

INVESTOR STRATEGY BRIEFING

2 NOVEMBER 2011

Grant O'Brien, CEO Woolworths Limited

Good morning ladies and gentleman. My name is Grant O'Brien. Whether you are here in person or via our webcast, thank you for joining us.

The purpose of today's strategy briefing is to share with you my priorities for the next stage in the journey of this wonderful organisation.

And it is a wonderful organisation, with enormous upside.

There are new ideas, new technologies, new products, markets, services, talent and efficiencies. I am very excited by the opportunities that lay in front of us right now to build long term shareholder value.

Last year we delivered another strong result and our business grew market share – not too many other retailers can say that in this current environment.

Many parts of our business are performing very well with solid momentum, areas like Fresh Food, Liquor, Countdown in New Zealand, Hotels, and Home Improvement.

Others areas are not accelerating quickly enough for my liking and they need a new focus.

I am committed to realising success in all of our businesses, and making a strong company even stronger.

Many commentators talk about our current performance versus our past performance, or our performance vis a vis our competitors.

For me that is not the challenge.

In reality, this is the Woolworths of today versus the Woolworths of the future.

In the last decade or so, our industry has evolved from an era where the supplier was king - where they controlled the shelves, the supply chain and the customer data.

We then moved to the era of the retailer, where the best of the best successfully wrested back control of the shelves, supply chains and customer information.

In the future, the customer is well and truly in the driving seat. Customer choices, spending levels, shopping preferences and channels now aggregate into highly covetable data, with smart retailers able to translate customer behaviour into game changing decision-making.

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This era is also marked by a changed retail environment, with consumers deleveraging, more competition for share of wallet as well as a broader, more competitive retail sector. These challenges will continue for the next couple of years, particularly as we head into Federal election and global markets struggle to recover.

It's a new era, and I have four strategic priorities:

1. Extend and defend leadership in food and liquor
2. Act on our portfolio to maximise shareholder value
3. Maintain our track record of building new growth businesses
4. Put in place the enablers for a new era of growth

Let me explain how we are going to deliver against these priorities.

The first of my priorities: extend, defend leadership in food and liquor

As I referred to at our Q1 sales, Woolworths Supermarkets needs to re-establish marketing supremacy around value and growth, and tackle the value perception of Australian Supermarkets.

So today I can confirm we have commenced a wholesale review of our supermarket marketing resources and strategy.

This review is being conducted by our new Director of Woolworths Supermarkets, Tjeerd Jegen, and the new General Manager of Marketing for Supermarkets, Elizabeth Ryley.

In terms of our core business, I want to unlock sales growth for a tougher consumer and competitive environment now upon us.

As I also said at our Q1 sales release, we've got some areas of strong sales growth such as fresh, but we're not improving fast enough in grocery and non-food.

Additionally, we need to accelerate the pipeline of incremental sales growth opportunities. Today you will hear from Tjeerd and Steve Greentree in Liquor about the opportunities that lie ahead.

I also plan to accelerate our leadership in Fresh Food.

Woolworths is Australian for Fresh Food.

We sell more Australian beef, lamb, prawns, mangoes, bananas, avocados... the list goes on... than any other retailer. Our customers tell us that while we have established a clear lead in fresh food over the last a decade, there is more we can do.

I can see substantial room to make inroads into this category, and in the process securing potentially up to \$2.5 billion in additional sales.

Our goals also include extending our leadership in liquor.

Liquor has achieved remarkable success.

We've achieved this by understanding and delivering for all customers' shopping occasions. And doing so in a world-class fashion.

There are many more opportunities still to be realised and Steve will later outline his seven imperatives to extend our leadership.

Across the Tasman I want to use our momentum to become #1 in New Zealand supermarkets.

We're not going to spend much time talking about Countdown today. We've invested in successfully rebranding Countdown, and this new generation supermarket will continue to improve as we leverage measures to the NZ business from our operations in Australia.

My second strategic priority is to act on our portfolio to maximise shareholder value.

Starting with our BIG W business, I want to accelerate alignment of BIG W's offer to the new customer and competitive reality.

The Discount Department Store category is changing: the product and category cycles are quickening; the sourcing of product is expanding and the retail world is getting smaller.

Against the background of lower discretionary spending, as well new and innovative competitors, we need to provide new and compelling reasons for customers to shop in BIG W, either in-store or online.

Director of BIG W Julie Coates, will outline her strategic plan for our BIG W business that will recapture its momentum, and continue its lead of the Discount Department Store category.

Across in our Joint Venture hotels business, I want us to be Australia's most responsible operator of local pubs.

As you know, this is a closely regulated business, and those regulations will evolve. My priority is to continue raising the standards to maintain the trust of the community to operate this business.

This business has underpinned our successful market leading liquor business and is a strong contributor to the Group's profit in its own right.

Protecting shareholder value means we need to address areas of underperformance in our portfolio of businesses and we need revisit the way we participate in the consumer electronics category.

It is a category where the customer has already significantly changed the way they shop. So today I am announcing a strategic review of our investment in the consumer electronic category, specifically the Dick Smith business.

This review will thoroughly examine our options for Dick Smith, and I plan to report our decision to the market by the half-year results in February.

My third strategic priority is maintaining our track record of building new growth businesses

Nothing speaks more clearly about the customer of today than the story of retail and multichannel. The most obvious growth ambition is to be Australia's undisputed leader in multichannel retailing.

That means having the winning combination of bricks and mortar, with a versatile online platform, which delivers real, incremental growth.

My recent appointment of Penny Winn to lead our Multichannel business demonstrates our commitment to driving this area of growth. We have been out in front so far, but staying out in front will demand further focus, investment, creativity and the execution capability that we are famous for.

The future demands that we provide the opportunity for customers to shop as they do today, but also shop online either from home or on their smart phones, and that they can literally tap and take, or have it delivered.

Today we will announce our latest innovation to our suite of award- winning multichannel offers: including a mobile platform that will connect directly from our incredibly successful supermarket smartphone app through to our online store – grocery shopping from your smart phone.

This will go live early in next year, and will be the start of more plans to innovate in multi-channel.

My goal is to also scale up from an encouraging start in the Home Improvement sector to become a unique, sustainable and profitable business

While I could talk all day about our new Masters business, I will be brief, since it's still early days, and we recently held an investor day devoted to Home Improvement.

Our ambitions are clear, we have a strong pipeline of sites, and early encouragement for our format from customers. This is a \$40 billion segment and early signs are very positive, as we continue to open a new Masters store on average every three and a half weeks.

Woolworths Limited is not constrained to Australia and New Zealand, and while we are excited about the opportunities here, we continue to consider new international growth opportunities in a careful and prudent fashion.

I am a careful shopper, and any acquisition or new market must provide real value to shareholders. We will systematically monitor opportunities and adjacencies that we believe fit our risk appetite and our ability to add value.

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My fourth priority is to put in place the enablers for a new era of growth

The first enabler for any retailer is a world-class supply chain. For Woolworths, I want to deliver the next step change in productivity through our supply chain.

Over the last five years, we have invested in platforms that have enabled us to scale up our business with substantial fractionalisation of costs.

The importance of our world leading supply chain is only just starting to be realised, and the next step change will come at a much lower capital cost, delivering significantly more for our business.

Beyond the supply chain, Woolworths will build by leveraging investment in customer data to fuel growth and customer centricity.

We have more than 8 million members of our loyalty programs across Australia and NZ, which provides us with rich customer insights so we can have the most compelling offers in the market.

This world class database lets us put real science into range architecture, as we know which products customers are happy to substitute and which ones they are very loyal to.

It allows us to accurately measure promotions effectiveness by being able to see when a promotion cannibalises other products.

Data enables us to tailor range by catchment area based on the types of customers in that catchment and their purchasing preferences.

We will discuss today how we leverage our customer data for topline and bottom line benefit.

We've invested to get the data. It's still early days but the potential upside for us is enormous.

A critical enabler of long-term growth and value creation is the strong level of capital investment in our business.

We don't run this business for short-term shareholder returns.

There is at least a 15-year history in Woolworths supporting this approach.

As we have a very strong balance sheet, we will keep investing capital in our new stores to serve more communities and meet future customer demands.

Consistent with this, I confirm today that we are on track to open 39 new supermarkets in this financial year, almost double our store openings in the last financial year.

While we are absolutely focused on minimising any short-term impact, it is important that our investors understand this approach. These investments are absolutely the right thing for long-term shareholder value creation.

Finally the most critical enabler is our talent. My goal is to combine the best retail talent in Australia, with the best in the world.

At the start of the last decade our last wave of growth was delivered by the talent that we unlocked under Project Refresh. As we moved to a national structure we were able to bring experienced and well-rounded retailers together to transform Woolworths. We invested in our people and we created the best retail talent factory in Australia.

But the time is right now for a wider injection of talent for a new era. We need diverse leaders from both inside Woolworths and from globally competitive retailers who get how to think multi-channel and multi-format.

I have moved to build on the work of the past three years to introduce fresh thinking into Woolworths. Today we have Tjeerd, Elizabeth Ryley, Penny Winn and I'm also pleased to announce that David Marr has resigned from his position as Supply Chain Director at Tesco UK to return to Australia to take up the position of General Manager Finance for our Supermarket division.

This is just a handful of the talent I want to attract to our company. Woolworths Limited will create more than 10,000 new retail jobs in Australian & New Zealand during this current financial year as we recruit staff to work in new stores and distribution centres. The new jobs represent an increase of more than 100% over last year.

* * *

Before I conclude and we start the presentations, let me recap.

I've talked in depth about my four strategic priorities:

1. Extend and defend leadership in food and liquor
2. Act on our portfolio to maximise shareholder value
3. Maintain our track record of building new growth businesses
4. And put in place the enablers for a new era of growth.

With these, the team will take the retail powerhouse we've built over the last two decades and use it as the launchpad for the next stage of our journey. By delivering these strategic priorities we will ensure profitable growth for the company, our shareholders, employees and customers.

While we will outline some of these opportunities today in our presentations, we won't be telling you all of our plans - it's generally not my style to broadcast all my moves to the competition.

As I said earlier, it is well-acknowledged there are new environmental headwinds as we begin the next decade. As a result, in the short term, and consistent with our guidance for this current financial year, the realities and challenges mean we believe trading will remain subdued, most probably through to the next financial year.

Our long-term aspiration remains high single digit sales growth and 10% EPS growth assisted by bolt-ons and capital management, which is consistent with our long term senior management incentive hurdles.

In summary, there are two key factors that are reshaping our business – the new customer and the new environment.

I am totally focused on changing our business to meet those challenges. I fully acknowledge there is a lot of work to do.

However, there are many parts of our business that I have absolutely no intention of ever altering:

- Our incredible internal culture and no nonsense approach to life;
- Our passion for retail and for service;
- Our sense of responsibility, fairness and community;
- Our diligent and rigorous attitude to risk.
- Our love of change and our much-envied ability to execute;

The Woolworths Limited genetic fingerprint is unique and intact, and just as it has been the foundation of our past success, it will be the foundation of our future success.

The ultimate challenge is Woolworths today verses Woolworths of the future.

Delivering the necessary change to accelerate this business won't happen overnight. But I intend to leave you today with a sense of what I'm driving to make this strong business even stronger.

Thank you.

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Investor Briefing

Grant O'Brien
Managing Director and
Chief Executive Officer

WOOLWORTHS LIMITED

2 November 2011



AGENDA

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TOPIC

PRESENTER

10:00AM - 10:45AM

STRATEGY OVERVIEW

GRANT O'BRIEN

10:45AM - 12:15PM

SUPERMARKETS & PETROL

TJEERD JEGEN

12:15PM - 1:00PM

LIQUOR & HOTELS

STEVE GREENTREE

1:00PM - 1:30PM

LUNCH

1:30PM – 2:30PM

BIG W

JULIE COATES

2:30PM – 3:00PM

**HOME IMPROVEMENT &
CONSUMER ELECTRONICS**

GRANT O'BRIEN

3:00PM - 4:00PM

**PRODUCTIVITY
BALANCE SHEET**

**GRANT O'BRIEN &
TOM POCKETT**

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STRATEGY OVERVIEW

MY STRATEGIC PRIORITIES

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1

2

3

4

EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR

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

ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE

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

MAINTAIN OUR TRACK RECORD OF BUILDING NEW GROWTH BUSINESSES

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

PUT IN PLACE THE ENABLERS FOR A NEW ERA OF GROWTH

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

SUPERMARKETS

Woolworths



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MY OBSERVATIONS SINCE JOINING

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1

A STRONG FRESH FOOD BUSINESS AND OPPORTUNITY TO EXTEND FRESH FOOD LEADERSHIP

2

A GOOD VALUE OFFER WITH AN OPPORTUNITY TO ENHANCE AND STRENGTHEN BRAND COMMUNICATION

3

AN OPPORTUNITY TO MOVE FROM A GENERIC OFFER TO A MORE TAILORED AND EXCITING OFFER



ACCELERATE COMPARABLE SALES AND DELIVER SUSTAINABLE PROFIT GROWTH

PUTTING THE THE CENTRE OF



CUSTOMER AT EVERYTHING WE DO

GROWTH IN SUPERMARKETS – OUR NEW VISION

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BRAND COMMUNICATION STRATEGY

WE NEED TO STRENGTHEN THE VALUE CREDENTIALS OF OUR BRAND

OUR BRAND STANDS OUT ON



SUPPORTING OUR FARMERS



MEETING THE NEEDS OF FAMILIES



PROUDLY AUSTRALIAN



GREAT FRESH FOOD

- The Woolworths brand has great equity and resonates well with customers
- We will continue to build our brand on our existing credentials, but we need a greater focus on the value that we provide our customers
- Unbeatable value has three dimensions
 - Competitive everyday prices
 - Relevant promotions
 - Great own brands for all customers

BRAND AND COMMUNICATION STRATEGY

CUSTOMER CENTRIC AND MARKETING LEADERSHIP



Woolworths
the fresh food people

BRAND COMMUNICATION HAS BEEN INCONSISTENT AND REACTIVE THEREFORE...

- Review of advertising and research agencies underway
- New GM Marketing with extensive UK experience, who led our winning Countdown strategy in NZ
- Already developed a new Everyday Rewards and customer insight driven communication strategy
- Rollout of phased strategy of value communication with first phase commencing shortly

LEADING TO...

