

WOOLWORTHS LIMITED

12.01.11

PRESS RELEASE

Flood Update – 12th Jan

Woolworths Limited is increasingly concerned about stock levels in Queensland stores given the extent of road closures, supply issues and staff shortages.

We are working in conjunction with other major retailers and the Queensland Government on contingency measures to maintain supply of essential provisions to communities across the State by any means possible.

Store Closures

- 9 Supermarkets in Ipswich and Brisbane – due to power outages and staff shortages
- 2 BIG Ws – due to power outages and staff shortages
- Approximately 30 Dick Smith stores – a small number of which are flooded
- Approximately 50 BWS stores – a small number of which are flooded
- 4 hotels including extensive flooding at The Breakfast Creek
- 1 Dan Murphy's at Redbank Plains
- Approximately 10 petrol stations
- Brismeat meat processing centre in Ipswich

Damage to property from flooding is minimal at this time.

Supply Levels

Stores across the State are running very low on fresh food including bread, milk, eggs, meat, poultry and produce. Many supplier production facilities in Queensland are also closed due to flooding, power outages and staff issues and this will cause significant shortages in the coming days.

WOOLWORTHS LIMITED

WOOLWORTHS LIMITED

Logistics

The major challenge continues to be the delivery of stock throughout Queensland. Mt Isa and Cloncurry will now be serviced via Adelaide and Tennant Creek, Weipa will be serviced by barge from Darwin. All other stores to the north and west of Gympie are only receiving sporadic deliveries.

Coastal shipping options are limited given the closure of the Port of Brisbane.

Woolworths is working with the Queensland Government and other major retailers to assess opportunities to airlift emergency supplies into areas where stock levels are particularly low.

The majority of Brisbane metro stores continue to receive daily deliveries.

Price Impact

While a number of fruit and vegetable lines have been affected by flooding, the Queensland produce season has largely come to an end. We therefore do not expect there to be any broad impact on prices in the short term, but we are concerned about the potential supply challenges in April/May when the Queensland season is due to recommence.

In terms of general product pricing, Woolworths will not raise any prices to offset the increased freight costs resulting from the floods.

Customers

Customers are stocking up on groceries and this increased demand is putting a great deal of pressure on stock availability. Customers are asked to please be patient in stores and to bear with us while we do our best to restock the shelves.

A further operational update will be provided on Thursday afternoon

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