MY STRATEGIC PRIORITIES

1 EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR

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

2 ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE

- 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

3 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

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

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

SUPERMARKETS

MY OBSERVATIONS SINCE JOINING

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 CUSTOMER AT THE CENTRE OF EVERYTHING WE DO

WOOLWORTHS LIMITED

GROWTH IN SUPERMARKETS – OUR NEW VISION

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

AUSTRALIAN GROWN®

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

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

GROWTH IN SUPERMARKETS – OUR NEW VISION

Unbeatable value

We are customer led

Exciting new offers

We are merchants

My Woolies

We learn & improve

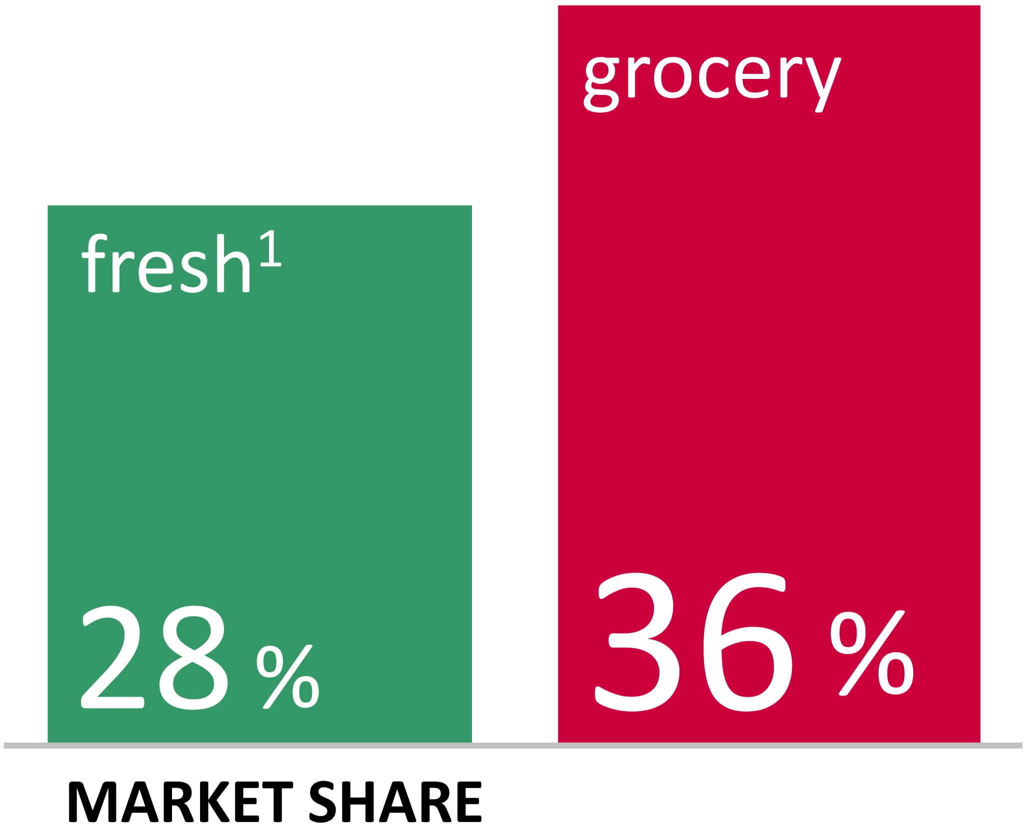
First choice for fresh food

Our people make a difference

Store tailored for my customer

FIRST CHOICE FOR FRESH FOOD

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



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

WOOLWORTHS LIMITED

FIRST CHOICE FOR FRESH FOOD

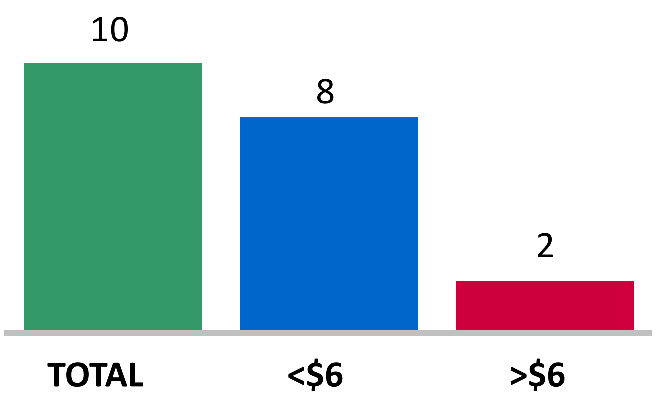
GROWING OUR FRESH OFFER THROUGH RANGE LEADERSHIP

FIRST CHOICE FOR FRESH FOOD

OPPORTUNITY TO WIN SHARE WITH A MORE TAILORED RANGE

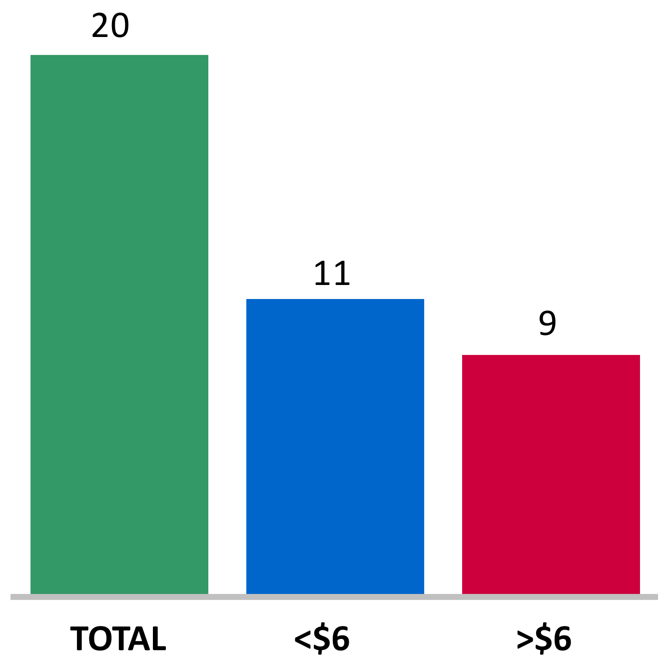
WOOLWORTHS OFFER

- Primarily generic across all stores



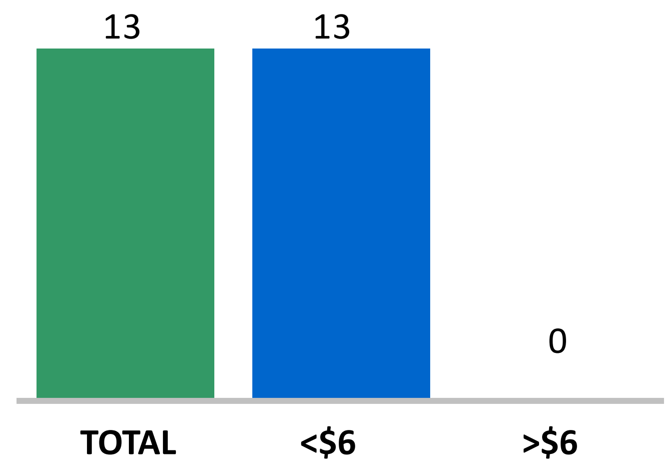
AFFLUENT CATCHMENT

- Local specialist
- Deeper range, broader price points



BUDGET CATCHMENT

- Local specialist
- Good range, fewer price points



STONE FRUIT EXAMPLE # SKUs

GROWTH IN SUPERMARKETS – OUR NEW VISION

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Exciting new offers

We are merchants

My Woolies

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Store tailored for my customer

WE ARE CUSTOMER LED – POWER OF INSIGHT

8.4M PEOPLE ENGAGED IN OUR REWARDS PROGRAMS

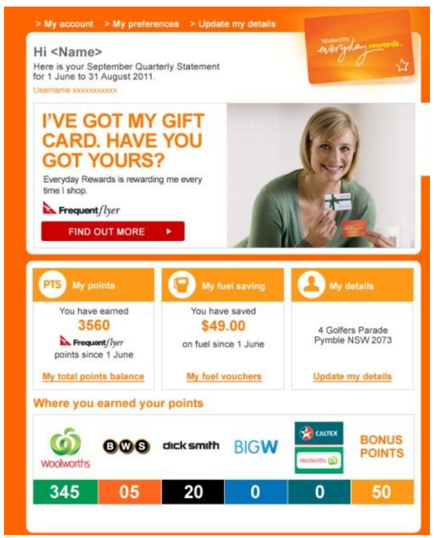
- **Follow our customer:** segmentation of our customer in 10 groups which we track to get more in depth understanding of their shopping behaviour
- **Tailor our offer by catchment:** provide the customers with the range that is relevant to them
- **To develop our range architecture:** using substitutability 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

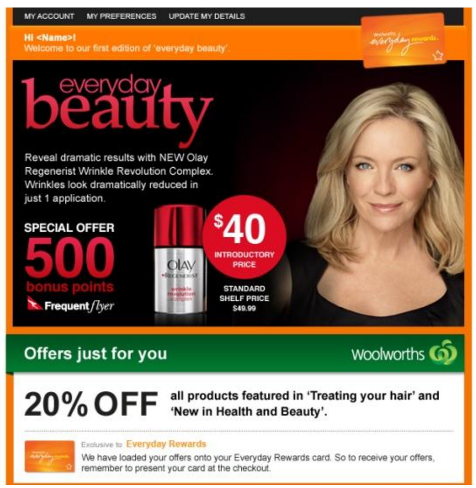
WE ARE CUSTOMER LED – EVERYDAY REWARDS

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

Dan Murphy's

Woolworths Insurance

Cellarmasters

Woolworths mobile

LANGTON'S

GREAT REWARDS FOR CUSTOMERS

Welcome to Auto Rewards

QANTAS

Woolworths save 4c

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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