- Re-establishing marketing leadership around value and fresh foods

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GROWTH IN SUPERMARKETS – OUR NEW VISION

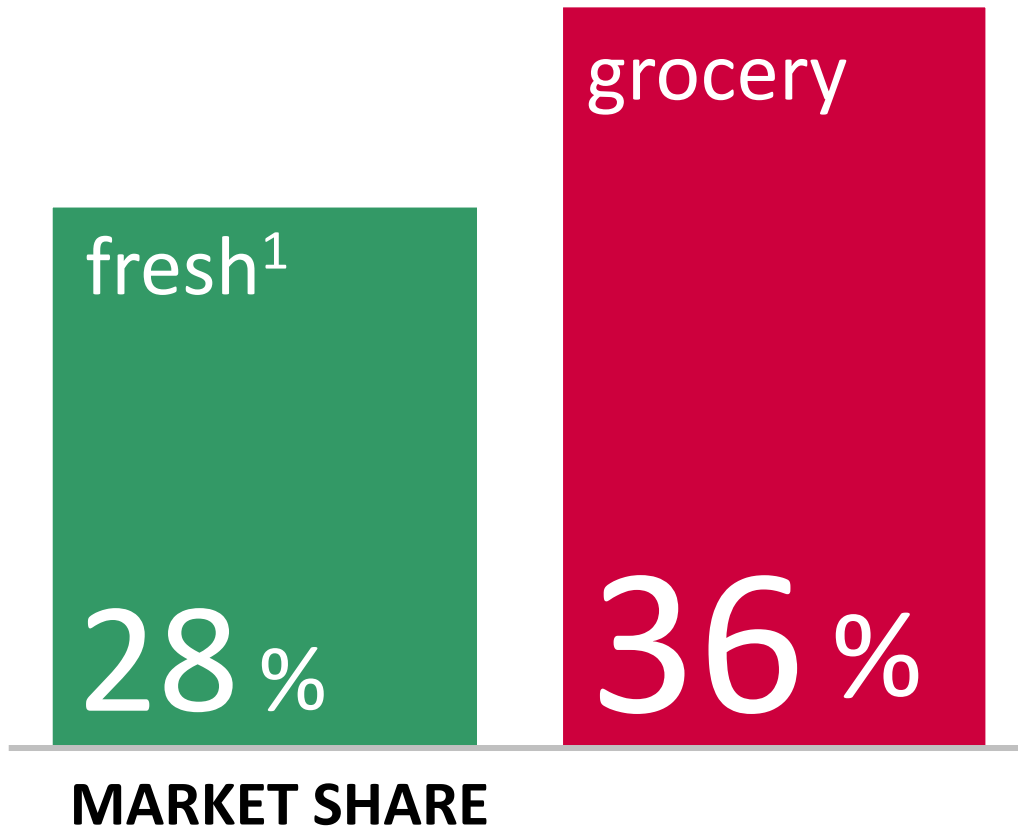
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FIRST CHOICE FOR FRESH FOOD

AMBITION TO TAKE FRESH MARKET SHARE LEADERSHIP TOWARDS THE LEVEL OF GROCERY

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POTENTIAL TO GENERATE IN EXCESS OF

\$2.5B

ADDITIONAL FRESH FOOD SALES

1. Excludes perishables and seafood

Source: Roy Morgan Single Source , 12 months ending June 2011

FIRST CHOICE FOR FRESH FOOD

THE FRESHEST FOOD DELIVERED BY THE FASTEST SUPPLY CHAIN



- Implementing a reduction of 1 day out of 4 in produce end-to-end supply chain time
 - Faster journey from the farm to the customer means a fresher product for longer in the customer's kitchen
- More direct sourcing to improve quality even further
- Improved supply chain practices to deliver fresher produce to store
- Significant benefits from reduced shrinkage resulting in lower prices

FIRST CHOICE FOR FRESH FOOD

GROWING OUR FRESH OFFER THROUGH BETTER MERCHANDISING



- 2015 improved fresh offer – refurbished stores producing double digit sales uplift
- Currently 14% of stores converted with over 50% of stores converted by 2016
- Merchandising and presentation will continue to evolve
- Selective investment in customer service where it adds value

FIRST CHOICE FOR FRESH FOOD

GROWING OUR FRESH OFFER THROUGH RANGE LEADERSHIP

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NEW **Oven Ready Roasts**
Cooking your winter roasts has never been easier

9⁸⁸ kg *Australian Beef Blade Roast in Foil Tray

10⁹⁷ kg *Australian Beef Topside Roast Heart Swart in Foil Tray

18⁹⁹ kg *Australian Beef Standing Rib Roast in Foil Tray

11⁹² kg *Australian Beef Shank Roast in Foil Tray

17⁹¹ kg *Australian Beef Shank Roast in Foil Tray

- Easy to handle
- No mess
- Oven ready

Woolworths logo

NEW SAUCE INFUSIONS
NO MESS, NO FUSS

add flavour to your fish in 4 easy steps

1. Choose your fish
2. Choose your sauce : Teriyaki & Ginger, Thai Sweet Chilli, Lime & Chilli or Roasted Garlic & Herbs
3. We'll prepare it for you in an oven ready bag
4. Simply take home & bake in the bag

Woolworths logo

On sale Wednesday 5th October 2011

New Season Mangoes in store now!

2 FOR \$5 SAVE 96¢

SINGLE \$2.98 ea †Kensington Pride Mangoes

Red Spot Sale

HALF PRICE

3⁸⁹ ea SAVE 3⁹⁰

Streets Magnum PK 2-6

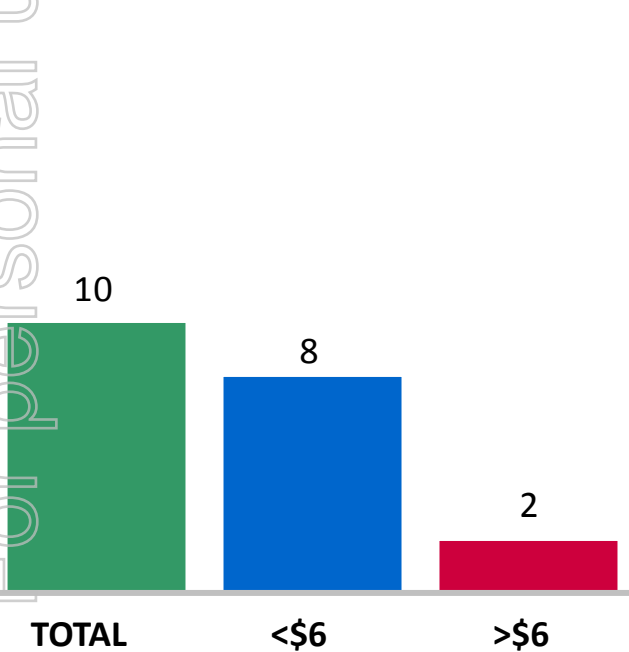
Woolworths logo
the fresh food people

FIRST CHOICE FOR FRESH FOOD

OPPORTUNITY TO WIN SHARE WITH A MORE TAILORED RANGE

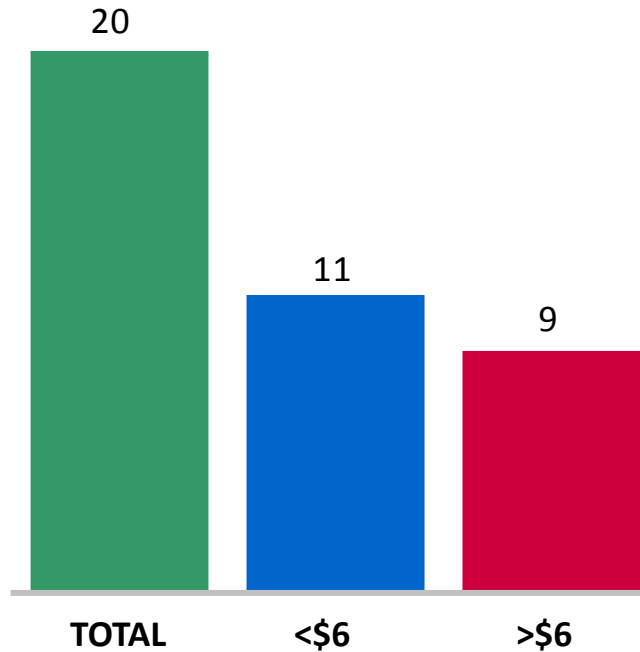
WOOLWORTHS OFFER

- Primarily generic across all stores



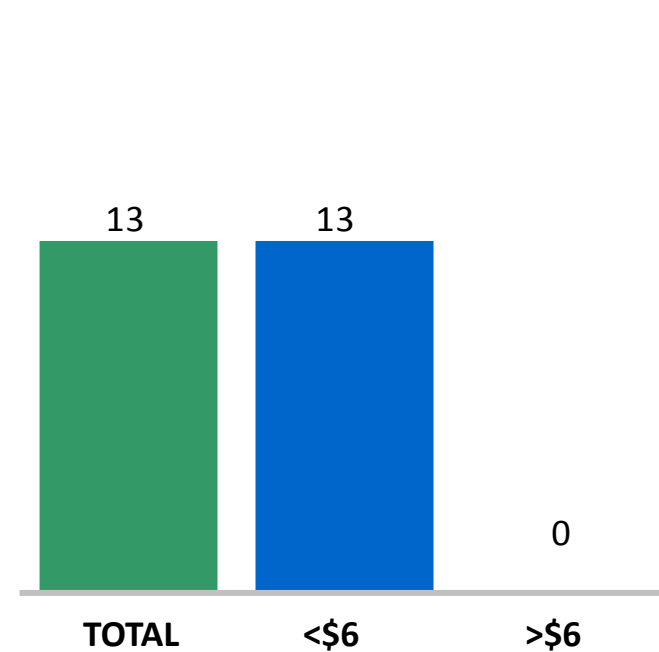
AFFLUENT CATCHMENT

- Local specialist
- Deeper range, broader price points



BUDGET CATCHMENT

- Local specialist
- Good range, fewer price points



STONE FRUIT EXAMPLE # SKUs

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WE ARE CUSTOMER LED – POWER OF INSIGHT

8.4M PEOPLE ENGAGED IN OUR REWARDS PROGRAMS

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- **Follow our customer:** segmentation of our customer in 10 groups which we track to get more in depth understanding of their shopping behaviour
- **Tailor our offer by catchment:** provide the customers with the range that is relevant to them
- **To develop our range architecture:** using substitutability and loyalty data to develop customer decision trees
- **Understand the effectiveness of promotions:** reviewing all promotions on profitability and incremental sales

BETTER CUSTOMER UNDERSTANDING OBTAINED
TO DATE WITH A SIGNIFICANT OPPORTUNITY GOING FORWARD

WE ARE CUSTOMER LED – EVERYDAY REWARDS

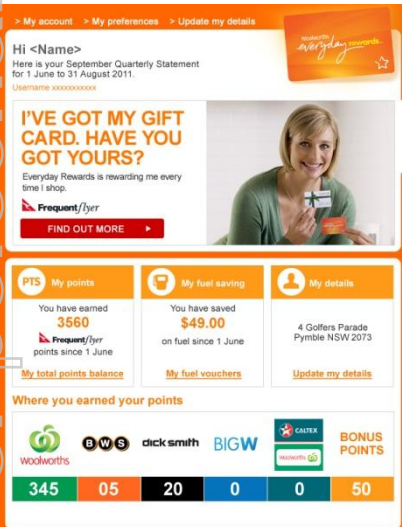
EVERYDAY REWARDS DATA ENABLES STRONG CUSTOMER ENGAGEMENT

CREATING
ENGAGEMENT WITH
PERSONALISED
COMMUNICATIONS

DIRECT MARKETING
CREATING INCREMENTAL
SALES EXCEEDING
INDUSTRY BENCHMARKS

LEVERAGING DATA
TO SUPPORT NEW
BUSINESS GROWTH

GREAT REWARDS
FOR CUSTOMERS



GROWTH IN SUPERMARKETS – OUR NEW VISION

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UNBEATABLE VALUE

GREATER CUSTOMER VALUE THROUGH ENHANCED CATEGORY MANAGEMENT

ENHANCED CATEGORY MANAGEMENT

- Category reviews driven by customer Everyday Rewards data
- Comprehensive reviews of categories underway, majority complete by June 2012 assisted by newly launched category lab

BETTER BUYING MEANS BETTER PRICES

- Improving buying terms
- Supplier reviews commenced
- Increasing parallel importing and global direct sourcing
- Utilising vertical integration where appropriate
- Started end-to-end shrink reduction initiative

DOUBLE THE PENETRATION OF OWN BRANDS

- Strategic review underway to strengthen existing offer and accelerate growth of Macro and Select
- Providing excellent customer value

MORE RELEVANT PROMOTIONS

- Reviewed 100,000+ promotions using Everyday Rewards data
- Shifting to most effective and customer relevant mix

CUSTOMER LED CHOICE

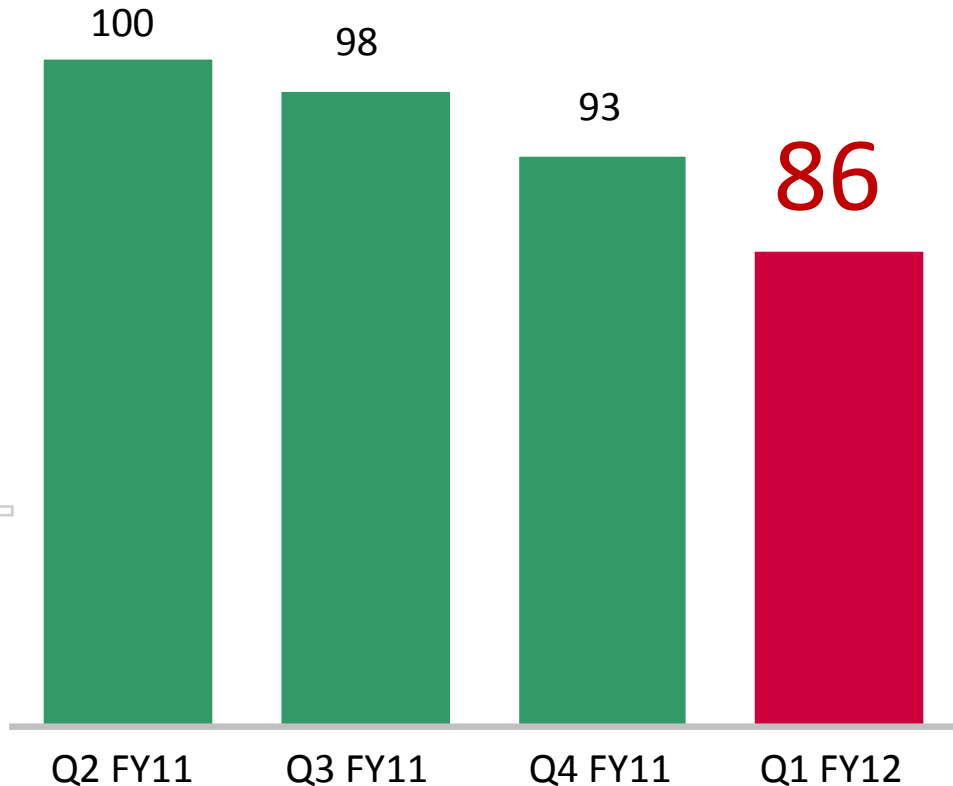
- Remove substitutable products (particularly in packaged groceries)
- Tailoring a range to local customer needs
- Add new range in categories

