

WOOLWORTHS LIMITED

Michael Luscombe
Chief Executive Officer

Tom Pockett
Finance Director

Company Results

Full Year ended 29 June 2008

Highlights for Financial Year 2008

- This has been a successful year with our business performing well overall.
- The result is the outcome of consistent delivery against our clearly defined strategies.
- This result would not be possible without the many years of hard work in establishing the foundations for the positive momentum that we are currently experiencing.
- We have focussed on reinvesting in all our businesses in 2008 to ensure the momentum continues.
- We are well positioned for future growth.

Highlights – Full Year 2008

Excellent result reflecting strong business momentum

	FY08	Growth
✓ Sales	\$47.0b	+ 10.7% ↑
✓ EBIT	\$2,528.8m	+ 19.8% ↑
✓ NPAT	\$1,626.8m	+ 25.7% ↑
✓ EPS	134.9 cents	+ 24.0% ↑

Well positioned for achieving sustainable profitable growth

Highlights for the year

Rollout of 2010c Format

- Refurbishments are being well received by our customers
- Financial benefit through improved sales and gross margin to be obtained in future years

- Currently have c180 stores in new format
- A further 149 stores (including 134 refurbishments) expected in FY09

“Initial results from the stores that we have completed are pleasing with initial results in line with the original business case”



Hornsby



Woolworths
the fresh food people

WOOLWORTHS LIMITED

Cards Program – “Everyday Rewards”

- Nationwide rollout of “Everyday Rewards” Program is now complete
- This program replaces paper petrol dockets with a convenient card-based system

- Provides a new opportunity to engage with our customers
- Marketing program now underway

- Program numbers have exceeded expectations with over 3.8 million cards on issue.
- 2.4 million cards registered



Cards Program

- “Everyday Money” Credit Card is due to be officially launched on the 1st September 2008
- Card Issuer is HSBC
- Card Scheme Partner is Mastercard



Compelling value offer to our customers

Exclusive Benefits:

- Rewards programs will provide customers with full redemption “shopping cards”



Cards Program – Shopping cards

- “Everyday money” shopping cards can be used in any of our stores across all our brands
- Supports our core retail business



**The credit card
fresh from Woolworths.**
Apply now and start earning rewards*.



Woolworths
everyday money

Credit provided by HSBC Bank Australia Limited ABN 48 006 434 162. *Eligibility criteria, terms and conditions apply. Please ask for details.

Repositioning of Big W

- Repositioning of our Big W business is progressing well.
- 7 quarters of positive comparable sales.
- Continue to maintain Everyday Low Price position in the market

- Opened 150th store during the year.
- 16 stores refurbished in 2008 (2007: 3)
- 15 stores planned for 2009.
- We continue to retrofit key merchandising initiatives across our store network.



BIGW
live big for less

Supply Chain

- The financial benefits from the supply chain investment are continuing.
 - The intellectual property we have developed in Supermarkets is now being applied to other businesses.
-
- New Liquor Distribution Centres - Sydney in July 2008 and Melbourne in September 2008
 - These will be leased therefore capital expenditure is limited to fixtures and equipment



Financial results

Report Card

In comparison with our regularly expressed goals

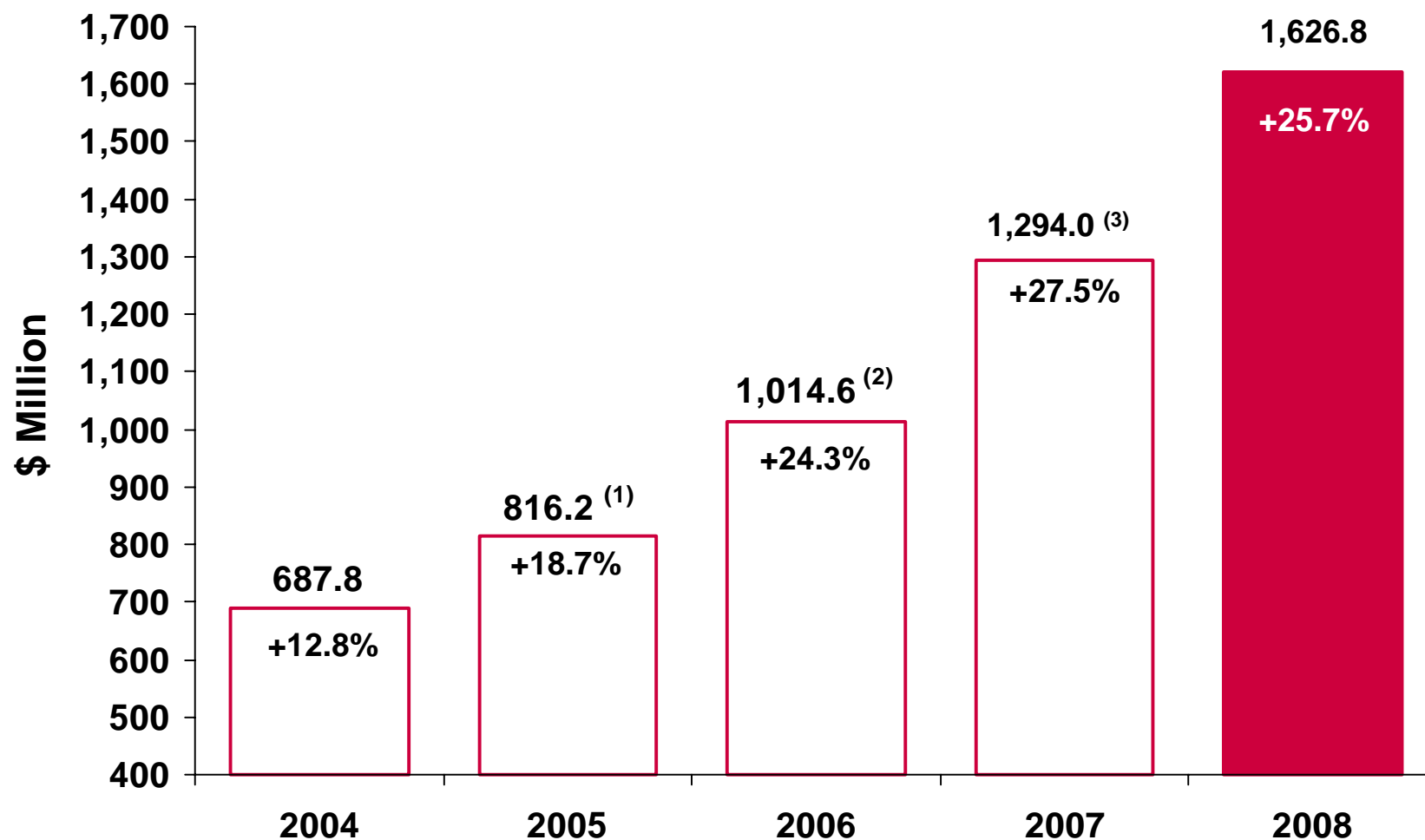
	2000	2001	2002*	2003*	2004	2005	2006	2007	2008
Sales will grow in the upper single digits assisted by bolt-on acquisitions	8.3%	10.1%	14.9%	9.6%	6.1%	12.2%	20.4%	12.6%	10.7%
EBIT will outperform sales growth assisted by cost savings	15.2%	13.7%	15.7%	15.6%	12.6%	20.5%	32.3%	22.6%	19.8%
EPS will outperform EBIT growth assisted by capital management	18.8%	24.1%	22.5%	18.0%	15.6%	13.7%	14.8%	19.7%	24.0%
CODB will reduce by 20 bps ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Normalised to remove the impact of 53rd week

⁽¹⁾ Excludes Hotels and Petrol

Our long term objective is that EPS growth will outperform EBIT growth. However in circumstances where we undertake a major acquisition which results in the need to defer our normal capital management initiatives, EPS growth in such periods may not outperform EBIT growth.

Profit after tax – up 25.7%



(1) Includes ALH from 31 October 2004 and MGW from 2 January 2005.

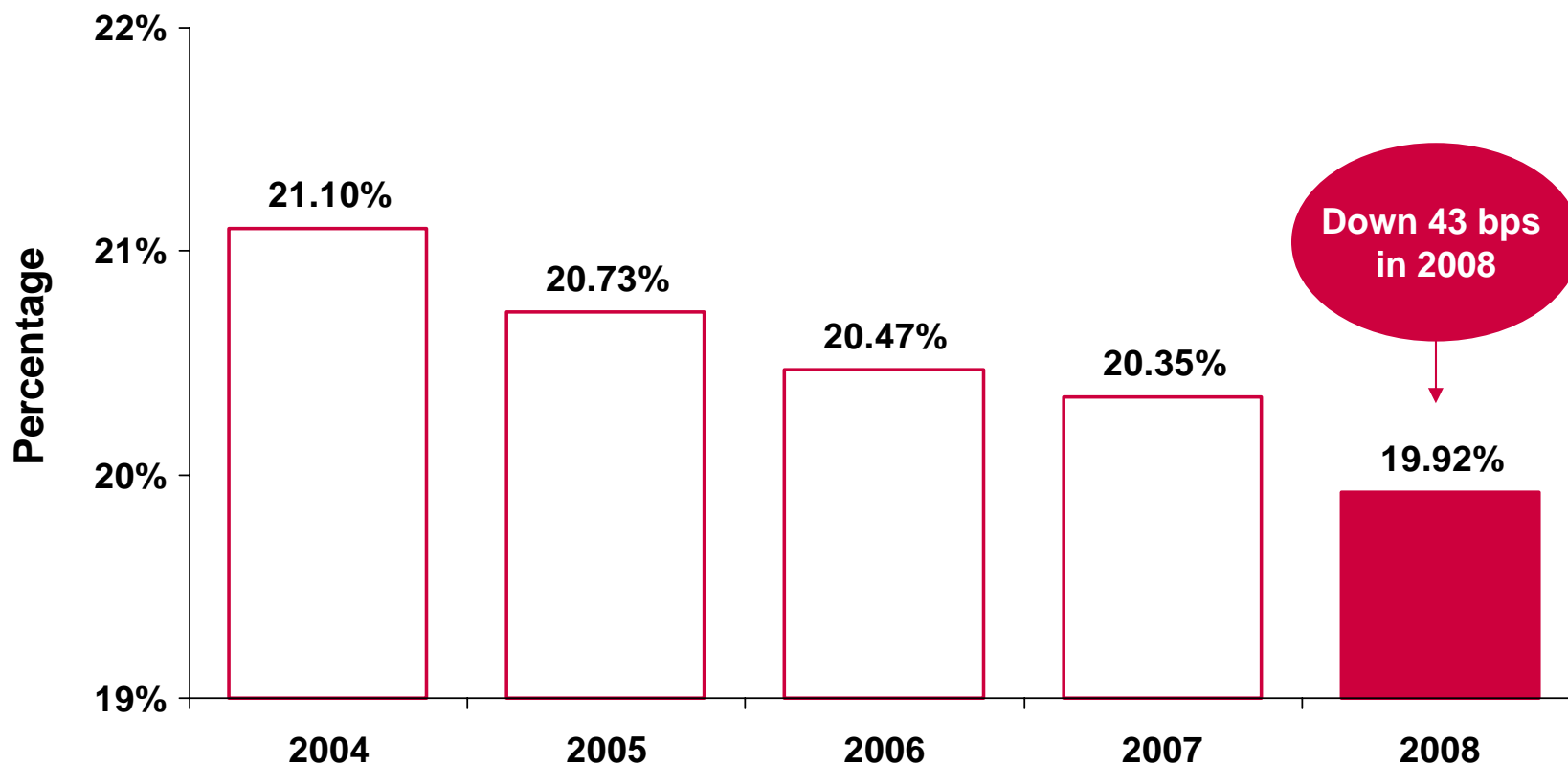
(2) Includes Progressive (NZ) business and 20 Australian ex-FAL store results from 2 November 2005, BMG from 1 July 2005, Taverner Hotel Group from 6 February 2006, and ALH and MGW results for the 52 weeks.

