

20 February 2019

HALF-YEAR PROFIT AND DIVIDEND ANNOUNCEMENT FOR THE 27 WEEKS ENDED 30 DECEMBER 2018

Progressing our transformation despite a challenging half; intention to return up to \$1.7bn of capital following completion of Petrol sale

Sales from continuing operations up 2.3%

EBIT from continuing operations up 1.0%

NPAT from continuing operations up 2.1%

Group NPAT up 1.0%

Dividend per share up 4.7%

PROGRESS ON KEY PRIORITIES:

- Customer scores have remained strong reflecting Customer 1st Team 1st culture
- Positive Christmas trading period despite market slowdown in both Australia and New Zealand
- Good progress in digital and data, with Group online growth of 30% in H19
- Improved sales performance at BIG W with comparable sales growth of 3.8% in H19
- Sale of Petrol to EG Group expected to complete around the end of March; intention to return up to \$1.7bn of capital

MORE TO DO:

- Maintain focus on customer, team and business simplification
- Enhance digital and data – further improve the user experience and address capacity constraints
- Reposition Dan Murphy's in a rapidly evolving drinks market following reduced EBIT in H19
- Translate BIG W sales improvement into profitability; review of property and DC network underway
- Successfully commission MSRDC, implement JDA and deliver productivity dividends

H19 KEY FINANCIAL HIGHLIGHTS

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Continuing operations			
Sales	30,587	29,907	2.3%
Earnings before interest and tax (EBIT)	1,445	1,430	1.0%
NPAT attributable to equity holders of the parent entity	920	902	2.1%
Basic earnings per share (EPS) – cents	70.3	69.7	0.9%
Group			
NPAT attributable to equity holders of the parent entity	979	969	1.0%
Dividend per share – cents	45	43	4.7%

This announcement contains certain non-IFRS measures that Woolworths Group believes are relevant and appropriate to understanding its business. Refer to Appendix One for further information.

Ratios and percentage changes referenced throughout this document are calculated on unrounded figures.

Brad Banducci, Woolworths Group CEO, said: "It was a challenging half across all of our businesses with subdued customer demand and volatile weather in the second quarter. Importantly, our customer metrics have remained strong reflecting our Customer 1st Team 1st culture and focus on being 'consistently good'. Group sales from continuing operations increased by 2.3% and EBIT from continuing operations increased by 1.0% with a strong underlying customer shift to online during the half.

"In **Australian Food**, sales momentum improved in the second quarter (Q2'19 comparable sales: +2.7%) following a weaker than expected first quarter impacted by the removal of single-use plastic bags and competitor activity. Despite our sales improvement, the market remains challenging with subdued consumer demand and input cost pressures. Sales for the half increased by 2.3% and EBIT increased by 4.0%. CODB growth slowed as we cycled investment in the prior year and began to deliver against our simplification agenda. Comparable sales for the first seven weeks of H2'19 have improved modestly on Q2'19 following more settled weather.

- **Woolworths Supermarkets'** customer metrics showed a pleasing recovery in the second quarter with VOC NPS and Store-controllable VOC both improving relative to the prior year and Q1'19. Items per basket recovered in Q2'19 as customers adjusted to bringing their own reusable bags. In the half, we continued to upgrade our store fleet with 43 Renewals and 57 Upgrades with the latest Renewal formats in Camberwell, Melbourne and Ascot, Brisbane. In January, Australia's largest enterprise agreement (EA) was approved with improved conditions for over 100,000 of our team members.
- **In FoodCo and Metro** seasonal ranges performed strongly increasing by almost 30% compared to the prior year. Affordable healthy food remains a key focus with high single-digit growth supported by the relaunch of Macro. We now have 34 branded Metro food stores and opened our latest one in Kirribilli in January, building on our learnings from Pitt Street Mall.
- **WooliesX** has continued to enhance the customer digital experience across Home Delivery and Pick up and is increasingly delivering personalised value to over 11 million Woolworths Rewards members. Three million customers are now researching products and recipes every week on woolworths.com.au and our On Demand delivery pilots are providing ultra-convenient solutions for our customers.

"In **New Zealand Food**, sales growth for the half was strong although it slowed in the second quarter, with December the most challenging month of the half, impacted by lower market growth. EBIT was marginally below the prior year with higher CODB due to investment in establishing CountdownX. Online sales continued to grow strongly at 40.3% with sales penetration of 6.5%.

"**Endeavour Drinks'** sales increased by 1.8% and EBIT decreased by 6.4% with Dan Murphy's below expectations in a low-growth market impacted by cooler and wetter weather around key events and the timing of New Year's Eve. Steve Donohue has assumed the role of interim managing director of Dan Murphy's and will continue to work with the team to position Dan Murphy's for the next horizon of growth. We have a clear plan in place focused on localised ranging, building 'discovery' into all aspects of the customer experience and being digitally-led.

"In our Portfolio businesses:

- **BIG W** sales momentum continued with comparable sales growth in the second quarter of 5.0%. While the improvement was pleasing, growth was mainly driven by Online and lower margin categories such as Toys and Leisure. Summer apparel was below expectations due to the slow start to the summer selling period. Costs were well controlled with the loss for the half of \$8 million a marginal improvement on the prior year. We still expect losses for F19 to be below F18 losses (F18: \$110 million) but this remains subject to market conditions.
- With BIG W sales having stabilised and customer metrics improving, we are now focused on converting sales into profit and are currently reviewing the BIG W store and DC network. We will provide an update on the outcomes of the review in the next four to six weeks.

- **Hotels'** sales growth slowed as it cycled a very strong period of sales and profit growth in the prior year. Bars and Gaming sales growth was lower over the half while Accommodation continued to grow strongly. Sales improved in December driven by Bars and Food. EBIT was marginally below the prior year due to lower sales growth and the impact of business mix on gross margin. During the half we implemented a number of changes to the way we operate to improve responsible gaming practices including the removal of the complimentary service of alcohol (in addition to states where previously prohibited).
- In November, we announced the sale of **Woolworths Petrol** to EG Group for \$1.7 billion. We are awaiting Foreign Investment Review Board (FIRB) approval as the only condition remaining on the sale. Assuming successful FIRB approval, the Board will consider initiatives to return capital to shareholders, including an off-market buyback. Details will be announced once a final decision has been made.

