

Start of Transcript

Gordon Cairns: Good morning ladies and gentlemen. My name is Gordon Cairns and I'm the Chairman of Woolworths Limited. I'd like to begin by welcoming my fellow shareholders here in Melbourne and those joining us via webcast to this annual general meeting of Woolworths Limited. We appreciate the effort you have made to attend today. I would also like to acknowledge the traditional owners and custodians of the land on which we meet today, the Wurundjeri people of the Kulin nation. I pay my respects to their elders, both past and present.

Before we start the meeting I'd like to outline the emergency procedures for this venue. The emergency exits for this room are marked behind me; you see them here and here. Please take a moment to identify the emergency exits closest to you. In the event of an emergency one of two alarms may sound. The alert alarm is a warning, beep, everyone get that? Thank you, thank you.

If this alarm sounds, please stand by for further instructions. If the evacuating alarm sounds a whooping alarm - I should have been a ventriloquist - all occupants will be directed by wardens to leave via the emergency exits. Everyone must follow directions by the wardens. The primary evacuation assembly point is Flinders Wharf Park which is on the northern side of the Yarra River, over Seafarers Bridge. Your wardens will guide you to the most appropriate evacuation assembly point.

Now let me briefly introduce my colleagues joining me on the stage today. Their biographies are contained in the Annual Report, so I won't repeat that detail. On my right and your left are Brad Banducci, Brad as you know is the Managing Director and Chief Executive Officer of Woolworths Limited. You'll be hearing from Brad in a moment. Next to Brad is Jillian Broadbent, Jillian is standing for re-election at this meeting and she will address the meeting later today. Next to Jillian is Michael Ullmer, the Chairman of our Audit, Risk Management and Compliance Committee.

Next to Michael is Kathee Tesija. On my left and your right are Richard Dammery, our Chief Legal Officer and Company Secretary. Next to Richard is Holly Kramer, the Chair of our People and Performance Committee. Next to Holly is Scott Perkins, the Chair of the Sustainability Committee, and Scott is also standing for re-election at today's meeting. Next to Scott is Siobhan McKenna.

Members of the Woolworths Group Executive Team, in addition to Brad and Richard, are also with us today, and you'll see them sitting along the front row. Your directors have

already enjoyed talking to some of you before the meeting and we'd like to continue those conversations after the meeting where you'll have the opportunity to discuss the progress taking place in our business and also taste some of our products. Now every year we receive a number of questions about individual customer service, product or store related matters. I'd really encourage you to raise such matters with the Group Executive Team and with other team members at one of the customer service stations in the foyer after the meeting. I would also acknowledge the attendance here today of Andrew Griffiths, the lead Partner of our auditors, Deloitte. Andrew is available to answer questions through me on the conduct of the audit and the preparation and content of the auditor's report.

So now ladies and gentlemen I'd like to give you a short address on the three main areas that the Board focused on in our financial year 2017. Namely building a customer first culture, building a customer first strategy and capital management. Brad will talk to our performance for the year.

These areas are not the only things that we focus on as a Board, but you'll appreciate time dictates that I can only select a few to speak about here today. Over the past year, underpinning everything in the Group has been an unwavering focus on the customer. We want to be obsessive about the customer, their needs and how we serve them best. If we do not, we will lose out to those who do. This means listening to our customers. We talk to over 50,000 of them each month. It means measuring their feedback and how we are servicing them through the Voice of the Customer score, and it means taking a customer-first lens in all of our decisions.

Developing a Customer first team and culture remains central to our transformation journey. We are developing leaders who are capable and committed to leading a purpose-driven business at Woolworths. Customer first also means caring about our customers and our team by providing a safe environment in which to work and shop. I'm delighted to announce that we've made great progress on our total recordable injury frequency rate, the measurement we use, but we have a long ways to go.

During the year we re-launched our Group Purpose, Ways of Working and Core Values. Our purpose is we create better experiences together. This reflects our belief that we can create better experiences for our customers, our team members and our partners if we work collaboratively together as a team. An important aspect of our culture is to represent the communities that we serve. To do this we must encourage diversity in all its forms. Diversity means at least 40% of Executive and Senior Management positions will be held

by women. It means equal pay for team members of equivalent position and performance. And by 2020 we will truly reflect the communities in which we serve.

Our commitment to Indigenous opportunities is to achieve employment levels of 2% of our store operations team and 2% of our graduates, including through the Federal Government's Employment Parity Initiative. I'm delighted to report we now have over 3300 Indigenous team members at Woolies and our retention rate in this in the Employment Parity Initiative is 82%. Finally we want to achieve gold tier employment status in the Australian Workplace Equality Index for LGBTI inclusion.

Now can I move to the second area of focus as a Board, and that is strategy. Having recently completed final transactions associated with the closure of the Masters Home Improvement business, our strategy pure and simply is to work hard to get customers to put us first in their shopping needs. Everything we do starts with creating a better experience for our customers. This is a transformation journey and it's a transformation journey across three pillars. Our Australian and New Zealand food business, Endeavour Drinks and our portfolio businesses.

Let me start with the largest business first, Australian Food. We spent 2017 fixing the basics, we restored our price competitiveness with Coles and we invested in team hours in the stores. We upgraded our stores to provide a better shopping experience, we improved the quality and presentation of our fruit and vegetables and we gave our store teams a quality app to provide feedback to our buyers and our partners. We selectively reduced the range to optimise sales and profit per linear metre.

We improved the price competitiveness and quality of our own brands to compete more effectively with Aldi and we created WooliesX, combining rewards and digital to provide customers with greater choice on how they shop with us, an offering that is counter competitive to others such as Amazon.

Finally we developed a win-win partnership with our partners based on mutuality of benefit. Whilst we've come a long way, in order to truly transform our food business we have to continue to lead with a truly differentiated customer offer.

Let me move to the second pillar, Endeavour Drinks. Here we're determined to be the world's best drinks retailer. At Dan Murphy's, our destination format, we provide a compelling retail proposition; best price, widest range, knowledgeable service. BWS on the other hand is a local bottle shop; it offers convenience and a range tailored to its location. Pinnacle Drinks enables us to develop our unique own brands at an attractive

margin. Finally through our extensive network we're able to provide the largest click and collect network in the country, which we are now branding Pick up.

Now let me turn to our portfolio businesses starting with BIG W. Yes we have faltered here over the last five years, but we're convinced that we now have a strong plan in place to regain sales momentum. We're resetting prices to regain price trust, essential in a discount department store. Rather than try and win in all categories, we've narrowed our focus down to six universes; kids, home, everyday needs, his, her, and leisure, where we have stronger positions.

We're resetting our stores to improve the shopping experience. As I'm sure you know we also own 49% of Quantium, Australia's leading data analytics company. Aside from being an exciting growth business, Quantium enables us to have greater insights into the shopping habits of our customers.

Turning to ALH, our hotels business, I wanted to acknowledge our long-term and steadfast joint venture partner in the Mathieson family, and I'm delighted that Bruce Junior is here today. For over 12 years we have worked together to develop a wonderful business comprising 328 hotels and of course the nationwide expansion of our retail drinks business. Our ambition is to be the best local pub by providing great value and unrivalled responsible service.

Bars, food and accommodation make up approximately 60% of our revenue, with the balance being gaming. Given the level of interest in gaming at today's AGM I thought I should say a few things about Woolworths' position on this aspect of group operations. As I'm sure most of you remember Woolworths had an Extraordinary General Meeting in 2012 that voted over 97% to oppose changes to the company's constitution that would have placed restrictions on the way ALH operated its gambling machines. The Board does not believe that there has been a material shift in our shareholder's attitude since then.

We respect and understand that some shareholders, and people in the community more broadly, have concerns about ALH's gambling business. Including Dr Rennie, who has nominated for election to the Board today. Welcome, Dr Rennie. Your Board and management have to consider a range of difficult social issues in our operation of the Group's businesses. Some of the products we sell are potentially bad for our customers if not consumed responsibly. When we sell products of this kind, that are legal and legitimate, we seek to do so in an appropriate and responsible way.