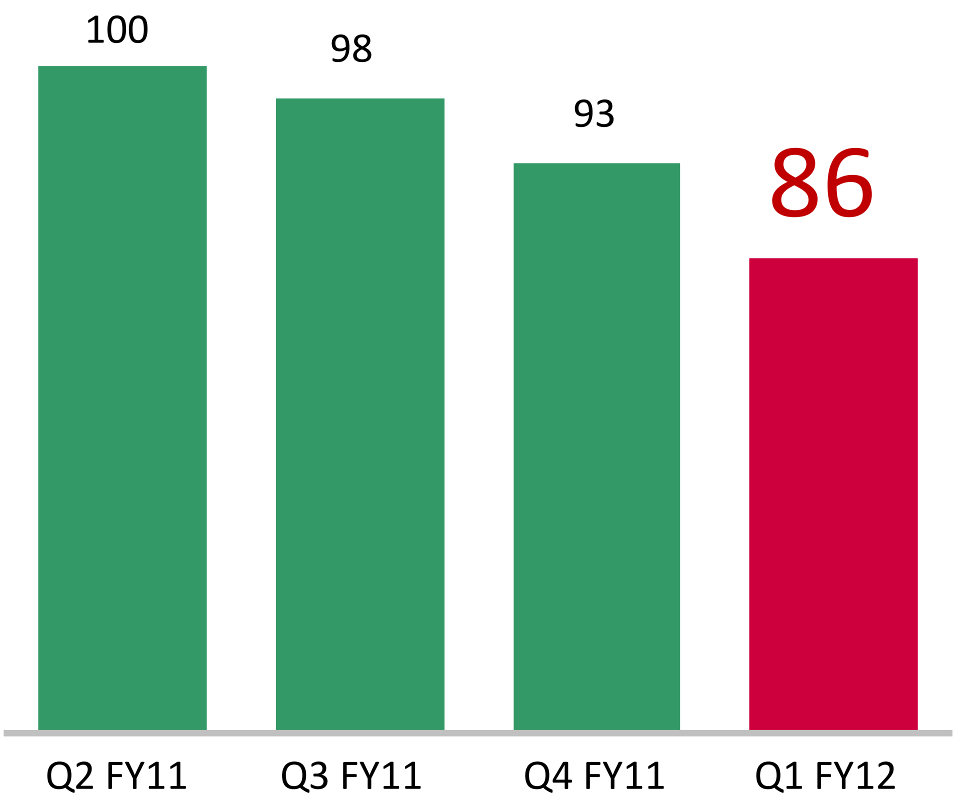
- Remove substitutable products (particularly in packaged groceries)
- Tailoring a range to local customer needs
- Add new range in categories

UNBEATABLE VALUE

DRIVING REDUCTION IN SHRINKAGE TO LOWER PRICES

QUARTERLY SHRINKAGE PERFORMANCE

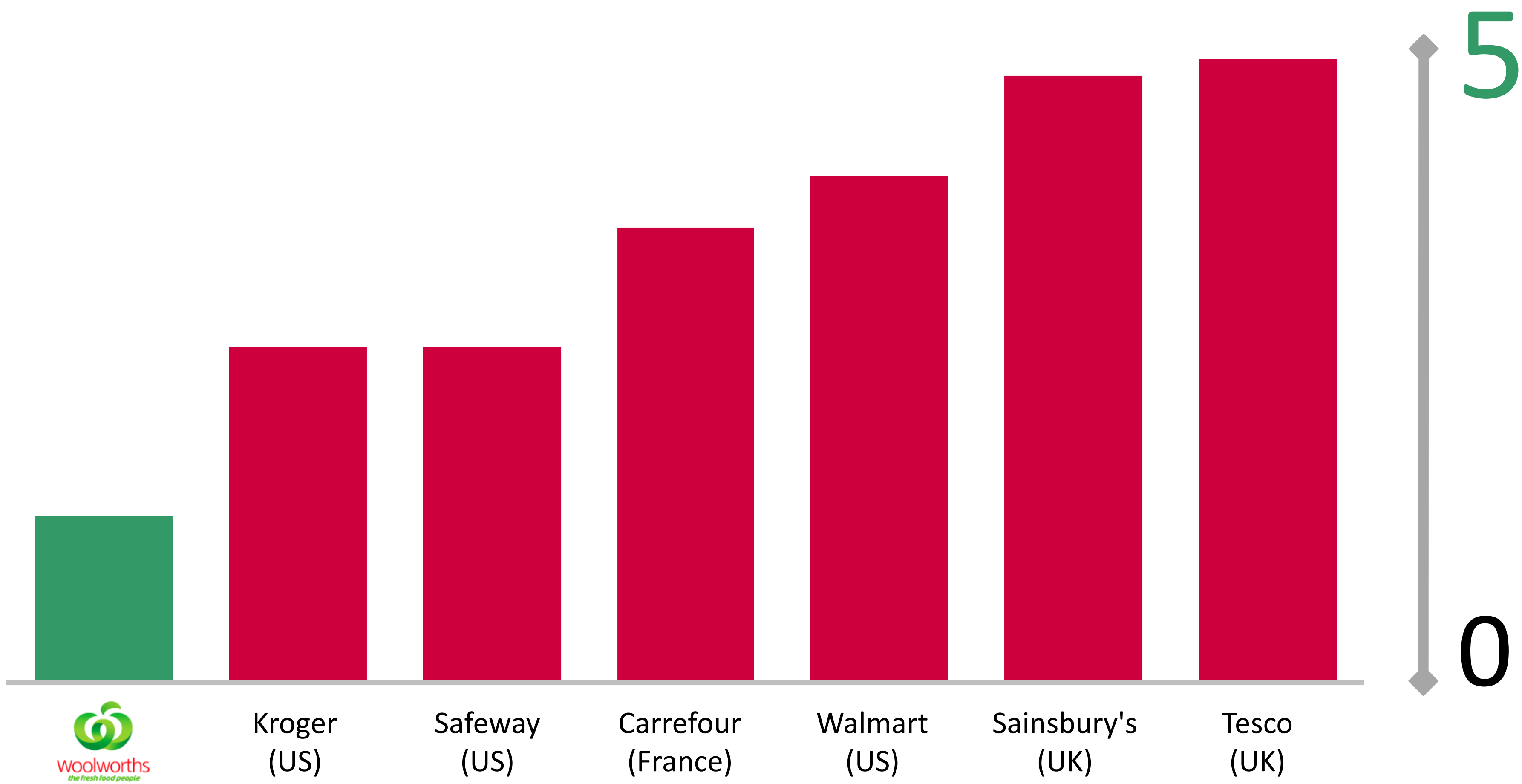
LAST 4 QUARTERS INDEXED TO Q2 FY11



- 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…

OVER 350 PRODUCTS

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

OVER 1,300 PRODUCTS

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

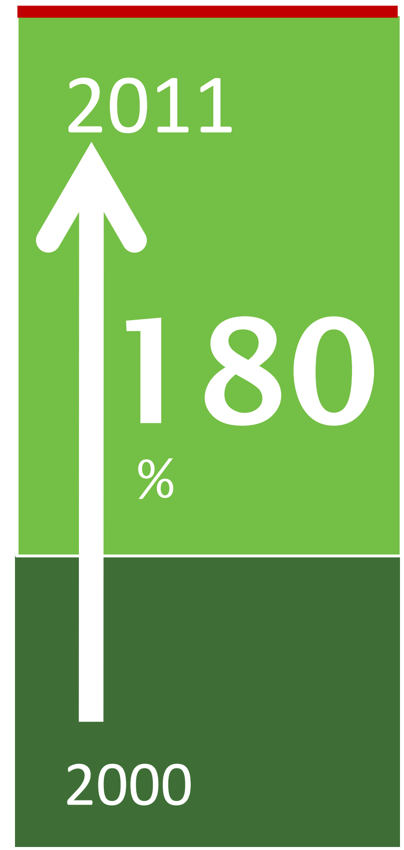
…THROUGH DELIVERING: MORE SKUs, REBRANDING, LOWER PRICES, HIGHER QUALITY, MORE SHELF PRESENCE

UNBEATABLE VALUE

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

OVER **850** CURRENT SKUs

SALES GROWTH



GROWTH IN SUPERMARKETS – OUR NEW VISION

My Woolies

Unbeatable value

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Store tailored for my customer

STORE TAILORED FOR MY CUSTOMER

CONTINUED STRONG GROWTH OF AUSTRALIA'S LEADING RETAIL NETWORK

…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

Woolworths
the fresh food people

SHOPPING OCCASIONS

- Top Up
- Regular
- Stock Up
- Online

CUSTOMER SEGMENTS

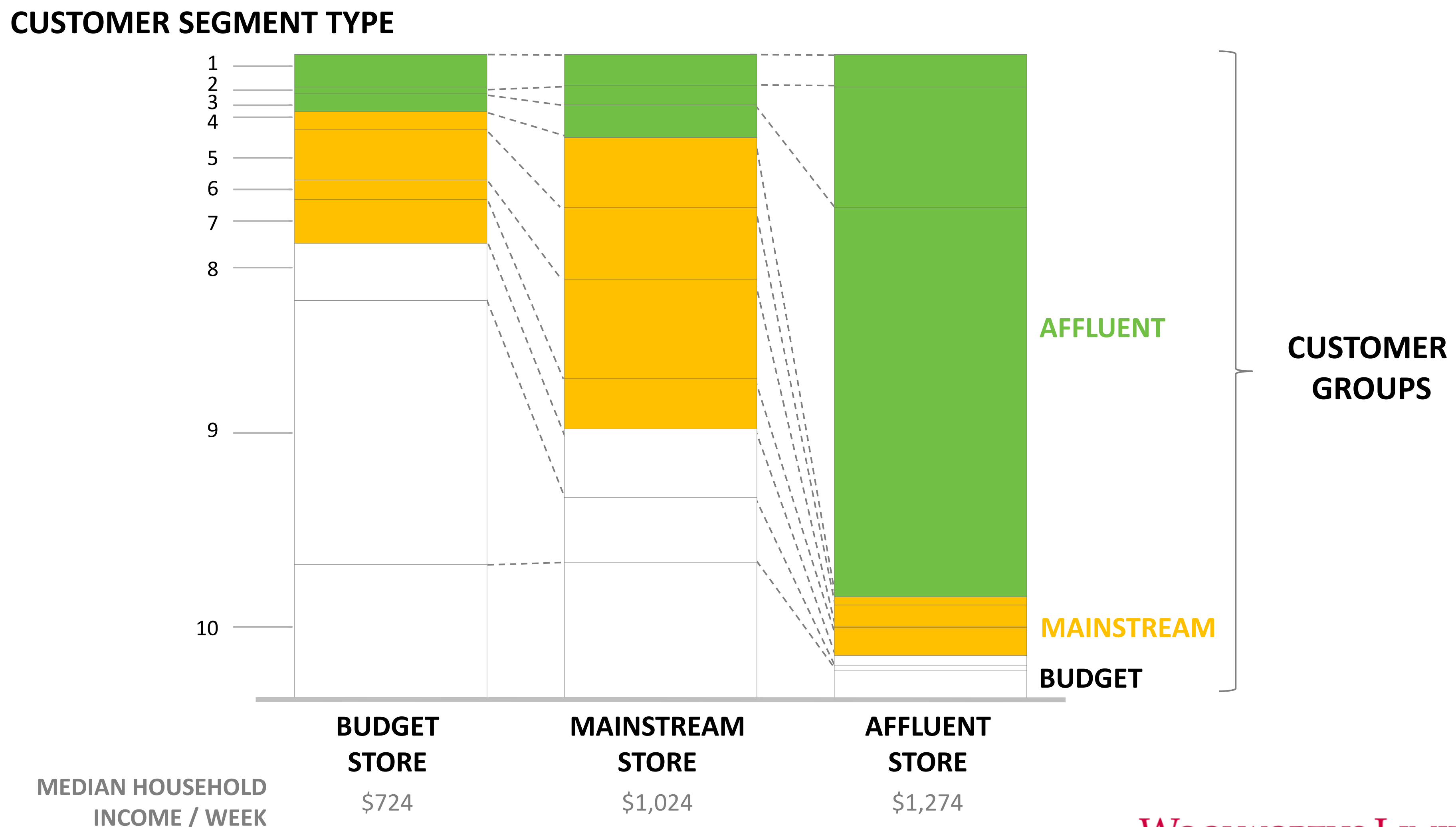
COMPETITION

- Specialists
- Independents
- Conventional chains
- Discounters
- Warehouse clubs