"We also made good progress on our **sustainability and community** agenda over the half with a number of key initiatives underway:

- Increasing food waste diversion from landfill across our store network as well as the availability of a soft plastic recycling option for customers in most stores.
- We removed a further 150 tonnes of plastic from fruit and vegetables packaging during the half, with more to come and phased out the selling of plastic straws in November last year.
- Our Indigenous and Refugee Employment Programs are making a positive impact with more than 2,200 Indigenous team members and over 80 refugees employed across Woolworths Supermarkets and Metro.
- We continue to look for ways to have a positive impact on the environment with over 50 stores with solar panels, including our largest installation yet at Prestons, NSW.
- 136,000 kids have participated in the Fresh Food Kids Discovery Tours since it was launched, and our partnerships with Rural Aid, Junior Landcare, S.T.A.N.D and Drought Relief Milk are all contributing to building a better Australia.

"In summary, while the first half was below our financial expectations, we made progress in a number of important areas and are confident that if we remain focused on our key priorities, we will continue to transform our business for the benefit of all of our stakeholders", Brad Banducci said.

Woolworths Group Chairman, Gordon Cairns, said: "We have spent the last three years building a strong leadership team, reinvesting in the business for the long-term and optimising the portfolio. We will continue to focus on turning this into improving returns to shareholders. We have further strengthened our financial position and expect the sale of Woolworths Petrol to complete shortly. Assuming a successful completion, we intend to return up to \$1.7 billion of capital to shareholders. In addition, the Board has declared an interim dividend of 45 cps, an increase of 4.7% on the prior year."

KEY PRIORITIES

We continued to make good progress on our key strategic priorities over the half.

1. Customer 1st Team 1st Culture

- Launched 'I am here' mental wellbeing program, as part of a wider set of people initiatives including increasing parental leave, super contributions paid during maternity leave and enhancing team benefits
- Launched Everyday ACTs (Acknowledge, Care, Thank) in Food to deliver consistently good service to our customers
- Working closely with our local communities during extreme weather events through our S.T.A.N.D partnership, Drought Relief Milk range and partnerships with Rural Aid
- New EA implemented in January in Supermarkets and Metro benefitting >100,000 team members
- More to do in activating our Agile Ways-of-Working

2. Connected, Personalised and Convenient Shopping Experiences

- Strong online (2U) sales growth in all of our digital businesses and strong NPS scores
- Woolworths Rewards customers now able to earn points at over 680 additional Caltex sites
- Successfully scaling our ultra-convenient On Demand pilots in both Food and Drinks
- Refreshed Woolworths App launched; successful Scan & Go trial in Double Bay
- More to do in continuing to scale up our online business to keep up with customer demands

3. Differentiate our Food Customer Propositions

- Customer scores consistently high despite challenging environment
- Flagship Renewal stores in Camberwell (Melb), Ascot (Bris) and Bayfair (NZ); Metro gaining scale with 34 branded stores and fine-tuning format
- Strong own brand performance with successful seasonal product and growth in health brands
- Numerous Good Acts - Fresh Food Kids Discovery Tours, Bag for Good/Junior Landcare, Organic Growth Fund, food rescue (Ozharvest, Food Bank and Fair Share)
- More to do on localising range and value-added fresh

4. Accelerate Innovation in our Drinks Business

- Material improvement in integration of Food and Drinks in Renewal stores
- BWS strengthening Woolworths Rewards program
- On Demand now available in 500 stores in BWS and Jimmy Brings launched in Brisbane
- Launched 30 minute Pick up and On Demand in Dan Murphy's in metro areas
- More to do to position Dan Murphy's and Pinnacle for next growth horizon

5. Unlock Value in our Portfolio

- **BIG W** sales momentum continues to improve; H19 comp growth of 3.8% with improvements in price, range and customer experience
- Sale of **Woolworths Petrol** to EG Group expected to complete shortly and food supply agreements in place with EG Group and Caltex
- **Quantium** growing strongly and new commercial arrangements with Woolworths Group in place
- Enhanced **ALH** Responsible Gaming initiatives
- More to do to improve profitability of BIG W; complete network review

6. E2E Processes - 'Better for Customers' and 'Simpler for Stores'

- 1Store successfully rolled-out across all of Woolworths Group
- Commissioning process for MSRDC underway with full commissioning expected by end of Q1'20
- 'Simpler for Stores' program in Australian and New Zealand Food starting to build momentum
- Good progress in Safety during the half after slower progress in F18
- More to do to successfully commission MSRDC, delivering on stockloss and productivity agenda

GROUP PROFIT OR LOSS FOR THE 27 WEEKS ENDED 30 DECEMBER 2018

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Continuing operations			
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)	3,135	3,061	2.4%
Rent	(1,079)	(1,068)	1.1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,056	1,993	3.1%
Depreciation and amortisation	(611)	(563)	8.5%
EBIT	1,445	1,430	1.0%
Finance costs	(71)	(82)	(14.2)%
Income tax expense	(412)	(404)	1.9%
NPAT	962	944	1.9%
Non-controlling interests	(42)	(42)	(0.9)%
NPAT from continuing operations attributable to equity holders of the parent entity	920	902	2.1%
NPAT from discontinued operations attributable to equity holders of the parent entity	59	67	(13.3)%
NPAT attributable to equity holders of the parent entity	979	969	1.0%
Margins - continuing operations			
Gross profit (%)	29.1	29.2	(5) bps
Cost of doing business (%)	24.4	24.4	1 bp
EBIT (%)	4.7	4.8	(6) bps
Earnings per share and dividends			
Weighted average ordinary shares on issue (million)	1,310	1,294	1.2%
Total Group basic EPS (cents)	74.7	74.9	(0.2)%
Basic EPS - from continuing operations (cents)	70.3	69.7	0.9%
Diluted EPS - from continuing operations (cents)	70.0	69.3	1.0%
Interim dividend per share (cents) ⁱ	45	43	4.7%

ⁱ The 2019 interim dividend payable on or around 5 April 2019 will be fully franked

SALES SUMMARY

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Continuing operations			
Australian Food	19,892	19,436	2.3%
Endeavour Drinks	4,596	4,513	1.8%
New Zealand Food	3,143	3,060	2.7%
<i>New Zealand Food (NZD)</i>	3,401	3,337	1.9%
BIG W	2,091	2,037	2.7%
Hotels	865	861	0.5%
Sales from continuing operations	30,587	29,907	2.3%
Discontinued operations			
Petrol	2,579	2,458	4.9%
Sales from discontinued operations	2,579	2,458	4.9%
Group sales	33,166	32,365	2.5%

BUSINESS PERFORMANCE

Earnings before interest and tax

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Continuing operations			
Australian Food	937	901	4.0%
Endeavour Drinks	290	309	(6.4)%
New Zealand Food	137	139	(1.3)%
<i>New Zealand Food (NZD)</i>	148	151	(2.0)%
BIG W	(8)	(10)	(20.8)%
Hotels	161	163	(1.5)%
Central overheads	(72)	(72)	0.1%
EBIT from continuing operations	1,445	1,430	1.0%
Discontinued operations			
Home Improvement	-	27	n.m.
Petrol	84	95	(11.9)%
EBIT from discontinued operations	84	122	(31.4)%
Group EBIT	1,529	1,552	(1.5)%

GROUP TRADING PERFORMANCE

Sales from continuing operations increased by 2.3% compared to H18 to \$30.6 billion. Including Petrol, Group sales increased by 2.5%. All businesses grew sales on the same period last year.