With our gambling business we have a hotel and gaming charter. We restrict gambling room access to adults and screen or physically separate the rooms so as not to attract children. We were the first national hotel operator to support voluntary pre-commitment, a system that helps players stick to their limit by nominating maximum spending or time limits on gambling machines. We train our teams to be aware of behaviour that may indicate gambling problems, and to provide appropriate patron support.

We require all ALH hotel managers to complete additional advanced responsible gambling training. We ensure that ATMs where approved are provided for the convenience of all patrons in a controlled location and not in gambling areas. We partner with expert groups and specialists including Gamblers' Help, which as you know is Australia's leading professional counselling service, and the Salvation Army, to assist those who suffer from a gambling problem.

We also work with David Schwarz, who's here today, David could you stand up please? That's David. David is our Responsible Gambling Ambassador, a well known former AFL footballer and a reformed problem gambler. Finally, we conduct internal and external audits to ensure full compliance with the law and company standards. Your Board understands that problem gambling is a very serious community issue. We acknowledge that there are people whose lives have been deeply and adversely affected by gambling, and their experiences have been moving and in some cases tragic. We take our responsibility in this area very seriously.

In the spirit of continuous improvement we plan to do more, we've invited a global authority in this field - is that somebody's mobile phone? Thank you sir. We've invited a global authority in this field, RG+ of Canada, to come down and provide objectivity and learning to enable us to continue to benchmark best practice. We are also committed to obtaining data to understand and manage the issue of problem gambling. These initiatives will not resolve everyone's concern but I hope that they demonstrate the seriousness of our commitment to understand problem gambling and continue to develop appropriate and effective responses.

Let me shift gears now and complete my review by turning to the third area of focus, capital management. We are mindful as an organisation that we had opportunities to do better in this area, hence our focus in our long-term incentive plan on return on funds employed. We've committed to maintaining a solid investment grade credit rating with both S&P and Moody's. We want to optimise our cost of capital but retain the flexibility to invest as opportunities arise. For you, our shareholders, this meant in financial year 2017

a dividend of \$0.84 a share and an increase in the share price of \$4.80 a share, giving a total return of approximately 27% for the financial year 2017.

In conclusion then and before handing to Brad, let me thank our 200,000 plus team members whose hard work has driven these outcomes. Let me thank our partners who understand that our growth and success is their growth and success. Let me thank Brad and his leadership team for truly embracing the transformation agenda with courage, intelligence and sheer hard work. Last but not least let me thank my Board colleagues whose wisdom, insight and camaraderie makes working with them such a joy.

I will now hand over to Brad, our CEO, for an update on the business. Thank you.

Brad Banducci: Thank you, Gordon, and good morning everyone. At our last AGM I spoke to you about our need to recapture the spirit of innovation and obsessive customer focus that made our company such an Australian icon. Since then our team have been working hard to regain our customer's trust and in doing so deliver sustainable long-term growth. Financial year '17 was all about moving from turnaround to transformation. We made significant progress across our customer team and supplier experiences. While there remains much more to do, we are tracking in line with our three to five year plan.

At the beginning of last year we laid out our five key priorities for the Group, and I'm pleased to report that we have made good progress against all of them. Our first priority, as Gordon alluded to, was to build a customer and store-led culture. Over the course of financial '17 we had over 1.4 million customers provide direct feedback to us on how we could improve our business via our Voice of the Customer Survey. Voice of the Customer, or VOC as we call it, allows us to listen and act on what our customers are telling us.

Pleasingly we have seen our Voice of the Customer metrics improve consistently over the course of the year, and VOC remains an invaluable and exciting source of truth and indeed opportunity for us. In line with our culture we are transitioning our head office, as it is called by our store team members, to have been a true support office, supporting our teams in their stores. As part of that process we've introduced a Woollies Welcome, which means that every person who joins our support office starts their work experience with Woolworths in store.

We've had over 500 new support office team members start this way and I think they all agree it's a wonderful way to learn our business, because you get to see and build and understanding of the needs and expectations of our customers, and then critically importantly also get to understand a bit more of the challenges our store team members

have in meeting and hopefully exceeding those expectations. We've also introduced a new incentive plan into the group and very importantly it includes Voice of the Customer as one of the metrics, but the other one is Voice of the Team. We apply this consistent framework of Voice of the Customer and Voice of the Team to all levels and functions inside the group. Myself, the executive team, but all the way down to our store teams are [incented] on exactly the same basis.

In addition to improving Voice of the Customer scores over the course of F17, we also did a lot better on Voice of the Team, in particular keeping our team safe. We had a greater than 20% improvement in our [unclear] during the course of the year. The net result of the improvements in Voice of the Customer and Voice of the Team and our improvement in underlying financial performance was that our team ended up being paid a meaningful bonus for F17, which was very much appreciated by the team, especially in the context of minimal bonuses in prior years.

Our second priority has been to deliver sustainable sales growth in food, which we achieved through the above-mentioned steady and consistent improvement in Voice of the Customer and Voice of the Team scores. We also made material improvement during the course of the year and how we engage with our suppliers. We also measure Voice of the Supplier, and that also went up materially during the year.

Importantly in food we also scaled up our renewal program which is about materially improving the store experience for our customers and for our team, and we did 72 full renewals in F17 but also 85 light upgrades. They are working very well for us and the exciting thing is that there's a lot more to come in F18 and beyond.

Our third priority has been to continue to evolve our drinks business. As Gordon highlighted, we have a very strong position in drinks in Australia with the number one and number two retail brands in Dan Murphy's and BWS respectively. Our challenge is to continue to excite and delight our customers and better meet their ever changing needs. During the year we rolled out Pick up to all of our BWS stores, there's 1240 of them. We also integrated Langtons into Dan Murphy's and materially grew the My Dan Murphy's rewards program, to over 2.4 million members.

Our fourth priority has been to empower our portfolio businesses to achieve their full potential, and we achieved a number of milestones in this area. Our ALH hotels business delivered strong sales and profit growth across all aspects of its operations. We announced the partnership with BP in fact on Christmas Eve, for the sale of our petrol

business which remains subject to ACCC approval. We sold Ezibuy in June, and in October finally completed our exit from Home Improvement.

Finally, while it is still early days in our turnaround journey for BIG W, we understand that we need to materially improve the performance of the business and have a very dedicated new team in place with an agreed turnaround plan. Our final priority is to become a lean retailer and make our stores better for customers and simpler to operate. In Australian food, customer-led rostering is now live in all states and very materially we migrated over 175,000 team members to Success Factors, our new human capital management system, or payroll system as it used to be called in the old days.

We are also building a customer first culture in supply chain and have delivered a material improvement in inventory days and availability. In August we announced our full year result, it really was a year of two halves, with our first half reflecting the significant investment over the last couple of years to get customers to put us first. In the second half the improvements we had been making over the last two years started to translate into better financial performance.

Group net profit after tax from continuing operations before significant items, declined by 3.6%. In Australian food EBIT declined by 2.4%, but adjusted for the rebuilt of our customer, our team incentives underlying EBIT increased by 8.3%. Our dividend increased by 9.1% and the final dividend increased by \$0.17 to \$0.50, reflecting the strong cash flow generation during the year and improved trading performance of course in the second half and also focus on capital management.

Turning from F17 to F18, I'm pleased to report that our sales performance has remained solid so far into this financial year, recognising of course we're still very early in the year. A few weeks ago we reported our sales for the first quarter of F18 with good trading momentum and progress against all of our strategic priorities in all of our businesses. All businesses grew their top line sales in the September quarter, with our Australian food business delivering 4.9% comp sales growth. Endeavour Drinks reported 3.3% comp sales growth, and BIG W 2.9% comp sales growth. It's first positive growth in a number of quarters.

Again we continued to see an increase in overall customer satisfaction scores, with store controllable VOC improving particular in fruit and vegetables, time in queue, team attitude and availability of product on shelf. As reported in Q1 our overall customer satisfaction Voice of the Customer score now includes a 25% waiting for online, reflecting the

increasing importance we are placing on improving our online customer offer. Our focus on digital aims to deliver increasingly personalised and convenient shopping experiences for our customers. As Gordon mentioned we have recently combined our digital and rewards business to deliver on this customer need, and called it WoolliesX.