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



WOOLWORTHS LIMITED

STORE TAILORED FOR MY CUSTOMER

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

LAUNDRY POWDER

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

Great online growth

10 times[1]

Supermarkets growth (Aus Food & Liquor)

Significant potential upside

~4 %

Tesco

<1 %

2010 ONLINE SHARE OF TOTAL SALES

Multi-channel customer spend

~70%[2]

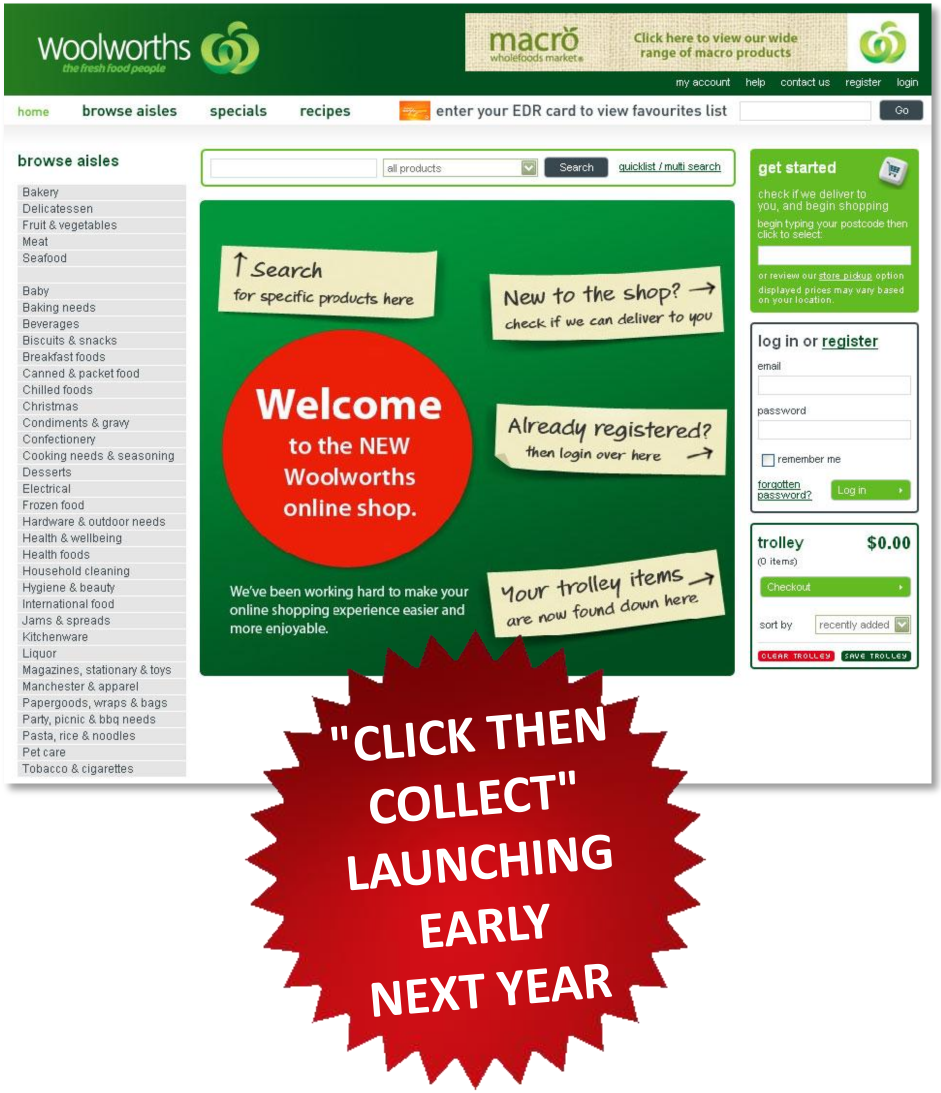
more than in-store only customer spend

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



- **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

Featured as "App of the week" in the Apple AppStore (12/8/2011)

Rated No. 1 free application in iTunes App store at launch

More than 1m downloads since release in August 2011

"Thanks Woolies. A really great App. So useful." - Gorichmond!

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

- 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

NEW ZEALAND'S LARGEST RETAIL BRAND

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

countdown

2007-2011

EBIT GROWTH	REVENUE GROWTH
NZ$244m	NZ$5,362m
8.2 % pa[1]	4.3 % pa[1]
NZ$178m	NZ$4,527m

