

# WOOLWORTHS LIMITED

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## WOOLWORTHS GROWS MULTI-OPTION BUSINESS WITH EZIBUY ACQUISITION

Woolworths Limited (Woolworths), Australia and New Zealand's largest multi-option retailer, has announced that it will acquire New Zealand-based direct retailer EziBuy Holdings Limited (EziBuy).

EziBuy is a leading direct-to-customer retailer of apparel and homewares in Australia and New Zealand operating primarily via an online platform, catalogues and contact centres. The acquisition will accelerate Woolworths' growth of its multi-option business with enhanced capabilities, as EziBuy is scaled specifically for fulfilling direct-to-customer orders.

Woolworths Chief Executive Officer, Grant O'Brien, said: "One of the four Strategic Priorities we outlined in 2011 was to maintain our track record of building new growth businesses, and specifically to grow our multi-option presence.

"This acquisition will provide us with a unique competitive advantage as we continue to develop our multi-option capabilities. We believe the combination of our retail network, EziBuy's direct selling expertise and our respective loyal customer bases is a winning formula for us.

"Direct-to-customer retailing is a critical part of the multi-option market and it is clear that these channels will continue to provide Woolworths with opportunities for growth and innovation. Cellarmasters is a great example of this with the benefits and learnings this business has brought to our Liquor division.

"We are keen to collaborate with the excellent team at EziBuy to expand the category offering and deliver a best practice online experience for customers. They are a talented team and we welcome them to the Woolworths family."

EziBuy was founded in Palmerston North in New Zealand with a single store in 1978 and has built a loyal customer base across Australia and New Zealand based on the strength of its catalogue offering.

Today, EziBuy operates a sophisticated direct-to-customer business backed by a customer contact centre and a world-class distribution centre that specialises in direct-to-consumer logistics. EziBuy also operates four retail stores in New Zealand.

EziBuy is a successful business with a history of profitable growth. Currently 68 per cent of EziBuy's sales are from Australia and the business retails its own brands (Capture, Urban, Emerge, Grace Hill and Sara among others). It also has distribution relationships with major international apparel retailers Otto and Next.

EziBuy Chief Executive, Simon West, said: "We are delighted to have the backing of Woolworths as we embark on the next phase of our growth. The business has come from humble beginnings to become a market leader in both Australia and New Zealand by providing convenience, quality and affordability. Further investment in mobile platforms, customer insights and distribution will be priorities for us now as we move forward."

The acquisition is valued at NZ\$350 million and is subject to approval from New Zealand's Overseas Investment Office (OIO).

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Media Release