

WOOLWORTHS LIMITED

A.B.N 88 000 014 675

27 November 2008

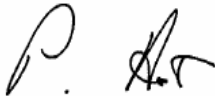
The Manager, Companies
Australian Stock Exchange Limited
Company Announcements Office
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: Woolworths Limited – Chairman’s Address - Listing Rule 3.13.3

Attached is a copy of the Chairman’s Address to the 2008 Woolworths Limited Annual General Meeting being held today.

**For and on behalf of
WOOLWORTHS LIMITED**



**PETER J HORTON
COMPANY SECRETARY**

Chairman's 2008 AGM Address

STRONG BALANCE SHEET

ON BEHALF OF THE BOARD OF WOOLWORTHS LIMITED I AM PLEASED TO REPORT THE COMPANY HAS EXPERIENCED ANOTHER YEAR OF STRONG GROWTH.

THIS RESULT IS THE OUTCOME OF CONSISTENT DELIVERY AGAINST THE COMPANY'S CLEARLY DEFINED STRATEGIES AND WOULD NOT BE POSSIBLE WITHOUT THE MANY YEARS OF HARD WORK IN ESTABLISHING THE FOUNDATIONS FOR THE POSITIVE MOMENTUM PRESENTLY BEING EXPERIENCED.

CREDIT MUST ALSO GO TO THE INDUSTRIOUSNESS AND COMMITMENT TO EXCELLENCE OF THE WOOLWORTHS TEAM, AND THE OVERWHELMING SUPPORT OF THE MILLIONS OF AUSTRALIANS WHO SHOP WITH US, EXEMPLIFIED BY AROUND 20 MILLION TRANSACTIONS EACH WEEK ACROSS THE GROUP.

WOOLWORTHS REMAINS FOCUSED ON REINVESTING IN ALL OF ITS BUSINESSES TO ENSURE THIS MOMENTUM CONTINUES AND IS WELL POSITIONED FOR FUTURE GROWTH.

THE COMPANY'S BUILT-IN RESILIENCE ENSURES ITS BALANCE SHEET REMAINS STRONG AND IN THIS CURRENT FINANCIAL ENVIRONMENT, IT IS A GREAT ASSET FOR WOOLWORTHS TO HAVE GOING FORWARD.

MOST NOTICEABLY, NET PROFIT INCREASED BY 25.7% TO MORE THAN \$1.6 BILLION.

2008 AGM PROCEDURES

THIS IMPRESSIVE RESULT WAS BROUGHT ABOUT BY A SALES INCREASE OF 10.7% TO \$47 BILLION AND EARNINGS BEFORE INTEREST AND TAX UP 19.8% TO \$2.528 BILLION.

THE COMPANY ALSO REDUCED THE COST OF DOING BUSINESS BY 43 BASIS POINTS.

THE BOARD IS PLEASED WITH THE STRONG INVESTOR SUPPORT WHICH WE BELIEVE IS IN RECOGNITION OF THE COMPANY'S SOUND TRACK RECORD, WORLD-CLASS CAPABILITY AND ITS PROMISING PROSPECTS.

AND WE ARE DELIGHTED SHAREHOLDERS ARE ABLE TO BENEFIT FROM ANOTHER EXCELLENT PERFORMANCE.

THE RETURNS FOR THE YEAR JUST FINISHED WERE 24% INCREASE IN EARNINGS PER SHARE TO 134.9 CENTS, AND AS I SAID EARLIER, A TOTAL DIVIDEND PAY OUT OF 92 CENTS, AN INCREASE OF 24.3% OVER LAST YEAR.

CAPITAL MANAGEMENT AND FUTURE GROWTH

AT WOOLWORTHS, THE CURRENT CLIMATE IS SEEN AS THE RIGHT TIME TO KEEP MOVING FORWARD.

THE COMPANY HAS PLANS THIS FINANCIAL YEAR TO SPEND \$1.9 BILLION IN CAPITAL EXPENDITURE - THIS MEANS REFURBISHING SOME 350 STORES RIGHT AROUND THE COUNTRY.

