

WOOLWORTHS LIMITED

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PRESS RELEASE

Sale of Dick Smith Electronics

Woolworths Limited (Woolworths) today announced that it has signed a share sale agreement with Australian private equity firm Anchorage Capital Partners (Anchorage) for the divestment of Dick Smith Electronics (Dick Smith). The transaction is expected to complete in late 2012 following satisfaction of customary conditions.

CEO Grant O'Brien announced in January 2012 Woolworths' intention to exit the Dick Smith business through a restructure and divestment process. The sale of Dick Smith follows a detailed strategic review and restructure of the business which determined that the business was non-core in the size and context of the broader Woolworths retail platform and focus on maximising shareholder value.

Under the sale agreement, Anchorage will purchase 100 per cent of the business including 325 stores employing more than 4,500 people.

Initial cash proceeds will be \$20 million to be received in the FY13 Year with Woolworths potentially benefiting from any upside resulting from a future sale of Dick Smith by Anchorage.

Woolworths will now work closely with Anchorage and the Dick Smith team to commence a smooth transition to new ownership and separation from Woolworths.

During FY12, Woolworths took a restructuring provision of \$420 million pending the divestment of Dick Smith and advises that following the completion of the sale it will have no future downside exposure to the ongoing business.

The details of the transaction are confidential and not material in the context of Woolworths Limited.

Under new ownership Dick Smith will continue to trade as one of Australia's most iconic specialty consumer electronic brands.

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