UNBEATABLE VALUE

DRIVING REDUCTION IN SHRINKAGE TO LOWER PRICES

QUARTERLY SHRINKAGE PERFORMANCE

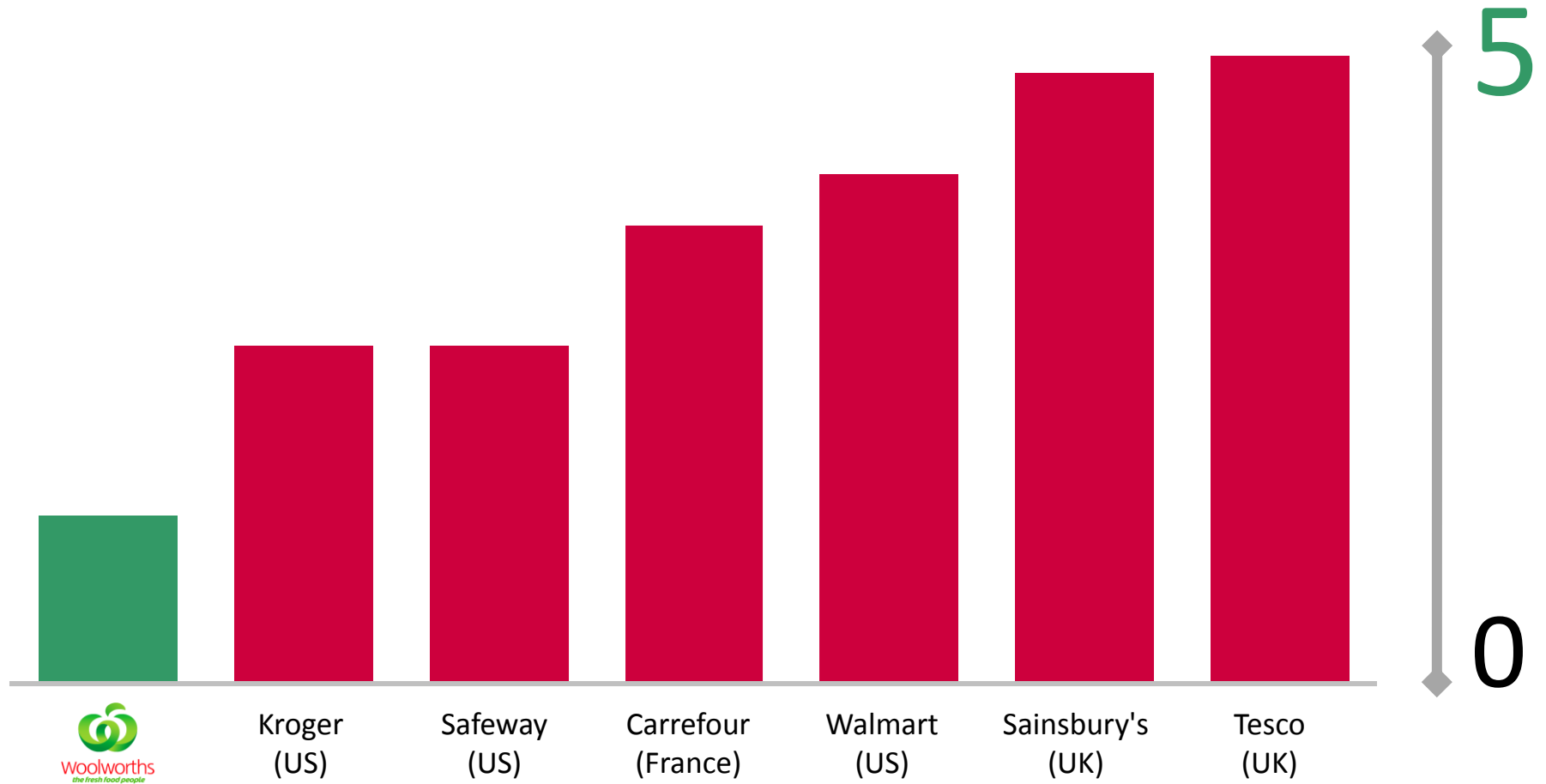
LAST 4 QUARTERS INDEXED TO Q2 FY11



- Major initiative to remove underlying causes of shrinkage and redesign end-to-end processes
- Enhancement to store ordering system – Next Generation AutostockR to improve stock management sophistication and shrinkage

UNBEATABLE VALUE

TARGETING DOUBLE THE PENETRATION OF OWN BRAND SALES
PROVIDING WIDER VARIETY AND LOWER PRICES



OWN BRAND PERCENT OF SALES

WOOLWORTHS' OWN BRAND SALES REBASED TO 1

UNBEATABLE VALUE

DOUBLE THE PENETRATION OVER THE NEXT 5 YEARS...

macro OVER 350 PRODUCTS
wholefoods market

- Growing 8 times faster than the market in the last year
- Great new categories across the store



Woolworths **Select** OVER 1,300 PRODUCTS

- New product launches and rebranding has seen strong sales growth in the last quarter



...THROUGH DELIVERING: MORE SKUs, REBRANDING, LOWER PRICES, HIGHER QUALITY, MORE SHELF PRESENCE

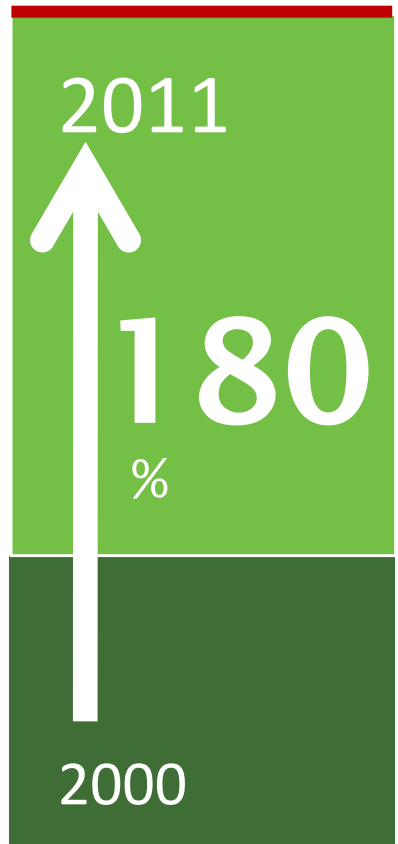
UNBEATABLE VALUE

HOMEBRAND – AUSTRALIA'S MOST ESTABLISHED OWN BRAND
DELIVERING UNBEATABLE VALUE TO CUSTOMERS SINCE 1983

OVER 850 CURRENT SKUs



SALES GROWTH



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STORE TAILORED FOR MY CUSTOMER

CONTINUED STRONG GROWTH OF AUSTRALIA'S LEADING RETAIL NETWORK

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STORES

39 NEW STORES IN 2012



...UTILISING BALANCE SHEET STRENGTH AND DEVELOPMENT EXPERTISE

1. Represents 39 new openings and 6 closures

STORE TAILORED FOR MY CUSTOMER

USING DATA TO DEVELOP TAILORED FORMATS AND RANGES DRIVING SALES AND PROFIT / SQM

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STORE TAILORED FOR MY CUSTOMER

USING DATA TO GAIN DEEP UNDERSTANDING OF CUSTOMER SHOPPING BEHAVIOURS TO DEVELOP TAILORED STORE FORMATS AND RANGES

PERCENT OF STORE SALES BY WOOLWORTHS' CUSTOMER SEGMENTS: FY10

CUSTOMER SEGMENT TYPE

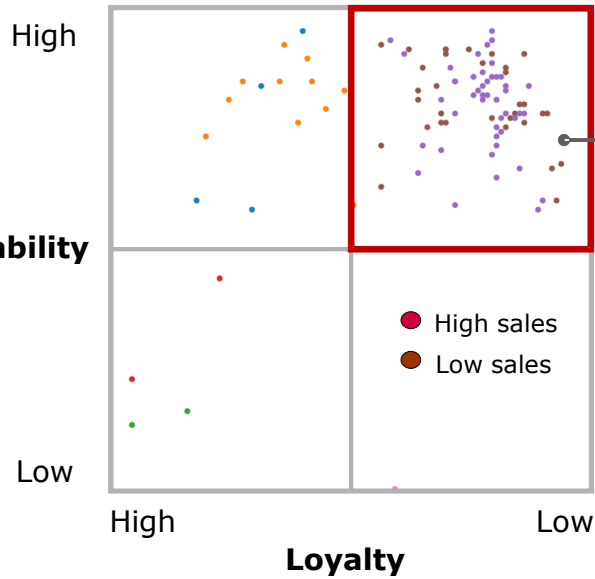


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STORE TAILORED FOR MY CUSTOMER

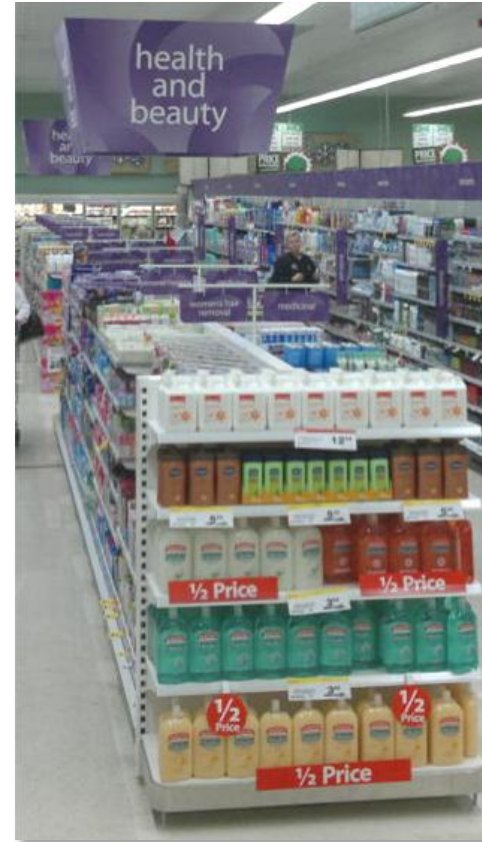
USING DATA TO CREATE NEW CUSTOMER LED CATEGORIES THROUGH SHELF AND FLOOR SPACE OPTIMISATION

LAUNDRY POWDER



RANGE EDITING

WILL DRIVE GROWTH IN SALES AND PROFIT / SQM



TARGET CATEGORIES

- Lots of brands
- Lots of pack sizes
- High duplication
- Out of stock issues
- Confusing to shop
- Opportunity to rationalise

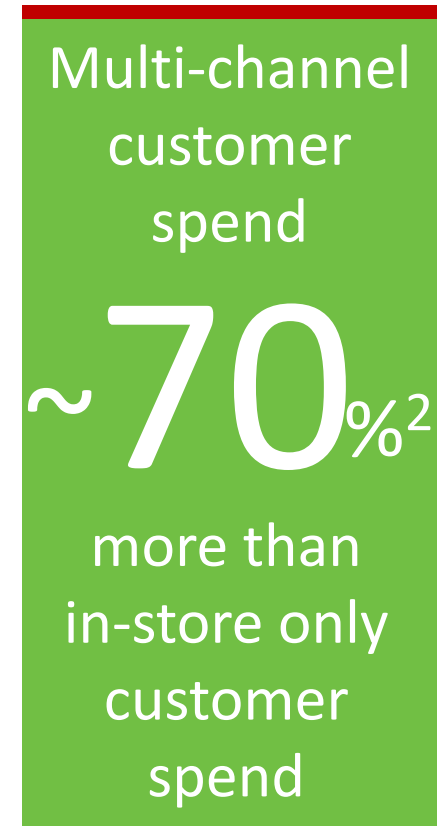
STORE TAILORED FOR MY CUSTOMER

MULTI-CHANNEL - STRONG CURRENT GROWTH AND SIGNIFICANT UPSIDE POTENTIAL

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2010 ONLINE SHARE OF TOTAL SALES



1. Based on Q1 12 sales compared to Q1 11 (excluding Cellarmasters)

2. Based on sales to EDR customers in the 12 months to 30/9/11

Source: Published figures; Company reports

STORE TAILORED FOR MY CUSTOMER

NEW WOOLWORTHS ONLINE PLATFORM DELIVERS ENHANCED CUSTOMER BENEFITS

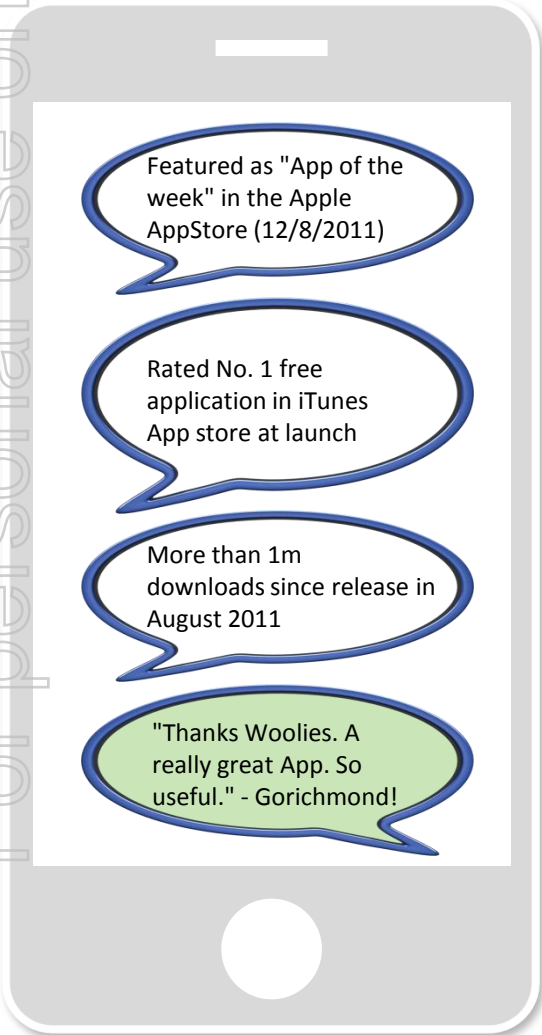
The screenshot shows the Woolworths online platform interface. At the top, there's a green header with the Woolworths logo and the 'macro' logo. Below the header, there's a navigation bar with 'home', 'browse aisles', 'specials', and 'recipes'. A search bar is present with a dropdown menu for 'all products' and a 'Search' button. A 'get started' section on the right offers options to check delivery, log in, or register. A 'trolley' section shows a total of \$0.00 and a 'Checkout' button. A large red starburst graphic at the bottom of the screenshot contains the text: "CLICK THEN COLLECT" LAUNCHING EARLY NEXT YEAR. Handwritten annotations on the screenshot include: "Search for specific products here" pointing to the search bar; "New to the shop? check if we can deliver to you" pointing to the 'get started' section; "Already registered? then login over here" pointing to the 'log in or register' section; and "Your trolley items are now found down here" pointing to the 'trolley' section.