Gross profit from continuing operations as a percentage of sales was down marginally (5 bps) on the prior year with all businesses with the exception of New Zealand Food reporting flat or lower gross margins reflecting a more challenging trading environment.

Cost of doing business (CODB) from continuing operations as a percentage of sales was broadly flat on the prior year with reductions in Australian Food and BIG W offset by increases in New Zealand Food, Endeavour Drinks and Hotels.

EBIT from continuing operations increased by 1.0% to \$1,445 million largely driven by a 4.0% increase in EBIT in Australian Food, offset by a 6.4% decrease in Endeavour Drinks.

Finance costs decreased by 14.2% to \$71 million reflecting lower average net debt during the half compared to the prior year and the cancellation of surplus syndicated bank facilities.

NPAT attributable to equity holders of the parent entity from continuing operations increased by 2.1% to \$920 million. Corresponding EPS was 70.3c, up 0.9%.

On a statutory basis, NPAT attributable to equity holders of the parent entity was \$979 million, an increase of 1.0% on the prior year. Corresponding EPS was 74.7c, down 0.2%.

AUSTRALIAN FOOD

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales	19,892	19,436	2.3%
EBITDA	1,317	1,242	6.0%
Depreciation and amortisation	(380)	(341)	11.4%
EBIT	937	901	4.0%
Gross margin (%)	28.7	28.7	2 bps
Cost of doing business (%)	24.0	24.1	(5) bps
EBIT to sales (%)	4.7	4.6	8 bps
Sales per square metre - rolling 12 months (\$)	16,624	16,338	1.7%
Funds employed	1,289	803	60.6%
Return on average funds employed (ROFE) - rolling 12 months (%)	162.7	199.0	(36.3) pts

OPERATING METRICS

YEAR ON YEAR (%)	Q2'19 (13 WEEKS)	Q1'19 (14 WEEKS)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)
Customer metrics				
VOC NPS (Store and Online)	54	49	48	48
Store-controllable VOC	83%	82%	82%	82%
Sales productivity metrics			Easter-adjusted	Easter-adjusted
Total sales	2.8%	1.9%	3.4%	4.3%
Comparable sales	2.7%	1.8%	3.3%	4.1%
Volume productivity metrics			Easter-adjusted	Easter-adjusted
Comparable transaction growth	1.5%	2.1%	3.6%	4.1%
Comparable items per basket	2.6%	0.8%	1.0%	0.0%
Comparable item growth	4.1%	2.9%	4.6%	4.1%
Change in average prices				
Total	(1.0)%	(1.0)%	(2.3)%	(1.3)%
Total excluding Tobacco	(2.6)%	(2.5)%	(4.0)%	(2.8)%

TRADING PERFORMANCE

Australian Food's customer scores continued to improve in the first half with VOC NPS and Store-controllable VOC in December up on last year and Q1'19. VOC NPS improved 4 pts to 54 (H18: 50) with Store NPS and Online NPS achieving record scores in December. Store-controllable VOC improved 1 pt to 83% (H18: 82%) driven by improvements in Ease of Pick up and Availability offsetting a small decline in Time in Queue impacted by the removal of single-use plastic bags.

Sales increased by 2.3% to \$19.9 billion with comparable sales also up 2.3% for the half. Sales growth was impacted by a number of factors in the first half including the removal of single-use plastic bags, a competitor continuity program and cooler and wetter weather in the key trading weeks before Christmas. Despite more subdued consumer demand from mid-November, Australian Food sales momentum improved in the second quarter with sales increasing by 2.8% (comparable sales: +2.7%) driven by an increase in items per basket.

Comparable transaction growth slowed in the second quarter to +1.5% (Q1'19: +2.1%) partly attributable to cooler and wetter weather in key trading weeks which was particularly evident in certain Impulse categories. Comparable items per basket growth increased in Q2'19 to +2.6% (Q1'19: +0.8%) as customers adjusted to the removal of single-use plastic bags. Excluding sales of reusable bags, comparable items per basket increased by 0.7% compared to a Q1'19 decline of 1.5%.

Average prices declined by 1.0% in Q2'19 which was in line with Q1'19. Deflation was driven by Fruit and Vegetables which returned to deflation in the second quarter after a flat first quarter. Excluding Tobacco and Fruit and Vegetables, average prices declined by 2.3%, which moderated on Q1'19. At the end of December 2018, over 5,200 products were on Low Price Always or Dropped programs, an increase of around 1,200 products over the last six months.

Sales per square metre increased by 1.7% to \$16,624, driven by comparable sales growth. During the half, we opened 13 stores and closed three with 1,018 Woolworths Supermarkets and Metro stores at the end of the half. Average space growth over the last 12 months was 1.3%.

The Metro format continues to evolve and grow with double digit sales growth and 34 Metro branded stores at the end of the half. In the first half, 43 Renewals and 57 Upgrades were completed with highlights being the new format supermarkets in Ascot, Queensland; Camberwell, Victoria and the new Metro in Kings Cross, New South Wales.

Gross margin remained flat at 28.7% with improvements from product mix and promotional effectiveness offset by price investment, higher input cost inflation and higher stockloss due in part to lower sales velocity.

COB as a percentage of sales decreased by 5 bps to 24.0% with good cost control in the half given lower than expected sales. Lower cost growth was achieved through a focus on productivity and cycling of up-weighted strategic investments, one-off redundancy costs and higher team member cost accruals in the prior year. Depreciation and amortisation increased by 11.4% due to increased spend on store IT investments and Renewals. EBIT increased 4.0% to \$937 million with an 8 bps improvement in EBIT margin to 4.7%.

Funds employed increased driven by ongoing spend on the Renewal program, MSRDC and the completion of 1Store which was previously held at Group level at the prior half. This was offset somewhat by an improvement in working capital.