So far this financial year we have replicated what we did in BWS and rolled out Pick up to all of our Woolworths supermarkets, and we did that in a three month period. Our customers in supermarkets can now choose whether to shop in-store, pick up the product at the store or have it delivered to their home. We're also cautiously piloting express deliver where you could get your groceries delivered to you in less than an hour.

As we look forward to the next 12 months, our focus is on building upon the strong foundations we have established in the last year, to better meet the needs of our customers, better train and support our store teams and step up our levels of collaboration across the supply chain. Our priorities for F18 remain largely consistent with F17 however we've changed the emphasis to shift our focus from turnaround to transformation. That sounds quite jargonistic, but what I really mean by that is in the last two years we've been very focused on fixing things in our business and getting back to where we used to be.

Our focus increasingly is about how we transform our business or change the way we work for the better for our team, customers and suppliers. The key to this part of our journey is our new group purpose, we are focused on creating better experiences together. Better experiences for our customers, better experiences for our teams and better experiences for the communities within which we operate. With this focus and our newly established Woollies Ways of Working, we are committed as a team to deliver for all of our stakeholders. Importantly also of course you are shareholders.

In Australian Food expect to see continued improvement in our fresh food, our store format, how we engage with customers, getting the right range in the right store and of course our prices. For New Zealand food we have indicated that F18 will be a year of investment as we invest in service, fresh and online to make sure we deliver on our customer's needs and expectations.

Endeavour Drinks has traditionally led the team in terms of innovation and is focused on continuing this tradition in both physical stores and online with a number of new format and service propositions in the process of being rolled out. As mentioned earlier our Board and management are very aware of the need to improve the performance of BIG W for all of our stakeholders, including our team of over 18,000 team members. We have a new

senior team in place, team and plan in place and have made some good early progress. But it remains a very challenging sector and we expect this journey will take time.

In closing I would like to take this opportunity to thank all of our team members for all of their hard work throughout the year. I would also like to extend my thanks on behalf of management, to the Chairman and to the rest of the Board for their insights, robust challenge but committed support throughout the year. Most importantly today I want to thank you, our shareholders, for your continued support and feedback and also show you of our commitment to continue to improve our business.

As I stand here today we are 31 days to Christmas and I would like all of you, I would like to urge all of you and your extended families to pick Woollies for all of your Christmas shopping needs and to see for yourself all of the changes we have made in our stores.

I will now pass back to the Chairman to continue the meeting.

Gordon Cairns: Thanks very much, Brad. Well with that invocation we should probably have a short meeting so we can now all get out to the stores and do our shopping. I'll now turn to the final business of the meeting. The formal agenda for today is set out on page three of your notice of meeting, which has been sent to shareholders. Spare copies of the notice of meeting and 2017 Annual Report are available at the registration desk. I will take the notice of meeting as read. The minutes of the 2016 Annual General Meeting have been signed and are available for inspection by arrangement through our Company Secretary.

Only shareholders or their voting representatives may ask a question or make a comment during this meeting. All questions and comments should be directed to me and I would ask that you do them in the appropriate way, with respect for the Board and team members and that respect will be mutually reinforced by us. Out of consideration for everyone here today I ask each speaker to limit their remarks to one question or comment. Please keep them relevant to the agenda item under consideration and please, please try to be brief and concise, otherwise I may have to exercise my guillotine and ask you to be brief and on point.

If you have more than one point to make [clapping noise] - I think that was a reinforcement, I might ask you sir to intervene if someone, or if I bang on. If you've more than one point to make or a question to ask, please raise your initial point and then join the queue again for another turn if we have time. I want to give as many shareholders as possible the opportunity to put their questions to us. Lunch is scheduled for 1pm in the

foyer and the room next door. However if we need to run over time, and I sincerely hope that we don't, but we will and we'll continue the meeting.

Voting on each resolution will be decided by way of a poll. I will call for a poll after reasonable discussion on the resolution has finished. Today we'll be using electronic voting technology. Those of you who are entitled to vote will have received a handset and a white plastic smart card. If you've not already done so, please insert the smart card into the slot at the top of the handset, with the barcode at the bottom and facing towards you. Everyone got that? Excellent. Your name should now be displayed across the top of the screen on your handset, and hopefully you can recognise your own name.

If you're voting and do not have a handset or your name so not displayed on your handset, please raise your hand now and one of the assistants will help you. I don't see any raised hands so I think we're all good to go. After I open a poll in a particular resolution, your handset will activate and display the voting options. Select one to vote for, select two to vote against, or three if you wish to abstain from voting on this resolution, so one, two or three. Your selection and the word received will be displayed on the handset screen. You can change your vote at any time while the poll is open. If you wish to cancel your vote and have no selection recorded, press the X button.

Any proxy holders should vote in the same manner by pressing one, two or three. This will cast any open votes you have available. Underlying directed votes will be cast automatically. After each poll is opened I will give you a short time to vote on the resolution and I will then close the poll. Once voting on an item is closed I will show a slide for each resolution on the screen. The results will show the combination of votes cast in the room and proxies received prior to the meeting. The final numbers of votes for and against each resolution will be made available to shareholders after the conclusion of the meeting when we release the poll results to the ASX.

I intend to vote undirected proxies held by me for all resolutions, with the exception of resolutions 2B, 7A and 7B, which I intend to vote undirected proxies against. Michael Spruyt from our Share Registry Link Market Services will act as returning officer to conduct the poll. Link Market Services will undertake counting of the votes. A representative of Deloitte, the company's external auditors, will act as scrutineer for the poll. If you need to leave the meeting early, please go past the registration desk on your way out to hand in your handset. Staff from Link Market Services will also be able to help you vote on any outstanding resolutions.

I now turn to the formal meeting of business. The notice of meeting shows seven items of business, but yesterday we notified the ASX that the resolution sponsored by the Australian Centre for Corporate Responsibility, has been withdrawn. On the remaining six items of business I will invite questions in relation to each of them in turn, as well as any general questions you may have.

So the first item of business is to receive the financial and other reports for the 2017 financial year. Are there any shareholders who would like to ask a question or make a comment on those reports? I'll also take general questions about the performance of the company at this time. Please see the attendant at the microphone nearest to you and please wait until I call upon you. So, the gentlemen here on the microphone number two.

Unidentified Participant: Mr Chairman, I'd like to introduce Mr Geoff [Boyd] from the Australian Shareholders Association.

Gordon Cairns: Welcome, Geoff.

Geoff Boyd: (Australian Shareholders Association, Shareholder) Thank you very much and good morning Mr Chairman, and thank you for the introduction, Ian. As per introduction I represent the Australian Shareholders Association and today I have proxies of, old proxies of totalling 1689 shareholders, which certainly add to those present today. Thank you for meeting with my colleague [Kerry Tarrant] in Sydney and helping to clarify our understanding of your results and the way you're travelling.

It must have been a very good meeting for ASA, usually likes to come along and raise some very searching questions at an AGM, however this time Kerry has conveyed that what she has to say are mainly words of praise for Woolworths results and the way...

Gordon Cairns: Could you say that again?

Geoff Boyd: (Australian Shareholders Association, Shareholder) Will I get a reward for that, Mr Chairman, if I repeat it?

Gordon Cairns: Absolutely.

Geoff Boyd: (Australian Shareholders Association, Shareholder) Yeah, thank you. No, this is very good news and certainly the ASA comments this. You've presented a pleasing set of metrics in the annual report and through your address and that of the CEO. In particular we watch the earnings per share, an objective credible performance indicator, and we watch dividends per share. Now look I respect your request for one question at a time and so I've selected this one. We may have missed a comment or a note about

dividend policy. We are pleased that the total shareholder return for the year has been positive, but note the lower dividend compared to previous years. Many shareholders are dependent on dividend income and like some certainty, of course subject to actual results which follow, but would like to see a confirmation of dividend policy. If I've missed that, please confirm what it is for me and other shareholders.