(3) Includes Progressive and Taverner Hotel businesses for the full 52 weeks.

CODB / Sales

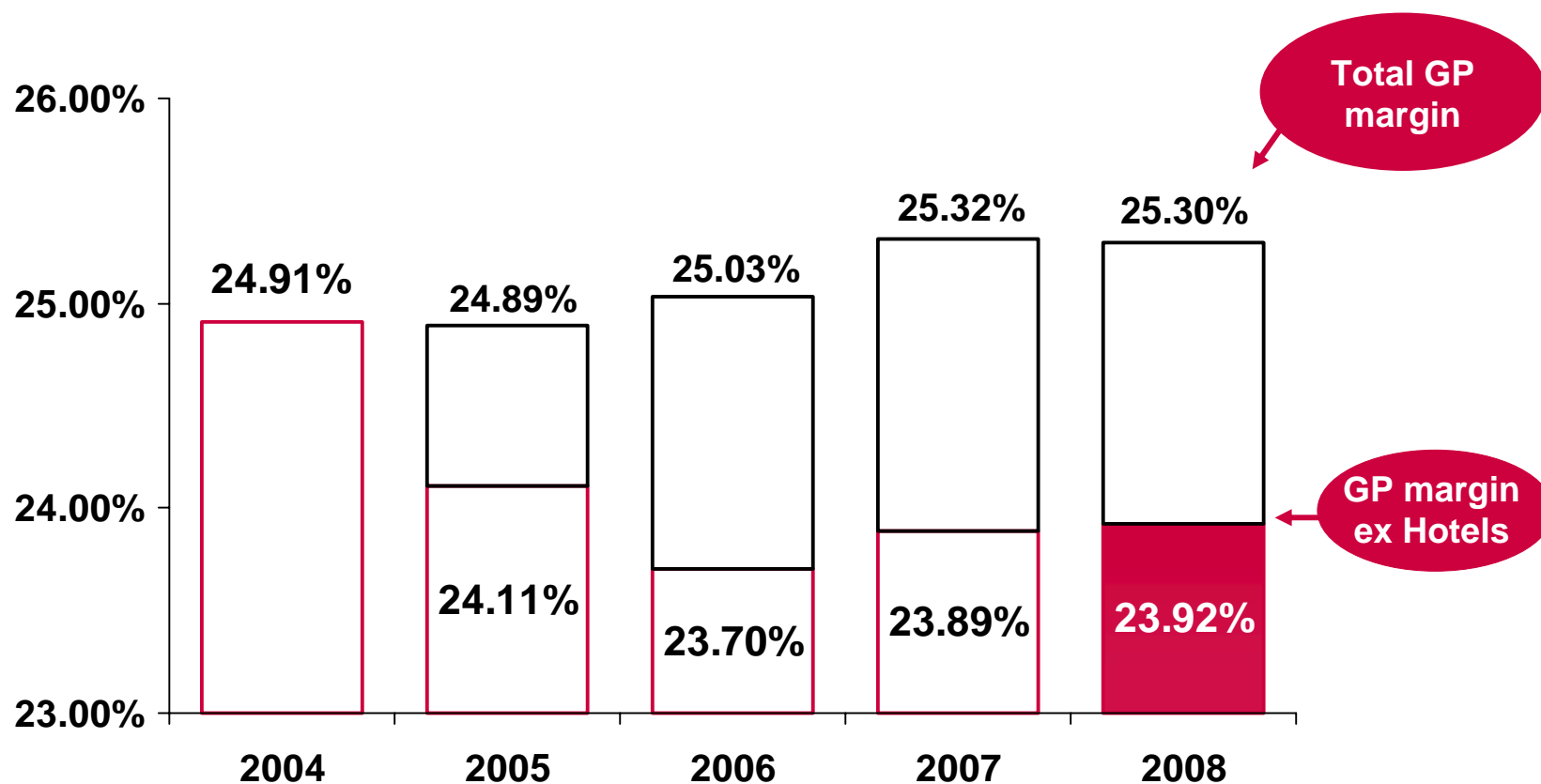
CODB includes certain one-off items, including the profit on sale of certain properties and costs associated with certain strategic initiatives. When these items are excluded the reduction in CODB is 38 bps.

Our targeted CODB reduction of 20 basis continues to be achieved when the distorting impacts of Petrol and Hotels are excluded.

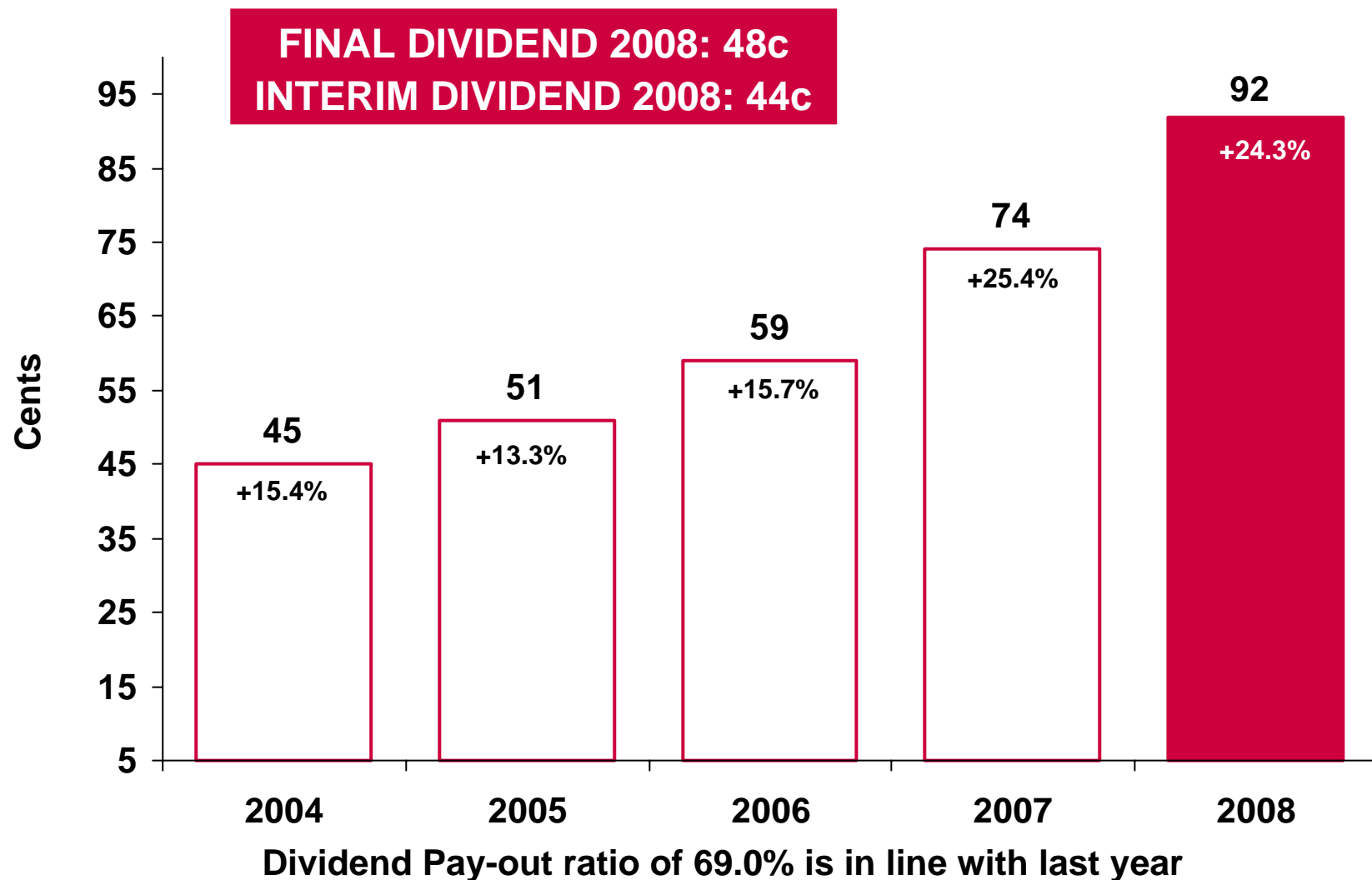


Gross Profit Margin (excluding Hotels)

As expected Gross Margin has improved reflecting improved buying, the success of our private label offering, the change in sales mix achieved through the rollback campaign, and has been offset by significant price reinvestment activity.