- **Favourites list:** your in-store and online purchases (Everyday Rewards customers)
- **"Have You Forgotten":** lets you know if you've missed something you regularly buy
- **Search Field:** predictively suggests items you regularly purchase
- **Personal Shopping:** leave a note for your personal shopper eg, only ripe avocados please
- **Multi-Buy Offers:** now available Online

STORE TAILORED FOR MY CUSTOMER

1.1M CUSTOMERS HAVE DOWNLOADED WOOLWORTHS SMARTPHONE SHOPPING APP

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CURRENTLY

- Smart shopping lists
- Specials
- Barcode scanner
- Store finder
- Product finder
- Recipes
- Customer targeted offers
- Weekly Catalogue
- Fuel Vouchers
- Android and Apple App

DECEMBER 2011

- Search for Health and Wellbeing recipes
- Copy items to a daily shopping list
- Share shopping lists between different users
- Save recipes to a favourites list

ONE OF AUSTRALIA'S LARGEST FUEL RETAILERS

WITH SCOPE FOR FUTURE GROWTH

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- The petrol offer is an essential ingredient in Supermarket loyalty
- Targeting a site supporting every Supermarket - 215 Supermarkets not yet adequately supported
- Targeting double digit non-fuel sales growth
- Valued customer pricing offer

AUSTRALIAN SUPERMARKETS RECAP

TRACKING KPIs TO ENSURE WE ARE DELIVERING ON OUR STRATEGY

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NEW ZEALAND'S LARGEST RETAIL BRAND

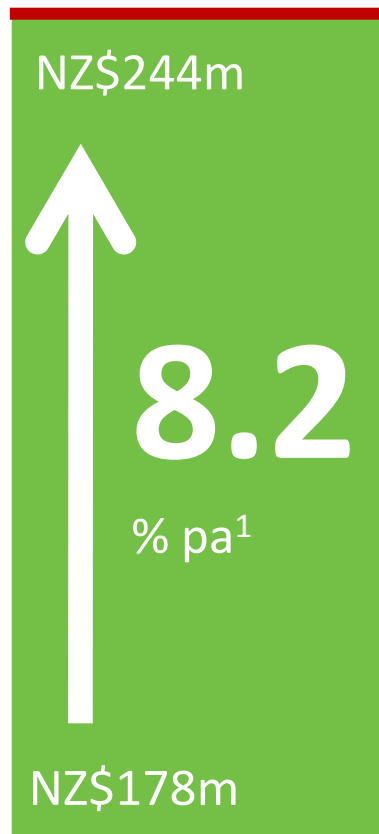


DELIVERED ON 3 YEAR TRANSITION AND INTEGRATION STRATEGY TO CREATE A STRONG BUSINESS

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2007-2011



EBIT GROWTH



REVENUE GROWTH

1. 4 year CAGR

NEW ZEALAND'S LARGEST RETAIL BRAND

STRONG POSITIVE MOMENTUM WILL CONTINUE



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- Finalised rebranding - only 5 stores left
- New format rollout - 65% complete
- 24 new stores over the next 5 years
- Cross-leveraging and scale synergies with Australian Supermarkets
 - Supply chain integration
 - Customer analytics driving store tailoring and range selection
 - Improved COGS through direct global sourcing and increasing own brand

Q&A - SUPERMARKETS

WOOLWORTHS LIQUOR GROUP

...s a consideration, browse around as though
...brary. " Dan Murphy, October 1978

Dan Murphy

"I would be utterly miserable if I could never have lovely
...ish Australian reels again." Dan Murphy, September 1981

Dan Murphy

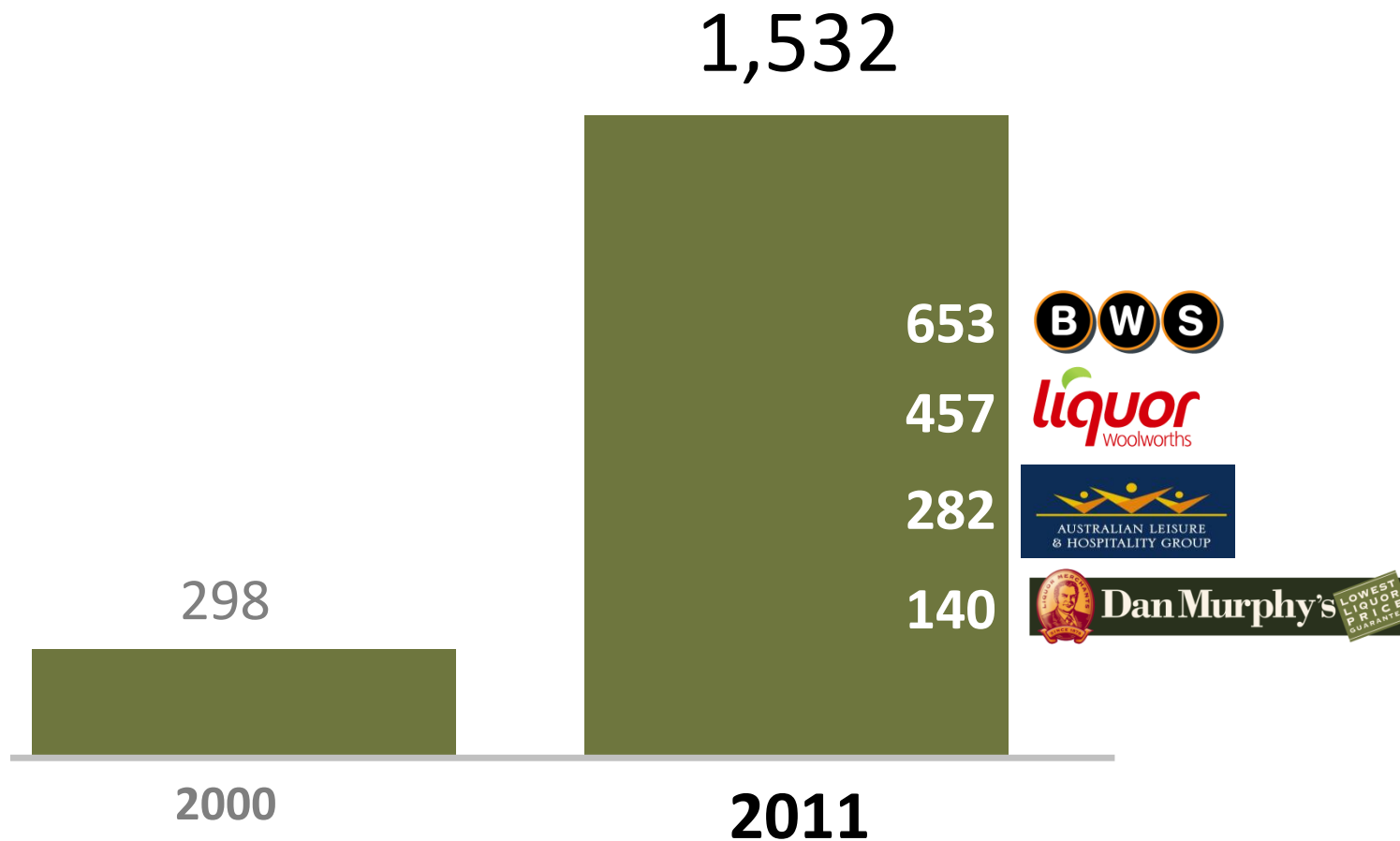
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CLEAR LEADERSHIP

AUSTRALIA'S LEADING LIQUOR RETAILER...

STORES / HOTELS



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CLEAR LEADERSHIP

...WITH UNRIVALLED CAPABILITY IN DIRECT MARKETING, PRODUCTION AND DISTRIBUTION...

DIRECT
MARKETING

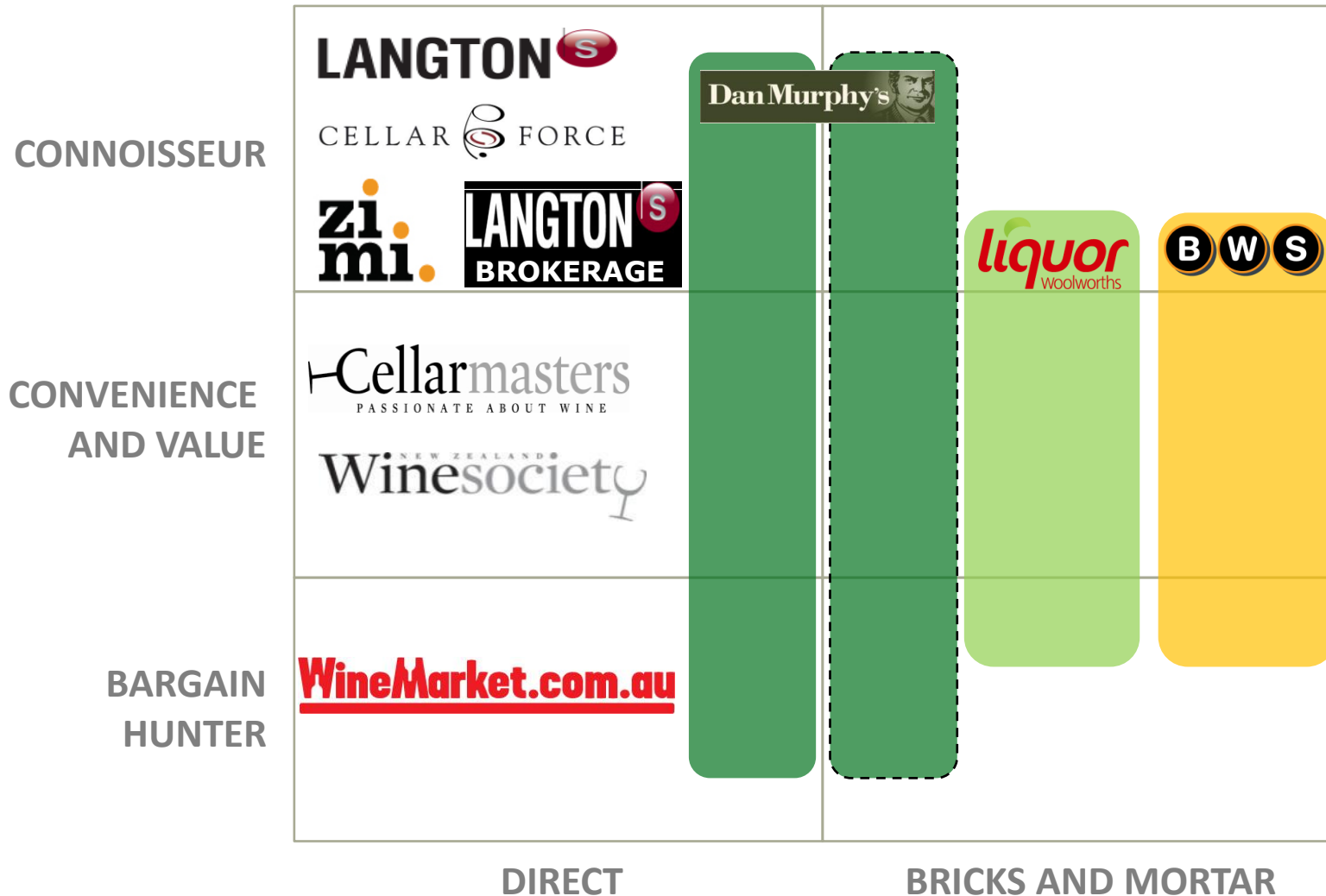
PRODUCTION
AND
DISTRIBUTION



CLEAR LEADERSHIP

...RESULTING IN LEADERSHIP ACROSS ALL CUSTOMER SEGMENTS

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LIQUOR – 7 IMPERATIVES TO DRIVE GROWTH

1 GROW NETWORK

- Continue development pipeline, growing Dan Murphy's to 208 by FY16
- Expand and optimise Hotel, BWS and Supermarket Liquor network
- Grow Hotels as a key enabler to the rollout of Dan Murphy's and BWS

2 IMPROVE STORE FORMATS

- Rollout new format for Dan Murphy's (currently live in 12 stores)
- Range and merchandise all stores to align with changing consumption patterns

3 MULTI-CHANNEL

- Extend leadership in direct marketing
- Leverage multi-channel to build stronger relationships with customers
- Accelerate the growth of Dan Murphy's Online

4 GROW OWN BRAND SHARE

- Evolve from ranging "private label" to producing and building "brands"
- Excite customers with improved value and new lines
- Continue to increase contribution of parallel imports

5 VERTICAL INTEGRATION

- Drive significant cost and revenue synergies through production, bottling, logistics and distribution assets
- Fully leverage our liquor distribution network (inc. cellaring capacity as a key point of difference to our competition)

6 HOTELS

- Refresh Victorian gaming offer in line with 2012 changes
- Improve food offer and drive cost saving opportunities

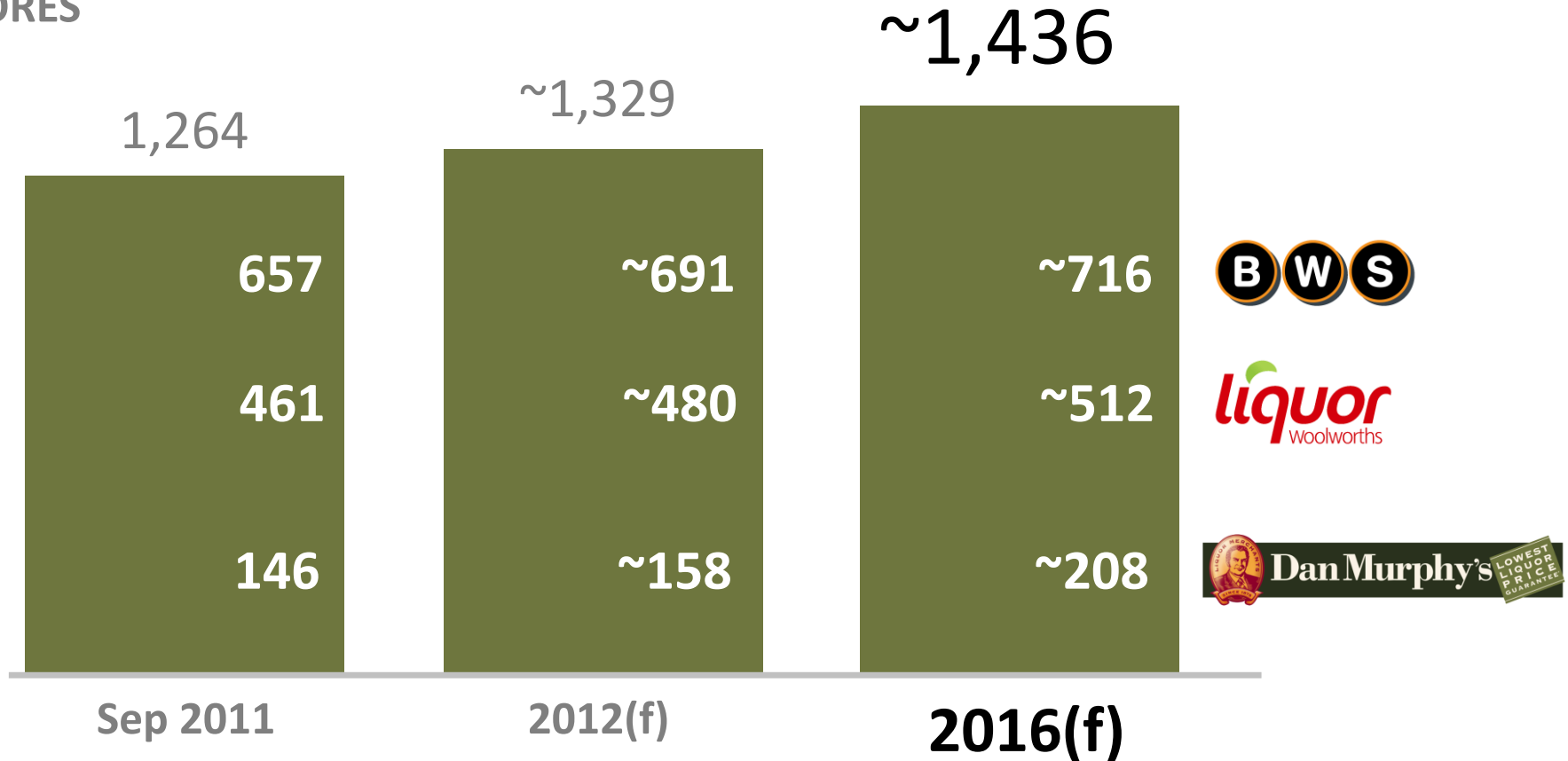
7 GROW THE BEST TALENT

- Become the "Authority on Liquor" through a stable team with specialised skills
- Ensure Responsible Service of Alcohol through all channels

