ 3.2%	\$1,198.1m	↑ 3.1%	\$966.9m	↓ 16.8%
EPS	97.2¢	↑ 3.4%			79.4¢	↓ 16.6%
DPS					59¢	↑ 3.5%
ROFE	15.4%	↓ 164 bps ²				
ROFE (Ex Masters)	16.8%	↓ 70 bps				

1. Consumer Electronics provision \$300m pre tax, \$231m after tax

2. The decrease in ROFE reflects investment in Masters, acquisition of Cellarmasters and property development undertaken

Supermarkets

Tjeerd Jegen

Managing Director Australian Supermarkets & Petrol

woolworths

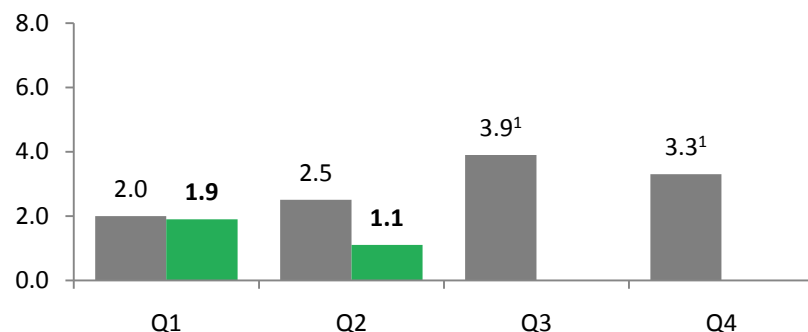


AUSTRALIAN FOOD, LIQUOR & PETROL

	HY11	HY12	Change
Sales – Food & Liquor (\$m)	18,772	19,571	4.3%
– Petrol (\$m)	2,945	3,434	16.6%
– Total (\$m)	21,717	23,005	5.9%
Gross margin (%)	24.80	24.83	3 bps
CODB (%)	18.04	18.04	-
EBIT to sales (%)	6.76	6.79	3 bps
EBIT (\$m)	1,468.2	1,560.9	6.3%
Funds Employed (\$m)	3,509.8	4,188.5	19.3%

- Sales up 5.9%, EBIT up 6.3%
- Comparable Food and Liquor sales up 1.5%
- Average prices index was in deflation of 3.7% (HY11 3.8%)^{2,3} primarily driven by produce
- Gross margin improvements due to significant focus on shrinkage, improvements in buying, global sourcing expansion, expansion and improvements in exclusive brand ranges, further reductions in direct store deliveries and rollout of new formats
- Food and Liquor CODB \$ were well controlled
- 25 new supermarkets opened. A further 14 new supermarkets are planned to open in the second half

Comparable Sales – Australian F&L – H1 1.5%



■ 2011 ■ 2012

1. Q3 and Q4 2011 adjusted for the impact of Easter

2. Standard shelf price index was 0.9% (HY11 2.2%)

3. Volume weighted including specials

GROWTH IN SUPERMARKETS — OUR NEW VISION



BEST RETAIL TALENT AND BEST RESOURCES

WORLD CLASS TEAM

- Strong local talent now blending with globally experienced new recruits to create depth of expertise and breadth of experience
- Average length of tenure of senior team is 15 years

WITH THE BEST RESOURCES

- 4 month marketing review process nearing completion
- Thorough analysis of optimum external resources required to support new strategy
- Encompassing advertising, research and media planning
- New campaign expected to launch Q4 2012



From left to right

Rod Evenden – GM Strategy; Cheryl Rae – GM HR; Lizzie Ryley – GM Marketing; Tjeerd Jegen – MD Australian Supermarkets & Petrol; David Marr – GM Finance; Gordon Duncan – Own Brand; Mike Whalan – GM Design & Construction; Pat McEntee – GM Fresh; Ziggy Kwarcinski – GM Store Operations

FIRST CHOICE FOR FRESH FOOD



AUSTRALIA'S FRESH FOOD PEOPLE

- Innovations in Fresh Food have continued, with positive sales momentum, led by Bakery, Deli and Meat

INDUSTRY LEADING SUPPLY CHAIN

- Approximately half a day removed from Produce end to end supply chain in the last 6 months – good progress on target of 1 day reduction

WINNING IN-STORE FORMAT

- 2015 format continues to develop, delivering strong growth in Fresh



FIRST CHOICE FOR FRESH FOOD — MSA BEEF

A UNIQUE MODEL

- First National Australian Supermarket to receive MSA accreditation
- Sourcing livestock for over 20 years direct from Australian farmers
- Unique end to end sourcing model with full control of meat quality at every step

CUSTOMER APPROVED

- Customers agree MSA beef provides tender, juicy beef every time
- Launched early January 2012 with a very strong customer response
- 13 cuts so far with more in development, including roasts

Take the guesswork out of buying and cooking Australian beef.

Look for this symbol

MEAT STANDARDS AUSTRALIA GRADED

MSA Certified Beef now at Woolworths.

Look for the MSA Symbol on the pack. Find out more at woolworths.com.au/msa

Tender, juicy beef every time

3 days only

Rump Steak 13⁹⁸ kg

SAVE 4⁹⁵ kg

MSA Australian Beef Rump Steak

UNBEATABLE VALUE

GREAT PROGRESS ON OUR VALUE CONTRACT WITH CUSTOMERS

- Roll out of new store-wide price ticketing clearly highlighting value
- Strong customer response to seasonal value offers
 - Lamb leg coupons
 - Christmas ham offer

CONTINUED IMPROVEMENTS IN REDUCING COGS JUST STARTING TO FLOW THROUGH

- Improved promotional effectiveness
- Significant improvements in shrinkage – 30 projects in scope



CUSTOMER LED

POWER OF INSIGHTS

- Extensive progress on "Category Lab" reviews with 6 dedicated teams – a growing and powerful capability
- Completion of category deep dives on over 20% of sales base or 35 key categories in last 6 months
- Started weekly 'Customer Talkback' focus groups in stores to improve individual store performance and to obtain greater insights into opportunities and customer delights

DELIVERING REAL BENEFITS

- More effective use of space
- More accurate ranging decisions
- Clarity on own brand and brand opportunities
- Reviewing EDR data is providing greater identification of range gaps which will further enhance customer offer



EXCITING NEW OFFERS — BRANDS

CUSTOMERS APPRECIATE CHOICE

- Our depth and breadth of range is appreciated by our customers
- Proprietary brands remain the most important offer in longlife complemented by a strong Own Brand range

GROWING CATEGORY VALUE WITH BRANDS

- Together with our branded suppliers we are collaborating on new growth opportunities

LONGLIFE — SUCCESSFUL LAUNCHES

- Cherry Ripe Dark – first to market, massive store support, highest trial rate of any new bar line in 7 years
- Omo Pods launched 1 month ahead of market. The pod segment contributes strongly to growth in the category and Woolworths overtrade in this segment

FRESH — SUCCESSFUL LAUNCHES

- 5am Organic Yoghurt — exclusive to Woolworths. Gippsland family business, \$6.5m new sales line. Now partnering with Macro
- Continental Salami is the fastest growing area in smallgoods. Hans 100g premium salami products are growing at 10% in this segment



EXCITING NEW OFFERS — OWN BRANDS

CONTINUED SUCCESS FOR MACRO

- Macro now our fastest growing segment. Creating a new 'Food that is good for you' category with new opportunities for branded players to enter
- Fastest growth of Macro is in Fresh Foods where our Free Range Poultry products have gained strong popularity with our customers



ONGOING OWN BRAND INNOVATION

- Own brand reinvigorating category growth. eg, Select Pizzas turned around a declining frozen pizza category
- Sales increases achieved through quality enhancements, improved design and packaging, improved pricing and space allocation



SHOPPING TAILORED FOR OUR CUSTOMERS

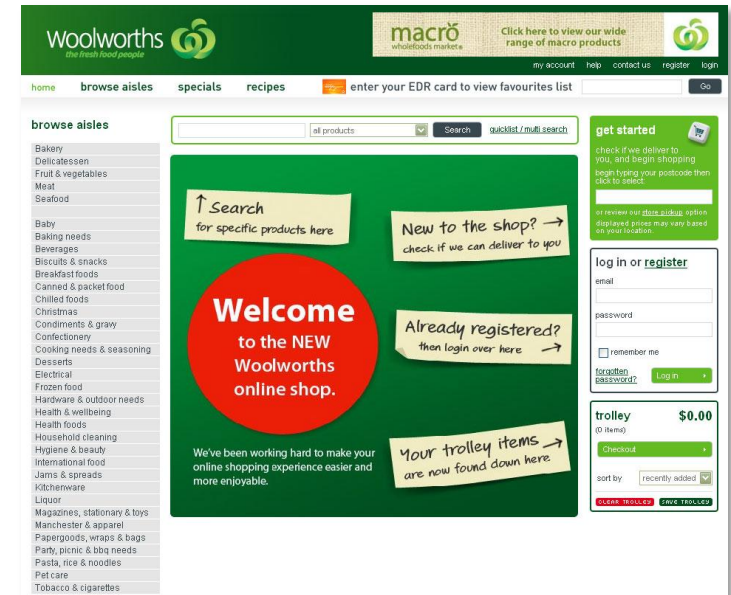
MOBILE...