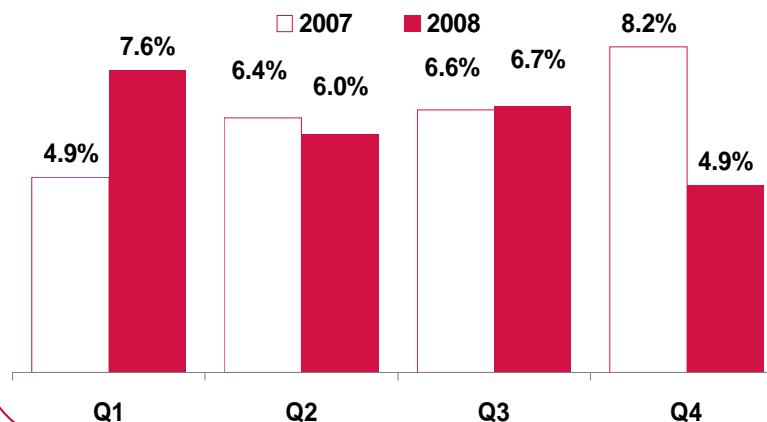
Dividends per share



Australian Supermarket Division

	2007	2008	Change
Sales (\$ m)	32,582	36,143	10.9%
Gross margin (%)	23.41	23.45	4 bps
CODB (%)	18.25	17.93	-32 bps
EBIT to sales (%)	5.16	5.52	36 bps
EBIT (\$ m)	1,680.0	1,995.6	18.8%
Funds Employed (\$ m)	2,271.6	2,805.4	23.5%
Average ROFE (%)	75.9	78.6	2.7% pts

Comparable Sales - up 6.3% (2007: 6.6%)



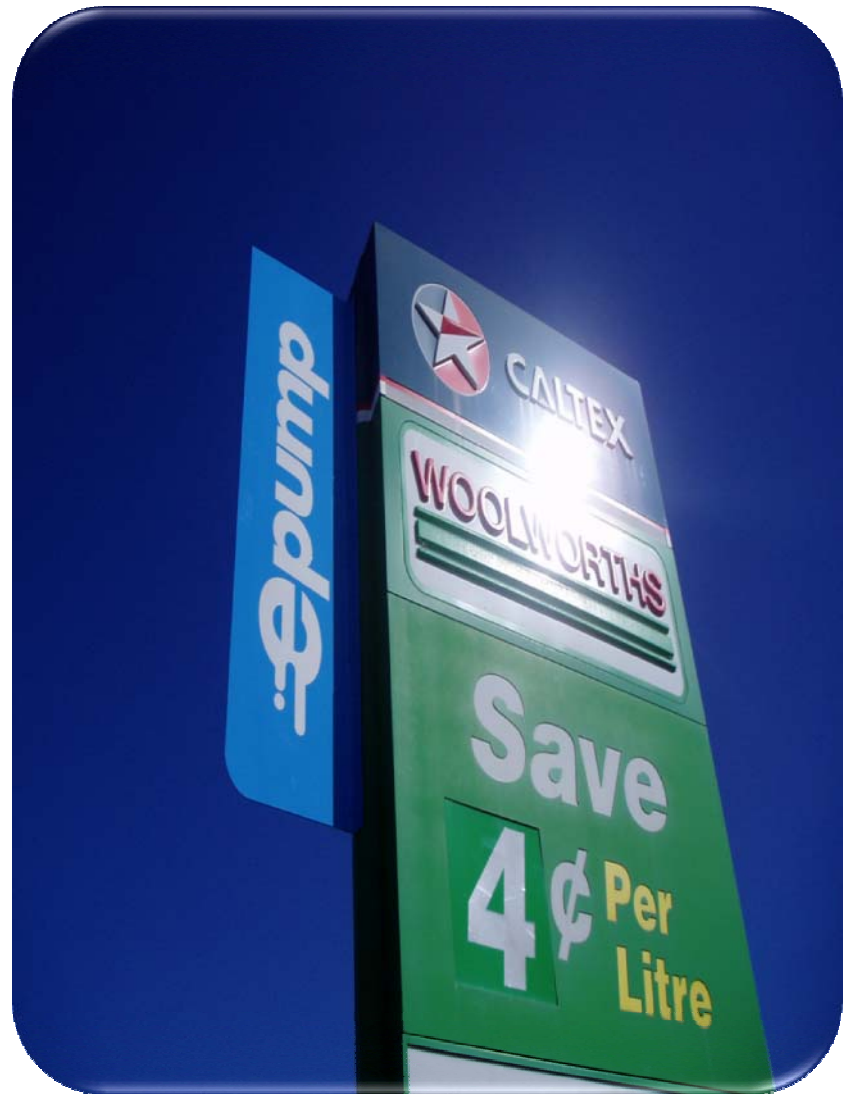
Continued positive momentum and growth in market share

- Continued re-investment in our business
- Continued expansion of our range
- Benefits from our supply chain are still being realised.
- Inflation lower 2.9% (2007: 3.5%)
- 30 new supermarkets opened.



Petrol

- Sales of \$5.6 billion, up 16.6%
- Comparable sales increased by 11.1% reflecting higher pump petrol prices than last year
- Comparable volumes increased 0.6% reflecting strength of our offer and effect of higher prices
- EBIT decreased 1.2% to \$81.9 million
- EBIT margins were lower at 1.5% (2007: 1.7%) reflecting decision not to pass on full cost increases to customers
- EBIT equates to 1.8 cents per litre sold (2007: 1.9)
- Pay at Pump will be introduced in 2008
- Exclusive to Everyday Money Credit card holders
- Provide a further convenience to our customers and will help ease congestion at our sites



Liquor

- All our Liquor operations (Dan Murphy's BWS and attached liquor) recorded strong growth in sales and profit
- Group Liquor sales for the year were \$4.7 billion (2007: \$4.1 billion)
- Woolworths operated 1,077 liquor outlets at the end of the financial year
- We continue to expand our range of exclusive brands and control labels. An example of this is the launch of our own low-carb beer called "Platinum Blonde" in July 2008

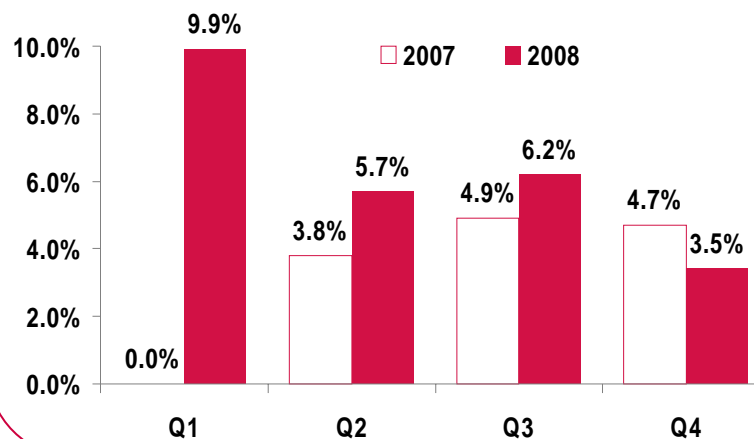
- Dan Murphy has further expanded its operations with 22 stores opening in the year.
- 89 Dan Murphy stores
- Our target is to have 155 Dan Murphy stores around Australia within the next three years.



New Zealand Supermarkets

\$ NZD	2007	2008	Change
Sales (\$m)	4,527	4,859	7.3%
Gross Margin (%)	21.77	21.87	10 bps
CODB (%)	17.54	17.68	14 bps
EBIT to sales (%)	4.23	4.19	-4 bps
Trading EBIT (\$ m)	191.3	203.7	6.5%
Less intercompany charges (\$ m)	(13.1)	(14.1)	7.6%
Reported EBIT (\$ m)	178.2	189.6	6.4%
Funds employed (\$ m)	2,510.7	2,630.2	4.8%

Comparable Sales – up 6.4% (2007 : 3.3%)



Integration has gone well

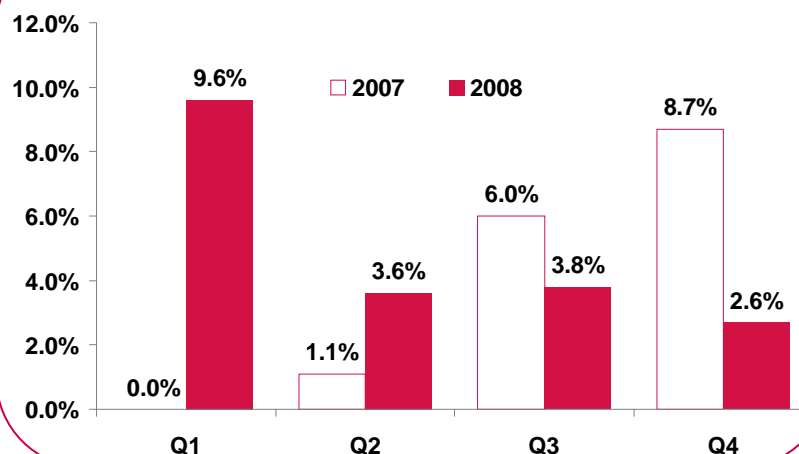
- Business is well positioned for the future
- Significant improvements to flow from our investment in new core systems
- Homebrand rollout is virtually complete
- Select, Naytura, Organics and Freefrom ranges are being gradually introduced
- Property refurbishments and new store pipeline accelerated



BIG W

	2007	2008	Change
Sales (\$ m)	3,465	3,916	13.0%
Gross margin (%)	29.80	29.99	19 bps
CODB (%)	25.80	25.87	7 bps
EBIT to sales (%)	4.00	4.12	12 bps
EBIT (\$ million)	138.6	161.2	16.3%
Funds Employed (\$ m)	471.1	540.7	14.8%
Average ROFE (%)	30.4	31.9	1.5% pts

Comparable Sales – Up 4.7% (2007 3.4%)



Strong result with recent initiatives being endorsed by our customers

- Improvement in range continues
- Accelerated refurbishment activity during the year : 16 (2007:3)
- Continue to maintain BIG Ws everyday low price position
- 9 new stores opened