Gordon Cairns: Thank you, Geoff, and thank you also for your remarks. Kerry did ask some very searching questions, and I'm still in recovery. Dividend as you know increased for the financial year by 9% and that reflected really the strong second half that we had. Our policy is to pay out roughly 70% of our earnings. So you'll appreciate as our earnings improve, which I hope they will, then the dividend should rise accordingly. We understand how important dividend is to our shareholders, particularly our retail shareholders, and the best assurance I can give you is that we're committed to improving the performance of the business. Next question I'll have up here.

Unidentified Participant: Mr Chairman, I'd like to introduce you to Mr Stephen Mayne from Templestowe.

Gordon Cairns: Welcome, Stephen.

Stephen Mayne: (Alliance for Gambling Reform and Director of Australian Shareholders Association) Thank you, Chairman. I'm representing the - I hate being two metres tall, sorry, I'm representing the Alliance for Gambling Reform. I'm also a Director of the Australian Shareholders Association, but I'm not involved in any way with them today, and Geoff [Bowd] is representing ASA very well today. I am only going to make one contribution to the AGM, which will be this one, so just some brief comments and then obviously I look forward to a response at the end of that.

Look, we at the Alliance are concerned that Woolworths are the biggest poker machine operator in Australia. Just in Victoria \$669 million was lost at our 81 venues in the last financial year, which was 25% of the \$2.61 billion that was lost across Victoria. So, Australians are the biggest gamblers in the world, \$23 billion a year lost, and we are the biggest poker machine operator and pokies are the biggest element of harm, with about \$12 billion a year.

So, there's no other supermarket company in the world that has got so aggressively into the highly addictive and, I would argue, predatory poker machine business. You've talked about having an obsessive customer focus, and you've certainly got that in terms of the 51 venues across Melbourne that you run for 20 hours a day. So, if you really care for your

customers I would argue that - and you are trying to be responsible - I would argue that having 51 venues open 20 hours a day is pushing the envelope. That is - nothing good is happening at three in the morning at your pokies' venues. So, at two in the morning this morning and tomorrow morning, 69 venues open for business. Have any of you Directors been into one of your pokies' venues at three in the morning?

I'd like to hear from you about why you are pushing the envelope so much in milking every last dollar out of often vulnerable people who get addicted, by having these venues open for 20 hours a day. I would also like you to address this issue of Woolworths and this board owning this issue. There are no pokies pictures here today. If I go through your Twitter feed, there's never been a tweet that's mentioned pokies. In the Corporate Responsibility Report, there's something like five paragraphs on responsible gambling. Nothing on operating hours and all these things. David Schwarz is always held up as - you've got this guy who spruiks responsible gambling, but if you look at the data and the way you run it, I just can't see that it is responsible.

So, why isn't the Board doing something about it? Wesfarmers have embraced \$1 maximum bets. You have been resisting it. You make big political donations through the hotels' lobby groups which you're involved in. So, why isn't anyone, for instance, on the Board of ALH, chairing it? I don't understand why Roger Corbett, who is out of here, is the Chair of ALH, by Brad Banducci got off the Board of ALH. ALH is run out of Melbourne, a long way from the Woolies head office. So, it seems to be the Board takes this view of hear no evil, see no evil. We'll get told that everything is fine. But we're not on the Board. We're not involved. We don't brand the pubs Woolworths. We hide behind this acronym, ALH. We think we can just get away with it because we're making \$230 million a year.

This year, for the first time ever, our pokies' hotels delivered more than 10% of profits. \$230 million about of EBIT of \$2.326 billion. That's a record. So, we're becoming increasingly addicted, ourselves, to fleecing people with these predatory machines.

I think you should divest. It's very, very obvious that Woolworths should not risk its family-friendly brand by remaining in this predatory business. If you are going to remain in it, at least be honest about it. Brand the hotels Woolworths. Put up a picture of a pokey machine here. Do some tweets. Put out some press releases. Have a poker machine display in the front here, not just pictures of nice prawn platters. So, own your performance. Own what you are doing to the community. Own the impact you are having

on crime, on social breakdown, on increased family violence, on welfare dependency. Own it. Be proud of it. It's yours. You're doing it. You're leading it.

So, either get out.

[Applause]

Get out or own what you are doing, and please tell us specifically how you as Directors are actually involved in ALH, in ensuring that the Mathieson family, who have operational control, are doing it in a responsible manner. Why, specifically, you need to have 51 venues across Melbourne open 20 hours a day, seven days a week, seemingly every day of the year, when everyone else in this industry is not pushing the envelope to the very last minute that is available to them under the law.

[Applause]

Gordon Cairns: Thank you very much, Stephen, for your eloquent address. Let me try and respond to a number of the comments that you made. First of all, we absolutely respect your views and would never, ever question your right to express them publicly.

The question of whether we are hiding or whether we own this issue, I wouldn't have taken a considerable amount of time in my AGM Chairman's Address to point out Woolworths' position on this if I felt that the best option would be to hide. I think we have come out very openly and very transparently to express our view, which is that the only form of gambling we will accept is responsible gambling. We are absolutely and utterly opposed to problem gambling. I also don't accept that we've done nothing about it. I actually think if you look at my address - and I won't go back and repeat the comments - I think we can hold our head up high that we are the most responsible operator of gaming machines in Australia. We will have that validated by the recognised world authority from Canada, who is coming down to audit us.

Your question on whether divesting is the appropriate response or not, we only have 6% of the poker machines here in Australia and so, by divesting our poker machines, it doesn't solve the problem. I think a much more constructive way to solve the problem is if we show industry leadership by maintaining the most responsible programme.

Let me also address the issue of the \$1 pokey limit. There is no empirical evidence that that actually with improve the incidence of problem gaming. We are committed to providing measurement so that we can manage the problem in a much more constructive

way. I think not only looking back at what we have done but looking forward to what we have committed to do shows I think the most responsible adoption that we can take.

Finally, there was a question about whether we have control over the ALH business. You will appreciate that we are the majority shareholder. We do have non-executive directors on the Board of ALH. They exercise their fiduciary responsibility to both ALH and Woolworths. I, also, am heavily involved in the strategy and the Board Meetings. So, Stephen, while I absolutely accept your right to express your views, I think that Woolworths are doing everything it can to address what we agree - we share your views - problem gaming is unacceptable.

[Applause]

Can I have the next question from - could I take number two and then I will come back to number three. Is that the right order? Did I get it right? Okay. Sir?

Unidentified Participant: Mr Chairman, I would like to reintroduce Mr Geoff Boyd of the Australian Shareholders Association.

Geoff Boyd: (Australian Shareholders Association) Thank you, again, Ian, and thank you, Mr Chairman. Stephen has correctly said today that he is not representing the views of the Australian Shareholder Association, although he is a Director, and I appreciate that he has made that distinction. However, I do think it's probably appropriate that I do make a comment on our position. We do not have a prescribed policy on many single issues and this is one of them. However, I am also a Director of the Australian Shareholders Association and I can express a view which I believe would be supported.

We would assume that most, if not all, of our membership would certainly be concerned about problem gambling. That's almost a motherhood conclusion. We are also aware that pokies entice the vulnerable. We are also aware that the gambling industry is probably the most highly regulated industry in Australia. We note that Woolworths are addressing gambling concerns, as you have said and as noted in your Corporate Responsibility Report. We would expect Woolworths to accept a certain responsibility. Are you doing enough? We do not know. But we note you are addressing it. There is always more that can be done. However, we do not believe that our membership, the ASA membership, expects us to press or persecute Woolworths on this particular issue.

Thanks for the opportunity to say that, Mr Chairman.

[Applause]

Gordon Cairns: Thank you, Geoff. I think you can see from the comments in the room that this is a difficult problem and there are no simple solutions, but Woolworths are absolutely committed to a continuous improvement in this area.

Could I have the next question from microphone three, please?

Unidentified Participant: Mr Chairman, I would now like to introduce to you [Mr Schuman from Greenslopes].

Mr Schuman: (Shareholder) Mr Chair.

Gordon Cairn: Yes, Mr Schuman?

Mr Schuman: (Shareholder) Mr Chairman, about a fortnight ago I sent you a letter concerning electricity charges and that sort of thing. Just - did you receive that letter, Mr Chairman?