GROW OUR NETWORK

STRONG NEW STORE PIPELINE WILL DELIVER 172 NEW STORES IN 5 YEARS

STORES



TODAY

- Woolworths operates ~10% of Australia's packaged liquor licenses
- 165 Australian supermarkets, outside QLD / TAS, do not have an attached liquor offer

IMPROVE OUR STORE FORMATS

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- Dan Murphy's "Store of the Future" to deliver a world-class liquor retail experience
- 12 stores already open in the revised format. 26 by June 2012
- New format extends leadership through improved access to superior range, people and technology
- Initiatives in place in Q2 to improve space utilisation and customer offering for BWS and Supermarket Liquor

MULTI-CHANNEL

AUSTRALIA'S MOST DIVERSE LIQUOR RETAILER

BRICKS AND MORTAR

- Big box
- Supermarkets
- Convenience
- Drive through

ONLINE, MOBILE AND SOCIAL MEDIA

- Exceptional growth for Dan Murphy's online since launch in March 2011
- WineMarket provides flexibility in key markets (eg Ebay, Facebook, Direct Deals)
- NexDay provides leadership in home delivery

CATALOGUE AND WINE PLANS

- Customer loyalty
- Direct marketing
- Phone orders
- Shareholder club
- Everyday Rewards and staff sites
- Outbound telemarketing

AUCTION AND BROKERAGE

- Langton's Brokerage
- Personal advice

FUTURE

- Broaden the range through growth of Cellarforce, brokerage and direct ship vendors
- Personalise offer using customer data available across the Group
- Lead the market in the use of technology

GROW OWN BRAND SHARE

EXTENSIVE RANGE OF OWN BRAND PRODUCTS DEVELOPED

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- Own and Exclusive Brands are the 2nd largest "supplier" to the Liquor Group with >600 lines
- Proven success across all categories
 - Leading Sauvignon Blanc range (South Island, Amiri, Tangoroa)
 - No. 2 Whiskey (McAllister Whiskey)
 - Sail & Anchor range will exceed 1m cartons in next 12 months

GROW OWN BRAND SHARE

NEW CAPABILITY IN PRODUCTION

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- Significant capacity for today's requirements due to Dorrien Estate acquisition with scope to significantly increase capacity for future needs
- One of Australia's largest wine and beer producers
- Q2 will witness the first 'own brand' lines produced by Dorrien Estate and sold in retail channels
- Target is to transition majority of own brand production to Vinpac in 2 years

GROW OWN BRAND SHARE

DOUBLE OWN BRANDS AS A PERCENTAGE OF TOTAL SALES IN 4 YEARS

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- Build "Brands" with superior products delivering excellent value
- Support growth of Brands with above the line spend
- Stay ahead of the curve with new product development
- Focus on maintaining a world class team (eg, Master of Wine, wine makers, beer judges)

HOTELS

INTEGRAL TO THE LIQUOR GROUP STRATEGY



- Key enabler to rollout of Dan Murphy's and BWS, currently 35% of Dan Murphy's and 65% of BWS are affiliated with hotels
- Growth in hotels will be delivered organically through continued improvements in food and entertainment offers combined with bolt on acquisitions
- GP and CODB improvements to be assisted by implementation of new central price and range control system together with new payroll and rostering system
- In addition to implementation of Victorian EGM operator model in 2013, changes in SA and QLD provide additional EGM opportunities in 2012
- Responsible service of alcohol and gaming remains a continued focus

Q&A - LIQUOR



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BIG W

BIG W'S ENVIRONMENT AND STRATEGIC PRIORITIES

TRENDS RESHAPING DDS ENVIRONMENT

- Customers are saving more, deleveraging and tightening spend
- Internet and social media empowering consumers to compare prices and judge where they will get the best value
- Customers are spoilt for choice and are even more central to decisions by retailers
- More fragmented, specialised competition
- Faster product cycles
- Globalising supply, accelerated by strong A\$

BIG W's STRATEGIC PRIORITIES

- 1** WIN ON VALUE EVERYDAY
- 2** CONTINUE TO GROW STORE FOOTPRINT
- 3** LEAD IN MULTI-CHANNEL
- 4** EXPLOIT BENEFITS OF SUPPLY CHAIN OVERHAUL
- 5** STEP UP GLOBAL SOURCING

WHO IS THE BIG W CUSTOMER?

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**CONVENTIONAL
FAMILIES**



**OLDER
TRADITIONAL FAMILIES**



VISIBLE ACHIEVERS

CUSTOMERS WINNING ON VALUE EVERYDAY

THAT'S WHAT'S IMPORTANT

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- You can "GET IT FOR LESS" at BIG W

PRICE

- New initiatives to evolve categories and merchandise RANGES faster

RANGE

- Customers' perceptions of QUALITY are reinforced by Brands
- BRANDS are cheaper than anywhere else

BRANDS

- VALUE = PRICE and QUALITY
- Customer is focused on "QUALITY for the PRICE you pay"

QUALITY

OUR FOCUS ON THESE FOUR ELEMENTS
PROVIDES A UNIQUE OPPORTUNITY FOR DIFFERENTIATION

PRICE – CUSTOMER'S CHAMPION ON PRICE

CLEAR COMMUNICATION WITH THE CUSTOMER

GET IT FOR LESS CAMPAIGN

TV

OUTDOOR

IN STORE

CATALOGUE



LEADING INTO CHRISTMAS VALUE CAMPAIGN

PRICE – CUSTOMER'S CHAMPION ON PRICE

CLEAR COMMUNICATION WITH THE CUSTOMER

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1 NEW LOWER PRICE CAMPAIGN (REPLACING ROLLBACK)

- Delivered a significant uplift in units sold; sales \$ and gross profit \$
- Has driven customers to shop in departments not shopped recently
- Has brought back customers who have not shopped with us recently

2 REVITALISE PRICE COMPARISON: COMPARE & SAVE IN-STORE



3 NEW BIG W APP WILL ENABLE PRICE SCANNER IN STORE

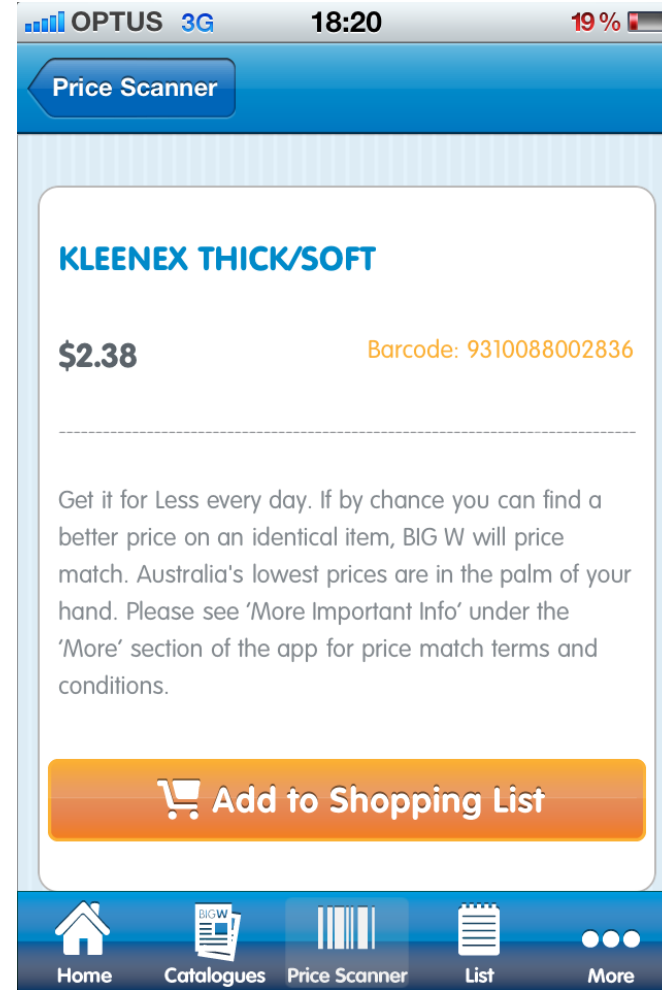
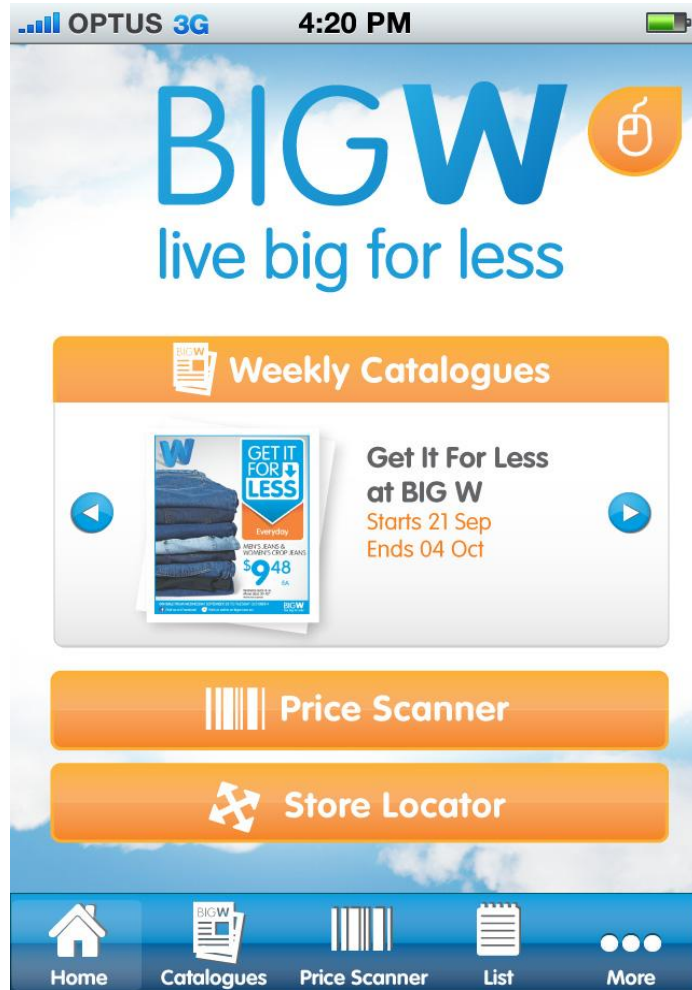


THE NEXT STAGES OF OUR STRATEGY WILL ENSURE CUSTOMERS KNOW WE ARE THEIR CHAMPION ON PRICE

PRICE – BIG W APP

ENABLING CUSTOMERS TO COMPARE PRICES

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BRANDS AT BIG W ARE CHEAPER THAN ANYWHERE ELSE

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NATIONAL BRANDS

represent

~73% SALES \$

EXCLUSIVE BRANDS

represent

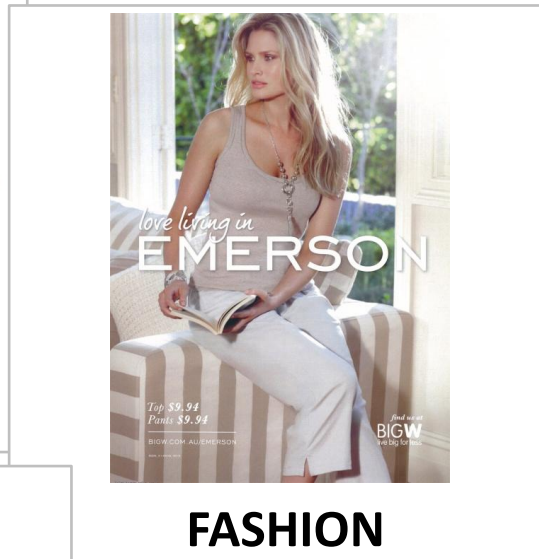
~27% SALES \$

CUSTOMERS' PERCEPTIONS OF QUALITY ARE REINFORCED BY BRANDS

RANGE – MAKING FASHION AFFORDABLE

WOMENSWEAR – NEW RANGES OFFER GREAT VALUE TO OUR CUSTOMERS AND DELIVER IMPROVED SALES AND PROFITABILITY

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- Developed three new exclusive brands that are relevant to our core customer
- Initial range rolled out to all stores February - July 2011
- Emerson, on track to be \$100m pa brand
- Substantially edited ranges (less width / greater depth)
- Making it easier for the customer to shop with a new store layout being piloted in four stores

RANGE – EXCITING NEW OFFERS

CONTINUE TO REVITALISE BIG W STORE RANGES

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NEW ACTIVE WEAR RANGE

- We know our core customer is interested in their health and wellbeing
- This offer is focused on women's light exercise apparel
- New layouts will be rolled out in selected stores early 2012

RANGE – EXCITING NEW OFFERS

CONTINUING TO EVOLVE HOME ENTERTAINMENT OFFER

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- Australia's leading footprint with Apple iPad. More stores added recently to extend offer to 160 stores by end of November 2011
- Very strong attachment rate on Accessories (key profit area)
- Strong market share in iPad, iPod and DVD's
- BIG W the only department store to offer Kindle e-Reader
- Significant opportunity exists online. Extended DVD range to be offered online by end of November

