

Condensed five year summary*

PROFIT OR LOSS

		2017 ¹ 52 WEEKS	2016 ¹ 52 WEEKS	2015 ¹ 52 WEEKS	2014 52 WEEKS	2013 ¹ 53 WEEKS
Continuing operations before significant items²						
Sales	(\$m)	55,475.0	53,473.9	58,812.0	60,772.8	58,516.4
Cost of goods sold	(\$m)	(39,546.1)	(38,309.3)	(42,596.6)	(44,295.2)	(42,754.9)
Gross profit	(\$m)	15,928.9	15,164.6	16,215.4	16,477.6	15,761.5
Gross profit margin	(%)	28.71	28.36	27.57	27.11	26.94
Cost of doing business (CODB)	(\$m)	(13,602.9)	(12,718.6)	(12,242.3)	(12,702.4)	(12,108.3)
CODB margin	(%)	24.52	23.78	20.82	20.90	20.69
Selling, general and administration expenses (excluding, rent, depreciation and amortisation)	(\$m)	(10,531.0)	(9,769.4)	(9,316.2)	(9,807.4)	(9,378.6)
EBITDAR	(\$m)	5,397.9	5,395.2	6,899.2	6,670.2	6,382.9
EBITDAR margin	(%)	9.73	10.09	11.73	10.98	10.91
Rent (including fitout rent)	(\$m)	(2,034.3)	(1,963.9)	(1,951.3)	(1,898.7)	(1,764.2)
EBITDA	(\$m)	3,363.6	3,431.3	4,947.9	4,771.5	4,618.7
EBITDA margin	(%)	6.06	6.42	8.41	7.85	7.89
Depreciation and amortisation	(\$m)	(1,037.6)	(985.3)	(974.8)	(996.3)	(965.5)
EBIT	(\$m)	2,326.0	2,446.0	3,973.1	3,775.2	3,653.2
EBIT margin	(%)	4.19	4.57	6.76	6.21	6.24
Net financing costs	(\$m)	(179.0)	(207.7)	(212.9)	(218.9)	(251.1)
Woolworths Notes interest	(\$m)	(14.6)	(37.9)	(40.4)	(41.2)	(46.4)
Profit before tax and significant items ²	(\$m)	2,132.4	2,200.4	3,719.8	3,515.1	3,355.7
Taxation	(\$m)	(650.4)	(677.2)	(1,112.8)	(1,056.7)	(996.6)
Profit after tax and before significant items ²	(\$m)	1,482.0	1,523.2	2,607.0	2,458.4	2,359.1
Discontinued operations^{1,2}						
Profit/(Loss) after tax and before significant items ^{1,2}	(\$m)	111.4	(117.4)	(161.5)	-	1.8
Group net profit after tax before significant items²						
	(\$m)	1,593.4	1,405.8	2,445.5	2,458.4	2,360.9
Significant items after tax ²	(\$m)	-	(3,753.7)	(308.1)	-	(96.3)
Group net profit/(loss) after tax						
	(\$m)	1,593.4	(2,347.9)	2,137.4	2,458.4	2,264.6
Non-controlling interests	(\$m)	(59.9)	1,113.1	8.6	(6.7)	(5.2)
Profit/(Loss) attributable to equity holders of the parent entity after tax						
	(\$m)	1,533.5	(1,234.8)	2,146.0	2,451.7	2,259.4

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BALANCE SHEET

		2017 ¹ 52 WEEKS	2016 ¹ 52 WEEKS	2015 ¹ 52 WEEKS	2014 52 WEEKS	2013 ² 53 WEEKS
Inventory	(\$m)	4,080.4	4,558.5	4,872.2	4,693.2	4,205.4
Accounts payable	(\$m)	(5,068.2)	(4,809.1)	(5,040.0)	(4,588.4)	(4,080.0)
Net investment in inventory	(\$m)	(987.8)	(250.6)	(167.8)	104.8	125.4
Receivables	(\$m)	816.8	849.8	1,001.9	965.2	985.2
Other creditors ³	(\$m)	(4,409.9)	(5,029.2)	(3,123.3)	(3,184.9)	(3,086.1)
Fixed assets and investments	(\$m)	8,555.7	8,371.3	10,164.0	9,773.9	9,416.1
Net assets held for sale ¹	(\$m)	1,222.9	897.9	381.6	620.6	148.7
Intangible assets ⁴	(\$m)	6,532.8	6,590.6	6,244.5	6,335.0	5,784.3
Total funds employed⁵	(\$m)	11,730.5	11,429.8	14,500.9	14,614.6	13,373.6
Net tax balances ⁴	(\$m)	291.4	458.2	654.1	522.9	425.2
Net assets employed	(\$m)	12,021.9	11,888.0	15,155.0	15,137.5	13,798.8
Cash and borrowings ⁶	(\$m)	(2,121.1)	(3,413.5)	(3,391.3)	(3,432.9)	(3,602.7)
Other financial assets and liabilities ³	(\$m)	(24.7)	307.4	(631.7)	(1,179.2)	(895.6)
Total net assets	(\$m)	9,876.1	8,781.9	11,132.0	10,525.4	9,300.5
Non-controlling interests	(\$m)	350.1	311.3	297.8	272.9	272.1
Shareholders' equity	(\$m)	9,526.0	8,470.6	10,834.2	10,252.5	9,028.4
Total equity	(\$m)	9,876.1	8,781.9	11,132.0	10,525.4	9,300.5
Group ROFE before significant items ^{2,7}	(%)	25.02	19.12	-	-	-
Return on Equity ⁸	(%)	17.04	14.43	23.27	25.43	27.37