The decline in ROFE was due to the increase in average funds employed.

WOOLIESX

OPERATING METRICS

YEAR ON YEAR (%)	Q2'19 (13 WEEKS)	Q1'19 (14 WEEKS)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)
Customer metrics				
Online VOC NPS	62	59	55	56
Sales productivity metrics				
Total sales (\$ million)	355	343	277	280
Online (2U) sales growth	27.5%	25.6%	36.0%	29.3%
Online penetration	3.5%	3.3%	3.2%	2.8%
Loyalty				
Woolworths Rewards members (million)	11.3	11.1	10.9	10.7

TRADING PERFORMANCE

Investment in Australian Food’s digital and data strategy through **WooliesX** has delivered a significant improvement in capability and strong growth over the last 18 months. In H19, WooliesX continued to build momentum with Online (2U) sales growing 26.6% on last year, representing 3.5% of Australian Food sales in Q2’19. Further improvements to the customer experience and operations have led to Online VOC and NPS both reaching record highs in December.

Woolworths Rewards continues to grow with 11.3 million members (+0.4 million since June) at the end of December. Woolworths Rewards is now able to offer members group-wide personalised campaigns across Woolworths Supermarkets, BWS, BIG W as well as Caltex which is contributing positively to Group sales. Through the expansion of the Woolworths Rewards partnership with Caltex, members now have the ability to earn points at an additional 680 participating Caltex sites.

WooliesX also successfully expanded On Demand delivery pilots in Sydney and Melbourne as customers’ demand for ultra-convenience grows. The rollout of drive locations also continued with 78 locations at the end of the half. Scan & Go is being piloted in Double Bay, allowing customers to skip the conventional check-out process by scanning items with their phone as they shop.

ENDEAVOUR DRINKS

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales	4,596	4,513	1.8%
EBITDA	341	355	(4.1)%
Depreciation and amortisation	(51)	(46)	11.2%
EBIT	290	309	(6.4)%
Gross margin (%)	22.8	22.9	(10) bps
Cost of doing business (%)	16.5	16.1	45 bps
EBIT to sales (%)	6.3	6.9	(55) bps
Sales per square metre - rolling 12 months (\$)	18,079	18,019	0.3%
Funds employed	2,980	2,840	4.9%
ROFE - rolling 12 months (%)	16.5	17.6	(1.2) pts

OPERATING METRICS

YEAR ON YEAR (%)	Q2'19 (13 WEEKS)	Q1'19 (14 WEEKS)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)
Sales productivity metrics			Easter-adjusted	Easter-adjusted
Total sales	0.8%	3.0%	4.0%	4.4%
Comparable sales	0.2%	1.7%	2.8%	3.3%
Online penetration	6.3%	5.6%	5.1%	4.6%

TRADING PERFORMANCE

Endeavour Drinks' sales increased by 1.8% to \$4.6 billion in H19 with comparable sales increasing 0.9%. In Q2'19, sales increased by 0.8% with comparable sales increasing by 0.2%. BWS and Dan Murphy's outgrew a subdued market, particularly in the two largest categories of Beer and Wine. While comparisons to the prior year were impacted by the timing of New Year's Eve, Dan Murphy's sales performance was below expectations. Weather also impacted market growth with cooler temperatures and increased rainfall over key first half events periods.

BWS and Dan Murphy's both held or improved key VOC metrics for both in-store and online experience.

BWS maintained its strong momentum, with enhancements to localised ranging and tailored Woolworths Rewards offerings. The BWS store network grew to 1,332 stores with 16 net new stores and the new BWS Renewal format was successfully extended to key urban standalone stores. BWS' convenience offering also continued to expand, with On Demand delivery now available in 500 stores and Pick up available across the whole network. Jimmy Brings expanded its geographical reach, including launching in Brisbane during the half.

Dan Murphy's delivered double-digit growth in Online with new offerings, including the launch of 30 minute Pick up and On Demand delivery. In-store customer experience was enhanced with the introduction of wine advisors in key stores in the lead up to Christmas to guide product knowledge and discovery. Endeavour Drinks sales per square metre increased by 0.3% with rolling 12-month sales growth marginally above net average space growth of 2.5%.

Gross margin was flat at 22.8% with trading margin improvements offset by higher freight costs attributable to petrol prices and growth in Home Delivery.

COBD as a percentage of sales grew 45 bps, with lower sales growth and above-inflationary pressure on core running costs, as well as targeted investment in key focus areas including customer experience, data and analytics, supply chain strategy and ranging.

Endeavour Drinks EBIT decreased 6.4% to \$290 million in H19. ROFE decreased by 1.2 pts with an increase in working capital due to the timing of New Year's Eve.

We have clear plans in place for Dan Murphy's through a focus on range, service and convenience for customers in-store and online. Further progress on this agenda is expected in the second half but Endeavour Drinks' EBIT for F19 is expected to be below the prior year.

NEW ZEALAND FOOD¹

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales	3,401	3,337	1.9%
EBITDA	212	217	(2.2)%
Depreciation and amortisation	(64)	(66)	(2.5)%
EBIT	148	151	(2.0)%
Gross margin (%)	24.3	24.1	20 bps
Cost of doing business (%)	19.9	19.5	37 bps
EBIT to sales (%)	4.4	4.5	(17) bps
Sales per square metre - rolling 12 months (\$m)	16,009	15,319	4.5%
Funds employed	2,998	3,063	(2.1)%
ROFE - rolling 12 months (%)	9.3	9.9	(57) bps

OPERATING METRICS

YEAR ON YEAR (%)	Q2'19 (13 WEEKS)	Q1'19 (14 WEEKS)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)
Customer metrics				
Store-controllable VOC	81%	80%	79%	78%
Online VOC NPS	65	65	64	63
Sales productivity metrics			Easter-adjusted	Easter-adjusted
Total sales	1.2%	2.6%	2.8%	3.3%
Comparable sales	2.4%	4.0%	2.8%	2.9%
Online penetration	6.5%	6.4%	5.8%	4.8%
Volume productivity metrics			Easter-adjusted	Easter-adjusted
Comparable transaction growth	0.2%	3.2%	3.4%	4.3%
Comparable items per basket	4.0%	1.7%	0.6%	(1.8)%
Comparable item growth	4.2%	4.9%	4.0%	2.5%
Change in average prices	(0.7)%	(1.8)%	(1.8)%	(1.1)%

TRADING PERFORMANCE

New Zealand Food launched its new brand platform 'We can help with that' at the beginning of the half with a number of customer satisfaction and brand advocacy measures steadily improving. December saw new highs on a number of VOC measures including Fruit & Vegetables, Time in Queue and Ease of Pick up Collection.