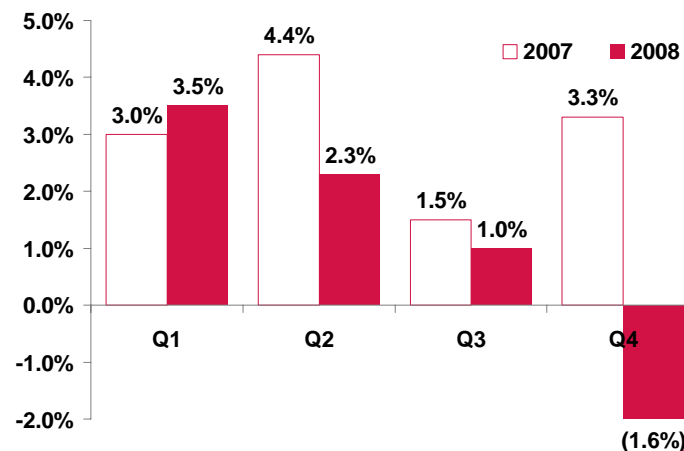
BIGW
live big for less

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Hotels

	2007	2008	Change
Sales (\$ m)	1,032	1,113	7.8%
Gross margin (%)	82.45	82.28	- 17 bps
CODB (%)	64.66	62.96	-170 bps
EBIT to sales (%)	17.79	19.32	153 bps
EBIT (\$ m)	183.7	215.1	17.1%

Comparable Sales – up 1.3% (2007: 3.2%)



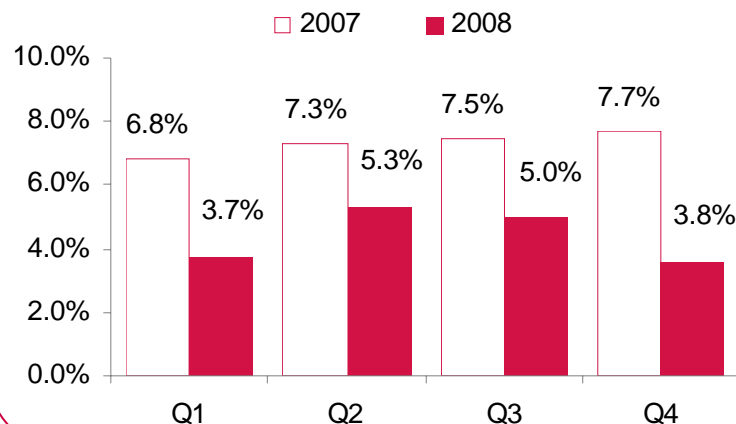
- Gaming comparable sales up 1.6%
- Strong portfolio of 271 hotels with 9 additions during the year
- A pleasing result given the continued influence of smoking bans
- Gaming comparable sales in July were positive – a good start to the year.



Consumer Electronics - Australia & NZ

	2007	2008	Change
Sales (\$ million)	1,285	1,427	11.1%
Gross margin (%)	28.21	27.49	-72 bps
CODB (%)	22.68	22.72	4 bps
EBIT to sales (%)	5.53	4.77	-76 bps
EBIT	71.1	68.1	-4.2%
Funds Employed (\$ m)	311.9	338.9	8.7%
Average ROFE (%)	23.4	20.9	-2.5% pts

Comparable Sales – up 4.4% (2007: 7.2%)



- Modest result in a very competitive market. Significant price reinvestment and markdown activity as less relevant ranges are deleted
- Latest technology at great prices, quality brands, expert service and advice
- Strategic review of business is progressing well



Consumer Electronics

- The strategic review of our Consumer Electronics business is focussed on repositioning of the brands, engaging our customers with a new in-store experience and introducing new product and service offerings.
- Excellent results have been achieved to date with our trial stores.

FROM



TO



Consumer Electronics

FROM



TO



WOOLWORTHS LIMITED

Consumer Electronics - India



- Our business venture with TATA is still in its infancy with 22 retail stores operating under the “Croma” brand.
- As part of this venture Woolworths Limited provides buying, wholesale, supply chain and general consulting services to TATA.
- The wholesale operations are meeting our expectations and recorded sales of \$104 million (2007: \$25 million) during the year and made an operating loss of \$5.0 million (2007: \$4.3 million).

Balance Sheet

\$ millions	FY07	FY08	
Funds Employed			
Inventory	2,739.2	3,010.0	→ Average inventory down 0.8 days. Days creditors have increased slightly to 47.3 days due to the timing of monthly creditor payments (due to the 53rd week)
Trade Payables	(3,277.4)	(3,878.1)	
Net investment in inventory	(538.2)	(868.1)	→ Net investment in inventory down a further \$330 million
Receivables	490.1	641.4	→ Increase reflects timing of July occupancy prepayments
Other creditors	(2,038.3)	(2,118.1)	
Working Capital	(2,086.4)	(2,344.8)	
Fixed assets and investments	4,886.1	5,825.5	→ Increase reflects the accelerated refurbishment program, offset by depreciation
Intangibles	5,003.5	4,835.2	↘ Intangibles decreased reflecting the foreign exchange movements in relation to New Zealand intangible assets
Total Funds Employed	7,803.2	8,315.9	
Net Tax Balances	154.3	100.5	
Net Assets Employed	7,957.5	8,416.4	
Borrowings current	(379.8)	(550.2)	
Borrowings non-current	(2,690.9)	(2,224.0)	
Cash and deposits	798.8	754.6	
Hedge assets & liabilities	(170.9)	(161.5)	
Net Repayable Debt	(2,442.8)	(2,181.1)	→ Net repayable debt has decreased \$262 million reflecting the strong operating cashflow.
Net Assets	5,514.7	6,235.3	
 Shareholders Equity	 5,275.3	 5,992.9	
Minority Shareholders Equity	239.4	242.4	
Total Equity	5,514.7	6,235.3	

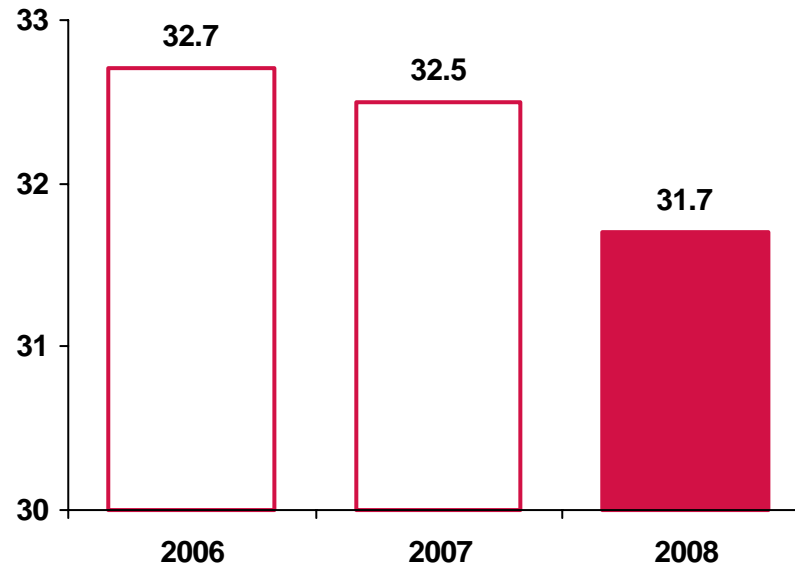
Cash Flow

\$ millions	FY07	FY08	
EBITDA	2,700.6	3,178.9	+17.7%
Net interest paid	(249.8)	(215.5)	
Taxation paid	(522.4)	(573.9)	
	1,928.4	2,389.5	+23.9%
Working capital items	309.7	265.6	
Other non-cash items	56.1	(1.1)	
Total cash provided by operating activities	2,294.2	2,654.0	+15.7%
Payments for the purchase of businesses - Other	(204.0)	(191.1)	
Payments for purchase of investments	(173.0)	(57.3)	
Payments for normal capex	(1,131.0)	(1,748.1)	
Proceeds on disposal of property plant & equipment	778.2	228.4	
Dividends received	4.7	14.7	
Total cash used in investing activities	(725.1)	(1,753.4)	
Free Cash Flow	1,569.1	900.6	
Net operating Profit after tax (before minority interest)	1,311.3	1,651.5	
Free Cash Flow as a % to NPAT	120%	55%	

Strong operating cash flows. Higher capital expenditure reflects acceleration of refurbishment activity