RANGE – DELIVERING MARKET LEADING VALUE

PROVIDING GREAT VALUE AT GREAT PRICES

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Launch
Of Smart
Value

**BIGW
PRICE**

\$7_{PK}



**BIGW
PRICE**

72¢_{EA}



**BIGW
PRICE**

\$3_{EA}



**BIGW
PRICE**

\$9.46_{EA}

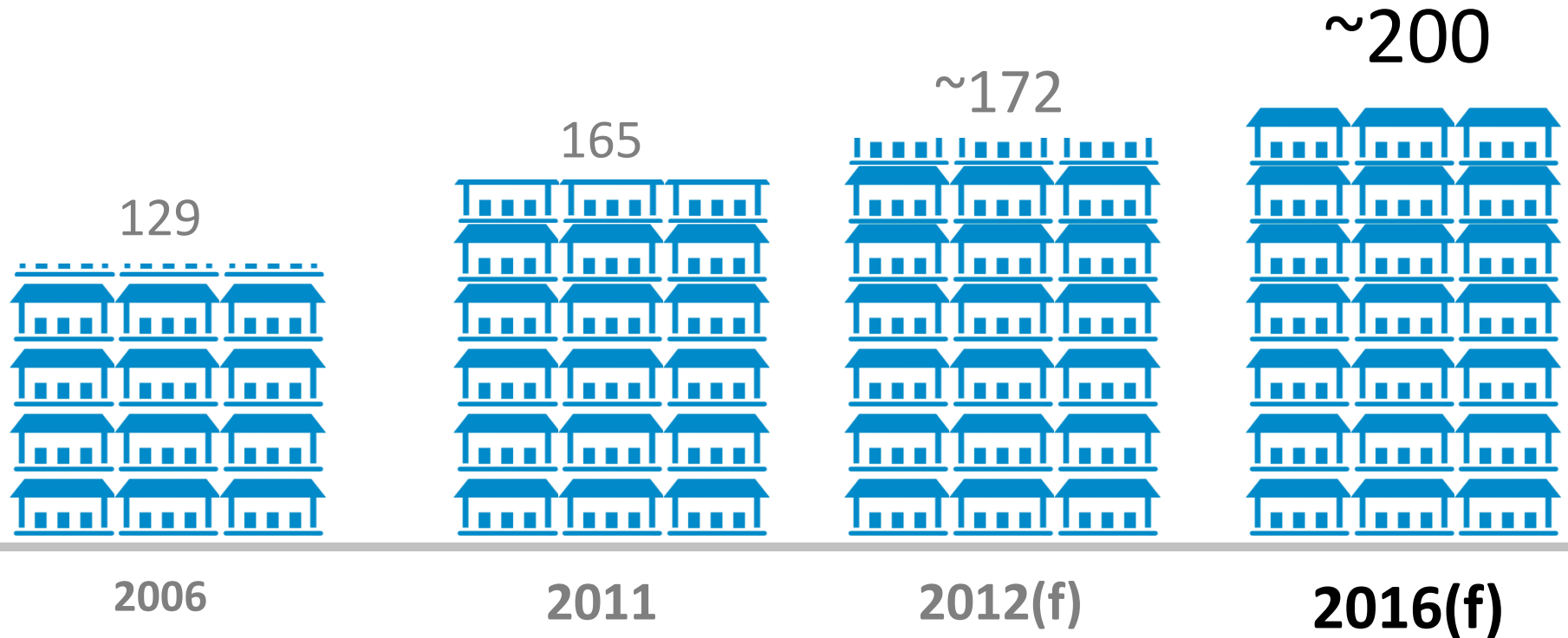


WOOLWORTHS LIMITED

NEW STORE GROWTH

STRONG PIPELINE WILL DELIVER UP TO 35 NEW STORES IN NEXT 5 YEARS

STORES



- Customers want greater accessibility to our offer: via stores and multi-channel
- New store growth and multi-channel to deliver market share gains

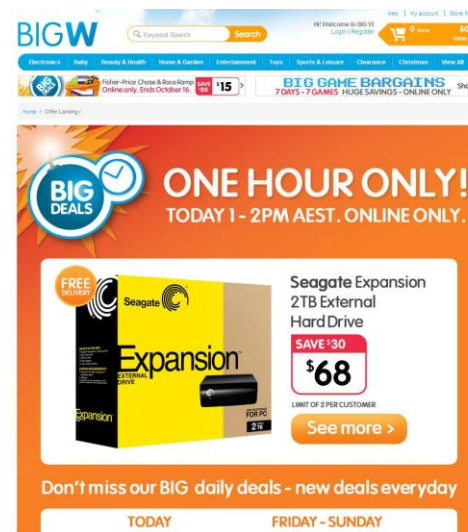
MULTI-CHANNEL

CUSTOMER RESPONSE IS VERY POSITIVE

WINNER BEST ONLINE RETAIL
MARKETING INITIATIVE

BIG W DEALS

BIG W APP – ENABLING
CUSTOMER TO COMPARE PRICES



MULTI-CHANNEL

CLEAR VISION TO BECOME AUSTRALIA'S LEADING
MULTI-CHANNEL RETAILER

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CUSTOMER PROPOSITION

- 166 stores
- Edited range
- Web only
- Home delivery



- Anything
- Anywhere
- Anytime

RANGE

- 85,000 SKUs in-store
- 9,500 SKUs online



- The Whole Shop & More
- Extended range

CONVENIENCE

- Great locations
- Website to Home



- Anytime & anywhere (Web, Mobile, In-store)
- Click & Collect

CUSTOMER EXPERIENCE

- Trading focus
- Deals
- Online Lay-by



- One view of the customer with consistent experience across channels

NOW

VISION

SUPPLY CHAIN PRODUCTIVITY

REAPING THE BENEFITS: RIGHT STOCK, RIGHT PLACE, RIGHT TIME

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PROJECT FOCUS

IMPROVED INVENTORY MANAGEMENT AND STOCK FLOW. LESS MARKDOWNS



✓ MERCHANDISE PLANNING

IMPROVED IN STOCK REDUCTION IN STOCK ON HAND



✓ STORE ORDERING CARS



✓ WAREHOUSE REPLENISHMENT LOCAL



✓ WAREHOUSE REPLENISHMENT INDENT

SPEED TO MARKET LABOUR SAVING



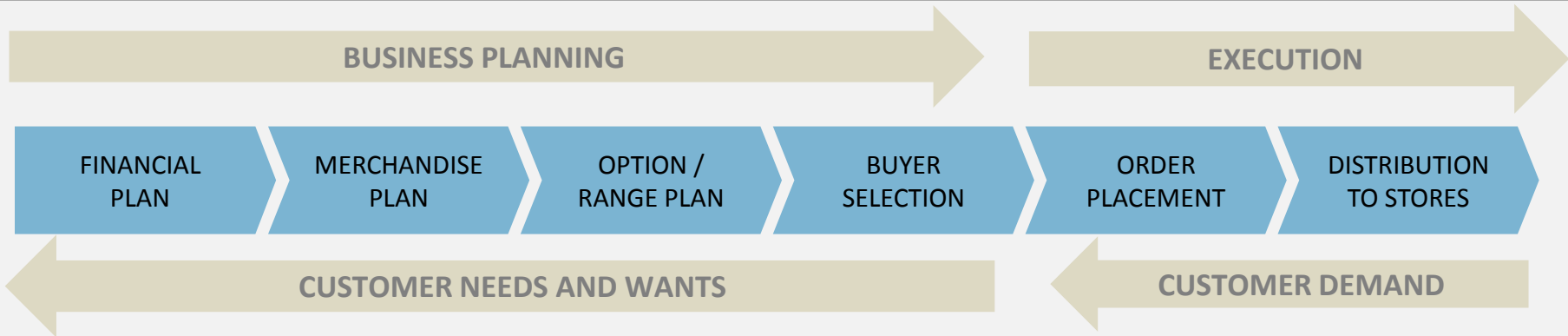
✓ EXPRESS STORE RECEIPT

SUPPLY CHAIN EFFICIENCY



3RD DC HOXTON PARK MARCH 2012

END-TO-END PROCESS FOCUS



SUPPLY CHAIN PRODUCTIVITY

SUPPLY CHAIN EFFICIENCY TO DELIVER LOWEST COST

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- Third DC in Hoxton Park, Sydney opens March 2012 providing operating efficiencies and supporting new store growth
- Reduced outside storage costs, reduced freight costs and improved inventory flow
- DC also needed to support growth in global sourcing
- One-off transition costs of \$15m across FY12 and FY13
- Operating costs to normalise in 2-3 years

DELIVERING ON OUR STRATEGIC PRIORITIES

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- 1 WIN ON VALUE EVERYDAY**
 - PRICE**
 - Ensure BIG W is the Customers Champion on Price
 - We want all BIG W customers to know they can "GET IT FOR LESS"
 - BRANDS**
 - BIG W will continue to offer the widest range of quality and branded merchandise at the lowest prices everyday
 - QUALITY**
 - Value = Price and Quality
 - Maintain brands to reinforce customers' perceptions
 - RANGE**
 - Proactively evolving categories and merchandise ranges faster
 - Concept → Ranges → In-store
- 2 CONTINUE TO GROW STORE FOOTPRINT**
 - Grow store network to ~200 stores by 2016
- 3 LEAD IN MULTI-CHANNEL**
 - Clear vision to become Australia's leading multi-channel retailer
- 4 EXPLOIT BENEFITS OF SUPPLY CHAIN OVERHAUL**
 - Underpins our ability to grow our store network and evolve our business profitably
- 5 STEP UP GLOBAL SOURCING**
 - FY11 growth in direct sourcing +44%
 - Global sourcing volumes to double in next four years

Q&A – BIG W

HOME IMPROVEMENT

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MASTERS UPDATE



5 STORES OPENED

- Braybrook, VIC
- Tingalpa, QLD
- Nerang, QLD
- Springfield, QLD
- Morayfield, QLD

SALES ABOVE EXPECTATIONS

- Early days, however sales well ahead of budget

MARKET LEADING PRICING AND EXPERIENCE

- Strong customer reaction to format, range and pricing

MANY MORE TO COME

- 2 more stores opening Dec / Jan
 - Gregory Hills, NSW
 - Burnside, VIC
- 16 more stores under construction

For persons



MASTERS KEY ELEMENTS TO SUCCESS

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SITES

- Almost 100 sites in the pipeline
- Target is 150 sites secured in 5 years

BUYING

- Leveraging Lowes direct global sourcing and Danks relationships
- Developed strong direct global sourcing capability

TEAM

- Strong team assembled with combination of domestic and international experience
- High service ethic over 10,000 hours of staff training

SUPPLY CHAIN

- Centralised supply chain model to improve in-stock position and lower supply chain costs as business grows

RANGING

- Unique end-to-end home improvement range

PRICING

- Great pricing backed up by guarantee – you find a cheaper price, we'll beat it by 10%

CUSTOMER EXPERIENCE

- A new standard in home improvement

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DANKS DRIVING WHOLESALE, TRADE AND CONVENIENCE OFFER

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The screenshot shows the Home Hardware website homepage. At the top, there is a navigation menu with links for 'About Us', 'Dogalogue', 'Product Reviews', 'DIY Centre', 'Promotions & Competitions', and 'Suppliers'. The main header features the Home Hardware logo with the tagline 'The proper hardware store'. Below the header, there is a 'Store Locator' section with a search bar for entering a postcode. The central focus is a large promotional banner for the 'HOME TEAM REWARDS CLUB'. The banner includes the text 'Become a Home Team Member to receive great rewards & bonus offers' and a 'Join Today!' button. To the left of the banner is a cartoon yellow dog on a red scooter, and to the right is a cartoon brown dog holding a drill. Below the main banner, there are three smaller promotional tiles: 1. 'VIEW OUR D.I.Y. HOW-TO VIDEO COLLECTION!' with a 'View now' button. 2. 'OUR LATEST DOGALOGUE IS OUT NOW!' with a 'Go there' button. 3. 'UPLOAD YOUR D.I.Y. VIDEO AND WIN A \$500 VOUCHER' with a 'Sign up now' button. At the bottom of the page, there is a 'PROPER TIP' section with a lightbulb icon and the text: 'In order to prevent the drill bit from slipping, make an indent with a nail before drilling.'

- Strengthening relationships with existing members and attracting new franchise members
 - Tiered membership offer to attract additional members into Home Hardware group
 - Delivering additional benefits for members including financial support for growth
 - Leveraging buying and ranging opportunities with Masters, Woolworths and Lowes
 - Leveraging Masters new supply chain capabilities
- Actively participating in industry consolidation by acquiring hardware retailers complementary to Masters and Home Timber and Hardware franchisees

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Want Peace of Mind?

Find out how!



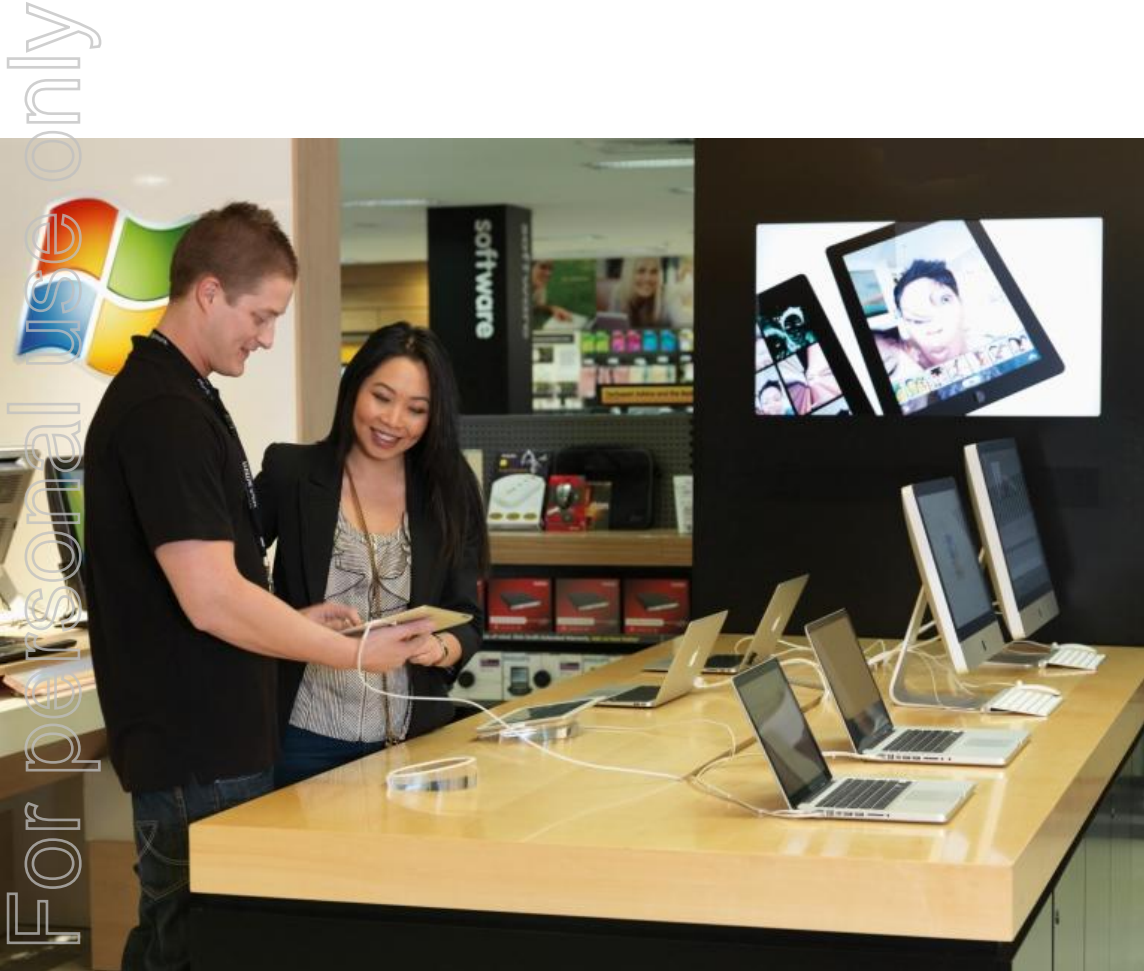
Home Entertainment



dick smith
Talk to the Techxperts

DICK SMITH

BUSINESS UNDERGOING STRATEGIC REVIEW



- The Dick Smith business is in transition to a smaller network of stores and increasing online sales
- It is currently tracking well with 51% of the store network now in optimal new concept format with strong sales result
- Online sales continue to grow with industry recognition of the strength of the Dick Smith offer
- Whilst the strategy is moving in the right direction there is a long tail of underperforming stores within a tough sector undergoing significant change globally and experiencing a high level of price deflation
- As a consequence we have initiated a full strategic review, aided by industry experts, of all options to validate our existing strategy or suggest an alternative to deliver shareholder value
- We will report back in February 2012