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1
PERFORMANCE
HIGHLIGHTS2
BUSINESS
REVIEW3
DIRECTORS'
REPORT4
FINANCIAL
REPORT5
OTHER
INFORMATION

Condensed five year summary*

CASH FLOW

	2017 ¹ 52 WEEKS \$M	2016 ¹ 52 WEEKS \$M	2015 ¹ 52 WEEKS \$M	2014 52 WEEKS \$M	2013 ¹ 53 WEEKS \$M
Continuing and discontinued operations¹					
EBITDA	3,703.8	(592.8)	4,464.9	4,771.5	4,572.5
Movement in net investment in inventory	627.8	32.3	245.8	103.2	(490.6)
Other operating cash flows and other non cash ⁹	(307.5)	4,055.8	0.4	98.7	69.8
Net interest paid	(234.0)	(289.3)	(310.3)	(338.2)	(454.5)
Tax paid	(668.1)	(848.5)	(1,055.7)	(1,162.5)	(977.3)
Operating cash flow	3,122.0	2,357.5	3,345.1	3,472.7	2,719.9
Payments for property, plant, equipment and intangible assets	(1,909.8)	(1,982.9)	(2,172.7)	(1,898.7)	(1,955.3)
Proceeds on disposal of property, plant and equipment, subsidiaries and investments	480.5	737.0	925.4	230.9	1,008.9
Other investing cash flows	(2.1)	(20.8)	(86.6)	(363.6)	(255.3)
Cash flow from operations after investing activities	1,690.6	1,090.8	2,011.2	1,441.3	1,518.2
New shares issued	55.5	-	6.0	35.5	193.7
Issue of subsidiary shares to non-controlling interests	-	120.0	170.0	183.0	230.0
Movement in gross debt	(1,222.4)	(365.6)	(205.9)	(67.3)	(527.3)
Dividends paid	(540.9)	(1,184.8)	(1,538.6)	(1,491.1)	(1,396.7)
Dividends paid to non-controlling interests	(21.5)	(32.4)	(28.8)	(32.0)	(20.1)
Transactions with non-controlling interests	-	(12.1)	(13.5)	-	-
Effects of exchange rate changes on balance of cash held in foreign currencies	(0.6)	6.7	10.4	4.0	6.2
Net cash flow	(39.3)	(377.4)	410.8	73.4	4.0

SHAREHOLDER VALUE AND FINANCIAL STRENGTH

	2017 ¹ 52 WEEKS	2016 ¹ 52 WEEKS	2015 ¹ 52 WEEKS	2014 ¹ 52 WEEKS	2013 ¹ 53 WEEKS
Shareholder Value					
Ordinary share price closing (\$)	25.36	20.56	27.39	35.66	32.81
Market capitalisation (\$m)	32,826.4	26,291.3	34,692.6	44,925.1	41,018.7
Weighted average shares on issue (m)	1,283.9	1,263.5	1,256.6	1,248.0	1,237.4
Basic EPS continuing operations before significant items ^{2,10} (cents per share)	110.8	116.8	203.9	196.5	190.2
Total dividend (cents per share)	84.0	77.0	139.0	137.0	133.0
Payout ratio before significant items ² (%)	70.74	70.44	71.67	70.27	70.42
Financial Strength					
Fixed charges cover ¹¹ (times)	2.48	2.30	2.90	3.00	3.00