Average Inventory Days

Average inventory reduction of 0.8 days

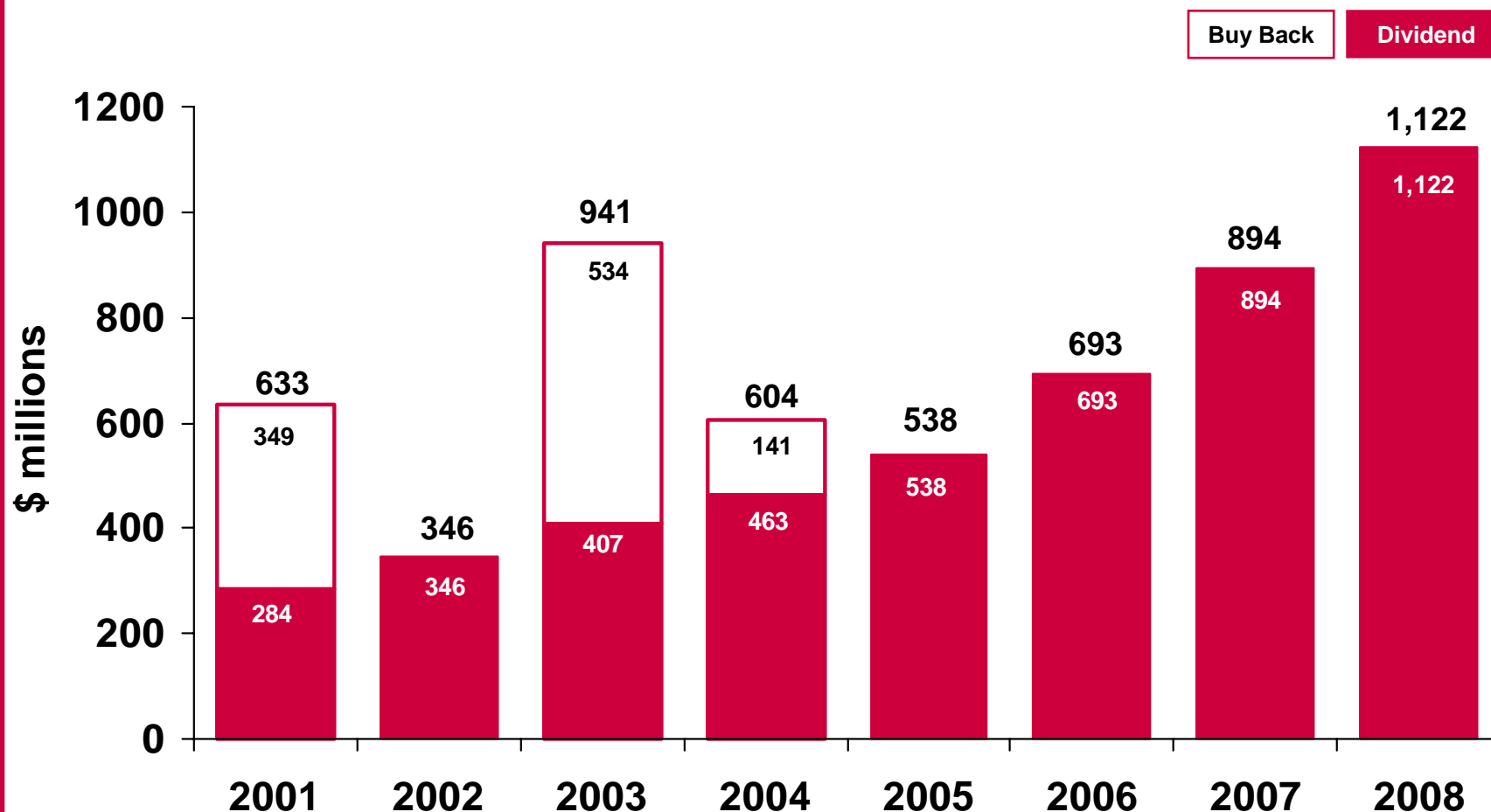


Average inventory based on 13 months rolling over average

Target inventory reduction remains 1-2 days, however this may be impacted as we ramp up our overseas buying offices

Shareholder Payouts

Franking credits available for
distribution = \$823m.
(after the final dividend)



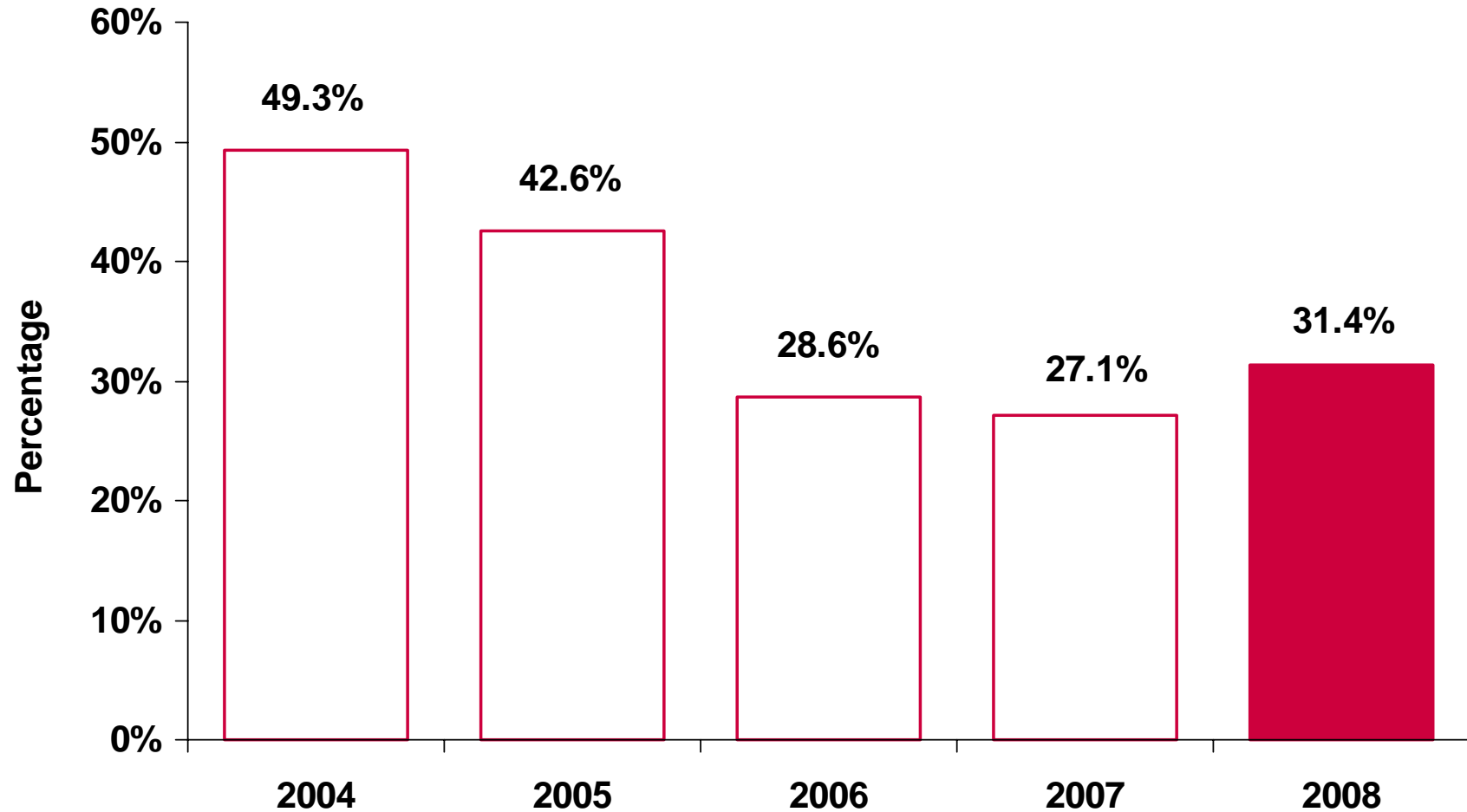
PROFIT GROWTH, COUPLED WITH BALANCE SHEET MANAGEMENT,
DELIVERED \$5,770 million PAYOUT TO SHAREHOLDERS OVER LAST 8 YEARS

WOOLWORTHS LIMITED

Capital Management

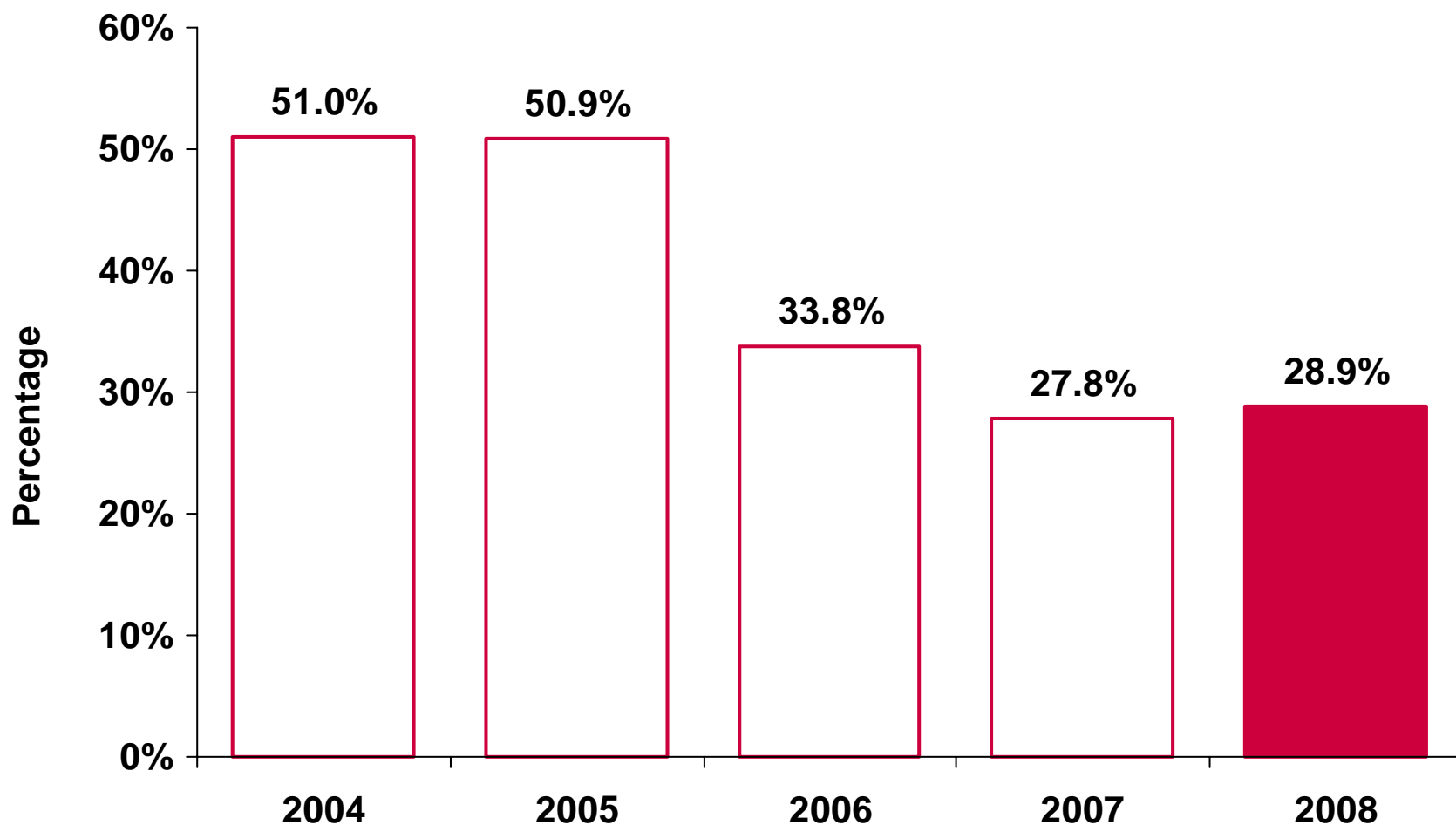
- Our objective of maintaining a capital structure that will preserve our capital strength which gives us the flexibility to pursue further growth opportunities remains unchanged.
- Our balance sheet, debt profile and strength of our credit ratings (S&P A-, Moodys A3) ensure we are very well placed for future growth both organically and through acquisition.
- Woolworths previously advised the market, that, in the absence of any major acquisitions we would undertake some form of capital management in the 2008 calendar year.
- Whilst capital management remains an important issue, given the current significant uncertainty in the debt and equity markets, it is considered more prudent to defer any capital management activity at this time.
- A share buyback will be continually assessed in the context of other initiatives and the capital market environment.