1. 4 year CAGR

WOOLWORTHS LIMITED

NEW ZEALAND'S LARGEST RETAIL BRAND

STRONG POSITIVE MOMENTUM WILL CONTINUE

countdown

- 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

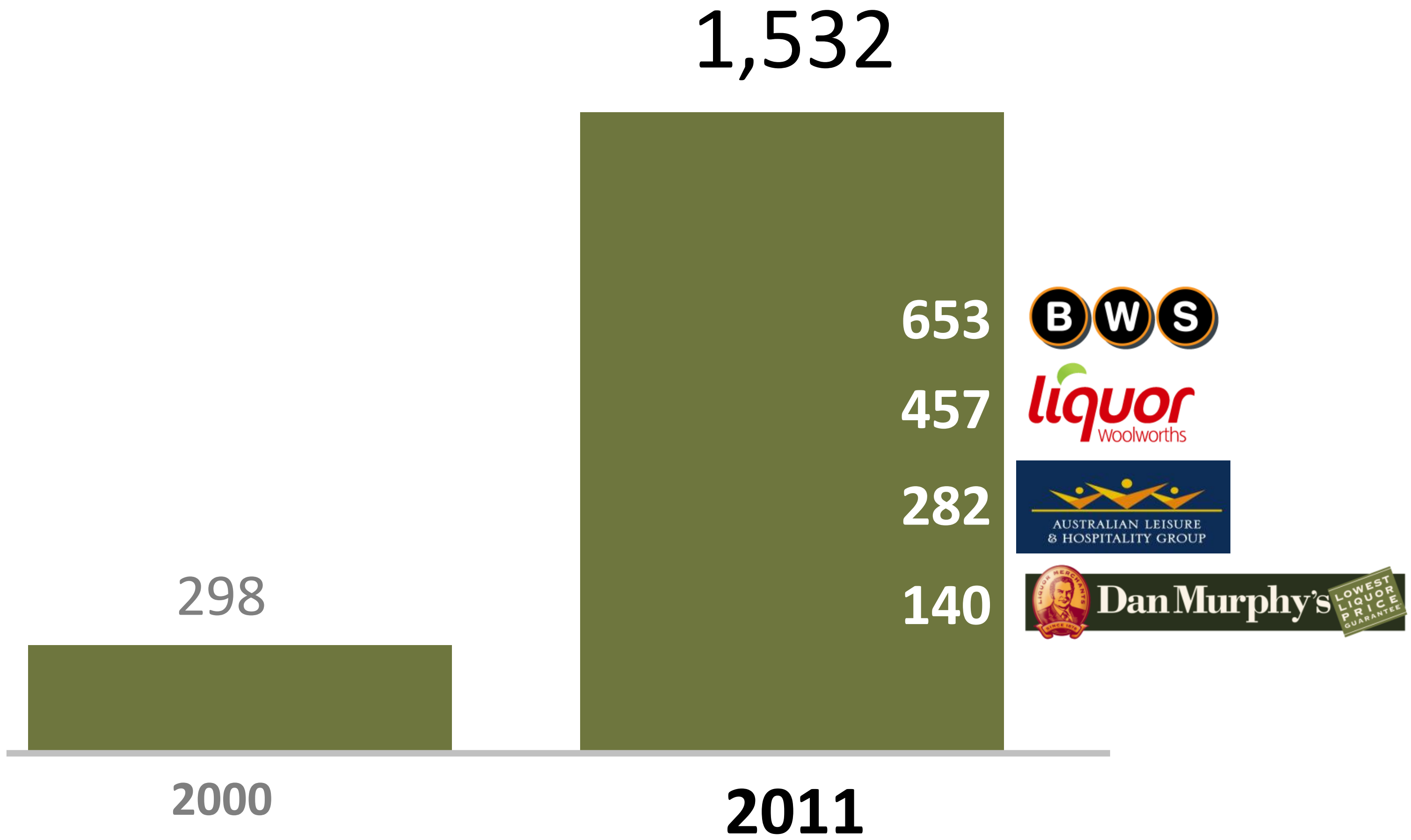
Q&A - SUPERMARKETS

WOOLWORTHS LIQUOR GROUP

CLEAR LEADERSHIP

AUSTRALIA'S LEADING LIQUOR RETAILER…

STORES / HOTELS



CLEAR LEADERSHIP

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

DIRECT MARKETING

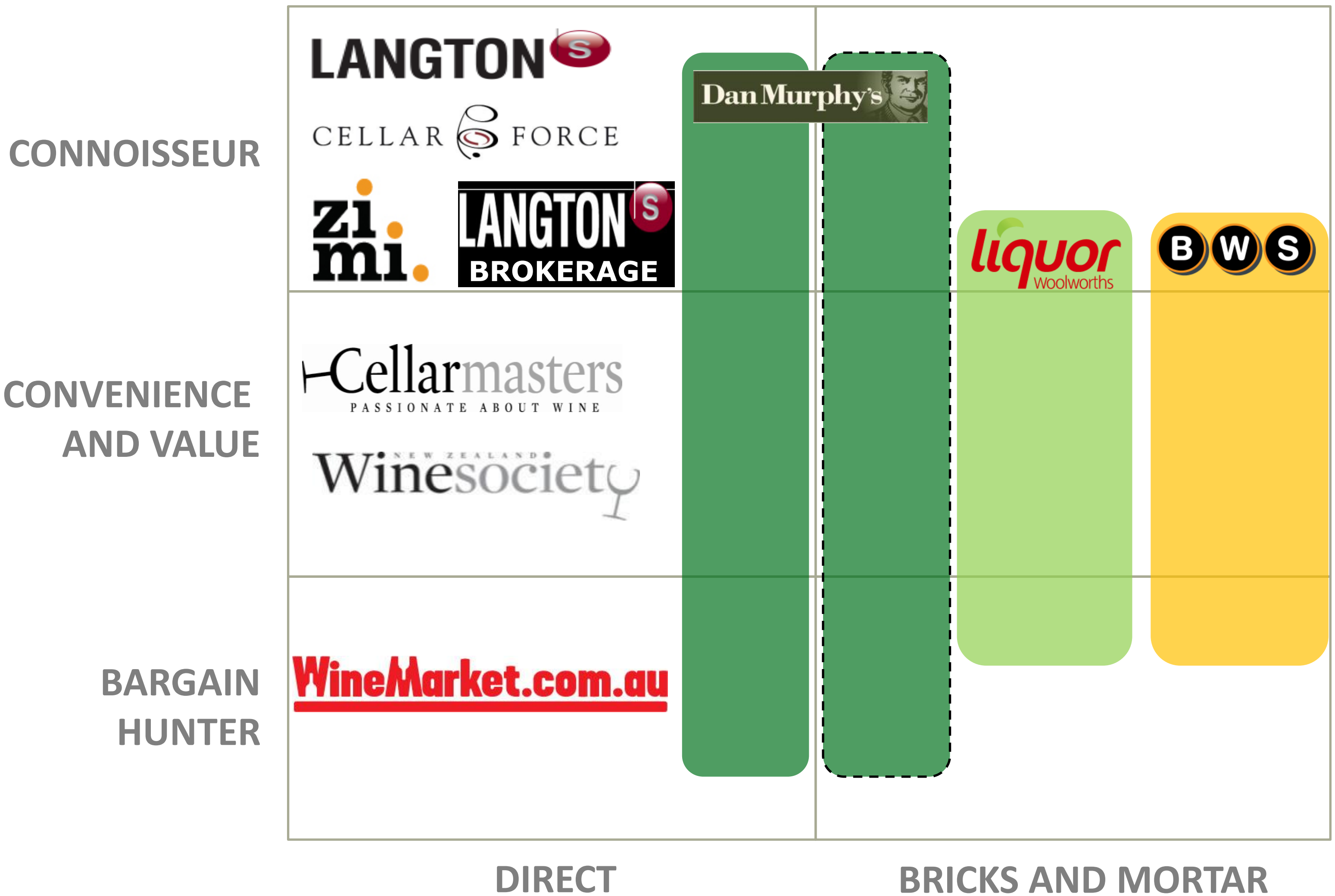
- Dan Murphy's – Lowest Liquor Price Guarantee
- Cellarmasters – Passionate about wine
- Langton's
- zimi.
- WineMarket.com.au
- New Zealand Winesociety
- Cellar Force
- Langton's Brokerage

PRODUCTION AND DISTRIBUTION

- Gage Roads Brewing Co
- Vinpac International
- Dorrien Winemaking
- Vi Packaging
- Woolworths – the fresh food people
- Nexday Logistics

CLEAR LEADERSHIP

...RESULTING IN LEADERSHIP ACROSS ALL CUSTOMER SEGMENTS

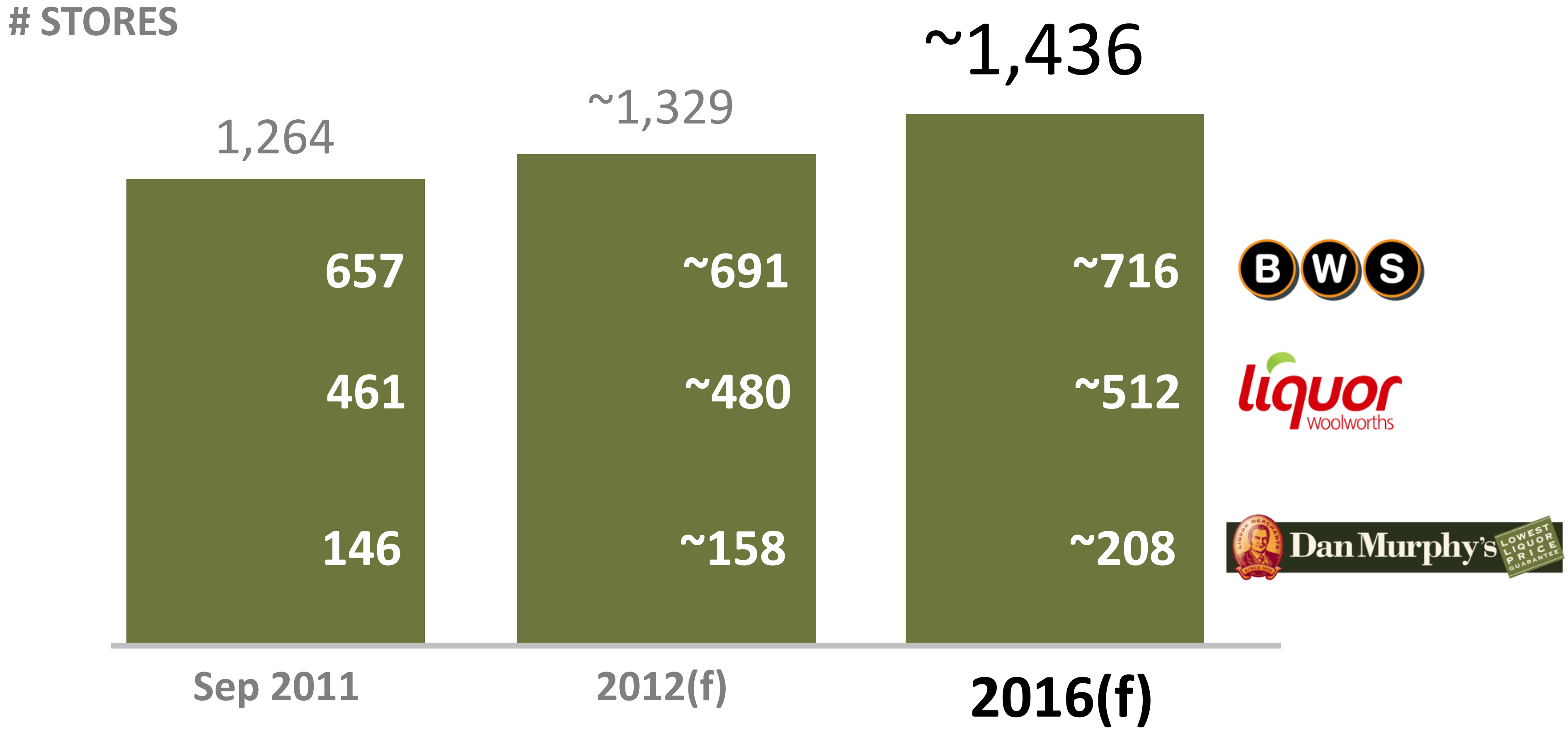


LIQUOR – 7 IMPERATIVES TO DRIVE GROWTH

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



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

- 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

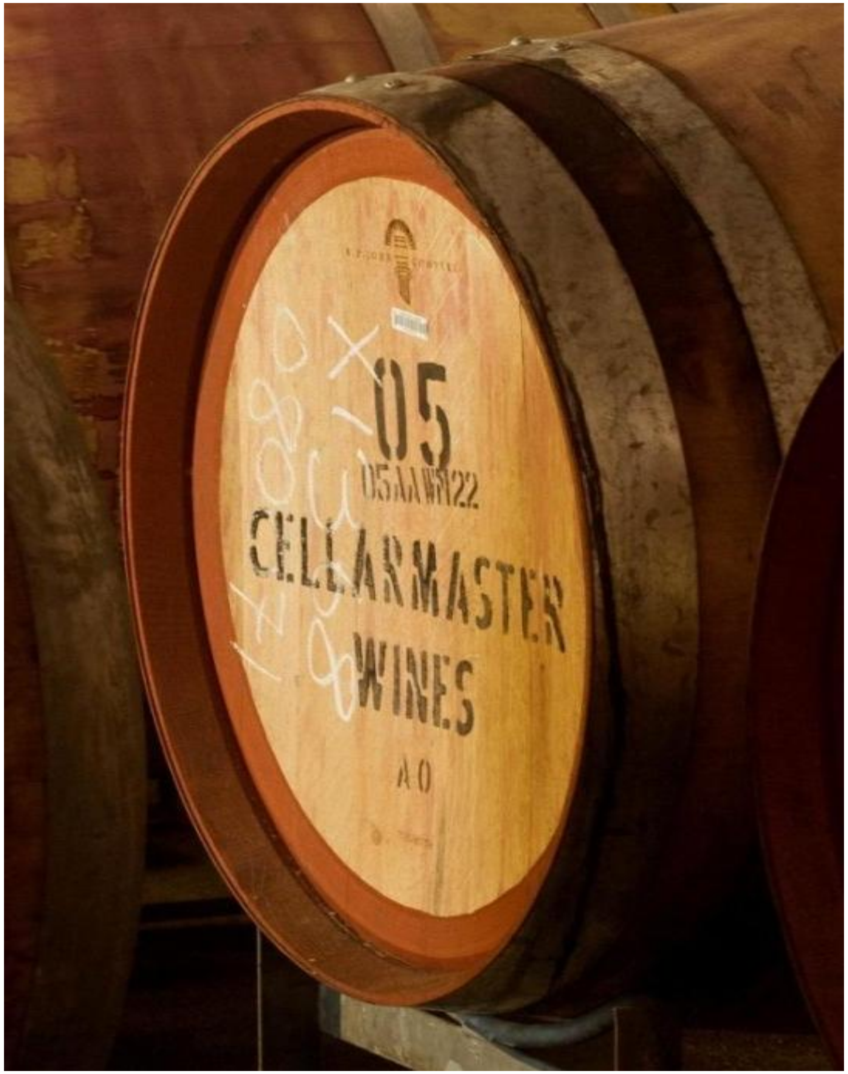
GROW OWN BRAND SHARE

EXTENSIVE RANGE OF OWN BRAND PRODUCTS DEVELOPED

- 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



- 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

- 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


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?