Q&A - HOME IMPROVEMENT AND DICK SMITH

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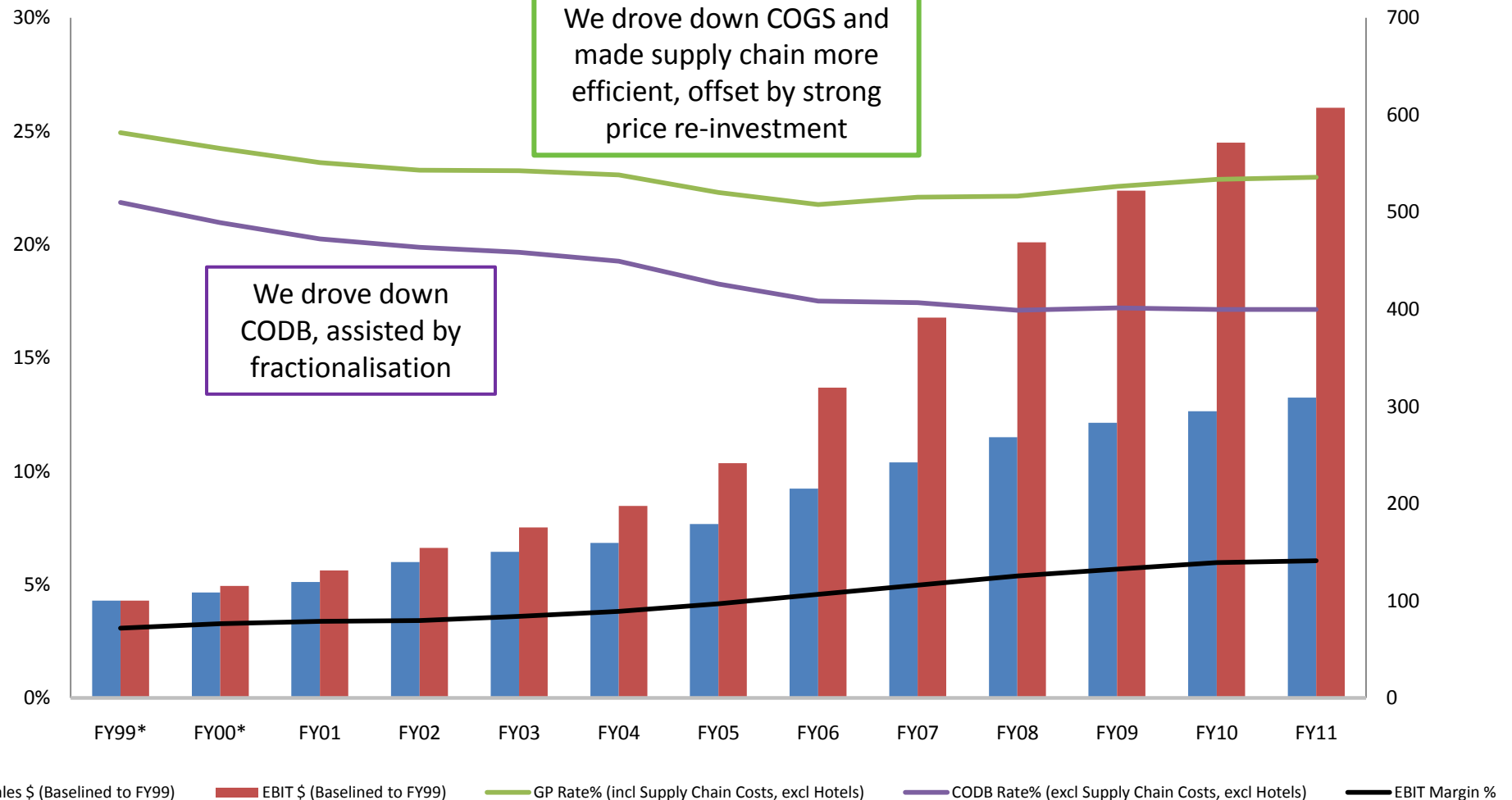
PRODUCTIVITY

A SUCCESSFUL DECADE HAS GIVEN US A STRONG FOUNDATION FOR FUTURE GROWTH

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GP / CODB / EBIT MARGIN RATE

\$M BASELINED: FY99 = 100



* Sales revenue adjusted for the removal of wholesale sales tax (WST)

THE NEXT PHASE

TO DELIVER SIGNIFICANT COST SAVINGS OVER THE NEXT 5 YEARS

QUANTUM

LEVERAGING GROUP
SCALE AND BEST PRACTICE

**DIRECT
GLOBAL
SOURCING**

**PROCUREMENT
NOT FOR
RESALE**

**SUSTAINABILITY
COST
SAVINGS**

**SUPPLY
CHAIN**

**IT
SYSTEMS**

- FY11 46% growth
- Target double spend in the next 3 years
- Sales and non-resale products

- Appointment of new Head of Procurement, Mark Harris 20 year blue chip European experience
- \$4b targeted spend

- \$55.7m invested in energy saving initiatives since 2007 delivering significant savings
- 40% reduction in CO₂ emissions by 2015

SUPPLY CHAIN

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

LOGISTICS PERFORMANCE



2006-2011

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

1. Excluding DSD

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

BEST PRACTICE - TRANSPORT

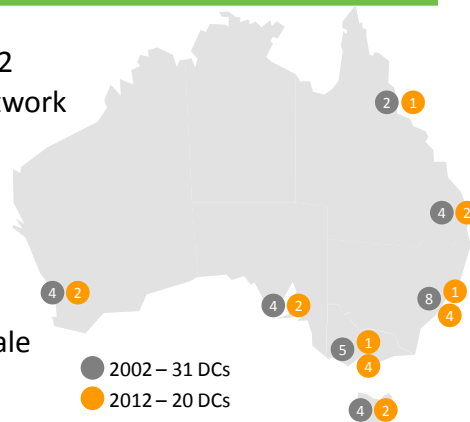


- **40% OF INBOUND VOLUME HANDLED BY WOOLWORTHS PRIMARY FREIGHT** – reducing trucks to DC's by 1,500 per week through better consolidation, and utilising outbound trailer fleet
- **METRO TRANSPORT MODEL (MTM)** – we control route planning and load allocations. As well as own our own outbound trailer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

BEST PRACTICE – DCs



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



BEST PRACTICE – PROCESS & TECHNOLOGY



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

SUPPLY CHAIN – NEXT STEP CHANGE WILL DELIVER SIGNIFICANT FURTHER BENEFITS...

INITIATIVES

OUTCOMES

Transforming and integrating Logistics for all brands

Leveraging Food and Liquor capability to realise group benefits

Increasing integration and efficiency of International Logistics

Increased capability and capacity to land internationally sourced product at reduced costs through product flow optimisation, increased offshore consolidation, centralised planning and domestic network integration

End to end integration with customers and suppliers to increase service and reduce costs

Reduced working capital and operating costs with high customer service levels through Next Gen replenishment including - smoothing peak workloads, promotional forecasting and one replenishment system from supplier to customer

Increasing flexibility to efficiently support changing business needs

More nimble supply chain still delivering efficiency gains through reduced fresh lead times, online fulfilment capability and support for emerging store formats

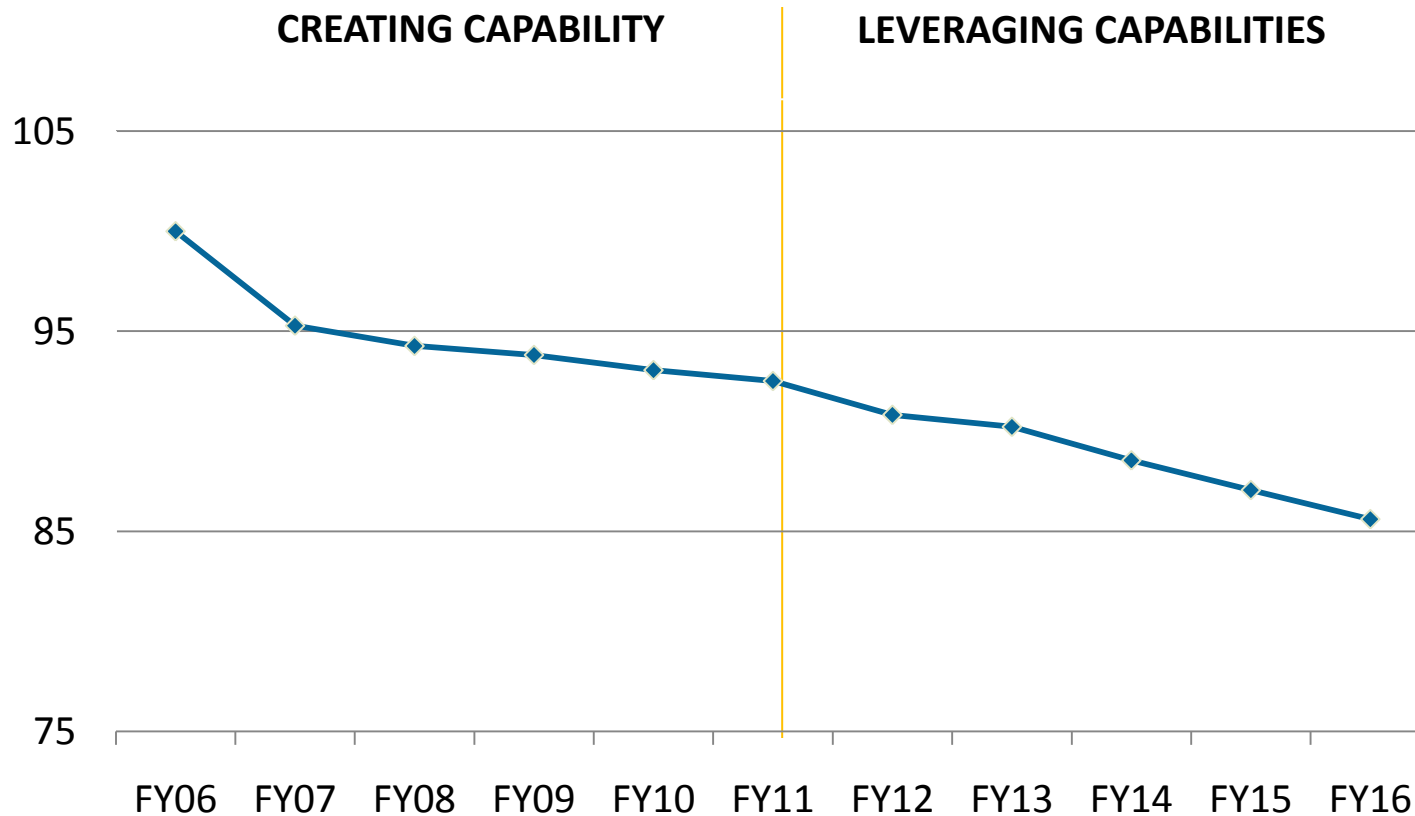
Sweating the current logistics infrastructure. No major capex required over next 5 years

Reduced cost per carton through higher asset utilisation

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... RESULTING IN LOGISTICS COSTS AS A % TO SALES CONTINUING TO REDUCE