Return on funds employed⁽¹⁾



(1) Based on average of opening and closing funds employed.

Return On Equity ⁽¹⁾

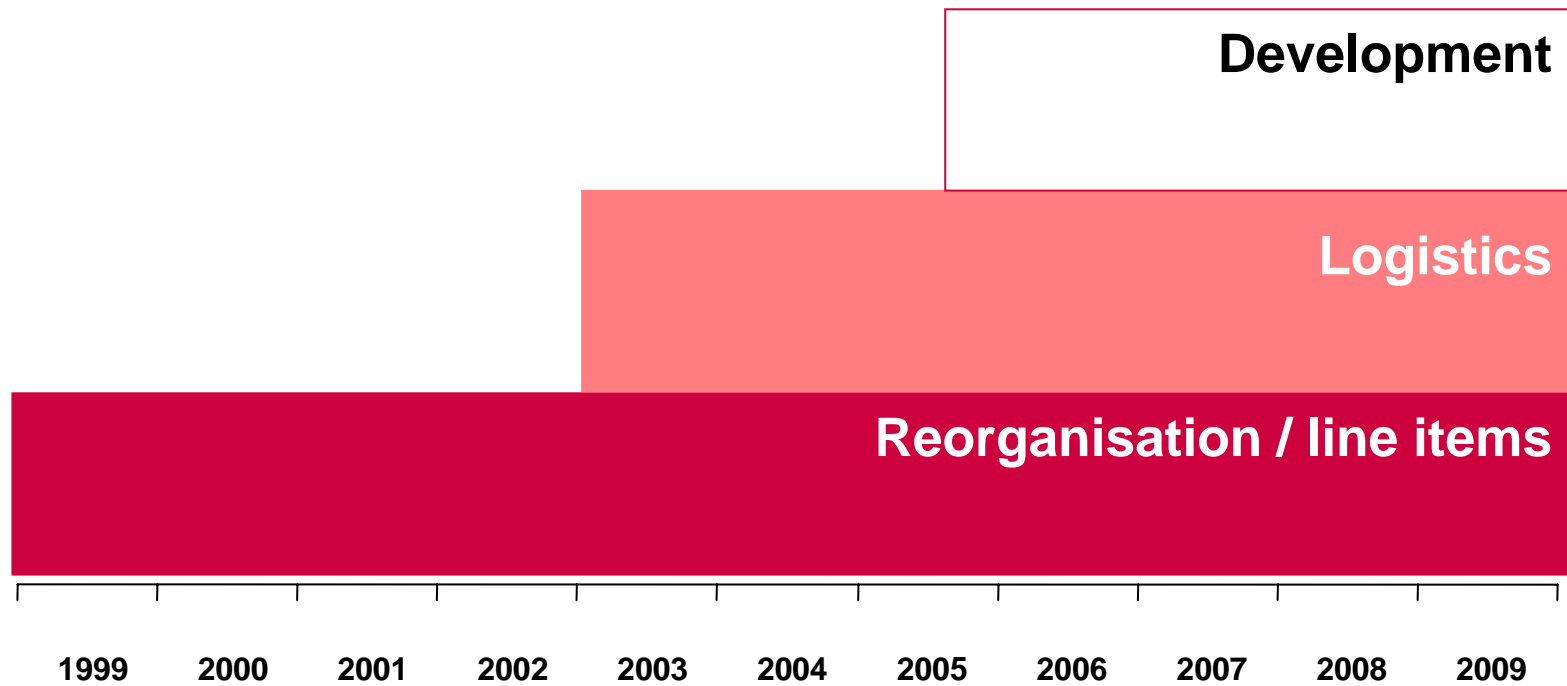


(1) Based on average of opening and closing Shareholders Funds.

AVERAGE ROE DOWN DUE TO THE DRP UNDERWRITING IN 2006 AND OPTIONS BEING EXERCISED

Strategy and Growth

Strategy



Growth

Key elements that underpin our strategy

- Woolworth's core strengths include its world class supply chain capability; low cost culture and its depth of talent.
- There are many opportunities for Woolworths to leverage these strengths and augment our existing business plans to drive growth both organically and through the continual evaluation of acquisition opportunities.
- Woolworths' vision is to continue to drive its retail business, bringing to customers greater convenience, quality, lower prices and better value, range, freshness and service.
- Underpinning this are consistent and clear strategies that have and will continue to deliver growth.
- We have clearly stated long term performance targets which we have previously met.
- We have defined plans for space growth, with minimal cannibalisation expected.
- There is continuing opportunity to grow market share in all our businesses in both Australia and New Zealand.
- We have a strong track record of growth – through reinvestment in our existing business, development of new categories, new businesses and adjacencies and continually re-invigorating our offer. This has been demonstrated across each of our businesses and will continue.
- There is significant opportunity for Woolworths to leverage its scale and store distribution to introduce new products, services, categories and formats.
- Numerous opportunities exist to drive future growth by continuing to reinvest in the business.

Key growth initiatives

- We are in the early stages of evaluating opportunities internationally. Any such opportunities must leverage these core strengths and would be high volume, low margin businesses. Any acquisition would have full oversight from the Board, be undertaken in a prudent and disciplined fashion and meet the hurdles required for all our capital investment decisions.
- Continued investment in **price, range merchandise and quality** across all our brands and continue to focus on improving in-store execution, stock availability and customer service.
- The expansion of our private label range continues with our **Homebrand, Select, Freefrom, Naytura** and **Organics** ranges gaining strong customer acceptance.
- We have made and will continue to make progress on initiatives that are enhancing our understanding of what the customer wants, through **increased market research capability and data analysis**.
- We continue to invest in our **financial services capabilities**, with a well developed product roadmap that leverages our cards program, with plans to offer our customers general insurance and the convenience of a financial services portal.
- We will continue the **acceleration of the refurbishment activity** in Supermarkets and BIG W. Capital expenditure for the 2009 financial year is expected to be similar to 2008 at c \$1.9 billion.
- We continue to expand our **global sourcing** activities. As we increase our capabilities in this area we continue to secure cost price savings and improvements in both quality and range.
- There is significant opportunity to **leverage our supply chain expertise**. The financial benefits of our Supermarkets world class supply chain will continue over future years. The intellectual property we have developed is now being applied to other businesses in Woolworths, including New Zealand Supermarkets, Liquor, BIG W and Consumer Electronics.

Growth

Key growth initiatives

Defined plans for space growth

- Adding 15-25 new supermarkets each year and expanding existing stores (greater than 3% space rollout p.a.)
- Adding 6-10 BIG W stores each year (6% to 8% space rollout p.a.)
- Adding approximately 20 Dan Murphy's stores each year
- Adding 20 stores per year in Consumer Electronics
- Hotels will be acquired selectively

Supported by detailed plans for the next three to five years identifying specific sites

Minimal cannibalisation

Growth

Performance targets

Our long term targets remain unchanged. Woolworths targets the following key areas of performance measurement for its business in the long term, namely:

- Sales to grow in the upper single digits assisted by bolt on acquisitions;
- EBIT growth outperforming sales growth assisted by cost savings;
- EPS growth outperforming EBIT growth assisted by capital management;
- CODB reduction of 20 bps per annum (minimum) – when Petrol and Hotels are excluded. This is underpinned by our supply chain capabilities; and
- Maintenance of targeted credit ratings.

Woolworths' long term objective is for EPS growth to outperform EBIT growth. However, when Woolworths undertakes major acquisitions which result in the need to defer its normal capital management initiatives, EPS growth in such periods may not outperform EBIT growth.

Sales and Earnings Guidance FY09

Whilst we are pleased with the momentum in the business, we are mindful that discretionary spending continues to be influenced by macro-economic factors such as inflation, fluctuating petrol prices, interest rates, and lower consumer confidence levels. Subject to the uncertainty these factors create our guidance is as follows:

Sales

- For FY09 we expect overall group sales to grow in the upper single digits

Earnings

- We also expect that EBIT will continue to grow faster than sales in FY09.
- Net profit after tax for FY09 is expected to grow in the range of 11% to 14% (on a 52 comparative week basis) or 9% to 12% on a 52 vs 53 week basis.

The 2008 financial year was a 53 week trading year.



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Appendices

Sales of \$47.0bn – up 10.7%

\$ Millions	2007 (52 weeks)	2008 (53 weeks)	Increase	Normalised	Full Year Comp Sales
Australian Food and Liquor	27,745	30,501	9.9%	7.9%	6.3%
New Zealand Supermarkets	3,940	4,170	5.8%	3.9%	6.4%
Petrol	4,837	5,642	16.6%	13.9%	11.1%
Supermarket Division	36,522	40,313	10.4%	8.3%	
BIG W	3,465	3,916	13.0%	11.4%	4.7%
Consumer Electronics – Aust/NZ	1,285	1,427	11.1%	9.0%	4.4%
Consumer Electronics – India	25	104	316.0%	303.5%	
Consumer Electronics – Total	1,310	1,531	16.9%	14.7%	
General Merchandise Division	4,775	5,447	14.1%	12.3%	
Hotels	1,032	1,113	7.8%	5.9%	1.3%
Continuing Operations	42,329	46,873	10.7%	8.7%	
Wholesale Division	148	162	9.5%	7.9%	
Total Year to Date Sales	42,477	47,035	10.7%	8.7%	

Normalised reflects sales growth after removing the impact of the 53rd week in 2008.