IT IS IN A GOOD POSITION TO BE MAKING THIS INVESTMENT AND WILL STRIVE TO MAKE SURE IT MEETS THESE COMMITMENTS.

2008 AGM PROCEDURES

WOOLWORTHS PREVIOUSLY ADVISED THE MARKET, THAT, IN THE ABSENCE OF ANY MAJOR ACQUISITION WE WOULD UNDERTAKE SOME FORM OF CAPITAL MANAGEMENT IN THE 2008 CALENDAR YEAR. WHILST CAPITAL MANAGEMENT REMAINS AN IMPORTANT ISSUE, GIVEN THE CURRENT WORLD ECONOMIC CIRCUMSTANCES, IT IS CONSIDERED MORE PRUDENT TO DEFER ANY CAPITAL MANAGEMENT ACTIVITY AT THIS TIME.

WOOLWORTHS' OBJECTIVE OF PRESERVING ITS CAPITAL STRENGTH TO GIVE IT THE FLEXIBILITY TO PURSUE ADDITIONAL GROWTH AND DEVELOPMENT OPPORTUNITIES BOTH ORGANICALLY AND BY ACQUISITION REMAINS UNCHANGED.

THERE IS CONTINUING POTENTIAL TO INCREASE MARKET SHARE IN ALL WOOLWORTHS' BUSINESSES IN BOTH AUSTRALIA AND NEW ZEALAND AND THE COMPANY'S BALANCE SHEET, DEBT PROFILE AND STRENGTH OF CREDIT RATINGS (S&P A-, MOODYS A3) ENSURE IT IS WELL PLACED FOR FUTURE GROWTH.

WOOLWORTHS' VISION IS TO CONTINUE TO DRIVE ITS RETAIL BUSINESS, BRINGING TO CUSTOMERS GREATER CONVENIENCE, QUALITY, LOWER PRICES AND BETTER VALUE, RANGE, FRESHNESS AND SERVICE.

BECAUSE OF ITS LONG-TERM INVESTMENT IN ITS LOGISTICS SYSTEMS AND STORE REFURBISHMENTS, THERE IS SIGNIFICANT OPPORTUNITY FOR WOOLWORTHS TO INTRODUCE NEW PRODUCTS, SERVICES, CATEGORIES AND FORMATS.

2008 AGM PROCEDURES

HOWEVER, ANY SUCH OPPORTUNITIES MUST LEVERAGE THE COMPANY'S CORE STRENGTHS AND WOULD BE HIGH-VOLUME, LOW-MARGIN BUSINESSES.

ANY INTERNATIONAL EXPANSION WOULD HAVE FULL OVERSIGHT FROM THE BOARD, BE UNDERTAKEN IN A PRUDENT AND DISCIPLINED FASHION AND MEET THE HURDLES REQUIRED FOR ALL CAPITAL INVESTMENT DECISIONS.

CHALLENGING ENVIRONMENT

WHEN YOU HAVE A BUSINESS WHICH IS AS LARGE AND AS MULTI-FACETED AS WOOLWORTHS, THERE ARE VERY FEW ECONOMIC, SOCIAL OR DEMOGRAPHIC ISSUES WHICH WON'T IMPACT IN SOME WAY SHAPE OR FORM.

WOOLWORTHS IS A PEOPLE-INTENSIVE BUSINESS – IT DEPENDS ON HAVING LOTS OF PEOPLE WORKING HARD TO SERVE LOTS OF PEOPLE BUYING PRODUCTS.

SO ANYTHING WHICH AFFECTS PEOPLE'S MOODS, BEHAVIOUR, WELLBEING, STATUS OR STABILITY WILL UNDOUBTEDLY AFFECT THE COMPANY TOO.

YES, OUR ECONOMY IS LOOKING LIKE TAKING A DOWNTURN BUT THIS COUNTRY - AND INDEED THE WORLD - HAS GONE THROUGH HARD TIMES BEFORE, AND WE HAVE ALWAYS COME OUT OF IT SOONER OR LATER.

I HAVE NO DOUBT THIS TIME WILL BE THE SAME.