Gordon Cairn: In what capacity, sir, did you send me the letter? As the Chairman of Origin Energy or as the Chairman of Woolworths?

Mr Schuman: (Shareholder) No, Chairman of Woolworths.

Gordon Cairn: Right, and what was your - so I may have a conflict of interest here. I might have to turn this over to Brad, but what was your particular concern? I haven't received your letter, sir.

Mr Schuman: (Shareholder) Yes, well the main concerns were, Mr Chairman, I looked through the 2016/2017 Annual Reports and I can't see any specific mention of the amount of money we spend each year on electricity. In view of the controversy that's going on in the community now, I think it would be of interest to the shareholders if we could see how much we spend each year on electricity and if it could be included as a specific item in future annual reports. Also, I was interested in what type of agreements we might enter into to make sure that we get the best price for our energy. Also, has the company considered installing solar panel arrays and high-tech batteries on any of our stores or distribution centres, and possibly even on outdoor carparks?

Gordon Cairn: Thank you for your question, Mr Schuman. Clearly, I am wearing my hat as the Chairman of Woolworths, but so you get a completely objective and unbiased answer to your question, I might pass it across to Brad.

Brad Banducci: Sure. Thank you, and thank you for the question. We don't break electricity out, as you point out, but it's several hundred million dollars for us as a cost.

It's our third biggest cost after our team, rent, and then you get down to electricity, of

which actually running our air conditioning and refrigeration in store is the biggest individual element. We are roughly in the order of 1% of Australia's total consumption of energy.

So, this is a massive issue for us, as you can well imagine, and for you, our shareholders. It is - we've got a number of initiatives underway at the moment to minimise our energy costs. That includes, on the demand side, really working very closely to put LED into all of our stores, and that really will be done in the next year. Having a control centre to make sure that lights go off when they should and that there is no unusual consumption at a store. So, a lot of work is being done and demand and we are materially reducing our energy demand as we go. You may note in our Corporate Responsibility Report an 8% reduction in carbon relative to 2015, so it's - you can see some of the trendlines.

Then, on the supply side, the arrangements we have vary by state, given the difference demand and supply characteristics of each state. We tend to do long-term rolling contracts to help us reduce the cost. As part of that, in virtually all - and I could be wrong about one, so I apologise - but in virtually all of the contracts, we have an ability to increase our usage of more greener alternatives on energy. We are looking at all of the options there, whether it's solar, whether it's then - how we use battery on top it. So, we are very dedicated to becoming a lot more sustainable in our energy usage.

It's not easy, to be honest. The team are working as hard as they can on it. It is an issue for us and every other company, as you might imagine, operating in Australia.

Mr Schuman: (Shareholder) Thanks, Brad. I'll see you outside later.

Gordon Cairn: I should just add to Brad's fulsome comments that our carbon emissions in 2017 were actually 11% below in 2015, so we are making progress.

Do we have another question from microphone three? Yeah?

Unidentified Participant: Mr Chairman, I would now like to introduce [Ms Anna Parsley] from Somerville.

Anna Parsley: (Shareholder) Good morning, Mr Chair and members of the Board.

Gordon Cairn: Good morning, Anna.

Anna Parsley: (Shareholder) I am a retired businesswoman. A mother of five children, two of whom have died. I am a singer, a writer, lots of other things, and I am a recovering poker machine addict. I was one of your best - not one of your best customers, maybe,

but I was a good customer both at Woolworths supermarkets and at your hotels. I was one of those people who was there at three o'clock in the morning.

I went, initially, just as a bit of fun with some friends. That seemed to be fun and harmless. But my life had spiralled from the things that I have already told you about into a broken marriage. My husband and I were arguing all the time and going around and around in circles. I often wanted to just have a break. The pokies was the place that I could go to. It was the only place that was open at 10 o'clock at night. They welcomed me with open arms. I sat down in front of a machine, put some money in and I - it did what I now know it's designed to do, which was to zone me out and settle me down. It gave me - I went there to escape and I did escape. It worked until I couldn't escape the addiction of the machine itself.

I spent 10 years battling that. I stopped lots of times and fell back in the hole again until I finally managed to give it up. It's now 10 years since I put any money in a machine and I am determined they're not going to get another dollar. But do you know that I can't go to your venues - to any venue without my brain still being triggered by those machines? My brain still says, somebody has got - jackpot is going off, somebody has got free spins. I am appalled by that. That 10 years after I gave it up, after I managed to stop - and I am recovered, I do not think about gambling anymore, it is not an option anymore - that those machines took something from me that I don't know how to get back. I want it back.

I want to be able to go to the local pub in Somerville and have a meal without feeling the pull of the pokies' room. I have to tell you, there you can eat in the dining room and you see the machines. So, the fact that you say - and there are lots of other places that are the same - the fact that you say they're barricaded off and you can't see them, it's not true. I would like to take you up on listening to the voice of your customers. I am one of your customers and there are other people like me. I would like to challenge you to listen, hear the voices of people harmed by gambling.

You might call - have called me a problem gambler. That phrase made it much, much, much, much, much harder to get help because I thought it was my fault. The term responsible gambling made it harder for me to give - to go and ask for help because I was responsible in every other part of my life.

Can you take on the term responsible gambling? Take on the need to hear more of your customer base? That's my challenge to you.

[Applause]

Gordon Cairn: Thank you, Anna. Your - I think it's fair to say that your personal story is heartbreaking. There's nothing I can say or do that will give you back the 10 years of your life that you have lost. Let me see whether I can perhaps persuade you that our intentions are the same as your intention, which is - our service levels will not be perfect and we will make mistakes. But we are committed to ensuring that people like yourself are looked after. We are listening to you and I have tried to demonstrate, both in my speech and some of the comments that I made when I address Stephen, that we are committed to getting better and better and better. But at the end of the day, this is a very difficult problem where the majority of the people who use our facilities come there and have an enjoyable time. The minority of people have a problem. We have to address both.

Anna Parsley: (Shareholder) May I say that the machines are the problem. I wasn't the problem. The machine was the problem.

Gordon Cairn: I think this is a - as I say, this is a complex...

Anna Parsley: (Shareholder) I take responsibility for what I did, for going there...

Gordon Cairn: Absolutely, and I congratulate you on the fact that you have broken the habit. You have to be commended. All of us in the room know people who suffer from addiction and it is distressing and the community has a role to play in this as well as Woolworths, as well as the individual, but we share the same objective, and that's what I'd like you to take away from today's meeting. We actually are committed to helping people like you.

Anna Parsley: So will you take some time to hear more voices like mine?

Gordon Cairns: Absolutely.

Anna Parsley: So I can contact you and you'll meet some people that I know.

Gordon Cairns: Absolutely.

Anna Parsley: Thank you. That's all I ask. Thank you.

Gordon Cairns: Thank you. Who do we have next? We've got two, four and three. Who was first up? Two? Okay, let's go two.

Anna Parsley: Mr Chairman, I'd like to reintroduce Mr Geoff Bowd from the Australian Shareholders' Association.

Gordon Cairns: Geoff, you're having a roll here today.

Geoff Bowd: (Shareholder) Yes. I certainly get favoured treatment in the queue, Mr Chairman. I didn't ask for that. I was content to wait a little longer. Look, I know you have said much about Big W, and it does seem to be an albatross around your neck and, I suggest, a distraction.

We note that the auditors included it as a key audit issue and recognised the impairment of about \$35 million for an inventory with a carrying value of about \$514 million. Does this signal that there is, in fact, an underlying pessimism you prefer not to express, as opposed to the buoyant expectation that things will look up? Wouldn't it lead to a more cohesive group, a better group result, if you quit this business?

Gordon Cairns: Okay, Geoff. If I've given the impression this is an albatross, let me correct that impression. We don't see Big W as an albatross whatsoever. We see it as an opportunity for us. When you've done things so badly in the past - and we did - and when we admit that we've done things so badly and we've put corrective action in place, then you can be nothing but optimistic.