CONVENTIONAL FAMILIES

OLDER TRADITIONAL FAMILIES

VISIBLE ACHIEVERS

CUSTOMERS WINNING ON VALUE EVERYDAY

THAT'S WHAT'S IMPORTANT

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

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

- New initiatives to evolve categories and merchandise **RANGES** faster

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

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

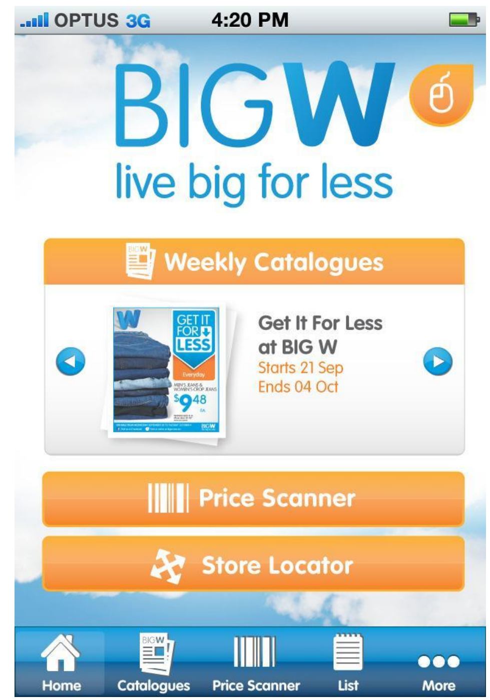
CLEAR COMMUNICATION WITH THE CUSTOMER

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

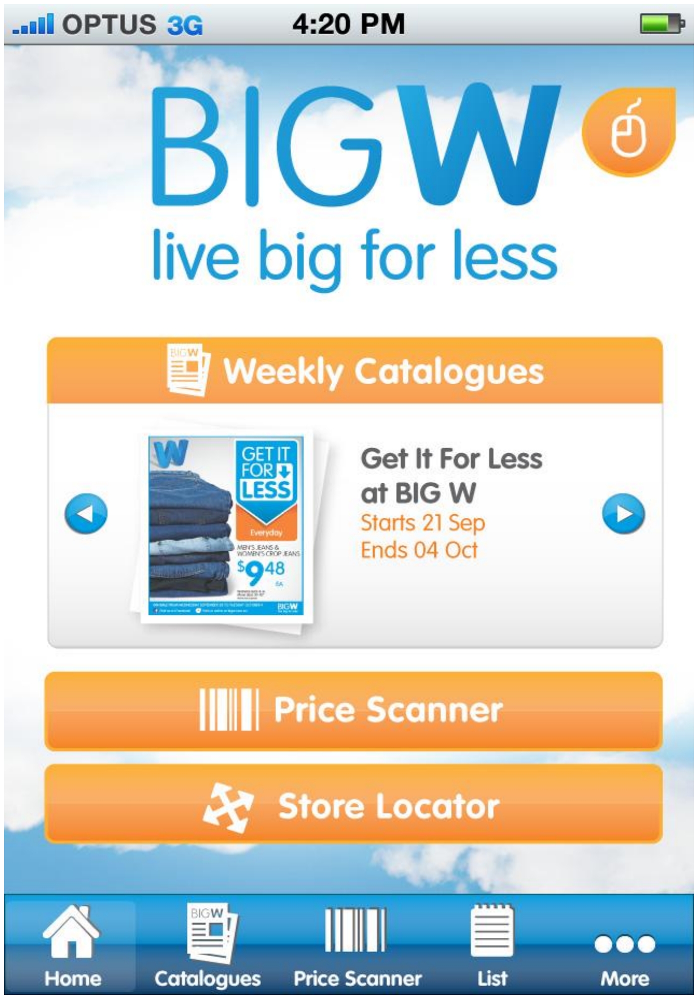
3 NEW BIG W APP WILL ENABLE PRICE SCANNER IN STORE