HOWEVER AT WOOLWORTHS THE BOARD AND MANAGEMENT HAVE ALWAYS BEEN STRONG BELIEVERS IN THE ART OF CAREFUL PLANNING AS A WAY BUSINESSES CAN SAFEGUARD THEMSELVES AGAINST PRESSURE ON CASH FLOW WHEN THE ECONOMY SLOWS DOWN.

THERE IS NO MAGIC FORMULA TO SUCCESS - JUST HARD WORK, HARD THINKING, GOOD LEADERSHIP AND PERFORMING THE ESSENTIALS WELL.

GOOD GOVERNANCE

INCREASINGLY, SOCIETY APPEARS TO BE LOOKING TO THE CORPORATE SECTOR TO TAKE ACTION ON A RANGE OF SOCIAL ISSUES FROM CLIMATE CHANGE TO OBESITY, DRUG ABUSE TO WILDLIFE PROTECTION.

PROFIT IS NO LONGER THE ONLY LICENCE TO OPERATE - ADDING VALUE TO THE PLANET AND TO ITS PEOPLE ARE EQUALLY AS CRITICAL.

IN FACT, SOCIAL RESPONSIBILITY IS VERY MUCH THE NEW PARADIGM, FROM BOTH A REGULATORY AND CONSUMER ACCEPTANCE PERSPECTIVE.

CORPORATE RESPONSIBILITY IS SOMETHING WHICH SHOULD BE EMBEDDED WITHIN EVERY GOOD BUSINESS STRATEGY, FACTORED INTO EVERY BUSINESS DECISION AND COMMUNICATED THROUGH THE BEHAVIOUR OF EVERY MEMBER OF STAFF.

TO THIS END, WOOLWORTHS HAS INVESTED IN BUILDING RIGOROUS PROGRAMS ACROSS THE BROAD SPECTRUM OF ISSUES RELATING TO SUSTAINABILITY, RISK MANAGEMENT AND PROPER GOVERNANCE PROCEDURES.

HIGH-QUALITY EDUCATION AND AWARENESS PROGRAMS ARE RUN CONTINUOUSLY THROUGHOUT ALL BUSINESSES, AND PERFORMANCE MEASURES ARE USED TO MONITOR PROGRESS.

PEOPLE

AS AN ORGANISATION OF ALMOST 190,000 EMPLOYEES, PEOPLE ARE WOOLWORTHS' GREATEST ASSETS.

YEAR AFTER YEAR WOOLIES PEOPLE TRULY "WALK THE TALK", MAKING A POSITIVE AND LASTING IMPACT ON THEIR COMMUNITIES.

IN ORDER TO BE COMPETITIVE AND DISTINCTIVE IN ITS SERVICE DELIVERY, IT IS ESSENTIAL TO THE SUCCESS OF WOOLWORTHS LIMITED THAT IT CONTINUES TO BUILD AND MAINTAIN A HIGH-PERFORMING AND ENGAGED TEAM OF EMPLOYEES.

THE COMPANY'S HUMAN RESOURCES DEPARTMENT SPENDS CONSIDERABLE TIME UPDATING AND DEVELOPING NEW WAYS TO SUPPORT THE DEVELOPMENT OF ITS PEOPLE.

I COMMEND ALL EMPLOYEES FOR THEIR DEDICATION AND HARD WORK.

I BELIEVE WOOLWORTHS IS WELL POSITIONED FOR FURTHER GROWTH, WITH ITS BASICS BEDDED-DOWN AND ITS FOCUS BEING NOT ONLY ON STRATEGY, BUT ON THE EXECUTION OF THAT STRATEGY AT EVERY LEVEL OF THE BUSINESS.

IT TAKES A STRONG TEAM AND A STRONG TEAM CULTURE TO DO THAT.

THEREFORE, THE BOARD CONGRATULATES MICHAEL LUSCOMBE AND HIS MANAGEMENT TEAM, AND ALL THE OTHER LEADERS AND ENTHUSIASTIC PERFORMERS THROUGHOUT THE WOOLWORTHS GROUP, ON ANOTHER OUTSTANDING YEAR, BUILDING THE STRENGTH OF THE BUSINESS ON THE SOLID AND STABLE FOUNDATIONS ESTABLISHED OVER RECENT YEARS.