

WOOLWORTHS LIMITED

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PRESS RELEASE

Woolworths exit from specialty consumer electronics category

Woolworths Limited (Woolworths) today announced the divestment of its retail and wholesale consumer electronics businesses in Australia, New Zealand and India.

Woolworths CEO Grant O'Brien said: "We announced the Company's strategic priorities in November 2011 which included a review of our portfolio of assets, particularly our participation in the consumer electronics category, with a view to maximising shareholder value. These businesses were a small part of Woolworths and this divestment will allow us to be fully focused on the core parts of our business."

Divestment of Dick Smith, Australia & New Zealand

Woolworths 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.

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.

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.

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Divestment of stake in Woolworths Wholesale, India

Woolworths has signed an agreement to sell its interest in Woolworths Wholesale to Infiniti Retail Limited (owned by Tata Sons) for A\$35 million. Woolworths has enjoyed a successful relationship with the Tatas since 2005. In that time we have provided the retail knowledge and wholesale support that have helped them to establish and grow the Croma-branded national retail chain.

Both parties entered into this venture with the intention of merging the wholesale and retail businesses once FDI regulations were relaxed. However, with our decision to exit the consumer electronics specialty store sector in Australia and New Zealand, we have now decided to sell the wholesale business in India to Infiniti. We wish them every success with the continued development of the Croma brand in India.

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