

WOOLWORTHS LIMITED AGM

16 NOVEMBER 2007

CHAIRMAN'S ADDRESS

PERFORMANCE

ON BEHALF OF THE BOARD OF WOOLWORTHS LIMITED, I AM VERY PLEASED TO REPORT THAT THE COMPANY HAS EXPERIENCED ANOTHER VERY SUCCESSFUL YEAR. SET AGAINST A WIDE RANGE OF PERFORMANCE CRITERIA, WOOLWORTHS CONTINUES TO BREAK ITS OWN RECORDS, MOST NOTABLY IN TERMS OF NET PROFIT, WHICH THIS YEAR INCREASED BY 27.5% TO \$1.294 BILLION.

UNDERPINNING THE HEADLINE PROFIT WAS:

- A SALES INCREASE OF 12.6% TO \$42 BILLION
- EARNINGS BEFORE INTEREST AND TAX UP 22.6% TO \$2.1 BILLION
- AN INCREASE IN EBIT MARGINS FROM 4.56% TO 4.97%.

AS SHAREHOLDERS, WE ARE DELIGHTED THAT YOU ARE ABLE TO SHARE IN THIS EXCELLENT PERFORMANCE. RETURNS THIS YEAR WERE:

- A 19.7% INCREASE IN EARNINGS PER SHARE TO 108.8 CENTS
- A TOTAL DIVIDEND PAYOUT OF 74 CENTS, AN INCREASE OF 25.4% OVER LAST YEAR.

THIS REMARKABLE RESULT IS DUE TO THE OUTSTANDING FOCUS AND DEDICATION OF THE ENTIRE WOOLWORTHS MANAGEMENT TEAM. ACROSS EVERY AREA OF THE BUSINESS, FROM OPERATIONS TO HR TO LOGISTICS AND IT, THE TEAM CONTINUES TO EXCEED ALL EXPECTATIONS AND DOES SO IN AN INCREASINGLY COMPETITIVE RETAIL ENVIRONMENT. THEIR PERFORMANCE CAN BE ATTRIBUTED TO THE FACT THAT WOOLWORTHS HAS MAINTAINED A STRONG FOCUS ON TWO KEY STRATEGIES:

- TO CREATE EFFICIENCIES AND REDUCE COSTS
- AND TO ACHIEVE HEALTHY GROWTH BOTH INTERNALLY AND VIA ACQUISITIONS.

AND ALL OF THIS WAS ACHIEVED WHILE WE HAD AN EVEN GREATER FOCUS ON OUR KEY SOCIAL, ENVIRONMENT AND COMMUNITY PROGRAMMES SUCH AS SUSTAINABILITY, WHICH OUR CEO MICHAEL LUSCOMBE WILL DISCUSS WITH YOU SHORTLY.

BUSINESS DEVELOPMENT

2007 WAS A YEAR OF CONSOLIDATION AND STEADY GROWTH FOR WOOLWORTHS. WHILST THERE ARE NO MAJOR ACQUISITIONS TO REPORT ON, WE DID ACQUIRE A 10% STAKE IN THE WAREHOUSE CHAIN OF STORES IN NZ AND WE CONTINUE TO EVALUATE THAT OPPORTUNITY AS WE AWAIT THE DECISION OF THE COMMERCE COMMISSION IN REGARD TO OBTAINING CLEARANCE TO PROCEED WITH A FULL ACQUISITION, IF WE DECIDE THAT IT IS IN THE BEST INTERESTS OF YOU, OUR SHAREHOLDERS.

AS YOU WILL BE AWARE, 2007 WAS THE YEAR THAT THE COLES GROUP SIGNALLED ITS INTENTION TO SELL. ALTHOUGH IT WAS NEVER PART OF OUR ACQUISITION STRATEGY, WE DID OF COURSE TAKE THE OPPORTUNITY TO MAKE AN OFFER FOR THE GENERAL MERCHANDISE ASSETS OF THAT COMPANY.

MOVING FORWARDS, WE REMAIN ACTIVE AND VIGILANT OBSERVERS OF A WIDE RANGE OF POTENTIAL ACQUISITION OPPORTUNITIES BOTH IN AUSTRALIA AND OVERSEAS. OUR CAPITAL MANAGEMENT STRATEGY ENABLES US TO MAINTAIN THE FLEXIBILITY TO PURSUE OPPORTUNITIES AS AND WHEN THEY MAY ARISE. OUR CREDIT RATING REMAINS EXEMPLARY AND THIS IS AN INCREASINGLY IMPORTANT STRENGTH FOR WOOLWORTHS, PARTICULARLY IN LIGHT OF RECENT FLUCTUATIONS IN THE GLOBAL DEBT MARKET.

INTEGRATION OF ASSETS

OF COURSE THE AMALGAMATION OF ASSETS FROM PREVIOUS ACQUISITIONS CONTINUES TO KEEP THE TEAM ENGAGED AS WE EXTEND OUR CONSIDERABLE INTELLECTUAL PROPERTY IN SUPPLY CHAIN MANAGEMENT AND INFORMATION TECHNOLOGY IN ORDER TO FULLY HARVEST THE AVAILABLE SYNERGIES.

THE PROJECT REFRESH PROGRAMME HAS DELIVERED US A SIMPLY UNIQUE FOUNDATION FOR DEVELOPMENT AND THERE IS STILL SO MUCH MORE POTENTIAL THAT WE ARE YET TO MINE.

OVER THE LAST YEAR WE HAVE MADE GREAT PROGRESS IN INTEGRATING OUR NEW ZEALAND BUSINESS. IT'S A CONSIDERABLE UNDERTAKING BUT WE ARE GRATEFUL FOR THE SUPPORT AND PARTICIPATION OF ALL OUR NZ COLLEAGUES UNDER THE LEADERSHIP OF PETER SMITH.