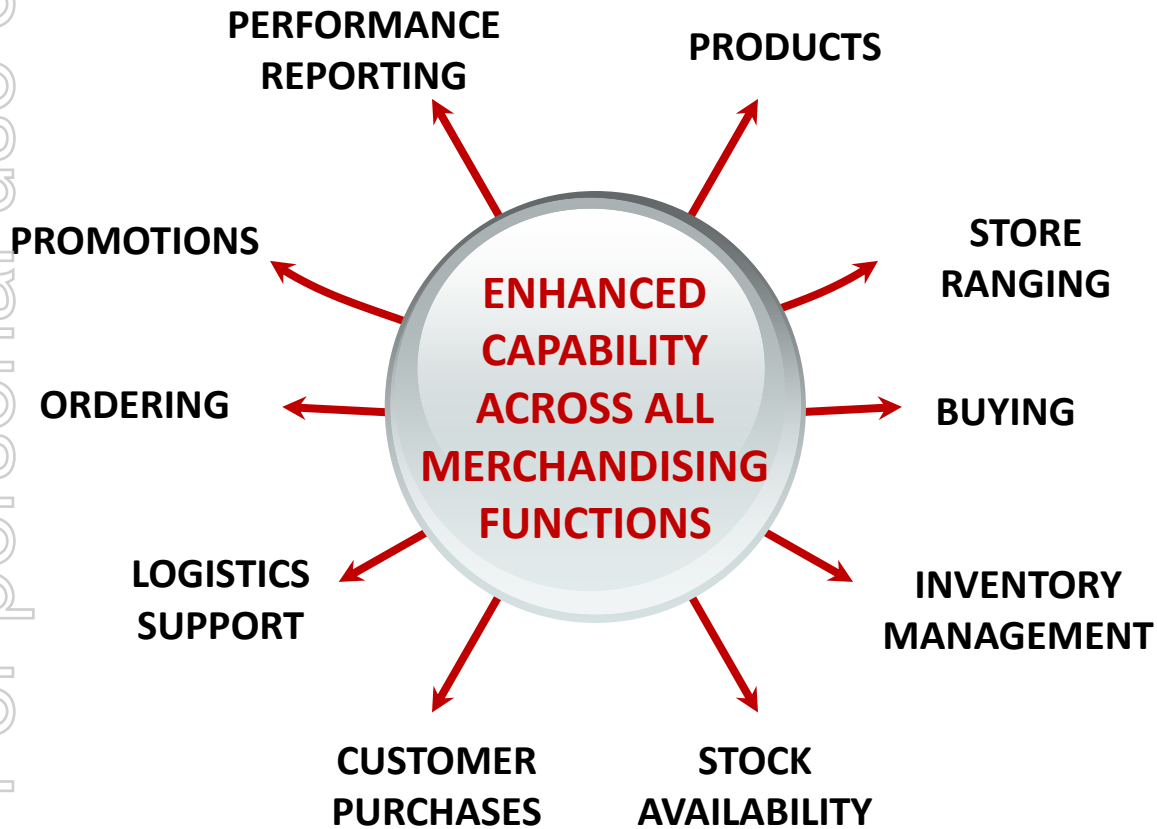
LOGISTICS COST AS A % OF SALES: FY06-FY16
AUSTRALIAN FOOD AND LIQUOR



Note: Rebased to 100 in FY06

IT NEXT GENERATION SYSTEMS

GALAXY PROJECT - A COMMON PLATFORM FOR FURTHER PRODUCTIVITY, ENABLING SEAMLESS WORKING ACROSS ALL DIVISIONS



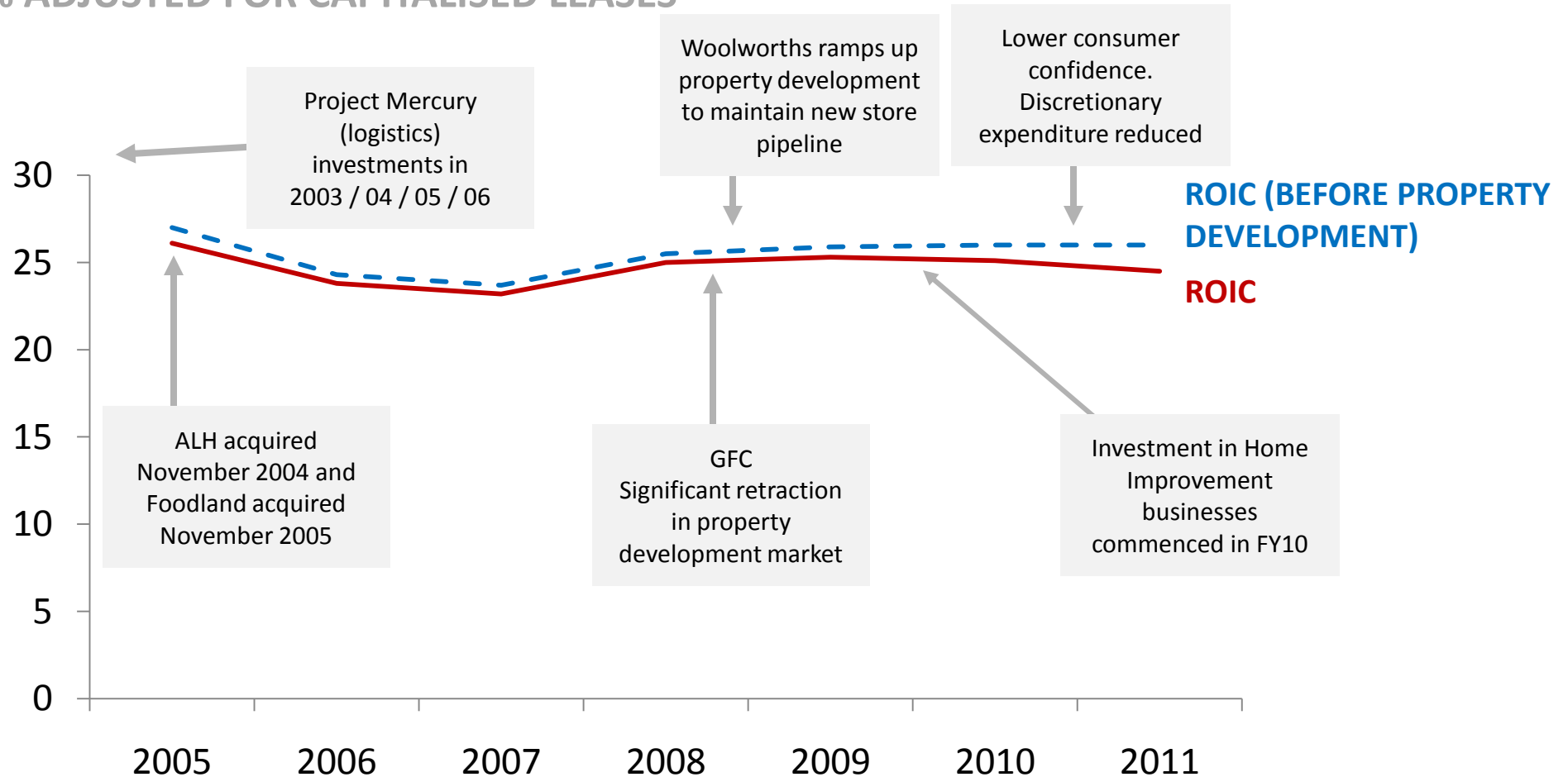
- Group merchandising system
- Single reporting system across company
- Decommissioning of numerous complex and costly legacy systems
- Significantly more labour efficient
- Progress after year 2 of 5
 - On target and on budget
 - 1st stage of SAP Retail is in place

BALANCE SHEET AND PORTFOLIO RESILIENCE

CONSISTENT INVESTMENT AND DELIVERY OF RETURNS ON INVESTMENT

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GROUP ROIC, BEFORE TAX ¹
% ADJUSTED FOR CAPITALISED LEASES

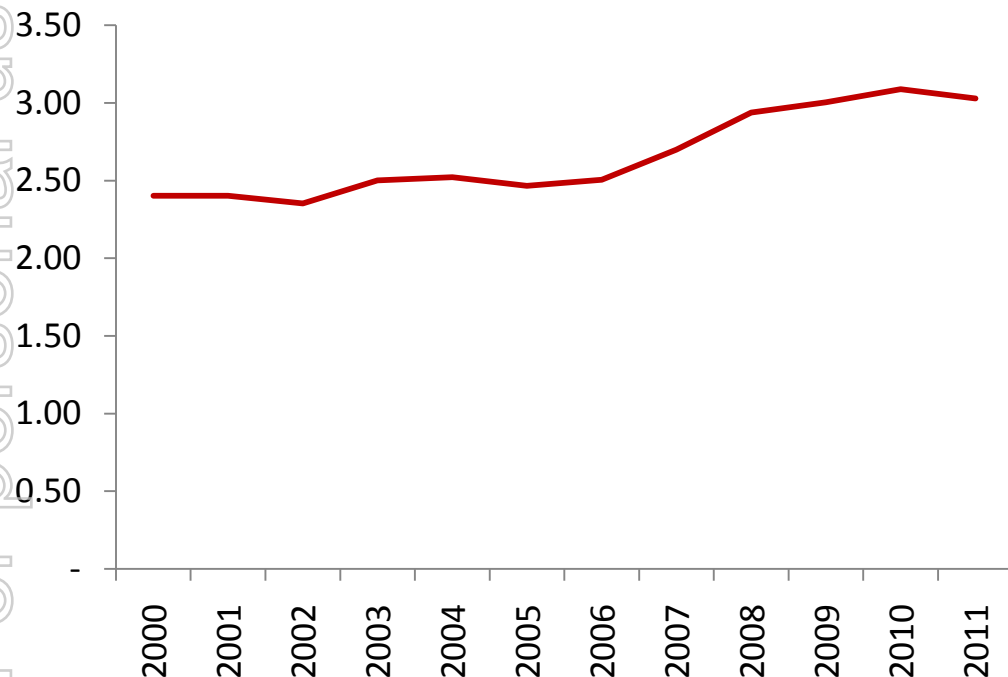


1. Return On Invested Capital is EBITDAR before tax as a return on average invested capital (opening and closing)
 Note: Invested Capital includes property, plant and equipment (current and non current), intangibles, working capital and is adjusted for capitalised leases

STRONG BALANCE SHEET ENABLING GROWTH

CREDIT RATINGS MAINTAINED – MANAGE BALANCE SHEET STRUCTURE TO MAINTAIN RATINGS

FIXED COVER CHARGE¹



CASH FLOW \$m 2007-2011

CASH FLOW \$m		2007-2011
CASH FROM OPERATING ACTIVITY		13,296
PAYMENTS		
DIVIDENDS		(4,736)
CAPEX		(5,918)
PROPERTY		(1,120)
		1,522
SHARE BUY BACKS		(1,033)
NET CASH GENERATED		522
BUSINESS ACQUISITIONS		(1,430)
FUNDED BY CASH / DEBT / EQUITY		

1. Fixed charges cover is EBITDAR divided by rent and interest costs. It excludes foreign exchange gains / losses, dividend income and capitalised interest

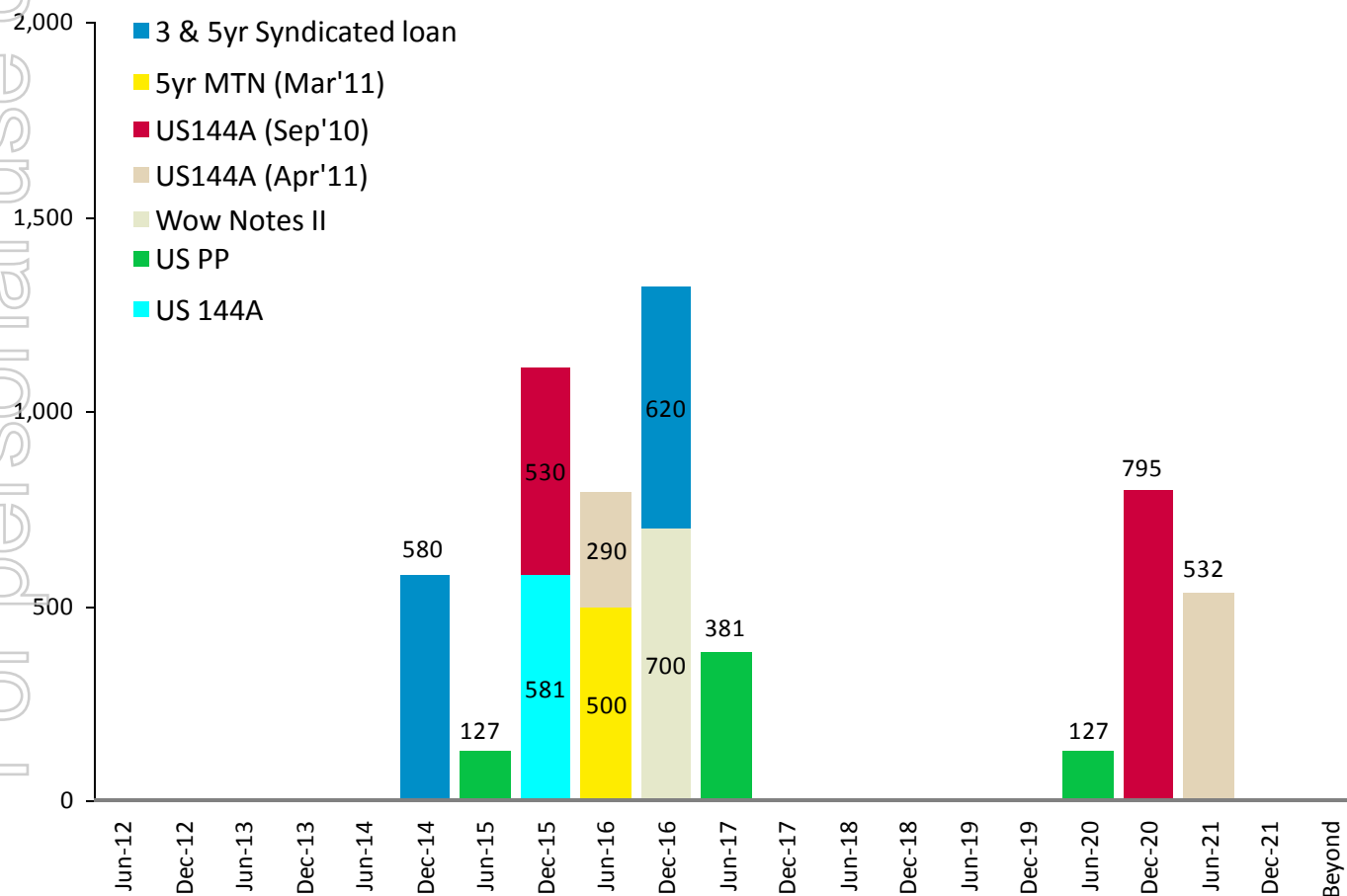
Note: Traditional Balance Sheet gearing ratios are not an appropriate given the need to take into account leases

DEBT PROFILE

DEBT REFINANCING PLAN COMPLETE

MATURITY PROFILE OF EXISTING "HARD" DEBT FACILITIES

POST NOV 2011 – TOTAL A\$5.763B

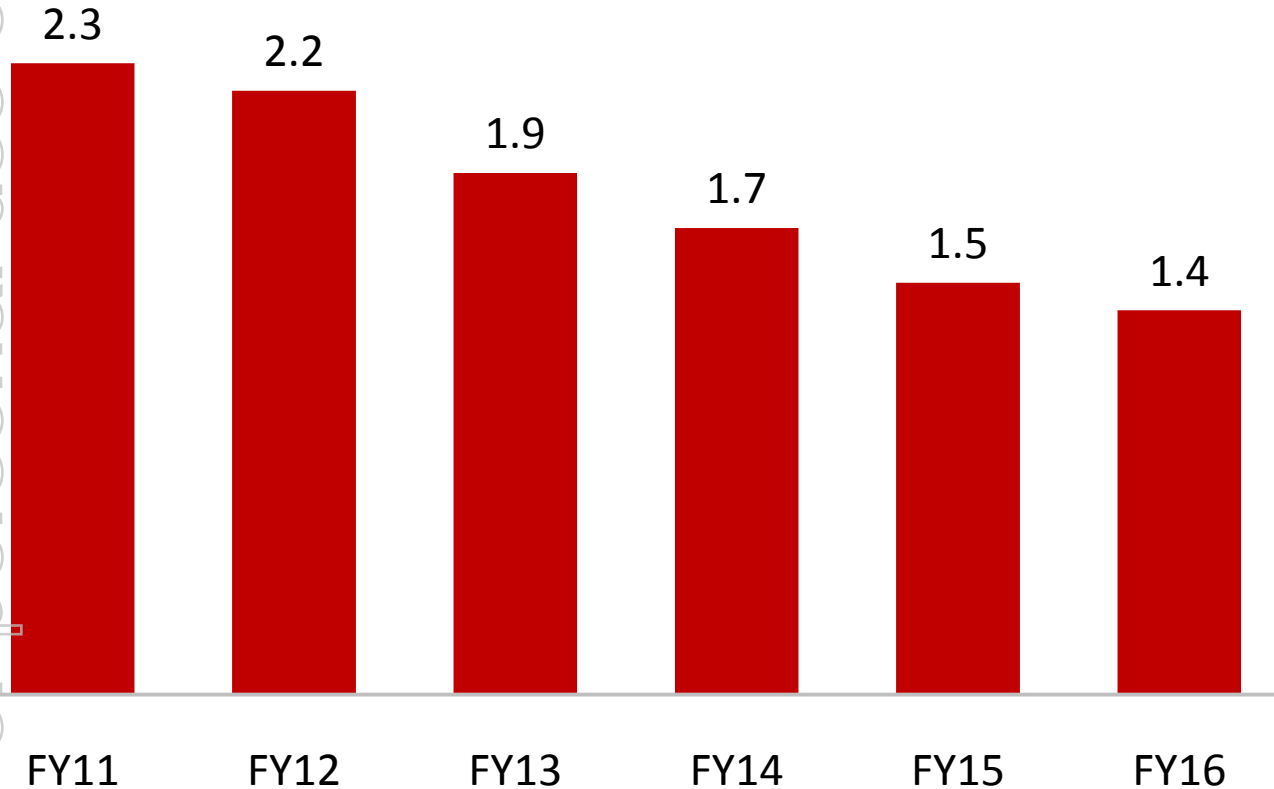


- Access to debt market very successful
 - US144A offers in Sept 2010, US\$1.25b (5 and 10 yrs) and April 2011, US\$850m (5 and 10 yrs)
 - Asian debt raising in September \$1.2b (3 and 5 yrs)
 - Australian Retail debt raising replacing hybrid in Woolworths capital structure
 - Refinancing plan completed

CAPEX SPEND OVER NEXT 5 YEARS

EX-PROPERTY DEVELOPMENT

% OF SALES



- New stores continue in line with planned new store growth
- Refurbs continue but at lower dollar levels in supermarkets given 2010 initiatives, however format improvements will continue to improve customer offer
- Logistics capex reduces significantly from the past
- Other capex levels remain fairly constant with Galaxy project spend reducing from FY15
- Property development – peaks and troughs are cyclical in nature. Woolworths not a long term holder of property (except for strategic assets) and will continue to sell down property development

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RECAP

MY STRATEGIC PRIORITIES

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1

2

3

4

EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR

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

ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE

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

MAINTAIN OUR TRACK RECORD OF BUILDING NEW GROWTH BUSINESSES

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

PUT IN PLACE THE ENABLERS FOR A NEW ERA OF GROWTH

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

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Q&A