- 1.5m customers have downloaded Australia's most subscribed shopping app
- Upgraded mobile app launched 2 weeks ago which now connects to online shopping, 500k downloads so far
- Virtual shopping wall trialled in Sydney and Melbourne last week



...TO ONLINE

- New online shopping platform was launched November 2011
- Enhanced features and benefits include predictive searching, favourites list, multi-buy offers and "have you forgotten" prompts
- "Click then Collect" trial has commenced



PETROL

A STRONG RESULT

- Sales were \$3.4b, up 16.6%. Merchandise (non-fuel) up 9.4%
- Comparable sales (dollars) increased by 13.7% reflecting higher fuel prices
- Volumes increased 2.5% for the half
- National average fuel prices were 140.8 cpl for the half year, up from 124.0 cpl at HY11
- Market share and customer numbers increased during the half
- EBIT increased by 6.3% to \$67.4m as a result of increased volumes and buying benefits achieved together with supply partner Caltex
- 10 new canopies opened during the half



Woolworths Liquor Group

Steve Greentree

Director Woolworths Liquor Group



LIQUOR

CONTINUED MOMENTUM

- Group Liquor sales \$3.6b (HY11: \$3.2b)
- The Liquor group experienced another half of strong growth across all brands, gaining further market share, despite increased competitor activity

LEADERSHIP IN MULTI-OPTION

- The acquisition of the Cellarmasters Group, has provided unrivalled capability in direct marketing, production and distribution

A TRULY VERTICALLY INTEGRATED BUSINESS

- We have now produced the first own brand lines at Dorrien Estate that have been sold through our retail channels

CONTINUED STRONG SPACE GROWTH

- Opened 14 Dan Murphy's and 32 BWS stores, totalling 1,302 outlets at the end of HY12



WineMarket.com.au

Cellarmasters
PASSIONATE ABOUT WINE

LANGTON'S



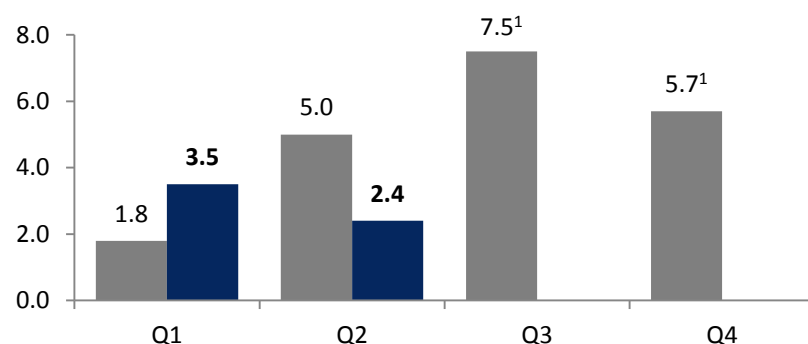
liquor
woolworths



	HY11	HY12	Change
Sales (\$m)	612	636	3.9%
Gross margin (%)	81.60	81.47	(13) bps
CODB (%)	63.32	63.20	(12) bps
EBIT to sales (%)	18.28	18.27	(1) bps
EBIT (\$m)	111.9	116.2	3.8%

- Sales increased 3.9% with gaming comparable sales up 1.3%
- Result reflects the strong sales across both food and bar offerings
- There continues to be a change in sales mix towards food resulting in lower gross margins with higher sales and good cost control assisting the CODB %
- 12 hotels located in Western Australia were acquired from the receivers of the Compass Group, integration completed in February
- Venues now totalling 294
- Growth in hotels will continue to be delivered organically through continued improvements in food and entertainment offers combined with bolt on acquisitions

Comparable Sales – H1 2.9%



■ 2011 ■ 2012

1. Q3 and Q4 2011 adjusted for the impact of Easter

LIQUOR & HOTELS — 7 IMPERATIVES TO DRIVE GROWTH

1 GROW NETWORK

- Opened 14 Dan Murphy's and 32 BWS stores, totalling 1,302 liquor outlets at the end of HY12
- Compass Group acquisition added 12 hotels to the network. Laundry, subject to regulatory approval, will represent an additional 31 hotels and 2 bottle shops

2 IMPROVE STORE FORMATS

- 23 Dan Murphy's now trading in the new format
- Continued to refine space utilisation and customer offer for BWS and Woolworths Liquor

3 MULTI-OPTION

- Dan Murphy's online experienced a very strong half - well positioned to be the leading Liquor website in Australia
- Cellarmasters integration completed with the business continuing to deliver on available synergies

4 GROW OWN BRAND SHARE

- Own label now equivalent to the 2nd largest supplier to the liquor division by value
- 100 new lines launched including alcoholic ginger beer, flavoured ciders, rum and premium bourbon

5 VERTICAL INTEGRATION

- First own brand lines managed by Dorrien Estate now available for retail sale
- Volume growth at Gage Roads over 70%
- Transitioning underway of own brand bottling to our own facilities

6 AUSTRALIA'S BEST LOCAL PUBS

- Industry leading hotel and gaming charter underpinning strong commitment to responsible service
- Implementation of changes to meet new Victorian gaming arrangements has commenced
- Completion of new systems implementations in hotels, including centralised price and range control, payroll, rostering and time and attendance

7 GROW THE BEST TALENT

- Continued to focus heavily on staff training and development to advance responsible service
- Retirement of Bruce Mathieson Snr and succession of Bruce Mathieson Jnr as ALH CEO

NZ Supermarkets

Dave Chambers

Managing Director PEL

countdown



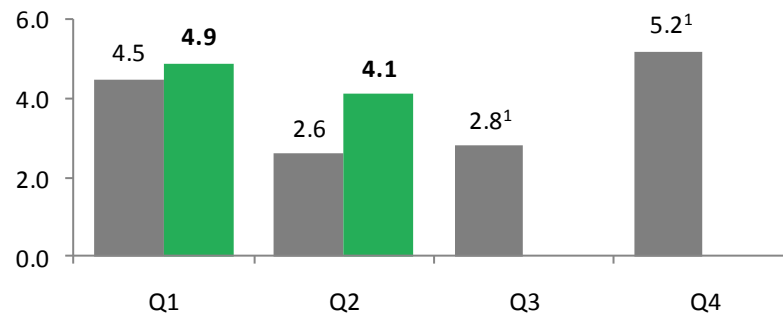
NEW ZEALAND SUPERMARKETS



NZ\$	HY11	HY12	Change
Sales (\$m)	2,795	2,879	3.0%
Gross margin (%)	22.41	23.02	61 bps
CODB (%)	17.44	17.75	31 bps
EBIT to sales (%)	4.97	5.27	30 bps
Trading EBIT (\$m)	138.9	151.7	9.2%
Less intercompany charges (\$m)	(4.6)	(2.6)	43.5%
Reported EBIT (\$m)	134.3	149.1	11.0%
Funds Employed (\$m)	3,211.8	3,364.7	4.8%

- Sales up 3.0%, Trading EBIT up 9.2%
- Comparable sales up 4.5%
- Largest retail brand by turnover in New Zealand sustained by growth in market share, customer numbers, basket size and items sold
- Food inflation 1.7% (HY11: 0.6%)
- Gross margin improvements due to benefits of merchandising, point of sale and replenishment core support systems with further improvements in shrinkage
- CODB \$ increased with commissioning and transitioning costs of new national Distribution Centre and increased insurance premiums
- 2 new, 1 replacement and 1 reopened earthquake damaged Countdown in HY12

Comparable Sales – H1 4.5%



■ 2011 ■ 2012

1. Q3 and Q4 2011 adjusted for the impact of Easter

NEW ZEALAND SUPERMARKETS



1 SINGLE BRAND

- Last Foodtown and Woolworths stores rebranded just before Christmas



2 GROW COUNTDOWN NETWORK

- 2 further new stores opened in January 2012 including the first Countdown Metro store in the Auckland CBD



3 LARGER, MODERN FORMAT STORES

- Replacement, extension and refurbishment program continues providing customers with improved value offer