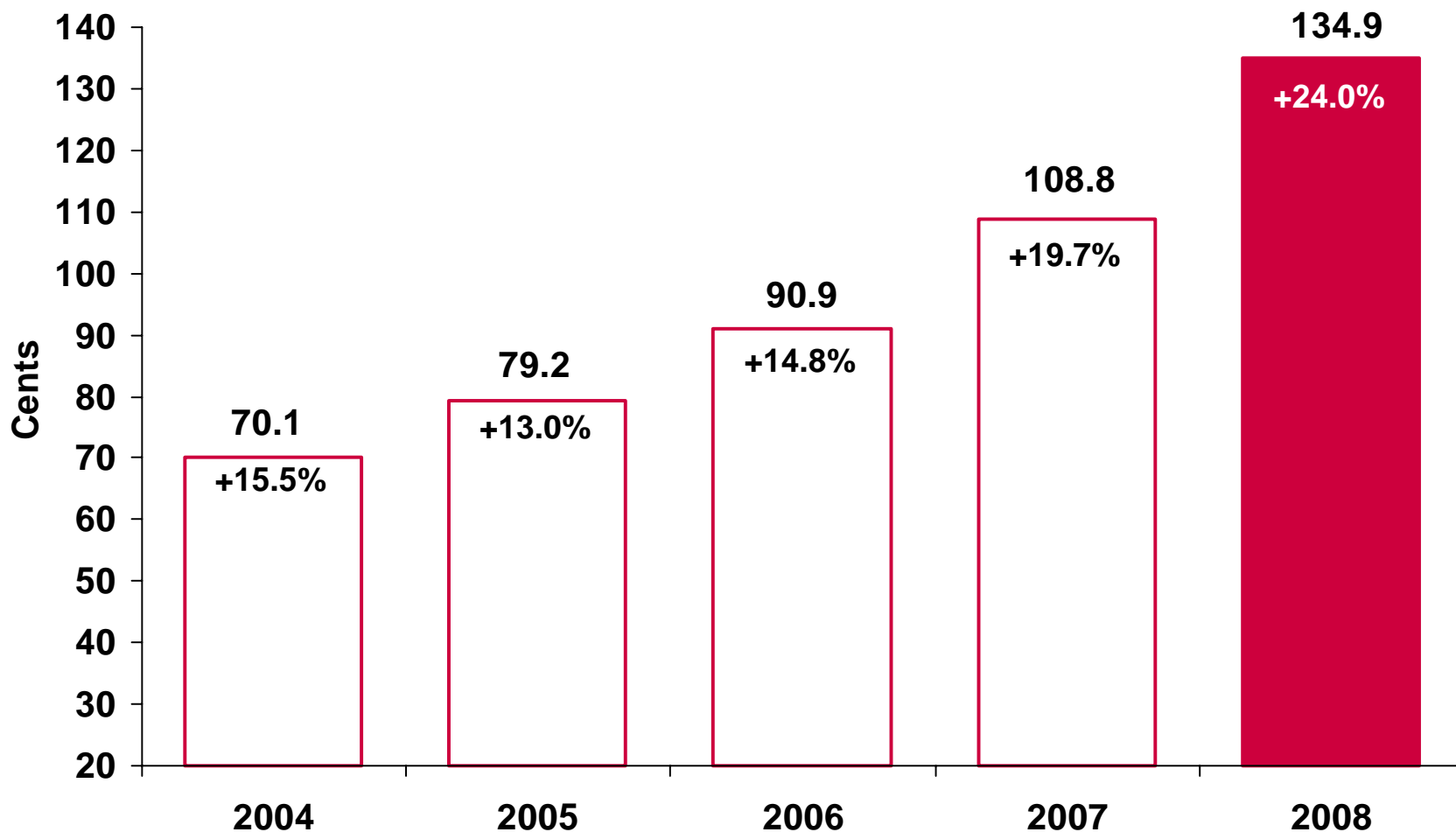
EBIT – up 19.8% growing faster than sales

\$ Millions	2007	2008 *	Change
Australian Food and Liquor	1,597.1	1,913.7	19.8%
New Zealand Supermarkets	155.1	169.2	9.1%
Petrol	82.9	81.9	(1.2%)
Supermarkets Division	1,835.1	2,164.8	18.0%
BIG W	138.6	161.2	16.3%
Consumer Electronics – Aust/NZ	71.1	68.1	(4.2%)
Consumer Electronics – India	(4.3)	(5.0)	16.3%
Consumer Electronics – Total	66.8	63.1	(5.5%)
General Merchandise Division	205.4	224.3	9.2%
Hotels	183.7	215.1	17.1%
Total Trading Result	2,224.2	2,604.2	17.1%
Property Expense	(23.8)	(16.6)	(30.3%)
Corporate Overheads	(88.3)	(91.7)	3.9%
Other significant items ⁽¹⁾	(3.3)	28.6	966.7%
Continuing Operations	2,108.8	2,524.5	19.7%
Wholesale	2.5	4.3	72.0%
Group EBIT	2,111.3	2,528.8	19.8%

* 2008 EBIT is based on 53 weeks

⁽¹⁾ 2008 includes the profit on sale of certain properties (\$49.7m) and the costs associated with certain key strategic initiatives, including the nationwide rollout of our “Everyday Rewards” card and the development of our financial services capability.

Earnings per share – up 24.0%



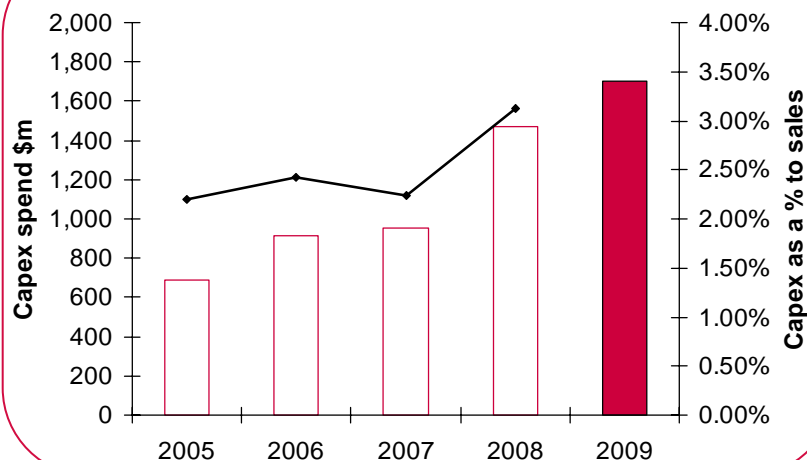
REFLECTS STRENGTHENING OF OUR BALANCE SHEET DURING A PERIOD OF MAJOR ACQUISITIONS, INTEGRATION AND BUSINESS CHANGE.

Capital Expenditure

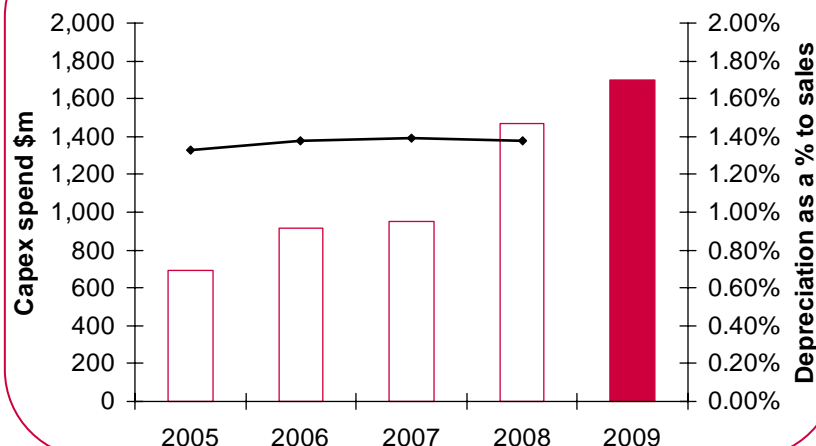
Actual v Forecast			
\$m	2008 Fcst	2008 Actual	Diff
New Stores	260	291	31
Stay in Business	374	308	(66)
Refurbishments	534	550	16
Supply chain	105	79	(26)
Hotels other	77	71	(6)
Supermarkets - New Zealand	156	150	(6)
Data Centre; BIG W DC & Liquor DC's		21	21
Normal and ongoing Capex	1,506	1,470	(36)
Hotel Acquisitions	268	262	(6)
Distribution Centres (net of sale)	(82)	(81)	1
Property developments (net of sale)	117	73	(44)
Net Capex	1,809	1,724	(85)

2009 Forecast				
\$m	2006 Actual	2007 Actual	2008 Actual	2009 Fcst
New Stores	202	222	291	294
Stay in Business	182	291	308	390
Refurbishments	245	246	550	542
Supply chain	155	65	79	83
Hotels other	89	72	71	87
Supermarkets - New Zealand	41	57	150	199
Data Centre; BIG W DC & Liquor DC's	-	-	21	107
Normal and ongoing Capex	914	953	1,470	1,702
Norwest (net of sale)	7	-	-	-
Hotel Acquisitions	165	176	262	-
Distribution Centres (net of sale)	280	(665)	(81)	(12)
Property developments (net of sale)	105	93	73	246
Net Capex	1,471	557	1,724	1,936