I would encourage you to go to some of the stores that we've reset and see the reaction of customers to the new Big W. I'd encourage you, after the AGM, to meet with David Walker - who's here today - who's leading the charge on Big W. He and his team have good plans in place and are hugely enthusiastic about the opportunity.

You saw our results at the end of the first quarter, which Brad has talked about, so I'd like to convince you that, actually, Big W is an opportunity for us rather than a problem.

Okay, who have we got next? Number three.

Unidentified Participant: Mr Chairman, I would like to introduce Miss Susan Rennie from Preston.

Gordon Cairns: You'll need to adjust that microphone after [Steven].

Susan Rennie: (Shareholder) Thank you, Mr Chairman.

Gordon Cairns: Welcome, Susan.

Susan Rennie: (Shareholder) Thank you. I acknowledge it was my great pleasure to meet with you and Richard Dammary yesterday. I'd like to share with people here today some of what we talked about. It was the story of a woman that I'm going to call Sarah to protect her anonymity. It goes very much to what you've already said about the attempts you're making to address problem gambling.

Sarah died tragically at the age of 54 a couple of years ago. You could say that she gambled herself to death. I have here in my hand a wad of paper, if you can see it, more than 500 pages in length, which are bank statements from Sarah, all the money she withdrew to gamble in Woolworths' venues, not just on one day or one week, in one venue, where you might say that was just poor management and people who weren't being responsible, but over 10 years in not one or two, but three or four Woolworths' venues. Over \$1 million worth of withdrawals, time after time again, day after day, hour after hour.

All this while, in a state of chronic ill health that would have been visible to anyone, and the staff who had a responsibility to promote responsible gambling, gave her cups of tea and watched as she gambled herself to death at the age of 54.

I've got some copies of one page of this statement that anybody is welcome to have a look at. I'd like to ask you what you're going to do to stop other people such as Sarah. Sarah's sister, Jane, is a shareholder. She came in to that meeting with you yesterday, so you've had that opportunity to meet with her.

Woolworths, through ALH, has been aggressively lobbying the Government to stop cash-out in venues being reduced, so it's an issue that the Government is looking at in Victoria at the moment. They were entertaining the idea of going down to a \$200 limit per day withdrawal amount so that people like Sarah couldn't withdraw six, eight or \$1000 dollars. It's a very sensible evidence based harm minimisation strategy.

Not only has Woolworths not been promoting responsible gambling - and amongst people who work in the field Woolworths is widely known as the most irresponsible provider of gambling in Victoria. Not only have you not been responsible - and I think these 500 pages of bank statements attest to that - but you've actually, through ALH, been lobbying the Government to stop regulation that would have stopped tragedies like this.

My question to you is will you now take action immediately? Will you pick up the phone to Daniel Andrews or someone in the Government and say in relation to this legislation coming into Parliament next week that you support a \$200 per day cash withdrawal limit in your venues?

Gordon Cairns: Susan, thank you for not only the constructive way that you approached the meeting yesterday, but also the constructive way that you've addressed the AGM here today. Not only that, but I note in your constructive approach that you didn't ask for Woolworths to exit gaming machines. You didn't ask for a total ban, but you've actually

asked for us to take a further step forward in our process of continuous improvement as to how we can address the issue of problem gambling.

Without going into our meeting that we had yesterday - which I would prefer to keep mainly confidential because I think there were some things shared yesterday which I think are best - when we agreed we would keep to ourself. You asked for two things. You asked for us to look at a \$200 limit on money out in our hotels, and you asked, as Steven has asked, if we could look at reducing the time that our hotels are open until four in the morning.

I want to repeat what - the assurance I gave you yesterday, that we will go back and actually look constructively at those two requests. We will measure the impact that those are having on our business, and we will respond publicly.

Susan Rennie: (Shareholder) Okay. If I could emphasise that this issue is very live now because it's currently before the Victorian Parliament. Woolworths has an opportunity to show leadership and to ensure also that you're on a level playing field so that anything you do would actually be matched by other venues so that you're not at a competitive disadvantage, and you can save lives, because I wonder whether Sarah might be alive today if she hadn't been able to make repeated withdrawals in multiple Woolworths' venues.

Gordon Cairns: Thank you, Susan. Next. Number four.

Unidentified Participant: Mr Chairman, I would like to introduce Robert Kadison from Sydney.

Gordon Cairns: Welcome, Robert.

Robert Kadison: (Shareholder) Thank you, Gordon. My question and my comments are relative to the price of energy in this country. Now, Brad has outlined - based on a previous question - all the strategies that Woolworths are employing to minimise its carbon footprint and its reliance on energy within the corporation as it is, but it's a broader question in this country at the present time.

You, Mr Chairman, know quite well the impact - energy prices, not only on this corporation, but our customers generally, and then their ability to spend money in our stores. Now, I'd like to know what this corporation is doing to lobby Government more aggressively in reducing and making energy more reliable in this country, when we have

limitless - we don't know what limit we've got in this country, but we've got limitless supplies of the resources relative to create as much energy as we can consume.

We should be doing it at a low, low price, but we seem to have one of the highest energy prices in the world, and this is holding back this country and this corporation's ability to provide our customers - and not only our customers, our shareholders - better dividends.

Gordon Cairns: Robert, I feel like I'm at an Origin AGM, not a Woolworths' AGM. I am - again, energy is a complex subject. Rather than have a discussion about energy in general, I think we should restrict the conversation to what Woolworths are doing about energy.

I think Brad has outlined the number of measures that the corporation is proactively taking to not only reduce our energy input, but to improve our energy efficiency, and that is absolutely aligned with the views of the energy suppliers in Australia who want to work constructively with customers such a Woolworths to reduce their energy consumption by providing them with more information to do so.

Robert Kadison: (Shareholder) But what is this Company doing to lobby Government to get those energy prices down and more reliable?

Gordon Cairns: I think the energy companies have spent most of the last three months in Canberra in discussions with both the Federal Government and the State Government on exactly that agenda.

The whole renewables commitment, both at a federal and state level, will actually reduce prices because the short run marginal cost of renewables is almost zero. The more we move to a renewables position in Australia, the lower the cost of energy. If you look at the forward curve - and now I'm getting into an Origin AGM here. If you look at the forward curve on energy, it's coming down, the forward cost curve. Thank you, Robert.

Number one, I'm told, has been waiting for some time, so I apologise. You're just hidden by the screen here.

Unidentified Participant: Mr Chairman, I would like to introduce Mr Donald Walker from Point Lonsdale.

Donald Walker: (Shareholder) Mr Chairman.

Gordon Cairns: Mr Walker.

Donald Walker: (Shareholder) How is Woolworths going to combat Chemist Warehouse, who currently have a higher stock turnover per square metre than Woolworths do? Thank you.

Gordon Cairns: Your question is how are we going to combat Chemist Warehouse?

Donald Walker: (Shareholder) Yes, because the Chemist Warehouse, at the moment, has a higher stock turnover per square metre than Woolworths. How are you going to deal with that please? Thank you.

Gordon Cairns: I don't think we compete directly with Chemist Warehouse. Go ahead, Brad.

Brad Banducci: [Unclear].

Gordon Cairns: Can you turn the microphone on?

Brad Banducci: ...turn it on, sorry.

Gordon Cairns: Thank you.

Brad Banducci: At risk of disagreeing with the Chairman in a public forum.

Gordon Cairns: [Laughs]. No, please do.

Brad Banducci: They - Chemist Warehouse are a very formidable competitor in the health and beauty sector. We've got a lot of work to do to make sure that our offer is as compelling as theirs. Having looked through their accounts, I suspect your right in sales per square metre, just by the sheer value of the items that go through their - we would do more volume per square metre but, irrespective of that, we've got to work very hard to provide more value for our customers in the health and beauty portion of our store, and also we're working very hard to improve the experience in that part of the store. I think it's a very good point. Not easily solved, but they're a great competitor and we've got more work to do.

Donald Walker: (Shareholder) [Unclear].

Gordon Cairns: Do you want to have another go at the same question, Mr Walker?

Donald Walker: (Shareholder) I'm sorry. The Chemist Warehouse is a very big competitor. It's not a small one. If you don't - if you can't take steps to compete against it, it's really going to override you and take that [all that] business from you. Please can the Board consider this? Thank you.