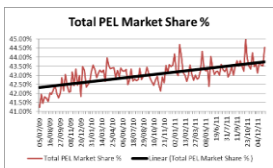
4 MULTI-OPTION

- Continued high online sales growth. Leveraging onecard loyalty card, targeted email and direct marketing, my specials, my mailer, facebook, You Tube, Countdown website



5 GROW FRANCHISE NETWORK

- Opened first FreshChoice franchise store in Auckland in new format and brand package. Continue growth of franchise network



6 GROW MARKET SHARE

- Sustained growth in market share over last 2½ years in both dollars and units sold



7 SUPPLY CHAIN

- Successful commissioning of the National Distribution Centre in South Auckland providing growth in range and distribution effectiveness

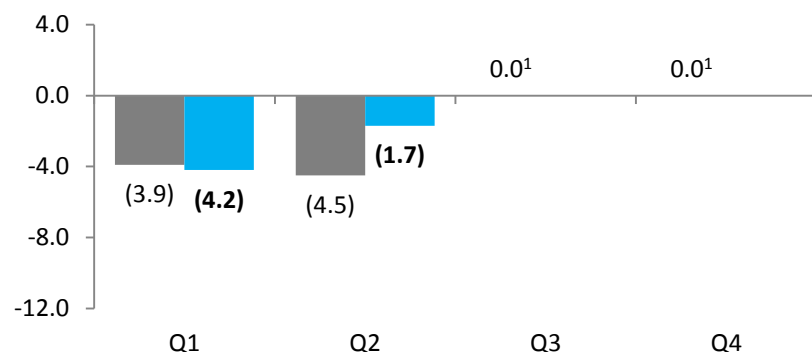


BIG W

Julie Coates
Director BIG W

	HY11	HY12	Change
Sales (\$m)	2,392	2,362	(1.3)%
Gross margin (%)	29.52	30.37	85 bps
CODB (%)	24.29	25.31	102 bps
EBIT to sales (%)	5.23	5.06	(17) bps
EBIT (\$m)	125.0	119.6	(4.3)%
Funds Employed (\$m)	717.8	734.1	2.3%

Comparable Sales – H1 (2.8)%



- Sales down 1.3%, EBIT down 4.3%. EBIT in Q2 grew positively
- Comparable sales down 2.8%, prior year down 4.2%
- Pleasing increase in customer numbers and units sold in December in a challenging trading environment
- Deflation averaged 5% during the first half
- CODB was well controlled with CODB dollars for comparable stores remaining flat when compared to the prior year
- 4 new stores opened during the half. Total stores 169, further 3 stores by FY12

BIG W — STRATEGIC PRIORITIES

1

WIN ON VALUE EVERYDAY

- Successful launch of Emerson brand, on-trend product at an entry level price point
- "Get it For Less" marketing campaign effectively communicates our price leadership position
- Successful launch of BIG W's "Smart Value" range to appeal to price conscious shoppers

W

EMERSON RIB TEES
Available in 9 colours.
Sizes 8-16.
COLOURS VARY BY STORE.
BIGW PRICE
\$5 EA

EMERSON COLOURED JEAN
Sizes 8-16.
BIGW PRICE
\$18⁸⁶ EA

EMERSON LADIES PUMPS
Sizes 6-11. \$18.86 pr.

Looks
FOR LESS

set
Now at BIG W

Shop online at bigw.com.au | Find us on Facebook

ON SALE FROM THURSDAY FEBRUARY 16 UNTIL WEDNESDAY FEBRUARY 29

BIGW
live big for less



BIG W — STRATEGIC PRIORITIES

2

CONTINUE TO GROW STORE FOOTPRINT

- Delivered 4 new stores in the half, further 3 to open in second half
- Strong property pipeline to deliver up to 35 stores in the next 5 years
- 69% of stores now have the new livery

3

LEAD IN MULTI-OPTION

- Extended leadership with exceptional online sales growth with sales doubling in the half over the prior year
- Mobile shopping app to be fully transactional prior to Christmas
- Daily Deals site launched

ONE HOUR DEAL.
ONLINE ONLY.
TONIGHT 8-9PM AEDT.

HOT BUY
\$248
RRP \$349.95
Tefal Actifry Health Cooker

1 HOUR ONLY HURRY!
ONLINE ONLY

See more >

TO GET OUR DEALS Sign up to our newsletter **OR FOLLOW US ON**

Offers end on the specified date and time or while stocks last. Please note stocks are limited. Despite our careful planning, we apologise if selected items may sell out due to unexpected high demand. In the event of unexpected high demand, BIG W reserves the right to limit purchases to reasonable quantities.



BIG W — STRATEGIC PRIORITIES

4 EXPLOIT BENEFITS OF SUPPLY CHAIN OVERHAUL

- DC in Hoxton Park about to go operational
- Continued investment in enhanced supply chain systems



5 STEP UP GLOBAL SOURCING

- 85 bps increase in gross margin influenced by increase in global sourcing volumes



Home Improvement



HOME IMPROVEMENT

- 7 stores opened this half with 8 more planned to open next half
- Of the 150 sites we plan to secure over 5 years, there are over 100 sites in the pipeline
- 18 stores currently under construction
- DC in Hoppers Crossing, VIC has capacity to service at least 40 stores
- DC in Hoxton Park, NSW planned to commence operations in first quarter FY13
- Acquired Tait Timber and Hardware in Melbourne
- Our multi-option project is well underway, with a fully transactional website to be launched in 2012



Want
Peace
of Mind?

Find out
how!

Home Entertainment



dick smith
Talk to the Techxperts



DISCONTINUED OPERATIONS

CONSUMER ELECTRONICS — AUSTRALIA AND NZ

A\$	HY11	HY12	Change
Sales (\$m)	868	873	0.6%
Gross margin (%)	26.01	24.71	(130) bps
CODB (%)	23.71	22.48	(123) bps
EBIT to sales (%)	2.30	2.23	(7) bps
EBIT (\$m)	20.0	19.5¹	(2.5)%

- Acceleration of restructure with a view to divesting the business in a staged and considered process
- Provision of \$300m taken in HY12
- Up to 100 underperforming stores identified to close within 2 years

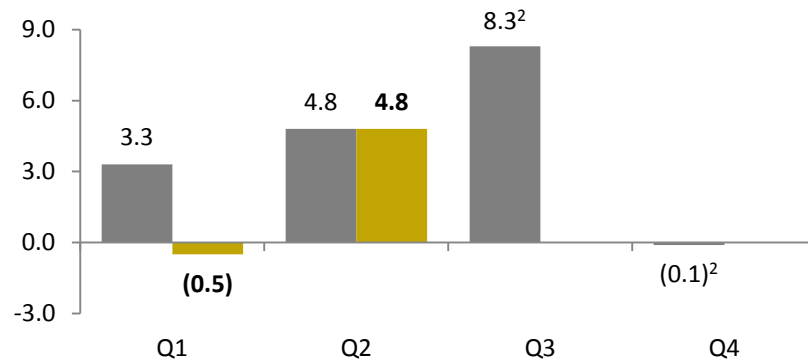
- Australia

- Sales increased 0.7% for the half year
- Comparable store sales increased 2.4% for the half year (HY11: 4.1%)

- New Zealand

- Sales increased 2.2% (NZD) and was flat (AUD) for the half year
- Comparable store sales increased 6.5% (NZD) for the half year (HY11: decreased 5.0%)

