

WOOLWORTHS LIMITED

11 October 2010

PRESS RELEASE

Woolworths successfully completes \$704 million off-market share buy-back

Woolworths Limited (“Woolworths”) today announced the successful completion of its \$704 million off-market share buy-back.

The outcomes of the buy-back are as follows:

Size	\$704 million
Market Price ¹	\$29.7951
Buy-Back Discount	14.0%
Buy-Back Price	\$25.62
Capital Component of Buy-Back Price	\$3.08
Fully Franked Dividend Component ²	\$22.54
Tax Value ³	\$28.54
Number of Shares Bought Back	27.5 million
Percentage of Issued Capital	2.2%
Scale Back	88.2%

Chief Executive Officer, Michael Luscombe said “We have now returned more than \$1 billion to shareholders in the 2010 calendar year - a combination of this \$704 million off-market buy-back plus a \$325 million on-market buy-back completed in the first half of the calendar year. This is in addition to the \$1.3 billion of fully franked dividends paid to shareholders in the 2010 financial year”.

“Woolworths sets its capital structure with the objective of enhancing shareholder value through optimising its weighted average cost of capital while retaining flexibility to pursue growth opportunities,” Mr Luscombe said.

The overwhelming shareholder support for the buy-back meant offers were only accepted from shareholders who tendered their shares at a 14 per cent discount and/or as final price tenders.

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A priority parcel of 210 shares was bought back from each successfully tendering shareholder before any scale back was applied. In addition, shareholders who held 306 shares or fewer and successfully tendered all their shares had their entire shareholding bought back. All other successful tenders were scaled back by 88.2%. The buy-back price was above the minimum prices set out in the buy-back tender form, so no tenders were excluded on the basis of a minimum price condition.

The final Class Ruling to be issued by the ATO is expected to confirm that \$22.54 per share of the buy-back price will be treated as a fully franked dividend, and that for Australian capital gains tax purposes, the deemed capital proceeds are \$6.00, being the \$3.08 capital component plus \$2.92, being the excess of the Tax Value over the buy-back price.

Payments to bank accounts for shares bought back and dispatch of cheques are expected to be completed by Monday, 18 October. Shares that have been tendered into the buy-back but not bought back are expected to be released to shareholders' holdings by the close of business today.

Shareholders who would like to make enquiries in relation to their tenders may contact the Buy-Back Information Line on 1300 368 664 from within Australia or on +61 3 9415 4055 from outside Australia between the hours 8.30am to 5.30pm (Sydney time), Monday to Friday.

Ends

For further information contact:

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¹ The Market Price means the volume weighted average price of Woolworths' ordinary shares on the ASX excluding certain trades (as defined in the buy-back booklet) over the five trading days up to and including the closing date (Friday, 8 October 2010) calculated to four decimal places.

² As set out in the buy-back booklet, Woolworths has applied for a Class Ruling from the Australian Taxation Office ("ATO") and the statements on tax treatment are based on a draft Class Ruling that Woolworths has received. The final Class Ruling to be issued by the ATO is expected to confirm the opinion set out in the draft Class Ruling, but it is possible that it will contain a different opinion to the one set out in the buy-back booklet.

³ In accordance with the ATO's Tax Determination TD 2004/22, the Tax Value was calculated as \$26.36, adjusted for the movement in the S&P/ASX 200 index from the opening level on Thursday, 26 August 2010 to the closing level on Friday, 8 October 2010