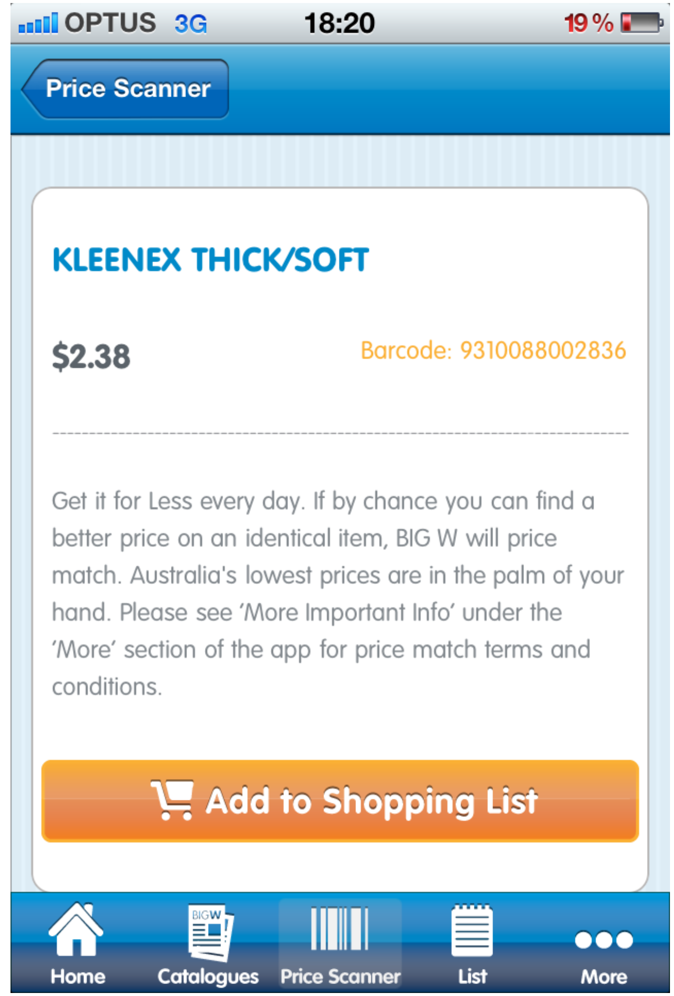


THE NEXT STAGES OF OUR STRATEGY WILL ENSURE CUSTOMERS KNOW WE ARE THEIR CHAMPION ON PRICE

PRICE – BIG W APP

ENABLING CUSTOMERS TO COMPARE PRICES





BRANDS AT BIG W ARE CHEAPER THAN ANYWHERE ELSE

NATIONAL BRANDS

represent

~73% SALES $

EXCLUSIVE BRANDS

represent

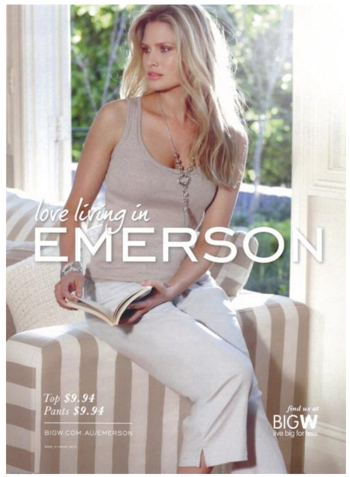
~27% SALES $

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

MATERNITY



FASHION

PLUS SIZES

- 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

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

- 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

Launch Of Smart Value

BIG W PRICE $7 PK

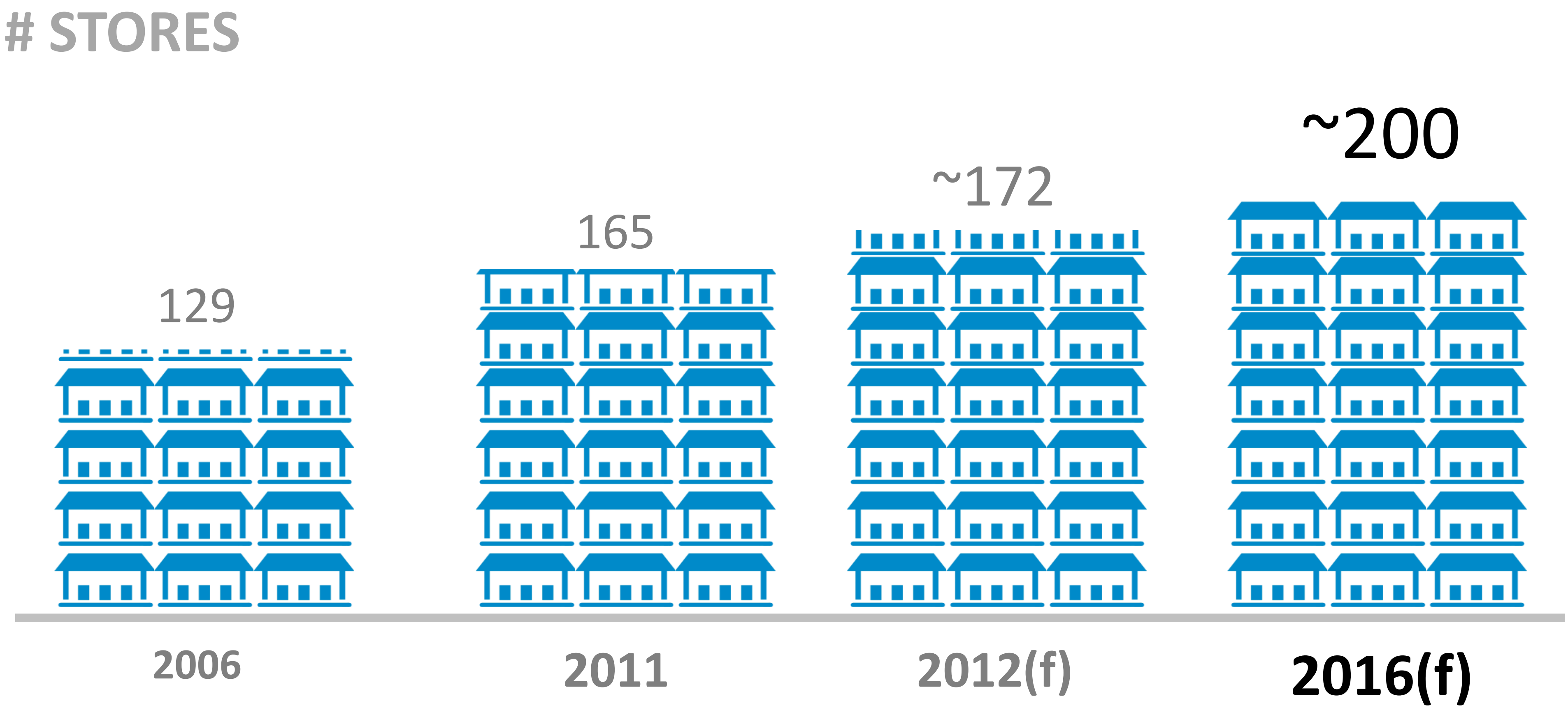
BIG W PRICE 72¢ EA

BIG W PRICE $3 EA

BIG W PRICE $9.46 EA

NEW STORE GROWTH

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



- 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

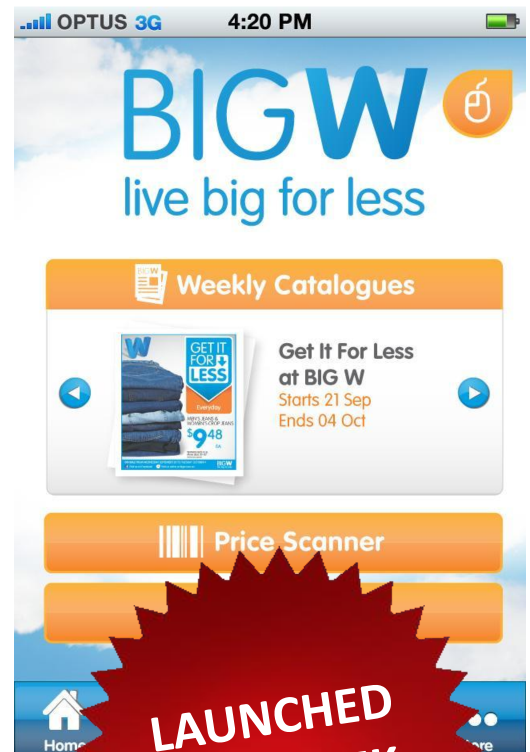
CUSTOMER RESPONSE IS VERY POSITIVE

WINNER BEST ONLINE RETAIL MARKETING INITIATIVE

BIG W DEALS

HARD DRIVE SOLD 1,500 UNITS IN 15 MINUTES

BIG W APP – ENABLING CUSTOMER TO COMPARE PRICES



LAUNCHED THIS WEEK

MULTI-CHANNEL

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

	CUSTOMER PROPOSITION	RANGE	CONVENIENCE	CUSTOMER EXPERIENCE
NOW	• 166 stores • Edited range • Web only • Home delivery	• 85,000 SKUs in-store • 9,500 SKUs online	• Great locations • Website to Home	• Trading focus • Deals • Online Lay-by
VISION	• Anything • Anywhere • Anytime	• The Whole Shop & More • Extended range	• Anytime & anywhere (Web, Mobile, In-store) • Click & Collect	• One view of the customer with consistent experience across channels

SUPPLY CHAIN PRODUCTIVITY

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

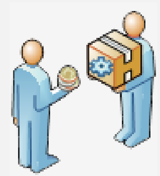
PROJECT FOCUS

IMPROVED INVENTORY MANAGEMENT AND STOCK FLOW. LESS MARKDOWNS

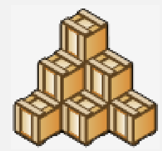
✓ MERCHANDISE PLANNING

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

BUSINESS PLANNING → **EXECUTION** →

FINANCIAL PLAN → MERCHANDISE PLAN → OPTION / RANGE PLAN → BUYER SELECTION → ORDER PLACEMENT → DISTRIBUTION TO STORES

← **CUSTOMER NEEDS AND WANTS** ← **CUSTOMER DEMAND**

SUPPLY CHAIN PRODUCTIVITY

SUPPLY CHAIN EFFICIENCY TO DELIVER LOWEST COST

- 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

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

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

MASTERS KEY ELEMENTS TO SUCCESS

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

- 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


Want Peace of Mind?
Find out how!
Home Entertainment
BELIEVE IN ALL-ROUND PERFORMANCE
dick smith
Talk to the Techxperts

DICK SMITH

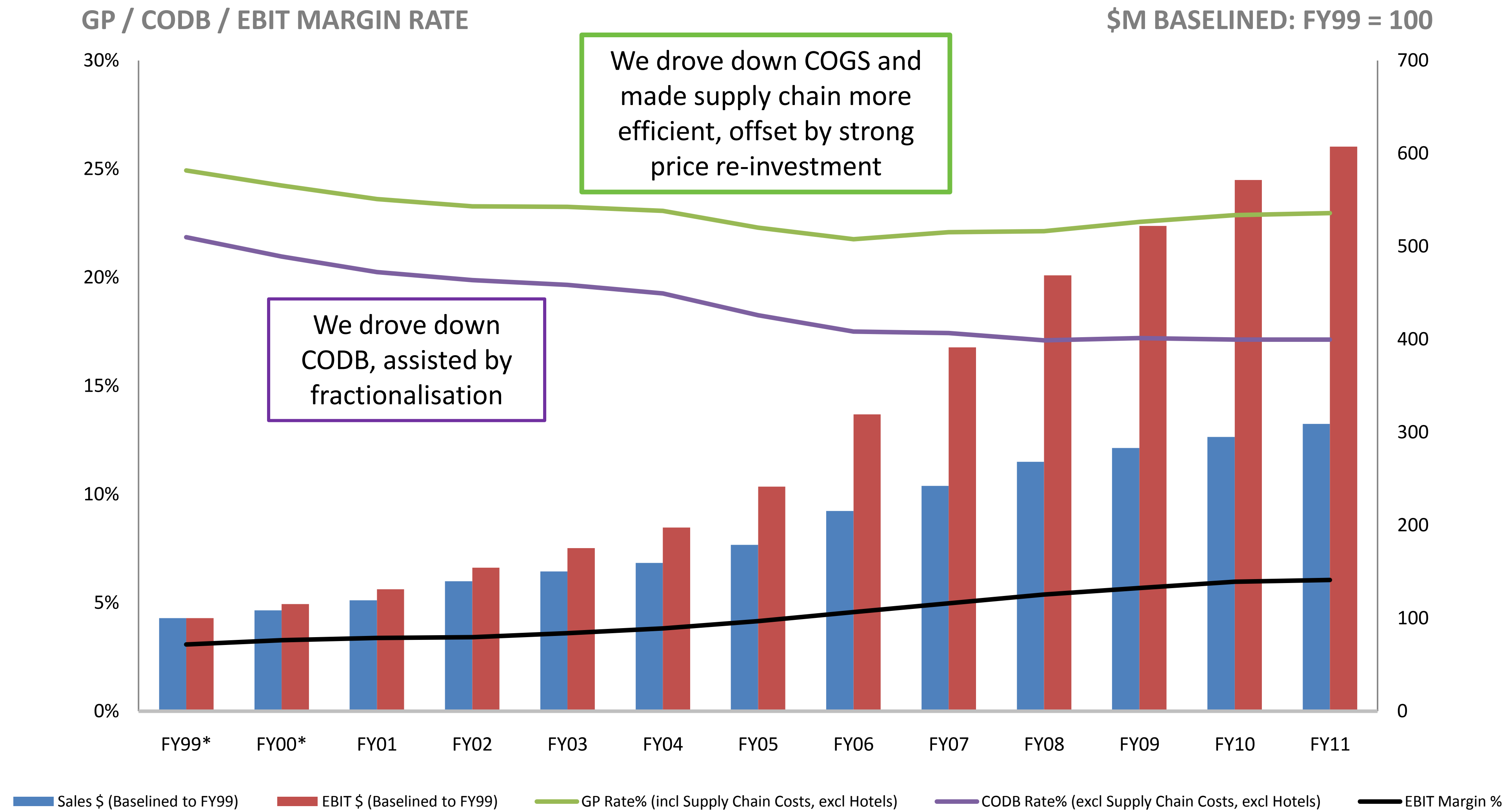
BUSINESS UNDERGOING STRATEGIC REVIEW

- 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

PRODUCTIVITY

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



* 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

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

PROCUREMENT NOT FOR RESALE

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

SUSTAINABILITY COST SAVINGS

- $55.7m invested in energy saving initiatives since 2007 delivering significant savings
- 40% reduction in CO_2 emissions by 2015

SUPPLY CHAIN

IT SYSTEMS

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%

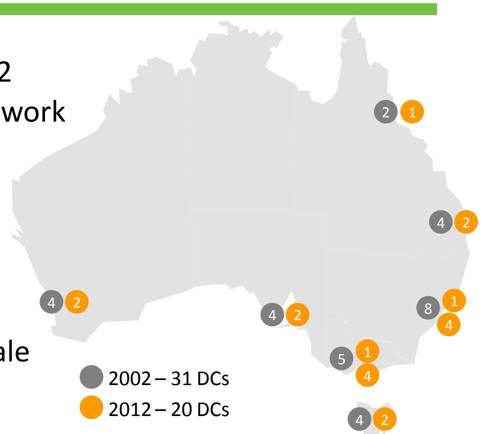
1. Excluding DSD
2. ABS data shows wage inflation in the sector up 17.9% for same period