Sales for the half were NZ\$3.4 billion, an increase of 1.9% on the previous year. Comparable sales increased by 3.2% driven by comparable items per basket. Total sales were impacted by the closure of three stores in H2'18 and one in H19 due to store rationalisation. Sales per square metre increased by 4.5%.

The second quarter saw softer sales growth of 1.2% and comparable sales growth of 2.4% impacted by poor weather in the lead into Christmas, a slowdown in market growth and the timing of New Year's Eve. H19 sales were also impacted by disruption with 10 store Renewals in the half, including the newest format Bayfair and Takapuna stores.

Average prices declined 0.7% in the quarter, driven by lower prices in Fruit and Vegetables, but up from -1.8% in Q1'19.

The removal of single-use plastic bags from all Countdown stores was completed by mid-October, with the transition going well and supporting improving community perceptions.

Online (2U) sales remained strong in the quarter, up 40.3% on last year, driven by continued strong growth in Pick up. Digital momentum remains positive with CountdownX established and continuing to build. Customer advocacy for Online is very strong with VOC NPS of 65 in December.

Gross margin increased 20 bps due to further improvement in stockloss while remaining price competitive.

CODB as a percentage of sales increased 37 bps driven primarily by strategic investment into digital and data capabilities, with the result that EBITDA and EBIT decreased 2.2% and 2.0% respectively.

ROFE was down 57 bps on prior year due to the lower EBIT despite a reduction in funds employed.

PORTFOLIO BUSINESSES - BIG W

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales	2,091	2,037	2.7%
EBITDA	34	31	10.3%
Depreciation and amortisation	(42)	(41)	2.9%
LBIT	(8)	(10)	(20.8)%
Gross margin (%)	31.2	31.8	(58) bps
Cost of doing business (%)	31.6	32.2	(69) bps
LBIT to sales (%)	(0.4)	(0.5)	(11) bps
Sales per square metre - rolling 12 months (\$m)	3,442	3,369	2.1%
Funds employed	408	374	9.0%
ROFE - rolling 12 months (%)	(25.2)	(30.6)	5.4 pts

OPERATING METRICS

YEAR ON YEAR (%)	Q2'19 (13 WEEKS)	Q1'19 (14 WEEKS)	Q4'18 (12 WEEKS)	Q3'18 (13 WEEKS)
Customer metrics				
Store-controllable VOC	78%	79%	NA	NA
Sales productivity metrics			Easter-adjusted	Easter-adjusted
Total sales	3.7%	1.3%	1.7%	(1.3)%
Comparable sales	5.0%	2.2%	2.0%	(1.2)%
Online penetration	4.9%	3.3%	2.7%	1.8%
Volume productivity metrics			Easter-adjusted	Easter-adjusted
Comparable transaction growth	4.4%	1.8%	2.4%	(0.1)%
Comparable items per basket	4.3%	4.1%	2.4%	4.1%
Comparable item growth	8.8%	6.0%	4.9%	4.0%

TRADING PERFORMANCE

BIG W's sales for the half were \$2.1 billion, an improvement of 2.7% on the previous year with comparable sales increasing 3.8%. Comparable sales grew by 5.0% in Q2'19 with growth in all Universes and a significant uplift in online channels supporting Leisure and Kids.

Customers continue to notice improvements at BIG W with 3.2% growth in comparable transactions and 7.6% growth in comparable items sold in the half. Excluding reusable bags, comparable items increased by 4.0%. Transaction growth was driven by a continued focus on lowering prices for customers and creating more convenient shopping solutions, including a significant uplift in demand for Pick up.

BIG W continued to invest in customer service and its team. Further embedding purpose and investing in team training was a key focus for the half. Store-controllable VOC was marginally below Q1'19 which is typical for the Christmas trading period but improved on the prior year.

Gross profit declined 58 bps reflecting markdowns in seasonal apparel following a slow start to the season, negative category mix and higher stockloss as a result of improving stock availability and rollout of new ranges.

COBD declined 69 bps resulting from store efficiencies, partly offset by continued customer investment and volume-related cost increases.

The increase in funds employed related to the rollout of 1Store, as well as marginally higher inventory levels relating to the rollout of new ranges, improvements to stock availability and lower sell-through of apparel. Inventory quality remains good but will continue to be monitored closely.

BIG W remains focused on delivering a positive customer experience in-store and online. Good progress has been made in BIG W's digital offer, rollout of Customer 1st Ranging, more competitive pricing and improving availability for customers. With sales having stabilised and customer metrics improving, the team is focused on accelerating the conversion of sales into profit and is reviewing the BIG W store and DC network in the context of a rapidly changing market. An update on the outcomes of the review is expected to be provided in four to six weeks.

PORTFOLIO BUSINESSES - HOTELS

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales	865	861	0.5%
EBIT	161	163	(1.5)%
Gross margin (%)	84.2	84.3	(6) bps
Cost of doing business (%)	65.7	65.4	30 bps
EBIT to sales (%)	18.6	18.9	(37) bps

TRADING PERFORMANCE

Sales for the half increased by 0.5% to \$865 million with comparable sales increasing by 1.1% with lower sales growth than recent periods as Hotels cycled strong events in the prior year and a more subdued consumer environment. Comparable sales increased by 1.0% in Q2'19 following an increase of 1.2% in Q1'19. Sales were slower in the early part of the second quarter but improved in December with sales growth led by Bars and Food.

Gross margin declined by 6 bps due to a negative change in business mix. CODB was well controlled but increased by 30 bps as a percentage of sales as a result of slower sales growth with EBIT marginally below the prior year.

During the half ALH's responsible gaming practices were further improved through the removal of complimentary alcohol service in all gaming rooms (in addition to certain states where it is already prohibited) and are on track to implement all of the recommendations of the Responsible Gaming Council of Canada by the end of F19.

One new venue was acquired during the half with 324 venues at the end of the period.

DISCONTINUED OPERATIONS

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
Sales			
Petrol	2,579	2,458	4.9%
EBIT			
Home Improvement	-	27	n.m.
Petrol	84	95	(11.9)%

TRADING PERFORMANCE

Petrol

Petrol sales increased by 4.9% in the half due to higher fuel prices, offset somewhat by lower fuel volumes. Comparable fuel volumes declined by 7.3% in Q2'19 while average fuel prices (Q2'19: 142.4cpl, Q2'18: 133.3cpl) increased by 6.8% in comparison to the prior year. EBIT declined by 11.9% due to lower gross profit dollars driven by lower volumes and lower margins.