Australia – Comparable Sales – 2.4 %



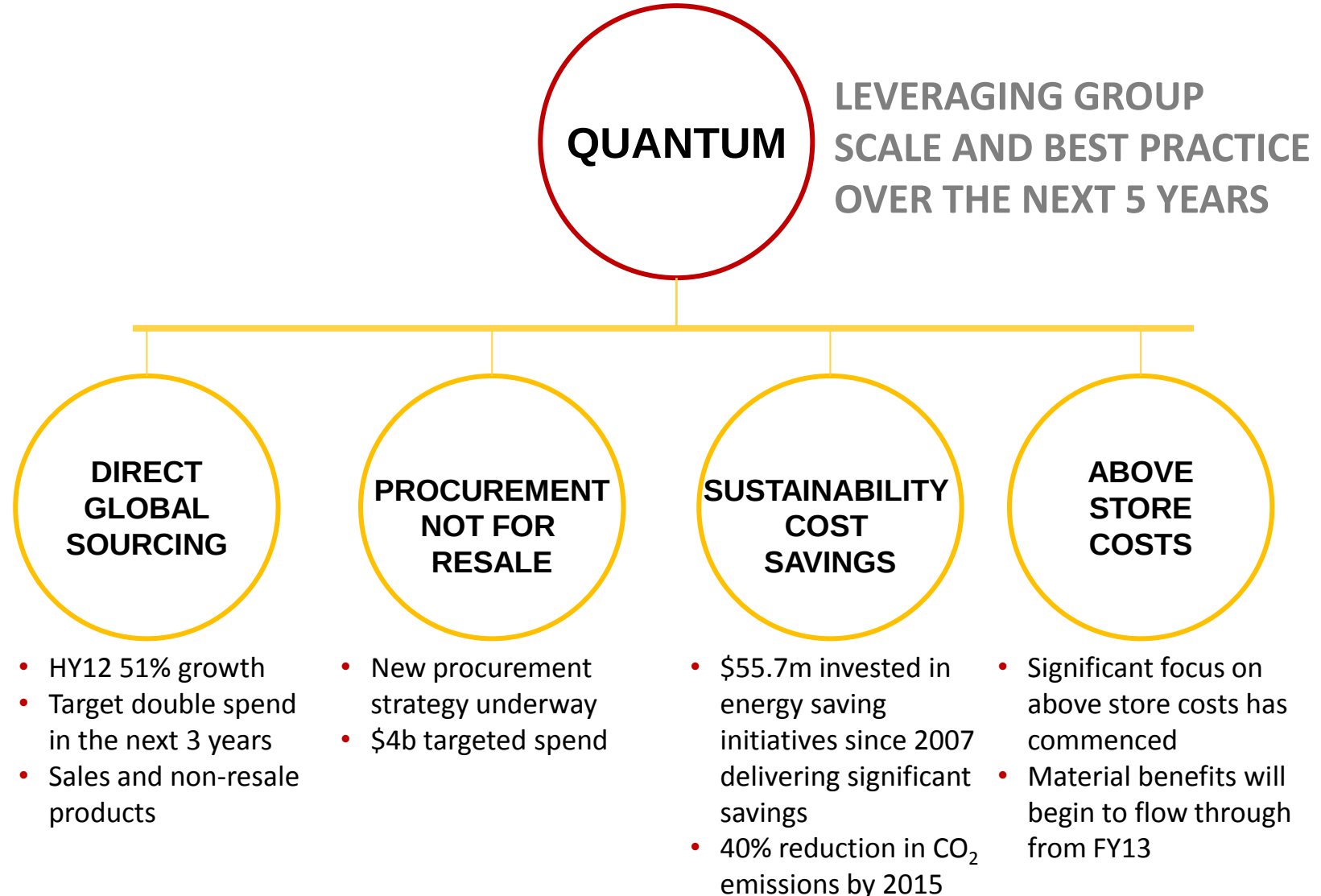
■ 2011 ■ 2012

1. Excludes the \$300m Consumer Electronics provision

2. Q3 and Q4 2011 adjusted for the impact of Easter

PRODUCTIVITY

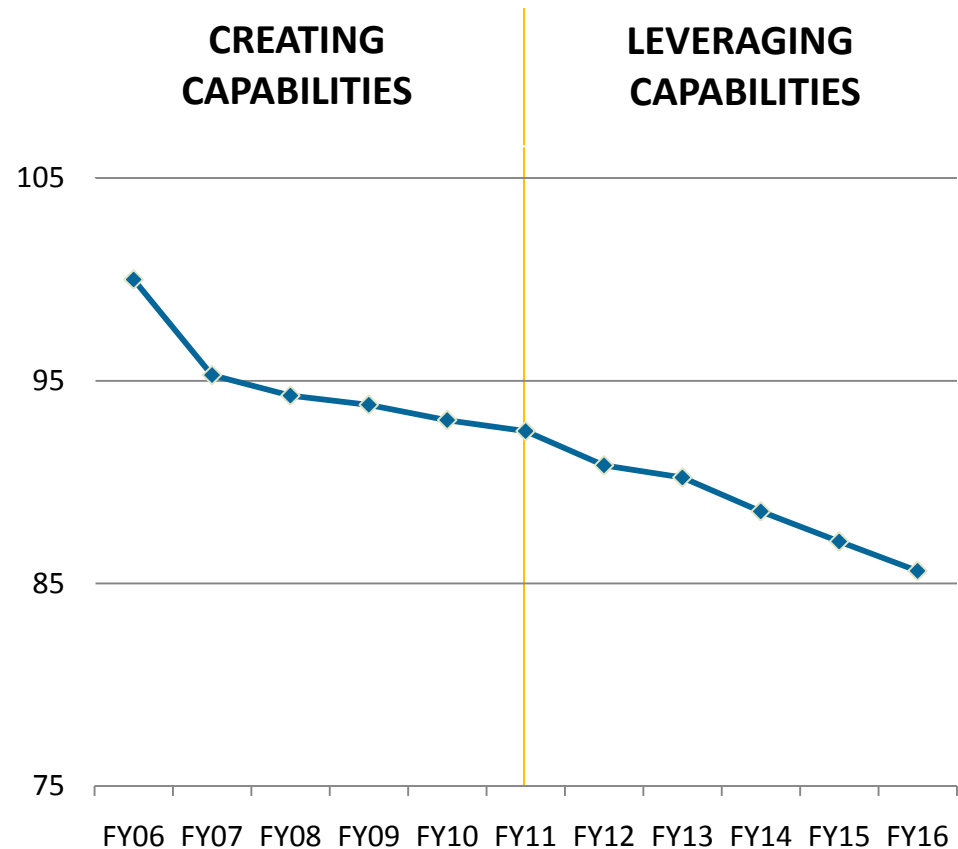
COST FOCUS — THE NEXT PHASE



LOGISTICS COSTS AS A % TO SALES CONTINUING TO REDUCE

- World class food and liquor supply chain capability to realise group benefits
- Best practice transport system includes 40% inbound volume handled by Woolworths Primary Freight reducing trucks to Distribution Centres by 1,500 per week
- Best practice processes including reduction in Direct Store Delivery and Technology
- Project Refresh intellectual property being applied across other businesses
- Next 5 years will see us sweating the assets with no major Capex required

AUSTRALIAN FOOD AND LIQUOR: FY06-FY16



FINANCIAL PERFORMANCE

BALANCE SHEET

\$m	FY11	HY11	HY11 Proforma ¹	HY12
Inventory	3,736.5	3,989.6	3,592.5	4,111.5
Trade Payables	(4,398.1)	(4,917.8)	(4,753.1)	(5,057.4)
Net Investment in Inventory – Continuing Operations	(661.6)	(928.2)	(1,160.6)	(945.9)
Receivables	1,044.1	1,106.8	1,062.6	1,229.0
Other Creditors	(2,646.8)	(2,567.5)	(2,498.9)	(2,667.9)
Working Capital – Continuing Operations	(2,264.3)	(2,388.9)	(2,596.9)	(2,384.8)
Fixed Assets and Investments	8,830.5	8,296.8	8,163.4	9,423.7
Intangibles	5,236.6	4,975.0	4,902.3	5,206.5
Total Funds Employed – Continuing Operations	11,802.8	10,882.9	10,468.8	12,245.4
Net Tax Balances	305.7	238.6	227.8	344.1
Net Assets Employed – Continuing Operations	12,108.5	11,121.5	10,696.6	12,589.5
Net Repayable Debt – Continuing Operations	(4,010.9)	(3,475.9)	(3,473.1)	(4,130.2)
Other Financial Liabilities (Lowe's Put Option)	(344.8)	(151.7)	(151.7)	(365.9)
Capital Call Receivable from Minority Interest (Lowe's)	93.0	-	-	-
Net Assets – Continuing Operations	7,845.8	7,493.9	7,071.8	8,093.4
Assets Classified as Held for Sale	-	-	653.9	458.5
Liabilities Associated with Assets Classified as Held for Sale	-	-	(231.8)	(324.7)
Net Assets – Discontinued Operations		-	422.1	133.8
Total Net Assets	7,845.8	7,493.9	7,493.9	8,227.2
Shareholders' Equity	7,593.2	7,237.1	7,237.1	7,964.9
Non-controlling Interest	252.6	256.8	256.8	262.3
Total Equity	7,845.8	7,493.9	7,493.9	8,227.2

Inventory balances are up 14.4%, driven by start up of our Masters business, Cellarmasters acquisition, additional overseas sourcing and incremental liquor inventory from new DC structure. Excluding the impact of these items, average inventory days are 30.8 days, down from 31.4 days at HY11

Trade payables up 6.4%, reflecting purchasing for the Masters business, Cellarmasters acquisition and general business growth

Receivables up 15.7%, primarily reflecting timing of receivables collection and Cellarmasters acquisition