CAPITAL MANAGEMENT

OUR FUTURE INTENTIONS IN THIS AREA DEPEND UPON WHETHER WE MAKE FURTHER ACQUISITIONS, AND IF SO, WHEN. IN THE ABSENCE OF MAJOR CAPITAL EXPENDITURE, WE WOULD CONSIDER A POSSIBLE RETURN OF CAPITAL WITHIN THE 2008 CALENDAR YEAR, AFTER CONSIDERING CAREFULLY THE FORM OF DELIVERY AND THE EXTENT.

MANAGEMENT & LEADERSHIP

UNDER MICHAEL LUSCOMBE'S OUTSTANDING LEADERSHIP, THE MANAGEMENT TEAM AT WOOLWORTHS CONTINUES TO FLOURISH. WOOLWORTHS HAS AN INCREASINGLY STRONG TEAM CULTURE WHICH RESONATES RIGHT THROUGH THE ORGANISATION FROM STORE LEVEL THROUGH TO BOARD LEVEL, WHERE THE MANAGEMENT TEAM WORKS IN TANDEM WITH THE BOARD OF DIRECTORS IN ORDER TO DEVELOP AND EXECUTE AGREED STRATEGIES FOR GROWTH. THE CULTURE OF THE COMPANY, BUILT ON A SENSE OF INTEGRITY AND RESPONSIBILITY, IS PROBABLY WOOLWORTHS' STRONGEST ASSET AND AS CHAIRMAN, I WOULD

LIKE TO THANK THE MANAGEMENT TEAM FOR CONTINUING TO CULTIVATE AND RECOGNISE THE VALUE OF THIS IMPORTANT ATTRIBUTE.

THE BOARD AND GOVERNANCE

THERE HAVE BEEN SEVERAL CHANGES TO THE MEMBERSHIP OF THE WOOLWORTHS BOARD THIS YEAR. FIRSTLY I WOULD LIKE TO ACKNOWLEDGE AND THANK PROFESSOR ADRIENNE CLARKE, WHO RETIRED FROM THE WOOLWORTHS BOARD IN SEPTEMBER AFTER THIRTEEN YEARS. ADRIENNE JOINED THE WOOLWORTHS BOARD IN 1994 SHORTLY AFTER THE COMPANY WAS LISTED, AND HAS MADE SPECIAL CONTRIBUTIONS IN AREAS SUCH AS FOOD TECHNOLOGY, INTELLECTUAL PROPERTY PROTECTION AND UNDERSTANDING THE CUSTOMER EXPERIENCE. I WOULD LIKE TO THANK ADRIENNE FOR HER OUTSTANDING CONTRIBUTION AND ON BEHALF OF THE BOARD, MANAGEMENT, STAFF AND SHAREHOLDERS, WISH HER EVERY SUCCESS IN THE FUTURE.

WE ALSO WELCOME TWO NEW DIRECTORS, BOTH OF WHOM STAND FOR ELECTION TODAY. I AM DELIGHTED TO WELCOME ALISON WATKINS AND IAN MACFARLANE TO THE BOARD OF WOOLWORTHS. THEIR EXPERIENCE, ENTHUSIASM AND CAPABILITIES WILL ADD SUBSTANTIAL VALUE TO THE OVERALL GOVERNANCE PROCEDURES FOR THE COMPANY. ALISON WATKINS'S CAREER HISTORY INCLUDES

LEADERSHIP ROLES IN AGRICULTURAL AND FOOD PROCESSING AND SHE WAS ALSO A SENIOR EXECUTIVE AT THE ANZ BANKING GROUP.

IAN MACFARLANE IS OF COURSE, FORMER GOVERNOR OF THE RESERVE BANK AND A DIRECTOR OF ANZ AND LEIGHTON HOLDINGS. IAN'S CONSIDERABLE EXPERIENCE AS A LEADING ECONOMIST WILL BE OF GREAT VALUE TO AN ORGANISATION SUCH AS WOOLWORTHS. PLEASE JOIN ME IN WELCOMING BOTH ALISON AND IAN TODAY.

I WOULD ALSO LIKE TO EXTEND MY THANKS AND APPRECIATION TO MY OTHER COLLEAGUES ON THE WOOLWORTHS LIMITED BOARD, LEON L'HUILLIER, JOHN ASTBURY, DIANE GRADY, RODERICK DEANE AND OF COURSE, MICHAEL LUSCOMBE AND TOM POCKETT.

ACKNOWLEDGEMENTS

FINALLY, I WOULD LIKE TO RECOGNISE AND COMMEND THE CONTRIBUTION AND ACHIEVEMENTS OF THE 180,000 WOOLWORTHS EMPLOYEES WHO WORK SO TIRELESSLY TO DELIVER GREAT SERVICE TO OUR CUSTOMERS EVERY DAY. I WOULD ALSO LIKE TO ACKNOWLEDGE THE THOUSANDS OF SUPPLIERS WHO WORK IN PARTNERSHIP WITH US TO CREATE A BETTER SHOPPING EXPERIENCE FOR OUR CUSTOMERS. TO ALL OUR SHAREHOLDERS FOR THEIR ONGOING TRUST AND FAITH IN THE COMPANY. AND FINALLY TO OUR CUSTOMERS – WE ARE EVER MINDFUL OF THE FACT

THAT YOU HAVE CHOICES AND WE GREATLY VALUE THE FACT THAT
YOU CHOOSE TO SHOP WITH WOOLWORTHS.

THANK YOU.