In November 2018, Woolworths Group entered into an agreement to sell the Woolworths Petrol business to EG Group subject to Foreign Investment Review Board (FIRB) approval. Assuming FIRB approval, the transaction is expected to complete around the end of March.

Following the completion of the sale of Woolworths Petrol to EG Group, Woolworths Group will fund a portion of the 4cpl fuel discount. The full H19 cost of the discount included in Petrol EBIT was \$30 million. Also included in H19 Petrol EBIT is \$9-12 million of overhead and other costs that are expected to remain with the Group following the sale. The Group plans to minimise the impact of these costs as it progresses through a transitional services arrangement.

CENTRAL OVERHEADS

Central Overheads were in line with the prior year at \$72 million. In the second half, Central Overheads will include the \$50 million one-off benefit related to the Caltex partnership agreement assuming the successful completion of the sale of Woolworths Petrol to EG Group.

GROUP BALANCE SHEET AS AT 30 DECEMBER 2018

\$ MILLION	H19 30 DECEMBER 2018	H18 31 DECEMBER 2017	CHANGE	F18 24 JUNE 2018
Inventory	4,752	4,558	4.3%	4,233
Trade payables	(6,074)	(5,784)	5.0%	(5,316)
Net investment in inventory	(1,322)	(1,226)	7.7%	(1,083)
Receivables	928	910	1.9%	894
Other creditors	(1,973)	(2,056)	(4.0)%	(1,955)
Provisions	(2,284)	(2,412)	(5.4)%	(2,393)
Fixed assets and investments	9,477	8,777	8.0%	9,179
Net assets held for sale	636	720	(11.6)%	800
Intangible assets	6,522	6,426	1.5%	6,465
Total funds employed	11,984	11,139	7.6%	11,907
Net tax balances	98	191	(48.7)%	161
Net assets employed	12,082	11,330	6.7%	12,068
Net debt	(818)	(970)	(15.1)%	(1,219)
Net assets	11,264	10,360	8.7%	10,849
Non-controlling interests	381	369	3.1%	368
Shareholders' equity	10,883	9,991	8.9%	10,481
Total equity	11,264	10,360	8.7%	10,849
Key ratios - continuing operations				
Closing inventory days (based on COGS)	40.9	40.1	0.8 days	37.8
Closing trade payable days (based on COGS)	52.4	49.8	2.6 days	46.2
ROFE	24.1%	24.0%	6 bps	24.1%
ROFE - lease-adjusted	13.8%	13.8%	3 bps	14.0%

Closing inventory of \$4,752 million increased by \$194 million driven by higher stock levels for New Year's Eve in Endeavour Drinks, reusable shopping bags in Australian and New Zealand Food and increased seasonal inventory in BIG W. While closing inventory days increased by 0.8 days, average inventory days from continuing operations improved by 0.8 days to 39.5.

Net investment in inventory of \$1,322 million improved on the prior year due to management of trade payables and the timing of the December New Zealand Food payment run, partially offset by Petrol trade payables not previously classified as held for sale.

Provisions of \$2,284 million decreased \$128 million driven by cash utilisation of F16 significant items provisions. Excluding Home Improvement and significant items previously recognised, provisions increased \$59 million driven by increases in provisions related to the exit from certain supply chain facilities booked in H2'18.

Fixed assets and investments of \$9,477 million increased by \$700 million. This was driven by capital expenditure of \$2,121 million over the last 12 months relating to store refurbishments, supply chain and IT infrastructure offset by depreciation and asset disposals and retirements in the ordinary course of business.

Net assets held for sale of \$636 million primarily relate to Petrol and other Woolworths Group properties held for sale. The decrease on the prior year was largely as a result of Petrol liabilities not previously classified as held for sale under the former BP agreement.

Intangible assets of \$6,522 million increased by \$96 million driven by higher goodwill in New Zealand due to the strengthening of the New Zealand dollar.

Total funds employed increased by \$845 million due to capital investment and decrease in provisions primarily due to Home Improvement cash utilisation.

Net tax balances of \$98 million decreased \$93 million due to the movement of net tax benefits arising from provisions.

Net debt of \$818 million declined by \$152 million due to free cash flow generation.

ROFE from continuing operations before significant items was 24.1%, an increase of 6 bps on the prior year. The increase in EBIT was offset by an increase in average funds employed. Lease-adjusted ROFE increased 3 bps to 13.8%. Group ROFE before significant items was 24.6% (H18: 28.1%).

GROUP CASH FLOW FOR THE 27 WEEKS ENDED 30 DECEMBER 2018

\$ MILLION	H19 (27 WEEKS)	H18 (27 WEEKS)	CHANGE
EBITDA - continuing operations	2,056	1,993	
EBITDA - discontinued operations	84	122	
EBITDA	2,140	2,115	1.2%
Net increase in inventory	(498)	(390)	
Net increase in trade payables	907	623	
Net change in other working capital and non-cash	(62)	58	
Cash from operating activities before interest and tax	2,487	2,406	3.4%
Net interest paid	(86)	(95)	
Tax paid	(386)	(336)	
Total cash provided by operating activities	2,015	1,975	2.1%
Proceeds from the sale of property, plant and equipment and businesses and investments	115	307	
Payments for the purchase of property, plant and equipment, property development, intangible assets, investments and contingent consideration	(1,002)	(876)	
Other	(24)	(36)	
Total cash used in investing activities	(911)	(605)	50.8%
Dividends paid (including to non-controlling interests)	(703)	(416)	
Free cash flow after equity related financing activities	401	954	(57.9)%

Cash flow from operating activities before interest and tax was \$2,487 million, an increase of 3.4% on the prior year driven by a 1.2% increase in EBITDA and cash inflows from working capital movements.

Cash realisation ratio was 123% (H18: 125%) driven by seasonally lower net investment in inventory compared to the financial year-end (F18: 101%). Cash realisation also benefitted from higher payables in New Zealand due to the timing of the December payment run. The cash realisation ratio for F19 is not expected to be as high as the first half due to seasonality, a reversal of New Zealand payment timing benefit and the cash utilisation of provisions and accruals.

Net interest paid of \$86 million decreased by \$9 million compared to the prior year due to lower levels of average debt through the period and the cancellation of surplus syndicated bank facilities.

Tax payments increased by \$50 million to \$386 million primarily due to higher tax refunds in the prior year.