Fixed assets and investments increased by \$1,260.3m to \$9,423.7m, primarily reflecting ongoing capital expenditure, primarily for property development, offset by depreciation

Intangibles increased \$304.2m, reflecting intangibles related to Cellarmasters acquisition, Compass Group and Home Improvement retail outlets

Net repayable debt (includes cash, borrowings, financial assets and liabilities) has increased by \$657.1m to \$4,130.2m reflecting increased borrowings to fund capital expenditure and the FY11 share buy backs

Relates to put option in JV with Lowe's

Shareholders equity has increased from retained earnings, the dividend reinvestment plan and options exercised under the Executive share option plan

1. Excludes Australia and New Zealand Consumer Electronics as this is treated in HY12 as discontinued operations

AVERAGE INVENTORY DAYS FOR CONTINUING OPERATIONS

INVENTORY DAYS INCREASED 1.2 DAYS. WHEN WE EXCLUDE THE IMPACT OF INCREMENTAL IMPORTED INVENTORY, ADDITIONAL INVENTORY ASSOCIATED WITH CELLARMASTERS AND HOME IMPROVEMENT, INVENTORY DAYS DECREASED BY 0.6 DAYS

Number of Days

HY08	30.3
HY09	30.2
HY10	31.6
HY11	31.4
HY12	32.6

Our target is to reduce inventory holdings by up to 1 day per year (excluding petrol, incremental indent and Masters)

Note: Average inventory based on 13 months rolling average

CASH FLOW

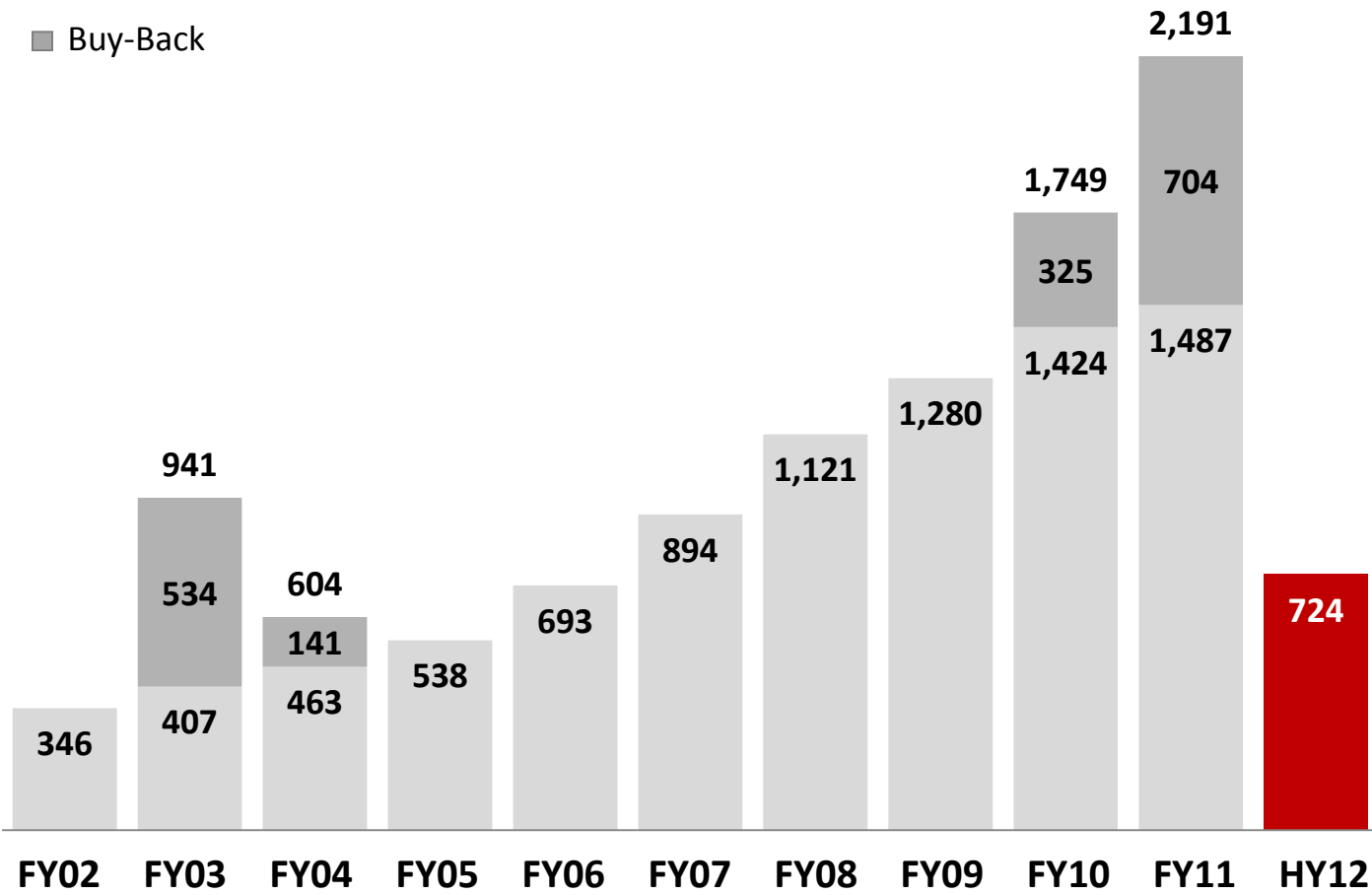
\$m	HY11	HY12	Change	
EBITDA – Total Group	2,227.3	2,314.2	3.9%	● Net inventory purchases for the commencement of the Masters business
Net decrease / (increase) in net investment in Masters inventory	-	(42.6)		
Net decrease / (increase) in investment in overseas indent inventory	13.5	(20.1)		● Higher investment in overseas inventory from increased global sourcing
Net (increase) in ongoing inventory	(548.7)	(683.3)		
Net increase in ongoing creditors	723.8	818.5		
Net (increase) in receivables	(107.4)	(177.2)		● The timing of collection of receivables
Net increase in superannuation accruals	47.0	8.6		
Net change in other working capital and non cash	84.9	97.4		● Timing of superannuation payments differs from the prior year
Cash from Operating Activities before Interest and Tax	2,440.4	2,315.5	(5.1)%	
Net interest paid (including cost of income notes)	(151.5)	(187.7)		● Increased as expected as a result of higher debt level reflecting the full impact of the buy-back activity undertaken in the prior year and funding of capital expenditure and business acquisitions
Tax paid	(423.1)	(455.7)		
Total Cash Provided by Operating Activities	1,865.8	1,672.1	(10.4)%	
Payments for the purchase of business – other	(113.4)	(128.8)		● Tax payments increased as a result of a lower instalment rate in the prior year. The prior year contained advantages relating to R&D claims and investment allowance incentives
Payments for property, plant and equipment – property development	(411.4)	(647.4)		
Proceeds on disposal of property, plant and equipment	68.4	72.9		
Payments for property, plant and equipment – other	(628.8)	(612.5)		
Payments for the purchase of investments	-	(0.6)		
Dividends received	5.3	3.2		● Relates to the acquisition of Compass Group and Tait Timber and Hardware
Total Cash Used in Investing Activities	(1,079.9)	(1,313.2)		
Lowes cash contributions (Home Improvement)	74.6	121.0		
Free Cash Flow	860.5	479.9		
Proceeds from share issues / other	92.4	117.2		
Dividends paid	(662.4)	(688.7)		
Free Cash Flow After Share Issues and Dividends	290.5	(91.6)		
Share buy-back	737.9	-		

SHAREHOLDER PAYOUTS

FRANKING CREDITS AVAILABLE FOR DISTRIBUTION (AFTER THE INTERIM DIVIDEND) = \$1.4b

\$ million

- Dividend
- Buy-Back



Profit growth, coupled with balance sheet management, will have delivered over \$11b payout to shareholders since July 2001

CAPITAL MANAGEMENT

CAPITAL STRUCTURE OBJECTIVE TO ENHANCE SHAREHOLDER VALUE THROUGH OPTIMISING WEIGHTED AVERAGE COST OF CAPITAL WHILST RETAINING FLEXIBILITY TO PURSUE GROWTH AND CAPITAL MANAGEMENT OPPORTUNITIES

- In October 2011, executed a A\$1.2b syndicated revolving bank loan facility in two tranches of three years (A\$580m) and 5 year (A\$620m). Shortly thereafter, two existing syndicated bank loan facilities of A\$800m and USD\$700m, maturing in April and May 2012 respectively, were terminated
- In November 2011, issued A\$700m in hybrid notes having a 25 year maturity with a non-call period of 5 years
- There are no maturities of debt in the immediate term
- At the end of the half, we had \$3.5b in undrawn bank loan facilities
- Future capital management initiatives will be assessed in light of growth opportunities, capital markets, environment and our focus on maintaining strong credit ratings
- There will be no share buy-back activity in 2012 given the subdued trading environment
- Property — targeting sales of up to \$200m subject to market conditions