Gordon Cairns: Thank you, Mr Walker. Let me reinforce Brad's point that we won't be complacent in this area. There's enormous opportunity, if you've been in our stores and gone to the health and beauty section. Personally, I don't spend a lot of time there - but

that's probably because it's wasted - but there is a huge opportunity there for us, as Brad has outlined.

We have another question from two, and then I'll come back to one.

Unidentified Participant: Mr Chairman, I'd like to introduce Mr John Syme from Box Hill South in Melbourne.

Gordon Cairns: Sorry. Was it John or Don?

John Syme: (Shareholder) John.

Gordon Cairns: Welcome, John.

John Syme: (Shareholder) Thank you. My question relates to the information that's been out in the country for some time about the distance between the rich and the poor as far as Australia goes. What the question relates to is the level of pay at the lower end of the scale in Woolworths versus the top end of the scale, and the fact that the statement I just made before, which is covered by [*The Economist*] et cetera.

What is Woolworths doing to improve the payments at the shop floor level versus the top end, which is the Managing Director sitting there, as far as his pay level scale goes? The information I've got is that the multiples have increased over the last 20 or 30 years, but it seems to me that it's very important that we look after everyone in the organisation as far as their pay goes.

Gordon Cairns: Thanks very much, John. I'm not going to be able to solve the problem of how we close the gap between the rich and the poor in Australia, but I can comment on pay policy at Woolworths, which is we aim to be competitive at all levels in the organisation, so we - people who work on the shop floor of our supermarkets or our EDG business, either here or in New Zealand, we pay competitively.

If we didn't we wouldn't get the quality of the people that we have in our organisation. It's the same at every level of the organisation. We compete in a market where there is a scarcity of talent, and in that market I haven't found an economic rationale yet for not paying to get the best people. That's our philosophy.

Clearly, there will be a different between what the CEO earns and what one of our members who works on the checkout earns. I'm not that old that I - I remember when I was a student working on a building site and reflecting that one day I might be able to earn the same amount of money as the person who ran the building site. I can't solve the

problem. All I can say is that we address it in a way that's equitable and fair and away that motivates every member who wants to come and work with us.

Brad.

Brad Banducci: If you don't mind me - I'll just add in I think - and I'm not trying to deflect, but one very important comment. The most important thing we are focussed on in our food business is making food affordable for Australian families. We serve every community here and we're aware of the pressure a number of these communities are on. Our number one priority in this financial year is to make healthy food even more affordable.

We see this as really central to who we are as a business and how we can contribute to a better Australia. When it comes to our team, I think Gordon has - there's not much I can add, but rest assured, we are very focussed on this issue.

John Syme: (Shareholder) Thank you.

Gordon Cairns: Thank you, John. Do we have someone at one? Yes.

Unidentified Participant: Mr Chairman, I would like to introduce Mr Ryan Ebert from Richmond.

Gordon Cairns: Welcome, Ryan.

Ryan Ebert: (Shareholder) Thank you, Mr Chairman.

Gordon Cairns: Are you from Richmond?

Ryan Ebert: (Shareholder) Richmond, yes.

Gordon Cairns: You must be celebrating.

Ryan Ebert: (Shareholder) It was a big weekend, yes.

Gordon Cairns: It was a big weekend.

Ryan Ebert: (Shareholder) Indeed. Firstly, I'd just like to say thank you to you, the Board, Brad and your executive team for the turnaround that you guys have done in the last 12 months. I think the shareholder returns have been quite good from the position that you were in, and also yourself in the area of energy with Origin's partnership with Power Ledger in renewable energy.

My question is around - and it was very lightly touched upon in your Chairman's address - the biggest competitors coming into the space being ALDI, and the market share that they've taken, but also with Amazon having their soft launch at 2 PM today and coming

into the marketplace. I'd love to know Woolworths' strategy on how we're going to compete against these global companies.

Gordon Cairns: That's a great question, Ryan. Thank you very much. Let me start with ALDI first of all. The secret to competing effectively with ALDI is to make sure that our own brands we have competitive pricing and great quality. We've been working really hard on doing that. I think Brad can give you more detail, but I think if you look at where the Woolies' stores compete with ALDI we've been quite successful on that policy.

You'll know that we've undertaken on that - on our own brands - the largest transformation of a brand that's taken place in corporate Australia in, arguably, the last 50 years, moving from Select to Woolworths and moving from Homebrand to Essentials. Own brand now is 12% of our mix and has got a 16% market share. That's our kind of competitive strategy to ALDI.

When it comes to Amazon you'll clearly appreciate they are a formidable competitor. We have created WooliesX - and Amanda Bardwell is here today in the front row, and I'm - she'll be happy to get with you later. We've combined the business of home delivery and pickup with our Rewards business. Our Rewards business is number two in Australia.

We now have 10 million members on that Rewards business, with 80% of Woolworths' customers participating, so we've got this enormous platform where we can actually see what our customers want on a day-to-day basis with a personalisation engine, so that gives us great insight into our customers.

In terms of the two areas where we're really working hard to improve it's our delivery to the customers - and here we're offering - they can come to our stores and pick up. We will deliver to their homes, and we're improving our service there, and we have a one hour metro delivery which we're trialling at the moment as well.

The theory behind all of that is that we should give customers choice as to how they want to interact with us. Do they want to come into the stores? Do they want a delivery? Do they want to pick up? If we do that, and if we do that effectively, then we are in a position to compete much more effectively with Amazon.

You might be interested to know that we have 6.5 million items which are either delivered or picked up every week. All of our stores - all of our supermarkets in Australia now have pick up. In terms of delivery, we are - by the end of 2018 we'll have about five dedicated dark stores to be able to deliver to customers and improve our performance.

I want to leave you with the very clear message that we are not waiting for Amazon to come here and then responding. We're actually getting ourselves into a position where we can compete effectively. Thanks, Ryan.

Yes, number one.

Unidentified Participant: Mr Chairman, I'd like to reintroduce Mr Donald Walker.

Donald Walker: (Shareholder) Mr Chairman.

Gordon Cairns: Yes, sir.

Donald Walker: (Shareholder) Now we have Coles as a competitor - ALDI. Recently Amazon have appeared, and they're a very big competitor. My question to you, sir: how will Amazon affect Woolworths in respect to (1) share price, (2) dividends, (3) profits? Thank you.

Gordon Cairns: Thanks very much, Donald. I think I spent a long time answering Ryan's question as to how we could compete more effectively. I think that's the best answer I can give to your question, which is if we compete more effectively, then we should be able to continue to control our own destiny.

I'm not going to make any comments about share price because I know I'll get it wrong. I always do, even in my own share portfolio, and I'm not going to make any comments about earnings because we don't give guidance. All I can assure you of is we will do our level best to compete and be a formidable competitor.

Do I sense, from the mood of the audience, that we probably have exhausted questions on this subject? Yes. Good, good, excellent. I thought I detected people - are you sure you want to ask a question, sir? I didn't ask you [laughs]. Okay. Can we make - do I detect the mood of the room? Can we make this the last general question? Yes, good. Okay, so let me give the microphone to the final opportunity on the general.

Unidentified Participant: Mr Chairman, I'd like to introduce Mr Brew from Adelaide.

Stuart Brew: (Shareholder) Good morning, Gordon.

Gordon Cairns: Good morning. Sorry. What's your first name?

Stuart Brew: (Shareholder) Stewart.

Gordon Cairns: That's a good Scottish name. I hope you spell it properly.

Stuart Brew: (Shareholder) It is, it is. U-A-R-T I might add.

Gordon Cairns: Good man. Same as my brother.

Stuart Brew: (Shareholder) I'm happy with the supermarket transformation, and I think we've done a very good job there. However, to quote you on Big W - and I'm coming back to that - the results were extremely disappointing. Now, this sounds familiar to me. Last year the majority of shareholders at the AGM urged you to divest our interest in Big W, and we now see that for year '18 we're increasing our losses, and in year '18, of course, we're going to be competing with Amazon.

