

31 January 2012

The Manager Companies  
Australian Securities Exchange Limited  
Company Announcements Office  
Level 4 20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**RE: Woolworths Limited – Consumer Electronics Strategic Review**

Please find attached announcement pertaining to the outcome of the Consumer Electronics strategic review.

**For and on behalf of  
WOOLWORTHS LIMITED**



**PETER J HORTON**  
Group General Counsel and Company Secretary

31.01.12

**PRESS RELEASE**

## Woolworths announces outcome of Consumer Electronics strategic review

Woolworths Limited (“Woolworths”) has today announced it will accelerate the restructure of its specialty consumer electronics brand, Dick Smith, with a view to divesting the business in a staged and considered process.

A strategic review, announced in November 2011, concluded that Woolworths’ main strengths are primarily in larger format, multichannel, high volume retail segments with market-leading positions. The future of the Dick Smith business, which is profitable, experiencing positive sales growth and has a strong brand position, could be better realised through new ownership.

The strategic review, conducted with expert external assistance, has concluded that:

- Consumer electronics will remain an important category for Woolworths and is better delivered through BIG W and its expanding multichannel offer;
- The investment and management attention given to Dick Smith have been disproportionate relative to its position within the Woolworths group. The company’s current focus is on accelerating growth in its core trading divisions;
- Following further restructure, Dick Smith will be divested as a going concern to an appropriate buyer and will continue to operate as normal.

Woolworths Limited CEO Grant O’Brien said: “Dick Smith is an iconic specialty consumer electronics brand, with a strong team and its own leading online presence. It has developed into a trusted technology retail and services hub, carrying world-leading brands and with strong market share in several key categories. However we believe that separating this speciality model from Woolworths is now the best option for the future of both businesses.”

- More -

“Business will continue as usual for Dick Smith, its customers, suppliers and staff, building on the strong Christmas sales period.”

Mr O’Brien said consumer electronics is an important category for Woolworths’ customers, and the company intends to continue its growth in this category via the BIG W business.

“A divestment of Dick Smith will enable the Woolworths group to focus more investment on serving customers in its core business with a strong multichannel offer, backed with market-leading fulfilment systems and an effective store network.”

Since the announcement of the strategic review, Woolworths has received a number of unsolicited approaches in relation to Dick Smith. Woolworths will now explore these and all other potential options to optimise shareholder value.

In order to maximise value and best position the business for divestment, Woolworths will implement a number of business improvement initiatives identified by the strategic review, including accelerating the rationalisation of the store network, with up to 100 underperforming stores identified for closure within the next two years. Affected staff will be offered redeployment elsewhere in the Woolworths group.

A restructuring provision of \$300m will be taken in the first half of FY12.

Greenhill Caliburn has been appointed to advise on the divestment process with an objective to maximise shareholder value.

**CONTACT DETAILS:** Woolworths Press Office (02) 8885 1033.