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

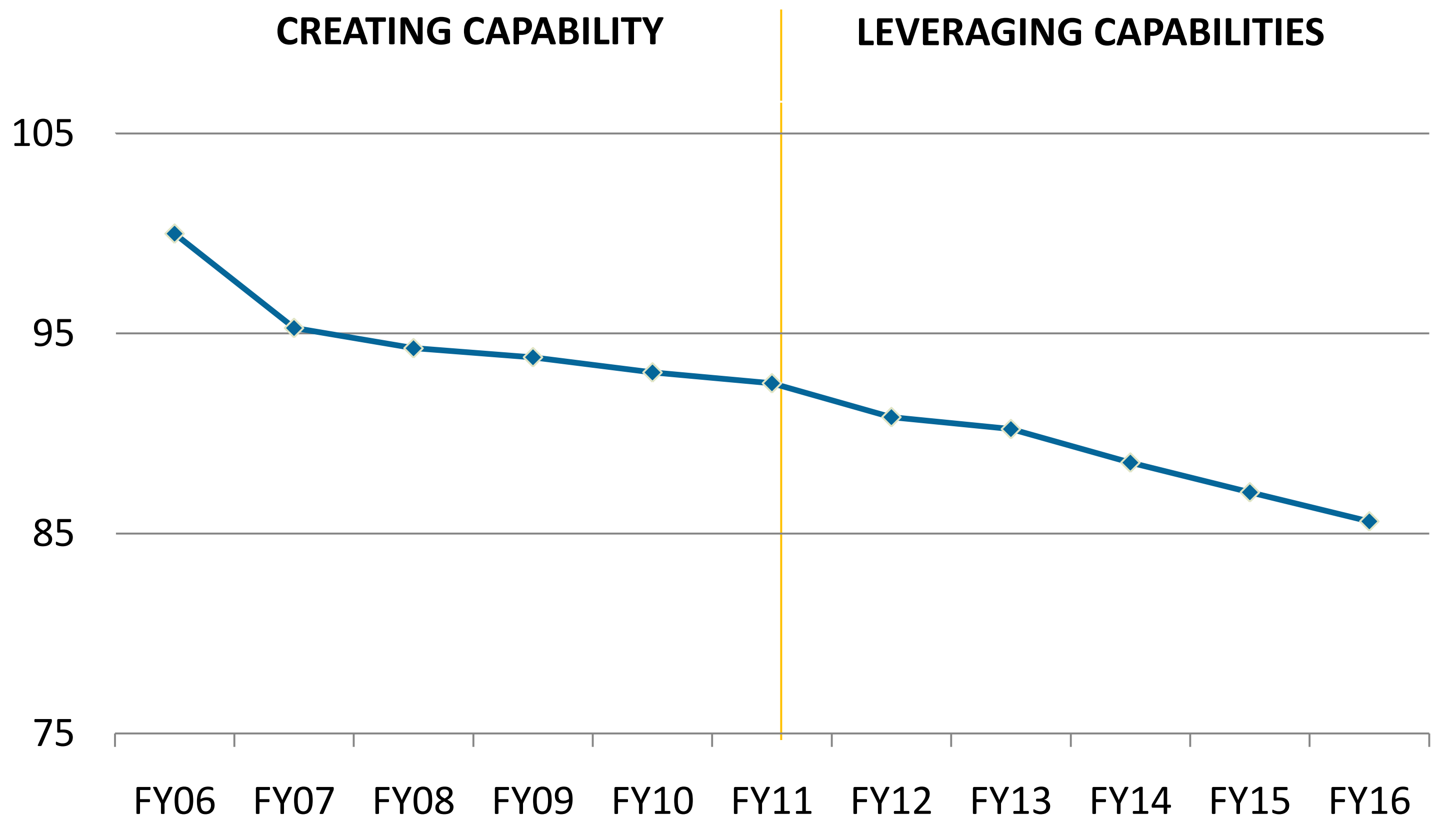
- **AutostockR** – automated in store and DC stock replenishment systems
- **Warehouse Management Systems (WMS), Material Handling System (MHS)** and Labour Planning System enhancing DC efficiency
- **Transport Management System (TMS)** enhancing transport efficiency
- Reduction in **Direct Store Delivery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

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

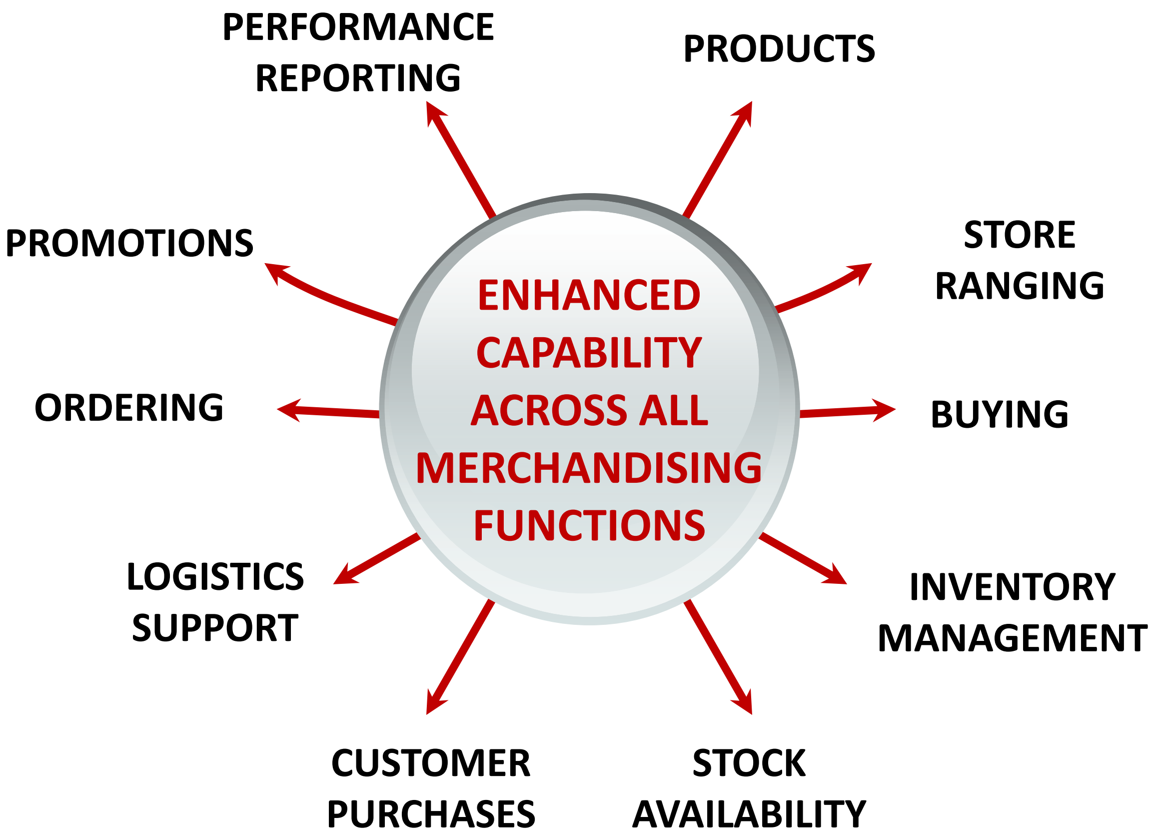
LOGISTICS COST AS A % OF SALES: FY06-FY16
AUSTRALIAN FOOD AND LIQUOR



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

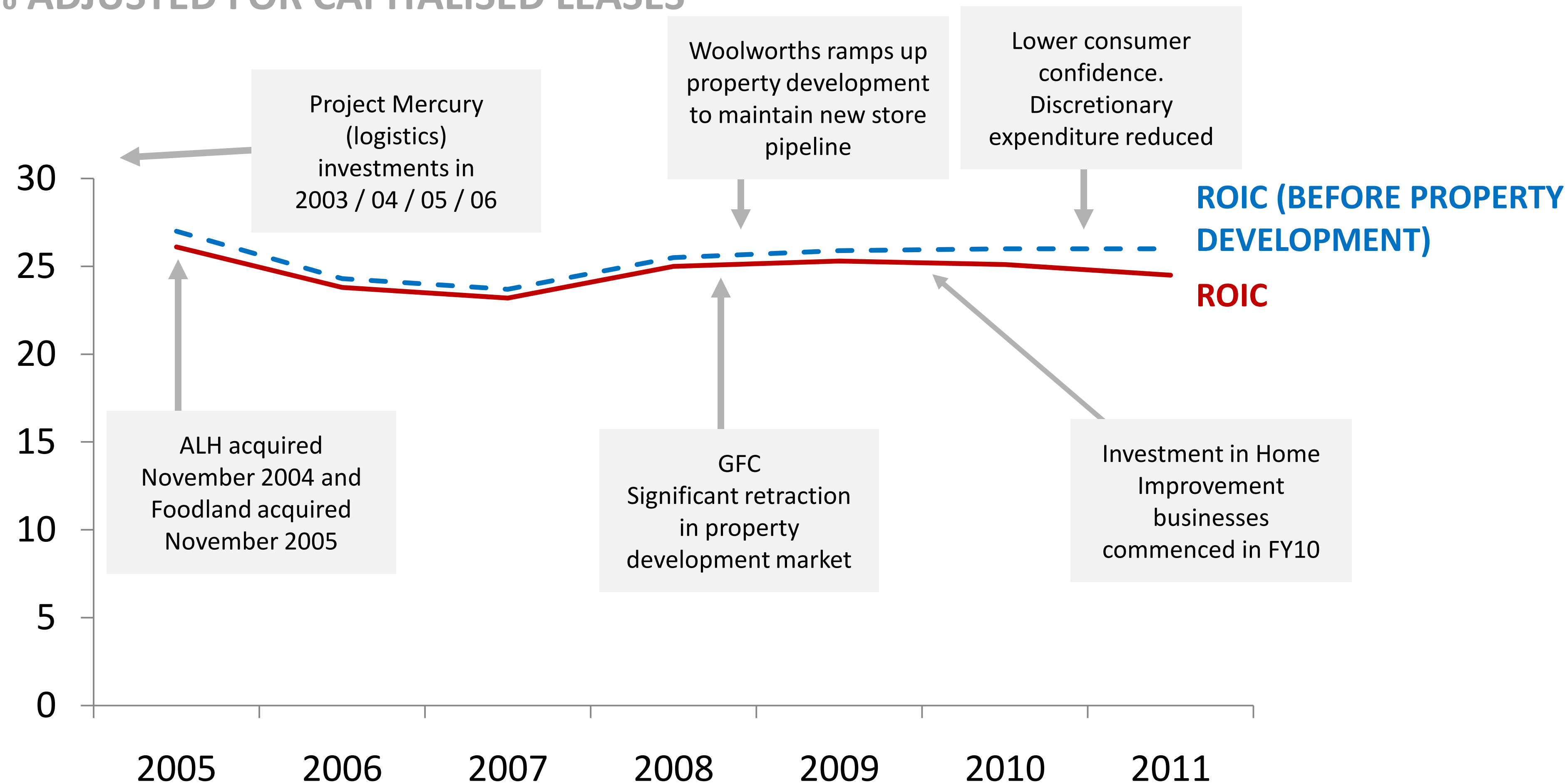
WOOLWORTHS LIMITED

BALANCE SHEET AND PORTFOLIO RESILIENCE

CONSISTENT INVESTMENT AND DELIVERY OF RETURNS ON INVESTMENT

GROUP ROIC, BEFORE TAX [1]