Cash used in investing activities increased by 50.8% to \$911 million due to higher capital expenditure on store renewal programs, supply chain and IT infrastructure and lower proceeds from the sale of property, plant and equipment and businesses and investments.

Our fixed charges cover ratio for the period was 2.7x, in line with the prior year.

CAPITAL MANAGEMENT

Woolworths Group manages its capital structure with the objective of enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital. It will return capital to shareholders when that is consistent with its long-term capital structure objectives and where it will enhance shareholder value. Woolworths Group remains committed to a solid investment grade credit rating² and a number of actions can be undertaken to support the credit profile including the sale of non-core assets, further working capital initiatives, and adjusting growth capital expenditure and the property leasing profile.

Financing transactions during H19

Woolworths Group had no new transactions or debt maturities during the first half of F19.

Upcoming maturity

A\$500 million domestic Medium Term Notes is maturing in March 2019.

NEW STORE ROLLOUT PLANS FROM CONTINUING OPERATIONS

Space rollout is supported by detailed plans for the next three to five years identifying specific sites.

	H19 NET STORE OPENINGS (INCL. ACQUISITIONS)	MEDIUM TERM TARGET (NET)
Australian Food (including Metro)	10	10 - 20 new full range supermarkets per annum
New Zealand Food		
<i>Countdown</i>	(1)	3 - 4 new supermarkets per annum
<i>Franchise Stores</i>	-	
Dan Murphy's	-	6 - 10 new stores per annum
BWS (including attached)	16	6 - 10 new stores per annum (standalone)
BIG W	-	Only where previously committed
Hotels (ALH Group)	1	Acquire as appropriate opportunities arise

OUTLOOK

Brad Banducci said: “While trading across the Group for the first seven weeks of the second half has improved following more settled weather, we expect a more subdued consumer environment to continue for the foreseeable future. We remain focused on opportunities to simplify our businesses to improve productivity without impacting the experience for our customers. We will also continue to invest in areas that will drive the long-term success of our business for our shareholders with digital and data key areas of focus.

“In **Australian Food**, we expect the market to remain challenging including ongoing input cost pressures such as meat. Our new Enterprise Agreement takes effect in January providing improved benefits to our team members but will result in higher cost with the full impact in H20. Our ‘Simpler for Stores’ productivity program is continuing to build momentum and we remain focused on improving stockloss after a relatively poor first seven months. Despite the headwinds, we remain confident in our plans for F19 and F20 to deliver sales growth and a return on our investments.

“In **New Zealand Food**, we are focused on building on our new brand platform, improving our Fresh and Health offers, continuing to innovate the customer digital experience and realising the financial benefits of these investments.

“**Endeavour Drinks** needs to evolve its offer to meet rapidly changing consumer expectations and to capitalise on its market leading position. We have strong plans in place to ramp-up digital, deliver more localised ranges, improve service and offer greater convenience to our customers. We expect to make good progress in H2’19 but expect F19 EBIT to be below the prior year.

“Despite the improvement in sales momentum in **BIG W**, it remains a work-in-progress. We continue to expect a reduction in losses in F19 subject to no further deterioration in trading conditions; however, we are not satisfied with speed of translation of improved sales into profit. We are reviewing our store and DC network and further details are expected to be provided in the next four to six weeks.”

“As always, I would like to thank our customers for their support and team for their commitment and efforts. We are truly better together.”

The Q3’19 sales release is currently scheduled for 2 May 2019. As a reminder, F19 will be a 53-week year.

-ends-

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APPENDIX ONE: ASIC REGULATORY GUIDE 230 DISCLOSING NON-IFRS FINANCIAL INFORMATION AND GLOSSARY

The Half-Year Financial Report 2019 and this Half-Year Profit and Dividend Announcement for the 27 weeks ended 30 December 2018 contains certain non-IFRS financial measures of historical financial performance, balance sheet or cash flows. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards and may not be directly comparable with other companies' measures but are common practice in the industry in which Woolworths Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by the Australian Securities and Investments Commission (ASIC) in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

These measures are used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the underlying drivers of the business, performance and trends, as well as position of the Woolworths Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods (such as comparable sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Woolworths Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting, and incentive setting purposes, and have remained consistent with the prior year. Non-IFRS measures are not subject to audit or review.

Glossary

Cash realisation ratio	Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation
Comparable sales	Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from store disruption as a result of store refurbishment or new store openings
Cost of doing business (CODB)	Expenses which relate to the operation of the business
Customer 1 st Ranging	Developing a clearly defined range to provide an easier shopping experience for the customer
Customer fulfilment centre	Customer fulfilment centres are dedicated online distribution centres
Fixed charges cover ratio	Group earnings before interest, tax, depreciation, amortisation and rent (EBITDAR) divided by rent and interest costs. Rent and interest costs include capitalised interest, but exclude foreign exchange gains/losses and dividend income
Free cash flow	Cash flow generated by the Woolworths Group after equity related financing activities including dividends
Funds employed	Net assets employed excluding net tax balances
Net assets employed	Net assets excluding net debt and other financial liabilities
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of 0-10. The score is the net result of the percentage of customers providing a score of 9 or 10 (promoters) less the percentage of customers providing a score of 0-6 (detractors)
Net debt	Borrowings less cash balances including debt hedging derivatives
On Demand	An express or scheduled delivery service providing online orders at the customer's convenience
Pick up	A service which enables collection of online shopping orders in-store or at select locations
Renewals	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)

Return on Funds Employed (ROFE)	ROFE is calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed. Lease-adjusted ROFE adjusts funds employed for the present value of future lease obligations and EBIT for the implied interest on those obligations
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area
Simpler for Stores	Simplification of end-to-end processes for store teams, improving customer experience and productivity
Stockloss	The value of stock written-off, wasted, stolen, cleared, marked-down or adjusted from all stores nationally (sometimes expressed as a percentage of sales)
Upgrades	A lighter upgrade typically involving a front-of-store upgrade and Produce/Bakery enhancement
Voice of Customer (VOC)	Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on a number of criteria. Expressed as the percentage of customers providing a rating of six or seven on a seven point scale
VOC NPS	VOC NPS is based on feedback from Woolworths Rewards members. VOC NPS is the number of promoters (score of 9 or 10) less the number of detractors (score of 6 or below)
Voice of Supplier (VOS)	Bi-monthly survey (six times per year) of a broad spectrum of Australian Food's suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes scored as a percentage of suppliers that provided a rating of six or seven on a seven point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of our team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions

