MARKETPLACE

Woolworths Limited is a retail company made up of a range of businesses that provide our customers with quality, range and value.

Our retailing expertise encompasses some of the most recognisable and trusted brands in food and grocery, liquor, petrol, general merchandise, hotels and consumer electronics.

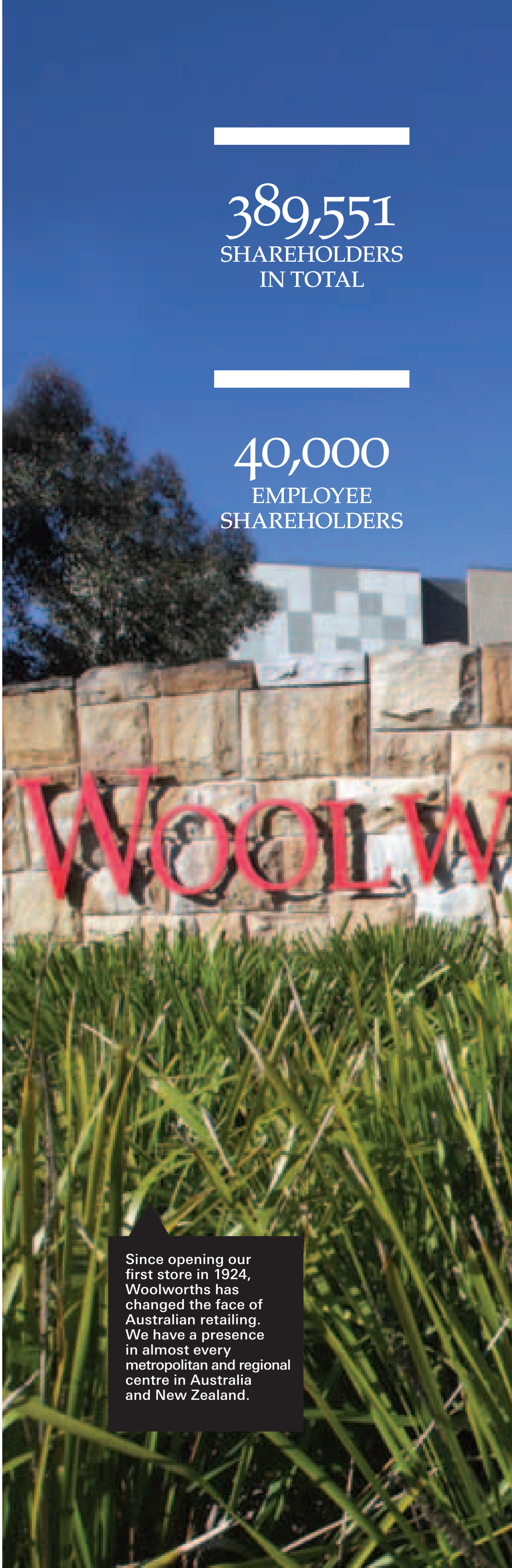
ABOUT WOOLWORTHS

Since opening our first store in 1924, Woolworths has changed the face of Australian retailing. Starting with a single basement store in Sydney's Pitt Street, we have grown into a household name with a presence in almost every metropolitan and regional centre in Australia and New Zealand.

We began operating fresh food stores 60 years ago when advances in refrigeration technology revolutionised transport and storage. In 1993 Woolworths Limited was offered to the public in what was, at the time, the largest share float in Australian history. We are listed on the Australian Securities Exchange (ASX Limited) under the code WOW.

24.5
MILLION CUSTOMERS SERVED ON AVERAGE EVERY WEEK

SALES REVENUE
$49.6
BILLION



389,551
SHAREHOLDERS IN TOTAL

40,000
EMPLOYEE SHAREHOLDERS

Since opening our first store in 1924, Woolworths has changed the face of Australian retailing. We have a presence in almost every metropolitan and regional centre in Australia and New Zealand.

191,182
EMPLOYEES IN TOTAL (AUSTRALIA AND NEW ZEALAND)

172,429
EMPLOYEES IN AUSTRALIA

18,753
EMPLOYEES IN NEW ZEALAND

175
EMPLOYEES IN HONG KONG, SHANGHAI AND INDIA

3,162
STORES, PETROL SITES AND HOTELS IN AUSTRALIA AND NEW ZEALAND

STORE AND TRADING AREA ANALYSIS

	FY08	FY09
Stores (number)		
NSW and ACT	234	241
QLD	177	186
VIC	187	192
SA and NT	72	72
WA	81	82
TAS	29	29
Supermarkets in Australia[1]	780	802
New Zealand Supermarkets (includes franchise)	201	202
Total Supermarkets	981	1,004
Thomas Dux	1	3
Freestanding Liquor (incl. Dan Murphy)	233	256
ALH Retail Liquor Outlets	434	463
Caltex/WOW Petrol	133	133
Woolworths Petrol – Australia	389	409
Woolworths Petrol/Convenience – New Zealand	22	22
Total Supermarket Division	**2,193**	**2,290**
BIG W	151	156
Dick Smith	310	349
Tandy	106	87
Total General Merchandise Division	567	592
Hotels (includes 8 clubs)	271	280
Total Group	**3,031**	**3,162**
Trading Area (sqm)		
Supermarkets Division – Australia[2]	1,945,641	2,037,680
Supermarkets Division – New Zealand[3]	296,549	303,889
General Merchandise Division[4]	989,767	1,038,561