RETURN ON FUNDS EMPLOYED¹

Percentage		Comments
HY08	17.85	- Decrease reflects investment in the start up phase of the Masters business and the acquisition of Cellarmasters - Excluding the impact of these, return on funds employed decreased 32 bps - ROFE is being adversely impacted by the property development activity being undertaken by the group
HY09	17.51	
HY10	17.74	
HY11	16.66	
HY12	15.09 ³	16.70 ²

1. Based on average of opening and closing funds employed. The decrease in ROFE reflects lower earnings in our general merchandise businesses, strategic investment in development properties

2. Return on Funds employed excludes the Consumer Electronics provision and results of Masters and Cellarmasters

3. Return on Funds employed excludes the Consumer Electronics provision

OUTLOOK

- We anticipate trading will continue to be subdued over the remainder of the year as a result of the prevailing external conditions
- As noted previously, Woolworths plans for future growth, through expansion into the circa \$40b Home Improvement market. We anticipate start up costs for Masters in FY12 of up to \$100m (before tax and non-controlling minority interests). The amount of the start up costs is dependent upon a range of factors, particularly the pace of our new store roll out
- Woolworths is well positioned in all its market segments and has a strong and sustainable business model geared towards the less discretionary retail segments. Therefore, we continue to expect growth of Net Profit after Tax, excluding the \$300m restructuring provision for Consumer Electronics, to be in the range of 2% – 6% in FY12, subject to the uncertainty in prevailing external conditions

RECAP

AMBITION

Woolworths Limited is Australia's leading retail group, creating a customer-driven future of innovation and growth



STRATEGY

1

**EXTEND AND
DEFEND
LEADERSHIP IN
FOOD AND
LIQUOR**

2

**ACT ON OUR
PORTFOLIO TO
MAXIMISE
SHAREHOLDER
VALUE**

3

**MAINTAIN
OUR TRACK
RECORD OF
BUILDING NEW
GROWTH**

4

**PUT IN PLACE
THE ENABLERS
FOR A
NEW ERA OF
GROWTH**

Company Results

HY Ended

1 January 2012

Grant O'Brien

Managing Director and
Chief Executive Officer



WOOLWORTHS LIMITED

APPENDICES

PROFIT AFTER TAX FROM CONTINUING OPERATIONS

— UP 3.2%

\$ million

HY08 ↑29.1% 860.8

HY09 ↑11.6% 960.8

HY10 ↑11.6% 1,072.3

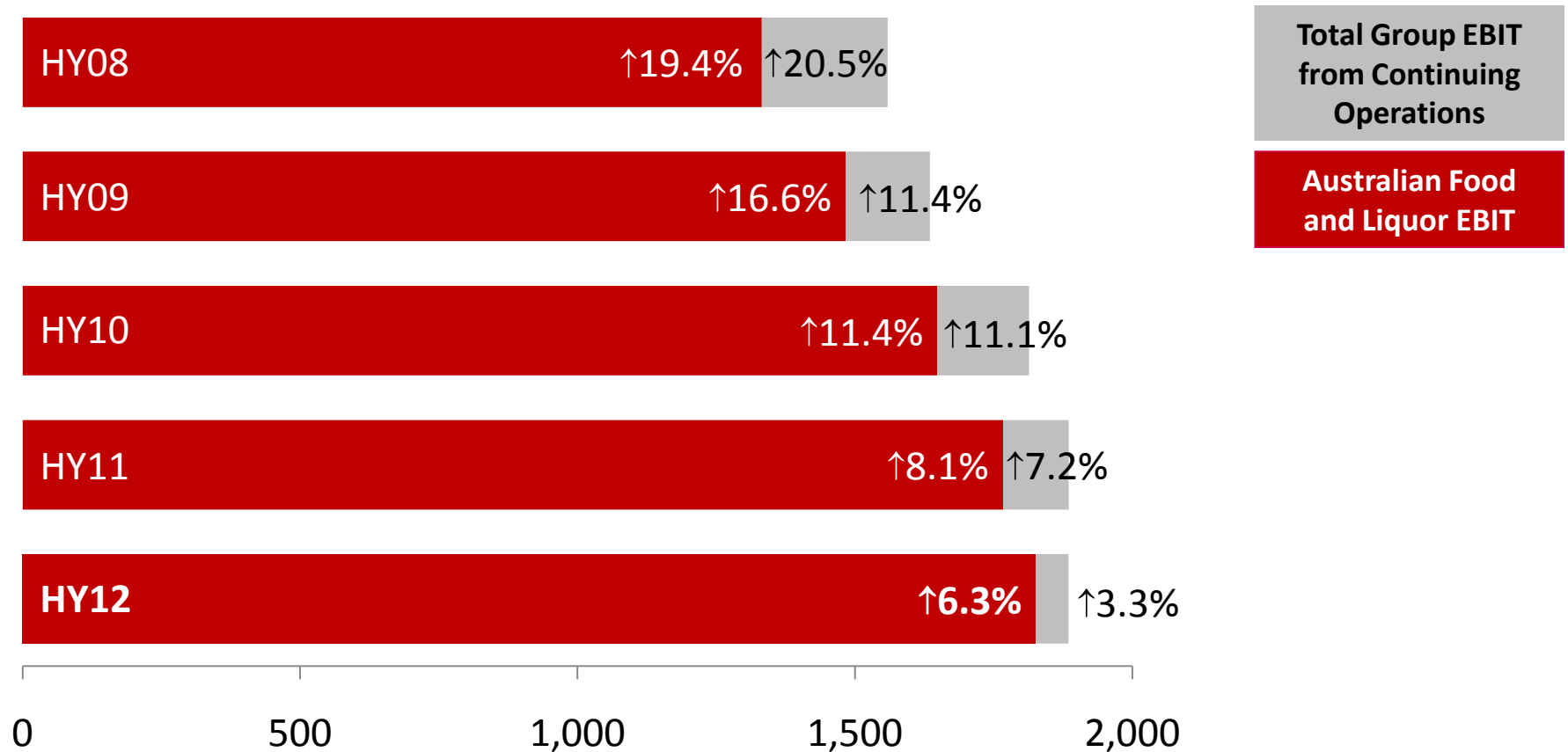
HY11 ↑7.0% 1,147.6

HY12 ↑3.2% 1,184.3

EBIT FROM CONTINUING OPERATIONS — UP 3.3%

EBIT GROWTH UNDERPINNED BY SOLID GROWTH IN AUSTRALIAN FOOD AND LIQUOR

\$ million



CODB / SALES FROM CONTINUING OPERATIONS

INCREASED BY 26 BPS BUT HAS BEEN WELL CONTROLLED IN DOLLAR TERMS IN A CHALLENGING TRADING PERIOD WITH SIGNIFICANT SELLING PRICE DEFLATION