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

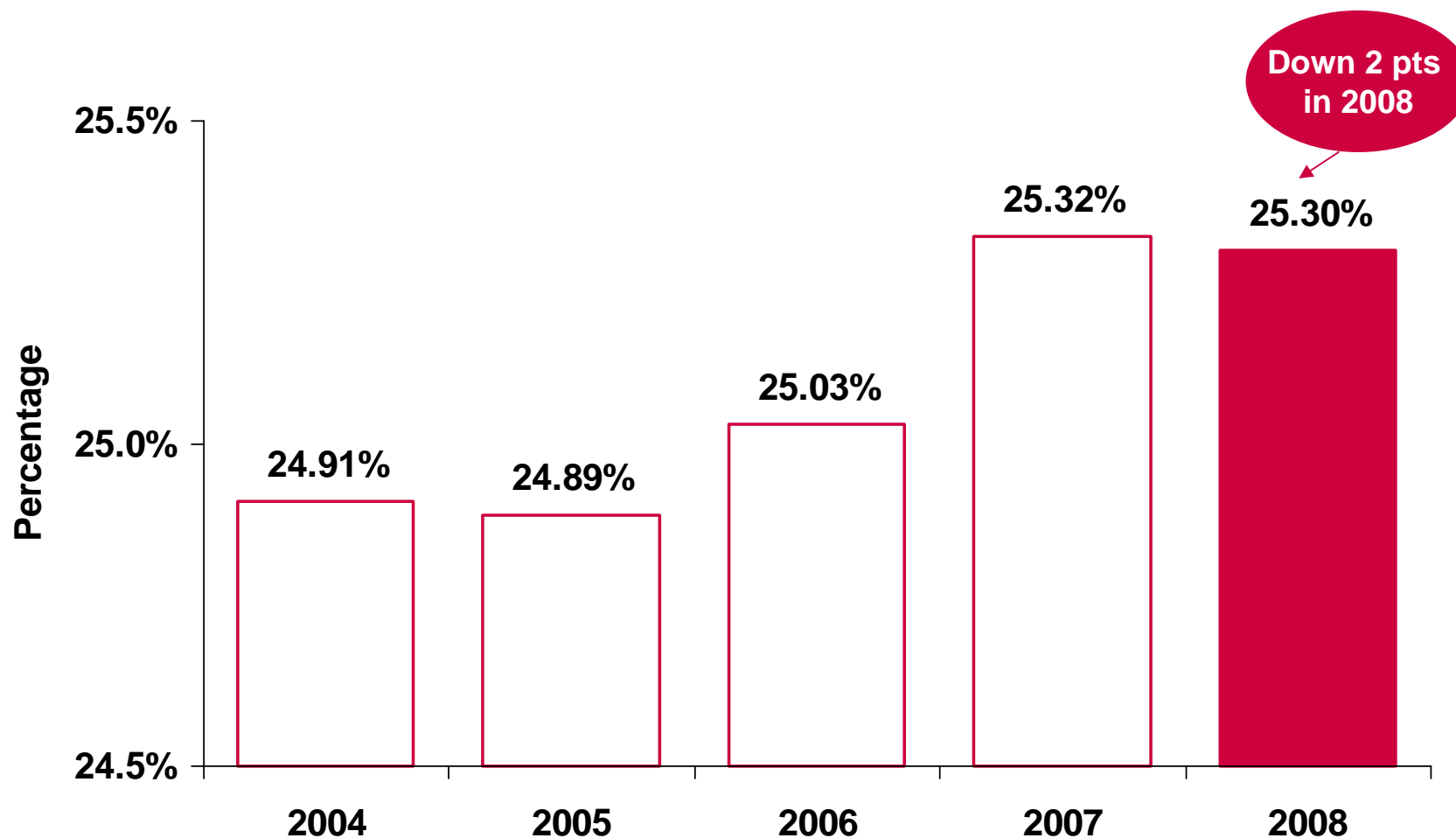


Normal and Ongoing Capex \$m, Depr. % to sales



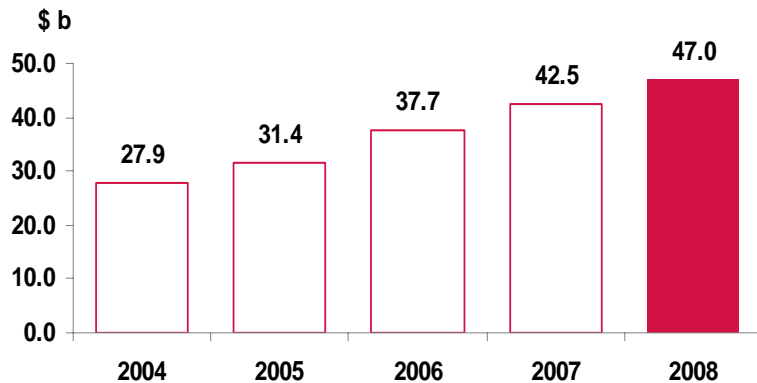
Gross Profit Margin

Gross Margins have declined 2 bps reflecting the impact of higher fuel prices on Petrol revenues.

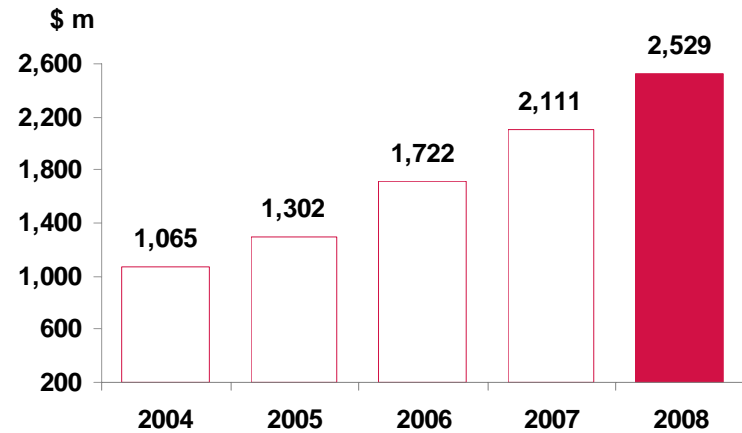


Continuing growth

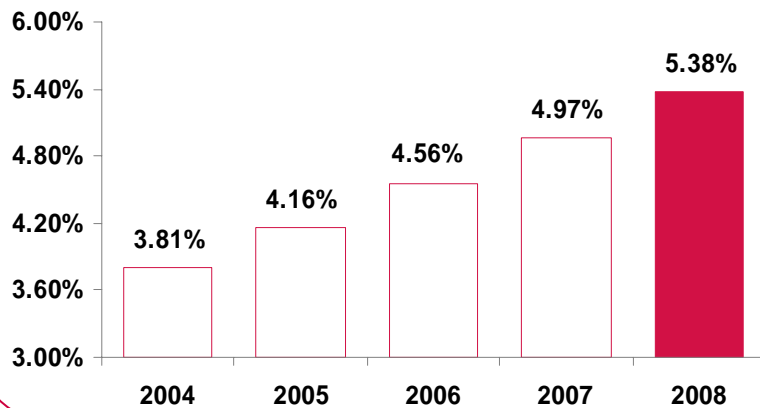
Sales



EBIT



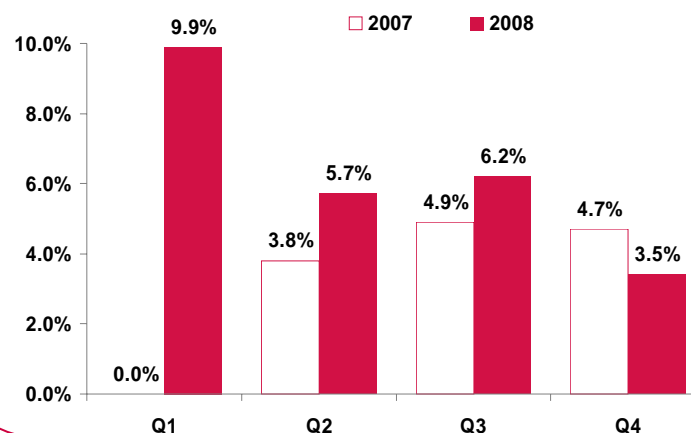
EBIT Margin



New Zealand Supermarkets

\$ NZD	2007	2008	Change
Sales (\$m)	4,527	4,859	7.3%
Gross Margin (%)	21.77	21.87	10 bps
CODB (%)	17.54	17.68	14 bps
EBIT to sales (%)	4.23	4.19	-4 bps
Trading EBIT (\$ m)	191.3	203.7	6.5%
Less intercompany charges (\$ m)	(13.1)	(14.1)	7.6%
Reported EBIT (\$ m)	178.2	189.6	6.4%
Funds employed (\$ m)	2,510.7	2,630.2	4.8%

Comparable Sales – up 6.4% (2007 : 3.3%)



\$AUD	2007	2008	Change
Sales (\$m)	3,940	4,170	5.8%
Gross Margin (%)	21.77	21.87	10 bps
CODB (%)	17.54	17.52	-2 bps
EBIT to sales (%)	4.23	4.35	12 bps
Trading EBIT (\$ m)	166.5	181.3	8.9%
Less intercompany charges (\$ m)	(11.4)	(12.1)	6.1%
Reported EBIT (\$ m)	155.1	169.2	9.1%
Funds employed (\$ m)	2,263.5	2,077.1	-8.2%



ACCC Grocery Inquiry Report

“Grocery retailing (in Australia) is workably competitive.”

“ACCC has not identified anything that is fundamentally wrong with the grocery supply chain.”

“ACCC does not consider that any specific recommendations on predatory pricing in the grocery sector are warranted.”

Inflation

“The evidence shows a range of domestic and international factors have significantly contributed to food price inflation”

ACCC Recommends:

- **A mandatory nationally consistent unit pricing regime be introduced**
- **www.grocerychoice.gov.au website operating**

Health Ratios

		FY07	FY08
Fixed charges cover	X	2.72	2.94
Days inventory (average) ⁽¹⁾	Days	32.5	31.7
Days creditors (to sales)	Days	45.6	47.3
Return on Funds Employed (ROFE)	%	27.1	31.4
Return on Total Equity	%	26.8	28.1
Return on Shareholders Equity	%	27.8	28.9
Net working capital	\$M	(2,086.4)	(2,344.8)

⁽¹⁾ Based on a 13 months rolling average inventory.

Fixed Charges Cover

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
EBIT	1,065.1	1,302.1	1,722.2	2,111.3	2,528.8
D&A	407.6	416.0	522.2	589.3	650.1
EBITDAR	2,282.5	2,618.3	3,314.5	3,906.9	4,494.8
Interest	52.8	157.8	246.3	230.5	214.0
WINs contingent coupon	42.9	-	-	-	-
Rent - base	730.8	819.6	972.4	1,121.1	1,223.3
Rent - turnover contingent	79.0	80.6	97.7	85.2	92.6
Total Fixed Charges	<u>905.5</u>	<u>1,058.0</u>	<u>1,316.4</u>	<u>1,436.8</u>	<u>1,529.9</u>
Fixed Charges Cover ⁽¹⁾	2.5 x	2.5 x	2.5 x	2.7 x	2.9 x

Fixed charges excluding contingent

⁽¹⁾ Covenant x1.75+