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Notes to five year summary

- 1 Discontinued Operations consist of the following:
 - For statutory reporting, the Petrol business is reported as a discontinued operation from 2017. For comparative purposes, with the exception of the balance sheet, 2016 has been restated to show Petrol as a discontinued operation. In 2015, 2014 and 2013, the Petrol business continues to be shown within continuing operations;
 - The Home Improvement business is reported as a discontinued operation from 2016. For comparative purposes, with the exception of the balance sheet, 2015 has been restated to show Home Improvement as a discontinued operation. In 2014 and 2013, the Home Improvement business continues to be shown within continuing operations; and
 - India Wholesale operations were reported as a discontinued operation from 2013.
- 2 Significant items represent:
 - In 2016, costs of \$951.1 million before tax from continuing operations (\$760.3 million after tax, \$749.5 million attributable to equity holders of the parent entity and \$10.8 million attributable to non-controlling interests) relating to the Operating model and strategic changes, Store network optimisation and property rationalisation, and General Merchandise impairment;
 - In 2016, the \$3,062.6 million before tax from discontinued operations (\$2,993.4 million after tax, \$1,878.3 million attributable to equity holders of the parent entity and \$1,115.1 million attributable to non-controlling interests) impairment of Home Improvement assets and related store exit costs relating to Woolworths intention to sell or wind-up the Home Improvement business;
 - In 2015, costs of \$425.9 million before tax (\$308.1 million after tax, \$307.3 million attributable to equity holders of the parent entity and \$0.8 million attributable to non-controlling interests) relating to the General Merchandise transformation, Business transformation, Redundancy, and Property portfolio review. Note \$2.7 million of this significant item related to discontinued operations;
 - In 2013, profit of \$9.9 million before tax (\$7.9 million after tax) on sale of the Consumer Electronics businesses;
 - In 2013, the one-off loss of \$32.8 million before tax (\$28.5 million after tax) on the Shopping Centres Australasia Property Group transaction;
 - In 2013, the one-off costs of \$25.8 million before tax (\$18.1 million after tax) for Victorian transport fleet redundancies; and
 - In 2013, the one-off costs of \$82.3 million before tax (\$57.6 million after tax) relating to the US144A bond redemption.

Where noted, profit and loss items have been adjusted to reflect these significant items.
- 3 Other financial assets and liabilities primarily represent put options held by non-controlling interests, Hotels gaming entitlement liability, Hills License and assets and liabilities as a result of hedging per AASB 9 *Financial Instruments*. In calculating funds employed, the contingent consideration (2016: \$21.8 million, 2015: \$20.4 million) has been reclassified to other creditors to better reflect the economic nature of this liability to the Group. 2016 and 2015 have also been restated.
- 4 Due to a change in the Group's income tax accounting policy disclosed in Note 3.6 of the 2017 Financial Report, the Group is required to 'gross up' the balance sheet for goodwill and deferred tax liabilities in relation to historic purchases of indefinite life intangibles (2017: \$612.3 million, 2016: \$612.3 million). This change does not impact the profit or loss.
- 5 Total funds employed is net assets excluding net tax balances, cash and borrowings debt, other financial liabilities, and assets and liabilities as a result of hedging per AASB 9 *Financial Instruments*.
- 6 Cash and borrowings is gross debt less cash on hand, cash at bank and cash on short term deposit.
- 7 Return on funds employed (ROFE) is calculated as EBIT for the previous 12 months as a percentage of average (opening, mid and closing) funds employed. ROFE before significant items is calculated as EBIT for the previous 12 months before significant items as a percentage of average (opening, mid and closing) funds employed. This methodology has been adopted for 2017 and 2016. In previous reporting periods, ROFE was calculated as EBIT for the reporting period as a percentage of average (opening and closing) funds employed. As a result of the change in methodology, ROFE for 2015, 2014 and 2013 has not been presented. Due to a change in the Group's income tax accounting policy disclosed in Note 3.6 of the 2017 Financial Report, the Group is required to 'gross up' the balance sheet for goodwill and deferred tax liabilities in relation to historic purchases of indefinite useful life intangibles (2017: \$612.3 million, 2016: \$612.3m). This change does not impact the profit or loss and has been excluded from the ROFE calculation.
- 8 Return on equity is profit after income tax (before significant items) attributable to shareholders, divided by average (of opening and closing) shareholders' equity for the year.
- 9 'Other operating cash flows and other non cash' in 2016 includes \$3,789.8 million of significant items recognised in relation to the impairment of non-financial assets, and recognition of onerous lease and other store exit cost provisions. Significant items recognised in relation to the write-down of inventory have been included within the line 'Movement in net investment in inventory'.
- 10 Basic earnings per share (EPS) is profit after tax and servicing Hybrid Notes attributable to shareholders divided by the weighted average number of ordinary shares on issue during the year. The weighted average number of shares on issue has been calculated in accordance with AASB 133 *Earnings per Share*.
- 11 Fixed charges cover is EBITDAR (before significant items) divided by rent and interest costs. Rent and interest costs include capitalised interest but exclude foreign exchange gains/losses and dividend income.

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

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