Notes:

(1)
Supermarket Store Movements July 08 – June 09

New Stores – incremental	28
Closures – permanent	(4)
Closures – for re-development	(2)
Net New Stores	**22**

(2)
Australian Supermarkets Division trading area (excluding Petrol and ALH BWS outlets and including the Australian Ex-FAL stores) has increased by 4.7% FY09 and 5.2% FY08.

(3)
Excludes Gull and franchise stores.

(4)
Excludes Woolworths India.

OUR GLOBAL RANKING

In January 2009 Deloitte Touche Tohmatsu published the 12th annual *Global Powers of Retailing* report. The report identifies the 250 largest retailers around the world based on publicly available company data for the 2008 financial year. Woolworths was ranked in 22nd position, up from 25th in the previous year. We were also ranked third in the Asia-Pacific region.

In 2009, Woolworths Limited's indirect contribution to Australian economic output and employment generated was estimated to be in excess of $92 billion and 627,000 full-time equivalent jobs. Our construction expenditure created an estimated flow-on effect in the Australian economy of more than $171 million and 1,000 full-time equivalent jobs.[1]

Top 25 Retailers

1 Wal-Mart Stores, Inc (USA)
2 Carrefour S.A. (France)
3 Tesco plc (UK)
4 Metro AG (Germany)
5 The Home Depot Inc (USA)
6 The Kroger Co (USA)
7 Schwarz Unternehmens Treuhand KG (Germany)
8 Target Corp (USA)
9 Costco Wholesale Corp (USA)
10 Aldi GmbH & Co. oHG (Germany)
11 Walgreen Co (USA)
12 Rewe-Zentral AG (Germany)
13 Sears Holdings Corp (USA)
14 Groupe Auchan SA (France)
15 Lowe's Companies Inc (USA)
16 Seven & I Holdings Co Ltd (Japan)
17 CVS Corp (USA)
18 Centres Distributeurs E Leclerc (France)
19 Edeka Zentrale AG & Co KG (Germany)
20 Safeway Inc. (USA)
21 AEON Co Ltd (Japan)
22 Woolworths Limited (Australia)
23 ITM Développement International (Intermarché) (France)
24 Best Buy Co., Inc. (USA)
25 Koninklijke Ahold N.V (Netherlands)

The *Global Powers of Retailing* report can be viewed at www.deloitte.com/consumerbusiness

INDIRECT CONTRIBUTION TO THE ECONOMY

In 2009, Woolworths Limited's indirect contribution to Australian economic output and employment generated was estimated to be in excess of $92 billion and 627,000 full-time equivalent jobs. Our construction expenditure created an estimated flow-on effect in the Australian economy of more than $171 million and 1,000 full-time equivalent jobs.[1]

(1) Calculated for Woolworths Limited by Concept Economics based on 2009 economic input/output data published by Australian Bureau of Statistics.

Our Brands

BIG W
BWS – Beer Wine Spirits
Dan Murphy's
Dick Smith
Everyday Mobile
Everyday Money
Everyday Rewards
Safeway
Safeway Liquor
Tandy
Woolworths
Langton's
Woolworths Liquor
Woolworths Petrol
ALH Group
Countdown
Foodtown
Fresh Choice
SuperValue
Woolworths New Zealand
Thomas Dux

KEY FINANCIAL DATA

SALES REVENUE INCREASED TO $49.6 BILLION

+5.4%

EARNINGS BEFORE INTEREST AND TAX (EBIT) INCREASED TO $2,815.5 MILLION

+11.3%

NET PROFIT AFTER TAX (NPAT) INCREASED TO $1,835.7 MILLION

+12.8%

EARNINGS PER SHARE (EPS) INCREASED TO 150.71 CENTS

+11.7%

DIRECT ECONOMIC VALUE

	2008 53 weeks $'000	2009 52 weeks $'000	inc %
Direct economic value generated			
(a) Revenues	47,327,311	49,892,205	5.4
Total direct economic value generated	**47,327,311**	**49,892,205**	**5.4**
Economic value distributed			
(b) Operating costs	(38,288,000)	(40,147,811)	4.9
(c) Employee wages and benefits	(5,542,178)	(5,724,343)	3.3
(d) Payments to providers of capital	(1,237,234)	(1,409,564)	13.9
(e) Payments to government	(1,642,229)	(1,964,199)	19.6
(f) Community investments	(20,422)[1]	(27,460)	34.5
Total economic value distributed	**(46,730,063)**	**(49,273,377)**	**5.4**
Economic value retained	**597,248**	**618,828**	**3.6**