Percentage

Comments

HY08

19.76%

HY09

19.44%

HY10

19.57%

HY11

19.60%

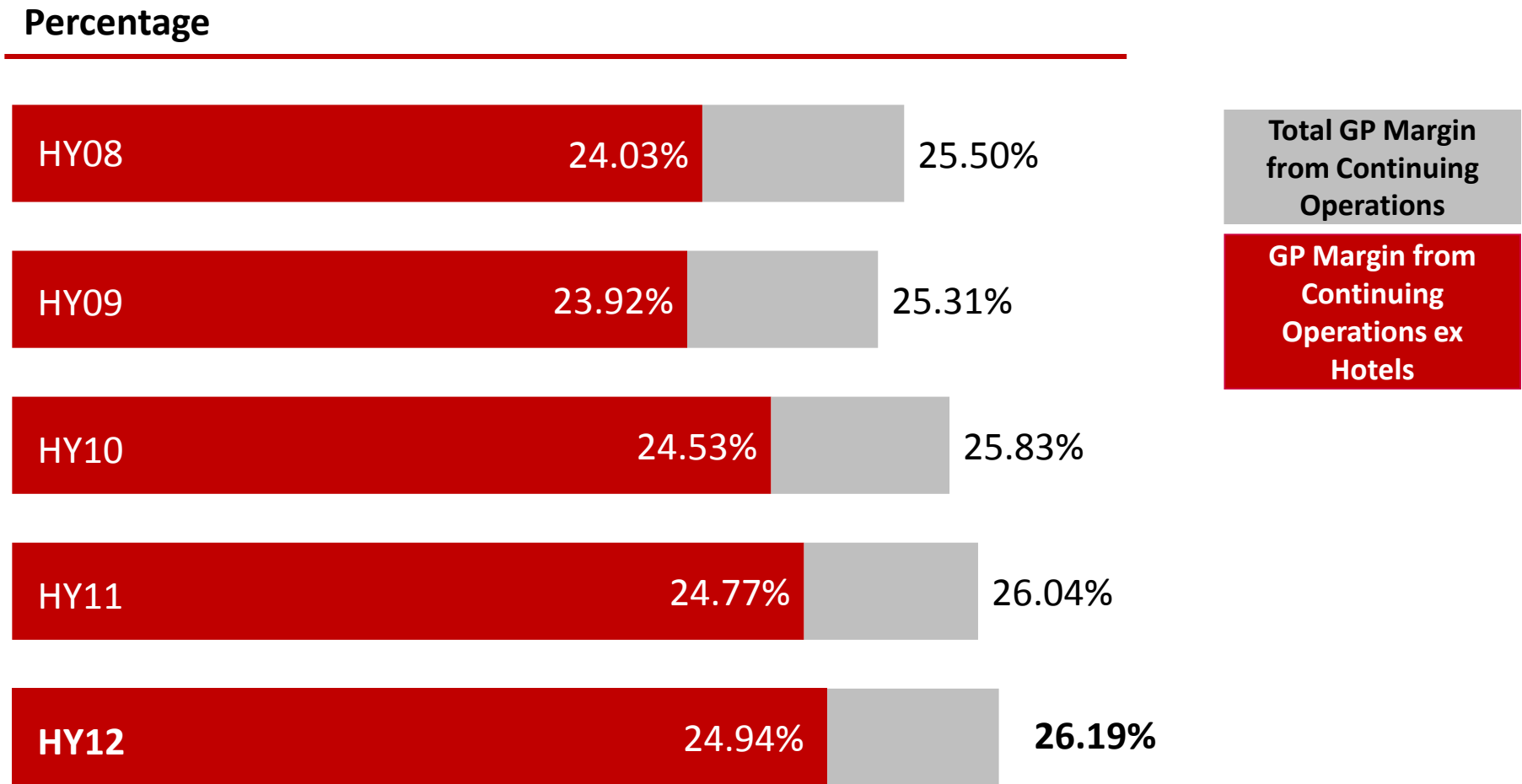
HY12

19.86%

- Reflects
 - Investment in Masters
 - First year impact of the Cellarmasters acquisition
 - Additional costs incurred as a result of the higher than usual number of stores opened
- We are very focused on reducing our cost base, particularly above the store, with project Quantum well underway and set to commence delivering results from FY13 onwards

GROSS PROFIT MARGIN FROM CONTINUING OPERATIONS

INCREASE OF 15 BPS DUE TO THE BENEFITS OF GLOBAL DIRECT SOURCING, IMPROVED SHRINKAGE RATES, MOVING TO DISTRIBUTION CENTRE DELIVERY IN LIQUOR AND INCREASING SALES OF EXCLUSIVE BRAND PRODUCTS



RETURN ON EQUITY¹ BEFORE CONSUMER ELECTRONICS PROVISION

Percentage	
HY08	14.97
HY09	15.08
HY10	14.63
HY11	16.05
HY12	14.62

1. Based on closing Shareholders Funds

DIVIDENDS PER SHARE — INTERIM

THE INCREASE IN DIVIDENDS PER SHARE EXCEEDED EARNINGS GROWTH

Cents

HY08 ↑25.7% 44

HY09 ↑9.1% 48

HY10 ↑10.4% 53

HY11 ↑7.5% 57

HY12 ↑3.5% 59

HALF YEAR TOTAL GROUP SALES OF \$29.7b — UP 5.0% — UP 3.7 % EXCLUDING PETROL

\$m	HY11	HY12	Increase	Half Year Comp Sales
Australian Food and Liquor	18,772	19,571	4.3%	1.5%
New Zealand Supermarkets (AUD)	2,183	2,244	2.8%	4.5% ¹
Petrol (dollars)	2,945	3,434	16.6%	13.7%
<i>Petrol (litres)</i>	<i>2,542</i>	<i>2,605</i>	<i>2.5%</i>	<i>(0.1%)</i>
Supermarket Division	23,900	25,249	5.6%	-
BIG W	2,392	2,362	(1.3%)	(2.8%)
Consumer Electronics – India	177	193	9.0%	-
Hotels	612	636	3.9%	2.9%
Home Improvement	354	412	16.4%	-
Group Sales – Continuing Operations	27,435	28,852	5.2%	-
<i>Group Sales – Continuing Operations (excluding Petrol)</i>	<i>24,490</i>	<i>25,418</i>	<i>3.8%</i>	-
Consumer Electronics – Australia	726	731	0.7%	2.4%
Consumer Electronics – NZ	142	142	-	6.5% ¹
Group Sales – Discontinued Operations	868	873	0.6%	-
Total Group Sales	28,303	29,725	5.0%	-
Total Group Sales (excluding Petrol)	25,358	26,291	3.7%	-

GROUP EBIT FROM CONTINUING OPERATIONS — UP 3.3%

\$m	HY11	HY12	Change
Australian Food and Liquor	1,404.8	1,493.5	6.3%
<i>New Zealand Supermarkets (NZD)</i>	<i>134.3</i>	<i>149.1</i>	<i>11.0%</i>
New Zealand Supermarkets (AUD)	108.6	118.5	9.1%
Petrol	63.4	67.4	6.3%
Supermarkets Division	1,576.8	1,679.4	6.5%
BIG W	125.0	119.6	(4.3)%
Hotels	111.9	116.2	3.8%
Total Trading Result – Continuing Operations	1,813.7	1,915.2	5.6%
Property Income / (Expense) and Central Overheads ¹	(46.7)	(89.3)	(91.2)%
Group EBIT – Continuing Operations	1,767.0	1,825.9	3.3%
Consumer Electronics - Australia / New Zealand	20.0	19.5	(2.5)%
Group EBIT – Discontinued Operations before Consumer Electronics Provision	20.0	19.5	(2.5)%
Group EBIT before Consumer Electronics Provision	1,787.0	1,845.4	3.3%
Consumer Electronics Provision²	-	(300.0)	n.m
Group EBIT	1,787.0	1,545.4	(13.5)%

1. Includes Home Improvement and Consumer Electronics India

2. \$300m provision for Consumer Electronics Australia and New Zealand

EARNINGS PER SHARE — EXCLUDING CONSUMER ELECTRONICS PROVISION UP 3.3%

Cents

HY08

↑25.9% 74.06

HY09

↑9.3% 80.93

HY10

↑10.0% 89.05

HY11

↑6.9% 95.20

HY12

↓16.6% 79.39 ↑ 3.3% 98.38

EPS for the Group was 79.39. Excluding the Consumer Electronics provision EPS was up 3.3% on the prior year to 98.38

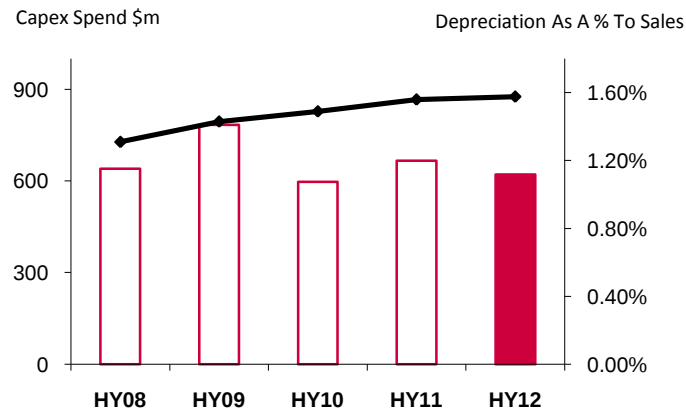
CAPITAL EXPENDITURE — HALF YEAR

\$m	HY11 Actual	HY12 Actual
New Stores	164	174
Refurbishments	309	184
Growth Capex	473	358
Stay in Business	106	138
Supply Chain and Data Centre	74	72
Home Improvement	13	53
Normal and Ongoing Capex	666	621
Property Developments (net of sales)	343	565
Net Capex	1,009	1,186