Other non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Cash flow from operating activities before interest and tax
- Trading area
- Fixed assets and investments
- Net tax balances
- Closing trade payable days
- Change in average prices
- Easter-adjusted metrics
- Volume productivity metrics including transaction growth, items per basket and item growth
- Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)
- Free cash flow after equity related financing activities excluding dividends
- Significant items
- Net investment in inventory
- Net assets held for sale
- Closing inventory days
- Average inventory days
- Margins including gross profit, CODB and EBIT/ (LBIT)

APPENDIX TWO: ANALYSIS OF PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

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

	H19 \$M	H18 \$M
PETROL		
Revenue from the sale of goods	2,579	2,458
Expenses	(2,495)	(2,363)
Earnings before interest and income tax	84	95
Finance income	-	-
Profit before income tax	84	95
Income tax expense	(25)	(29)
Profit for the period from Petrol discontinued operations	59	66
HOME IMPROVEMENT		
Revenue from the sale of goods	-	-
Expenses	-	3
Reversal of impairment of Home Improvement assets and store exit costs	-	24
Earnings before interest and income tax	-	27
Finance costs	-	(3)
Profit before income tax	-	24
Income tax expense	-	(23)
Profit for the period from Home Improvement discontinued operations	-	1
Total profit from discontinued operations attributable to equity holders of the parent entity	59	67

APPENDIX THREE: QUARTERLY SALES SUMMARY

Group sales - second quarter

\$ MILLION	Q2'19 (13 WEEKS)	Q2'18 (13 WEEKS)	CHANGE
Continuing operations			
Australian Food	10,022	9,752	2.8%
Endeavour Drinks	2,495	2,474	0.8%
New Zealand Food (AUD)	1,606	1,542	4.1%
<i>New Zealand Food (NZD)</i>	1,722	1,700	1.2%
BIG W	1,189	1,147	3.7%
Hotels	422	420	0.4%
Sales from continuing operations	15,734	15,335	2.6%
Discontinued operations			
Petrol	1,253	1,232	1.7%
Sales from discontinued operations	1,253	1,232	1.7%
Group sales	16,987	16,567	2.5%

Quarterly sales growth

TOTAL SALES GROWTH %	Q1'19	Q2'19	H19
Australian Food	1.9	2.8	2.3
Endeavour Drinks	3.0	0.8	1.8
New Zealand Food (AUD)	1.2	4.1	2.7
<i>New Zealand Food (NZD)</i>	2.6	1.2	1.9
BIG W	1.3	3.7	2.7
Hotels	0.5	0.4	0.5
Continuing operations	1.9	2.6	2.3

COMPARABLE SALES GROWTH %	Q1'19	Q2'19	H19
Australian Food	1.8	2.7	2.3
Endeavour Drinks	1.7	0.2	0.9
New Zealand Food (NZD)	4.0	2.4	3.2
BIG W	2.2	5.0	3.8
Hotels	1.2	1.0	1.1

APPENDIX FOUR: FIVE YEAR STORE AND TRADING AREA ANALYSIS

STORES (NUMBER)	2019 HALF-YEAR	2018 FULL YEAR	2017 FULL YEAR	2016 FULL YEAR	2015 FULL YEAR
Continuing operations					
NSW & ACT	321	317	312	303	292
QLD	237	234	234	237	230
VIC	250	249	244	242	234
SA & NT	79	79	80	84	82
WA	100	98	94	94	92
TAS	31	31	31	32	31
Australian Supermarkets	1,018	1,008	995	992	961
New Zealand Supermarkets	180	181	184	184	177
Total Supermarkets	1,198	1,189	1,179	1,176	1,138
Thomas Dux	-	-	3	5	9
Freestanding Liquor (incl. Dan Murphy's)	401	398	387	373	359
Attached Liquor	566	560	550	544	527
ALH Retail Liquor Outlets	592	585	580	569	557
Summergate	2	2	2	2	2
Woolworths Petrol	-	-	-	-	513
Total Food, Petrol & Endeavour Drinks	2,759	2,734	2,701	2,669	3,105
BIG W	183	183	185	186	184
Hotels (includes clubs)	324	323	329	331	330
EziBuy (Unallocated)	-	-	-	5	5
Total continuing operations	3,266	3,240	3,215	3,191	3,624
Discontinued operations					
Woolworths Petrol	540	534	531	527	-
Home Improvement	-	-	-	106	102
Total Group	3,806	3,774	3,746	3,824	3,726
Wholesale customer stores (continuing operations)					
Super Value and Fresh Choice	69	69	65	64	60
Statewide Independent Wholesale	220	220	220	220	220
Total continuing operations	289	289	285	284	280
Discontinued operations (Home Timber & Hardware wholesale)	-	-	-	349	452
Total wholesale customer stores	289	289	285	633	732
Trading area (sqm)ⁱ					
Australian Food	2,308,944	2,281,866	2,252,709	2,229,714	2,143,082
Endeavour Drinks	463,744	460,841	446,083	430,691	413,409
New Zealand Supermarkets	402,787	405,274	415,970	417,966	397,889
BIG W	1,046,337	1,046,333	1,055,838	1,061,413	1,051,159

ⁱ As a result of separating the trading performance of Australian Food & Petrol and Endeavour Drinks; separate trading areas are now disclosed. F15 trading area has been restated on the same basis and is no longer comparable to previously reported data.

APPENDIX FIVE: NEW STORES AND REFURBISHMENTS

HALF-YEAR	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Continuing operations			
Australian Food (including Metro)	13	10	43
Endeavour Drinks (including attached)	25	16	50
New Zealand Food	1	(1)	10
BIG W	-	-	-
Hotels	1	1	36
Total continuing operations	40	26	139
Discontinued operations			
Petrol	6	6	1
Total Group	46	32	140

SECOND QUARTER	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Continuing operations			
Australian Food (including Metro)	9	7	28
Endeavour Drinks (including attached)	16	11	33
New Zealand Food	1	-	6
BIG W	-	-	-
Hotels	1	1	22
Total continuing operations	27	19	89
Discontinued operations			
Petrol	2	2	1
Total Group	29	21	90

ENDNOTES

n.m. Not meaningful

¹ Amounts for New Zealand Food are quoted in New Zealand dollars.

² The credit ratings referred to in this document have been issued by a credit rating agency which holds an Australian Financial Services Licence with an authorisation to issue credit ratings to wholesale clients only. The credit ratings in this document are published for the benefit of Woolworths Group's debt providers.

In the current period, other operating revenue has been included in total sales to better align reporting with how the business is managed. Comparative amounts have been re-presented to conform to the current period's presentation. There is no impact on profit or loss.

[Click here to view the shareholder communication for these results.](#)