% ADJUSTED FOR CAPITALISED LEASES



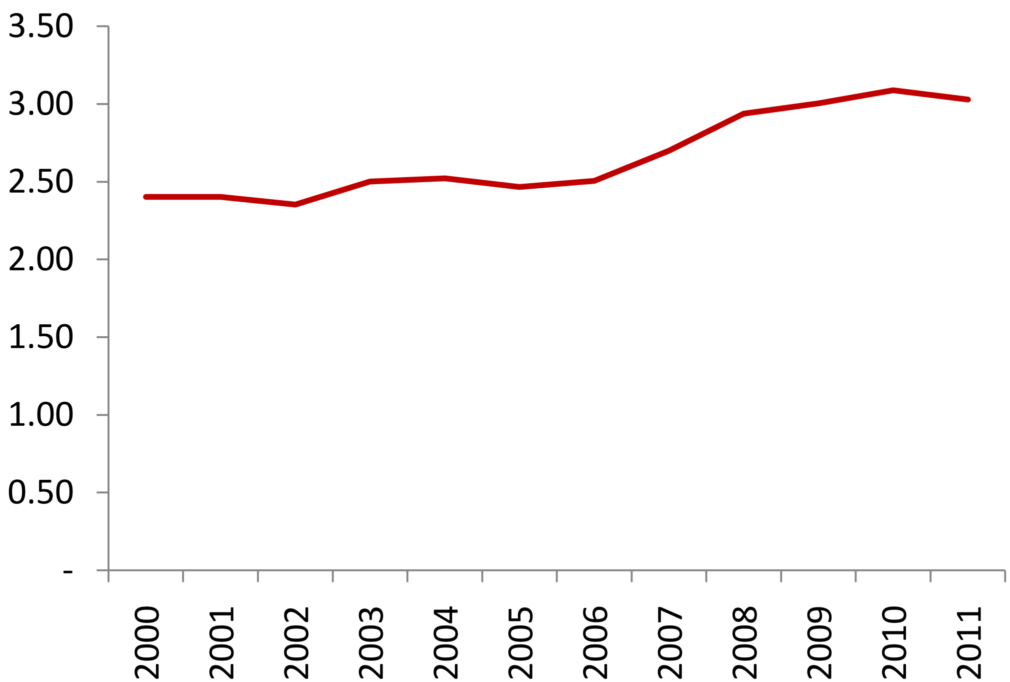
1. Return On Invested Capital is EBITDAR before tax as a return on average invested capital (opening and closing)

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 CHARGE[1]



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 FUNDED BY CASH / DEBT / EQUITY	(1,430)

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

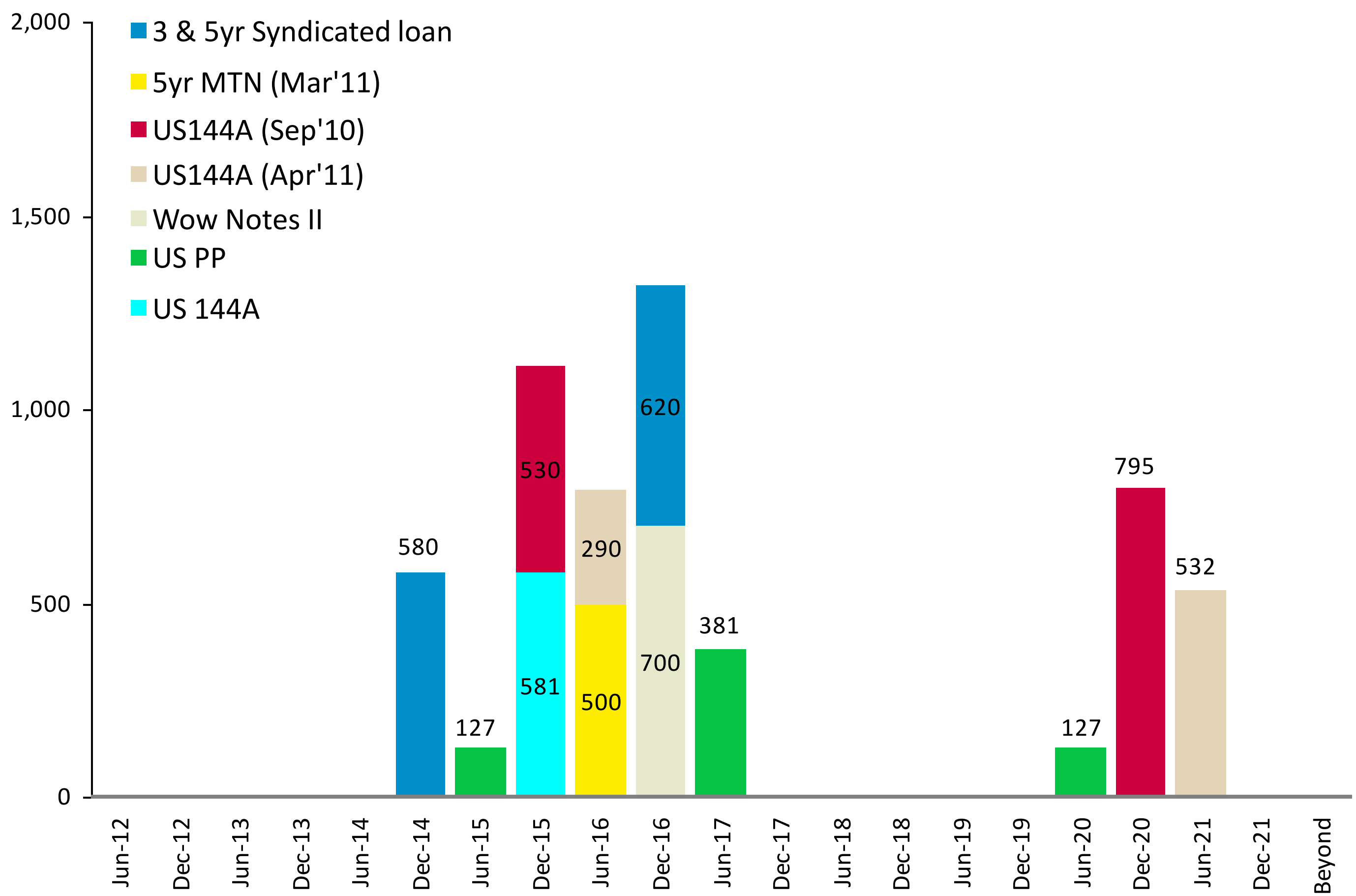
Note: Traditional Balance Sheet gearing ratios are not an appropriate given the need to take into account leases

DEBT PROFILE

DEBT REFINANCING PLAN COMPLETE

MATURITY PROFILE OF EXISTING "HARD" DEBT FACILITIES

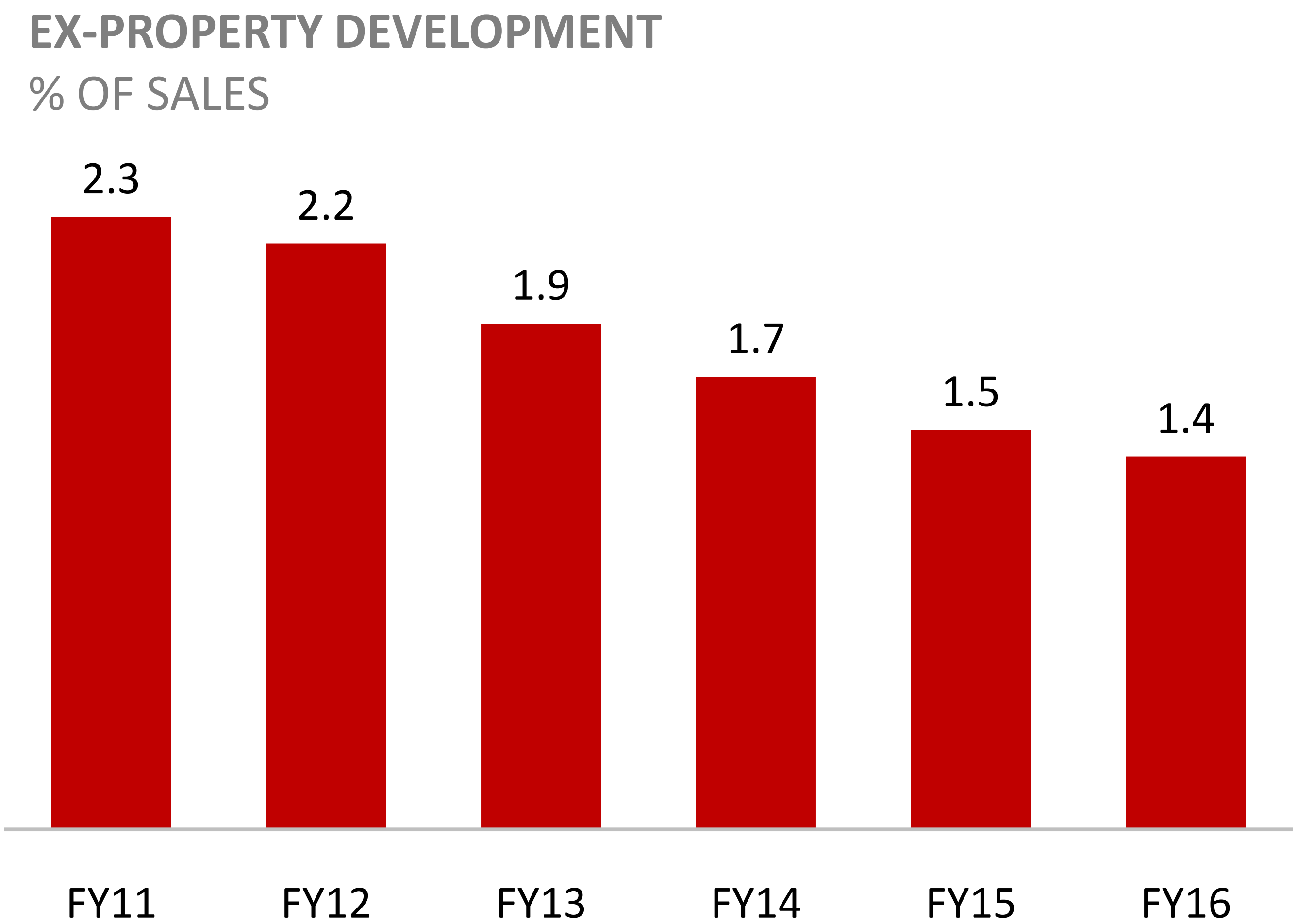
POST NOV 2011 – TOTAL A$5.763B



- 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

WOOLWORTHS LIMITED

CAPEX SPEND OVER NEXT 5 YEARS



- 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

RECAP

MY STRATEGIC PRIORITIES

1	**EXTEND AND DEFEND LEADERSHIP IN FOOD AND LIQUOR**	• Re-establish marketing supremacy around value and growth • Unlock sales growth for a tougher consumer and competitive environment • Accelerate our leadership in Fresh Food • Extend leadership in liquor • Continue momentum to become #1 in New Zealand
2	**ACT ON OUR PORTFOLIO TO MAXIMISE SHAREHOLDER VALUE**	• 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
3	**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
4	**PUT IN PLACE THE ENABLERS FOR A NEW ERA OF GROWTH**	• Deliver step change in productivity through our supply chain • Leverage investment in customer data to fuel growth and customer centricity • Continue to invest in our business to ensure long-term shareholder growth • Combine the best retail talent in Australia with the best in the world

Q&A