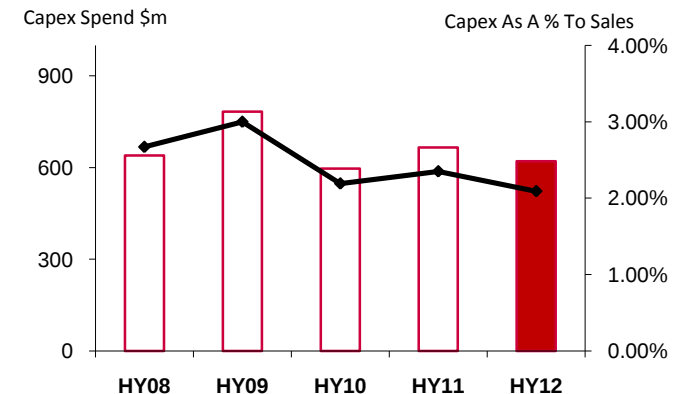
Store numbers	New Stores ¹		Refurbs	
	2012	2011	2012	2011
Australian Supermarkets ²	25	12	49	41
Liquor	46	41	12	31
PEL - NZ Supermarkets	4	8	4	13
Petrol	10	9	1	-
BIG W	4	3	3	9
Hotels	14	2	13	28
Danks	2	9	-	-
Masters	7	-	-	-
Group	112	84	82	122

1. Gross store openings
2. Includes attached liquor

Normal and Ongoing Capex \$m, Depreciation % to Sales



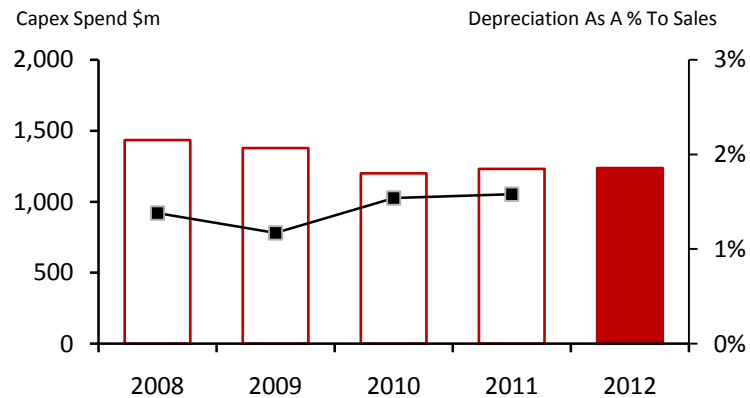
Normal and Ongoing Capex \$m, Capex % to Sales



CAPITAL EXPENDITURE — FULL YEAR

\$m – 2012	Current Fcst	Previous Fcst	Var
New Stores	393	303	90
Refurbishments	297	454	(157)
Growth Capex	690	757	(67)
Stay in Business	248	314	(66)
Supply Chain and Data Centre	132	161	(29)
Home Improvement	167	186	(19)
Normal and Ongoing Capex	1,237	1,418	(181)

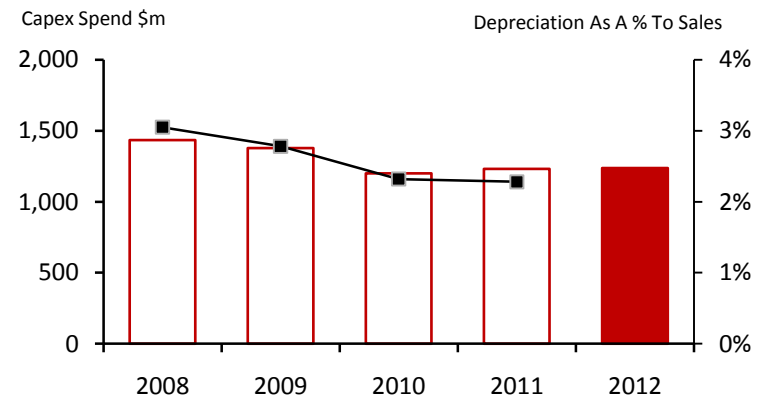
Normal and Ongoing Capex \$m, Depreciation % to Sales



\$m – Full Year	Current Fcst	Previous Fcst	Var
Property Developments (net of sales)	998 ¹	995 ²	3
Net Capex	2,235	2,413	(178)

\$m – Full Year	2010 Actual	2011 Actual	2012 Fcst
New Stores	225	288	393
Refurbishments	622	492	297
Growth Capex	847	780	690
Stay in Business	229	249	248
Supply Chain and Data Centre	119	164	132
Home Improvement	5	39	167
Normal and Ongoing Capex	1,200	1,232	1,237

Normal and Ongoing Capex \$m, Capex % to Sales



\$m – Full Year	2010 Actual	2011 Actual	2012 Fcst
Property Developments (net of sales) ¹	620	603	998
Net Capex	1,820	1,835	2,235

1. Includes property development for Home Improvement and includes proceeds from the property sale program which took place during the year

2. Restated to include property development for Home Improvement which was previously excluded

CAPITAL EXPENDITURE — NOTES

New Stores	Reflects the continued rollout of new stores across all our brands. Capital spend increased in HY12 as a result of more new stores being completed (112: HY12 vs 84: HY11). The full year forecast increase is mainly driven by a continuation of this trend into the second half
Refurbishment	Reflects the continuation of refurbishment activity across our brands. Capital spend reduced in HY12 mainly as a result of less stores being refurbished and lower costs of refurbishments per store (82: HY12 vs 122: HY11). In a challenging trading environment refurbishment spend has been retargeted at key refurbishments and specific merchandising initiatives with a focus on sustainability initiatives
Stay In Business	Includes expenditure on a variety of IT and other projects including enhancement of our data analytics capabilities, merchandising systems upgrade and other equipment. The increase in HY12 compared to HY11 was due to several large projects in Australian Supermarkets. The current full year forecast decreased on our original forecast as a result of a re-prioritisation of non-critical projects
Supply Chain and Data Centre	Includes investment in BIG W and Home Improvement distribution centre in Hoxton Park, re-engineering of the Melbourne National Distribution centre, construction of a new distribution centre in Tasmania, investment in a new meat processing plant in Western Australia and a distribution centre dock safety project. The current full year forecast decreased on our original forecast as a result of a re-prioritisation of non-critical projects
Home Improvement	Includes capital for the fit-out of new stores, IT and Supply Chain. The increase in HY12 spend compared to HY11 is due to significantly higher capital expenditure in relation to the fit-out of new stores as the first 7 stores were opened during the half year and a further 18 were under construction
Property Developments (net of sale)	The increase in HY12 reflects a higher level of property development, driven by retail developments and Home Improvement, partially offset by higher property sales. The current full year forecast is in line with the previous full year forecast

WE CONTINUE TO INVEST IN ALL OUR BUSINESSES

SUPPLY CHAIN

DEVELOPED WORLD CLASS FOOD AND LIQUOR SUPPLY CHAIN DELIVERING A STEP CHANGE IN OUR COSTS AND SERVICE

LOGISTICS PERFORMANCE



2006-2011

CARTONS HANDLED	+ 45%
LOGISTICS COSTS (% OF SALES) ¹	- 57 bps
LABOUR COST PER CARTON \$ ²	- 0.4%

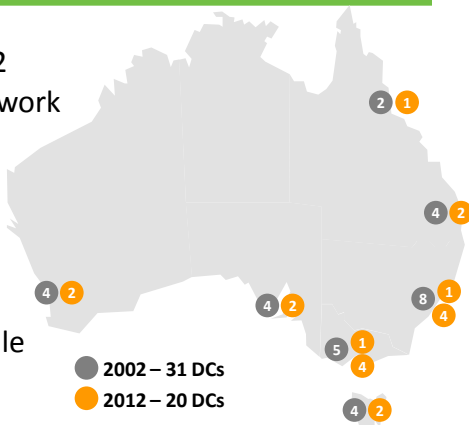
1. Excluding DSD

2. ABS data shows wage inflation in the sector up 17.9% for same period

BEST PRACTICE – DCs



- 31 DCs down to 20 DCs by FY12
- Transition to an NDC / RDC network
- Purpose built liquor DCs
- Cumulative network spend
 - DCs ~\$800m
 - IT / other ~\$450m
- DC spend fully recovered via Sale and leaseback



BEST PRACTICE - TRANSPORT



- 40% OF INBOUND VOLUME HANDLED BY WOOLWORTHS PRIMARY FREIGHT – reducing trucks to DC's by 1,500 per week through better consolidation, and utilising outbound trailer fleet
- METRO TRANSPORT MODEL (MTM) – we control route planning and load allocations. As well as own our own outbound trailer fleet

BEST PRACTICE – PROCESS & TECHNOLOGY



- AutostockR – automated in store and DC stock replenishment systems
- Warehouse Management Systems (WMS), Material Handling System (MHS) and Labour Planning System enhancing DC efficiency
- Transport Management System (TMS) enhancing transport efficiency
- Reduction in Direct Store Delivery (DSD) to remove complexity from stores