

WOOLWORTHS LIMITED

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PRESS RELEASE

Woolworths welcomes Grocery Prices Inquiry

Woolworths Limited welcomes the announcement by the Federal Government of the terms of reference to an Australian Competition and Consumer Commission (ACCC) inquiry into grocery prices.

Woolworths looks forward to assisting the Inquiry to fully examine the factors driving food price inflation which will give customers a better understanding of these issues.

Director of Corporate and Public Affairs, Andrew Hall, said Woolworths has already been providing internal cost/sell data on 20 key produce lines to the ACCC on a regular basis.

“Over the last twelve months, Woolworths has been absorbing significant increases in supply costs in order to keep prices as low as possible for customers.

“The cost of key inputs for basic food items, such as grain and dairy, has been significantly affected by the drought, global export demands and increasing competition from bio fuel.

“These factors have combined with increased operating costs as record oil prices and increasing energy charges have impacted on transport logistics and chilled storage costs.

“Food retailing in Australia is highly competitive, with more than 50% of market share in the hands of independents and franchise operators.

“Woolworths welcomes this Inquiry as an opportunity to get all the facts examined in an open and objective manner,” Mr Hall said.

No further comment will be made at this time.

CONTACT DETAILS: Clare Buchanan on 02 8885 1032 or 0404 829 033

Woolworths Limited is an Australian-owned retail business. It operates 760 supermarkets in Australia and employs more than 145,000 Australians.

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