ACCRUED LIABILITY FOR DEFINED BENEFIT OBLIGATION IN THE FINANCIAL STATEMENTS OF WOOLWORTHS LIMITED

	As at June 2008 $m	June 2009 $m
Defined benefit obligation[2]	(1,609)	(1,536)
Fair value of assets	1,556	1,444
Liability for defined benefit obligations	**(53)**	**(92)**

GOVERNMENT SUBSIDIES[3]

	2008 53 weeks $'000	2009 52 weeks $'000	inc %
Government subsidies received			
Government subsidies	3,131	3,401	8.6
Total Government subsidies received	**3,131**	**3,401**	**8.6**

Notes:

(1)
Correction of 2008 figure.

(2)
Includes contribution tax liability.

(3)
Subsidies are for training and encouraging employment in regional areas.

THE RETAIL SECTOR IN AUSTRALIA AND NEW ZEALAND

Woolworths is a strong supporter of competition in the retail market. Competition helps to keep prices low for customers and drives retailers to provide better products and services. The food retail sector in Australia and New Zealand is competitive, particularly given the number of new market entrants and growth in the number of independent and specialist retailers in recent years.

The ACCC inquiry completed in 2008 into the competitiveness of retail prices for standard groceries investigated a number of issues, including the ability of independent supermarket operators and smaller retailers such as butchers, bakeries and greengrocers to compete with major supermarket chains. The inquiry found that, "viewed overall, supermarket retailing is workably competitive" and noted that the most significant factor in the nature of competition is the high cost of setting up large-format, one-stop-shop supermarkets.

There is a popular perception that Woolworths dominates the retail food market. However, research undertaken for the *Roy Morgan Supermarket Monitor (August 2008–July 2009)* found that, for Woolworths customers, 68% of weekly spending on fruit and vegetables takes place outside of Woolworths – at fruit shops, markets and other supermarkets.

Australia is a net agricultural exporter, with around two-thirds of its total production sold overseas. Australian farmers produce food for export to other countries as well as for other Australian retailers, wholesalers, manufacturers and food service businesses. We buy a relatively small proportion of total domestic production. In 2007, 12% of the fruit and vegetables grown in Australia were sold at Woolworths, 6% of Australia's beef and 15% of Australia's lamb.

In 2008, our market share of food and liquor retailing in New Zealand was estimated to be about 28% (estimated by Concept Economics from publicly reported information).

In 2009, in our Australian supermarkets, 100% of our fresh meat was sourced from Australian producers and 97.2% by weight (96.4% by value) of our fresh fruit and vegetables were grown in Australia.

In 2009, in our New Zealand supermarkets, 98% of our whole sourced meat, 100% of our fresh chicken and 76% of our whole sourced fruit and vegetables were grown in New Zealand and 99% of fresh seafood was sourced from NZ waters.

Across our business, we abide by voluntary codes of conduct in supplier trading relationships. We were an inaugural member of the Produce and Grocery Industry Code of Conduct, a voluntary

In 2009, in our New Zealand supermarkets, 98% of our whole sourced meat, 100% of our fresh chicken and 76% of our whole sourced fruit and vegetables were grown in New Zealand and 99% of fresh seafood was sourced from NZ waters.

More than 80% of our suppliers have been partners for more than 10 years.

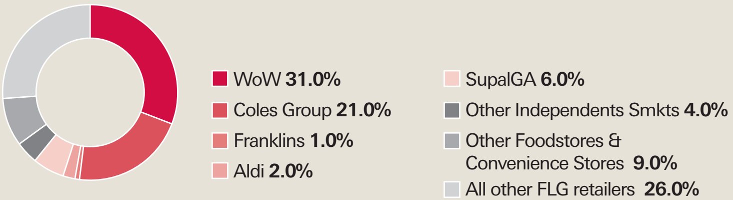
code aimed at promoting fair trading practices and building better business relationships. The code also provides access to a simple and accessible dispute resolution procedure for individuals or groups in the event of a dispute.

Fresh food is our business and we have made it our mission to partner with the very best farmers and growers in Australia. We have hundreds of direct trading relationships with fruit, vegetable and meat suppliers.

We are committed to domestic sourcing. Our preference is to have direct, long-term trading relationships. The benefits of working this way are better quality management, improved planning and forecasting, and greater consistency and sustainability of supply. More than 80% of our suppliers have been partners for more than 10 years. We do, however, from time to time buy small quantities of produce in the wholesale markets so we can pass on special offers to customers. By working this way we can find great specials for customers and help suppliers to clear their stock.

THE AUSTRALIAN RETAIL FOOD SECTOR

THE AUSTRALIAN RETAIL FOOD SECTOR



Source: December 2008 Pitney Bowes MapInfo based on company reports and ABS sources including Household Expenditure, Australia National Accounts and Australia Retail Trade Services.

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