I think maybe I'd like to see how Woolworths is going to compete with Amazon, and particularly with Big W, because Big W's got a problem as it is, and now it's going to be increased by the advent of Amazon. It's specifically - I mean are we going to lose even more money with Big W? Has that been taken into account, the Amazon issue?

Gordon Cairns: I might get Brad to answer it because it's specifically on Big W, but I also would encourage - David Walker is here today. If we don't give you a fulsome enough answer to your question - because we're time constrained - be very happy for David, afterwards, or Amanda, from our WooliesX business, to give some more detail to your question. Brad.

Brad Banducci: Thanks for leaving the hard one for me, Gordon. It's a very good question. There's no easy answer. Just a couple of comments I would make in regards to it. Firstly, paradoxically, in the short term Big W has a reasonable growth opportunity in online. It's a very small part of our business, and there's a lot more we can do to make shopping our stores more convenient for those who want to do pick up or home delivery. The team are working very hard on that, and we actually can see some really positive upside there in the short term.

In terms of how a business like Big W competes with an Amazon in the long term, convenience - which is really central to the Amazon proposition - comes in many forms. One form it does come in, when you go to a mall you can get everything you need there, and Big W has a critically important role to play in giving the customer a convenient solution when they shop a mall.

What is - these kind of department stores are called that, but they're actually all very different. What is very important to Big W is we do more hard goods. It's not only just apparel, but it's more hard goods where there are small consumer electronics or whatever the case may be. These become quite important in that particular shopping mission.

Whether it's Big W or other discount department stores, we'll survive into the future if they can work hard on providing convenience into that particular shopping trip. That's what we're working very hard to do with the business.

Gordon Cairns: Thank you, Brad. I'd like to thank everybody for their contribution to this discussion. In particular I'd like to call out the heartbreaking stories that we heard on problem gambling. I think everyone in the room - particularly me - was moved by those stories.

If we can move now to the next item of business. It's the Director elections. This year two Directors are seeking re-election to the Board: Jillian Broadbent and Scott Perkins. Also an additional candidate has nominated to be elected as a Director: Dr Susan Rennie, who you heard from earlier.

The orders of the candidates on the proxy form was determined by a ballot conducted by the Group's external auditor, Deloitte. You will be asked to vote on each candidate separately. Each candidate will have the opportunity to address you shortly. You should direct any questions about their candidacy to me. The candidates themselves will not answer any questions. It is common practice for a board to provide shareholders with a recommendation in relation to voting on the election of director candidates.

Your Directors, other than each candidate in respect of their candidacy, recommend that shareholders vote for Jillian Broadbent and for Scott Perkins. I intend to vote all open proxies I have for Jillian and for Scott. Your directors recommend that shareholders vote against Dr Susan Rennie. I intend to vote all open proxies I have against Dr Susan Rennie. This is not personal. You can tell she's a lovely lady. The Board recognises that having a range of different skills, backgrounds and experience represented amongst its Directors is important to ensure the effective governance of the Woolworths Group and a robust decision making process with a diversity of viewpoints.

The Company's corporate governance statement and the notice of meeting summarise the Board's processes to assess the skills, the experience and the performance both individually and collectively. This information and the outcome of the Annual Board Performance Evaluation, which also assesses the performance of individual directors, are considered by the Board when determining the nomination of existing directors. Both Jillian and Scott Perkins received extremely positive outcomes from their external performance assessments.

I will start then with agenda item 2(a), which is a resolution to re-elect Miss Jillian Broadbent as a director. As I said earlier, your Board's recommendation with Miss Broadbent abstaining is that shareholder's vote for her election. I will now invite Jillian to address you directly and to make some brief remarks on her candidacy.

Jillian Broadbent: Thank you Chairman. Good morning everyone. Like many of us here I have been a shareholder of Woolworths for some 20 years and I participated in the strong performance and growth for the first 15 and certainly less happily in the downturn in earnings and share price in the last five years. We have a new CEO and leadership team and essentially a new Board and with that team we have begun the turnaround and transformation of Woolworths. As you heard from Brad this morning, we have got some early positive signs of success in that journey.

The new Woolworths team has identified and is addressing an underinvestment particularly in supermarkets in price, customer and competitiveness. I seek your support to be re-elected for a third and final term to the Woolworths Board at this meeting. I would like to participate with my fellow directors in contributing to that turnaround.

My background is in finance but should I be re-elected I suspect the contribution will be more from a sense of corporate memory, both the positive and negative elements of that. I believe my experience complements that of the other directors on the Board.

Woolworths as we would all agree is an iconic Australian company. It has now in place in what I consider to be a quality, engaged and well chaired board, very focused on improving shareholder value. I would be proud to continue to serve on it. Thank you.

[Applause]

Gordon Cairns: Thank you Jillian. Are there any questions in relation to the candidacy of Jillian Broadbent. As I stated earlier all questions should be directed to me. Thank you ladies and gentlemen. I now direct a poll on this resolution. The proxy position for this resolution as received before the meeting will be shown now on the screen.

I will now open the vote on this resolution. Please press one to vote for, two to vote against or three to abstain from voting. Has everyone had the chance to vote? Is anyone having any trouble between one, two and three? I can see on the monitor in front of me that most of you have voted. I will wait another couple of seconds for the final few votes to be cast. We are almost there, 288 of 323. Last time we're electronic aye. Do I have to wait until it gets to...

Unidentified Company Representative: No.

Gordon Cairns: I can go, good. I now declare the vote closed. The result is now displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has been passed and congratulations Jillian.

Jillian Broadbent: Thank you Chairman.

[Applause]

Gordon Cairns: I now move to the next item on the agenda, item 2(b), is to elect Dr Susan Rennie as a director. Dr Rennie is a self-nominated candidate. Her statement to support her candidacy is detailed in the Notice of Meeting. As I noted early your Board's recommendation, despite the fact that she's a lovely lady, is that shareholders vote against the election of Dr Rennie and Susan it's not personal, trust me.

We acknowledge her considerable expertise in social work and her commitment to responsible gambling which we absolutely share. However after assessing her qualifications and meeting with her the Board has concluded that Dr Rennie does not bring the level of broad skills and expertise that would enhance the decision making process of the Board. I'd now invite Dr Rennie to make some brief comments on her candidacy.

Susan Rennie: Thank you Mr Chairman. I'd like to start by acknowledging that we're meeting today on the lands of the [Wurundjeri] people of the [Kulin] nation and pay my respects to elders of the past, present and emerging and any Aboriginal and Torres-Strait Islander people here today.

Woolworths, the pokies people. It doesn't quite have the same ring as Woolworths the fresh good people does it? But Woolworths is Australia's largest operator of pokie machines and if you judge the money that they manage to extract from vulnerable people as a measure of their success then they're extremely successful in that business. But pokie machines are doing extraordinary harm in our community. Harm from gambling in fact is almost on a par in terms of the health impact with harm from alcohol or harm from depression and most of that harm is related to pokie machines.

Did you know that postcodes with 7.5 pokie machines per thousand adults have 20% more family violence than postcodes with no pokie machines. It raises a question about how much family violence is an acceptable outcome to Woolworths for the operation of their pokie machines. A question I put to every director who is elected today, how much family violence do you think is an acceptable trade-off for the operation of your pokie machines? Woolworths, the family violence people doesn't have a good ring either does it? There

were 400 gambling related suicides in Australia every year. Woolworths, the suicide people, not really what you want to be known for.

But you can actually have your cake and eat it too. You can have your pokie machines and operate them more safely and despite what the Chairman has said, Woolworths has done nothing to achieve this outcome. It is as a Company the most aggressive and predatory pokie machine operator in this country, actively lobbying against changes that might make machines safer.

I spoke earlier of being able to withdraw cash from gaming venues. Imagine 10 years of cash withdrawals from a vulnerable person in a state of chronic ill health who was gambling with money that really wasn't hers to gamble with. She was getting it off her elderly mother who had early stage dementia. Woolworths in receipt of money that really didn't belong to the person who was gambling and any level of due diligence across the four venues that Sarah lost money at would have found that she was not in a position to lose with a lower job. Not in a position to lose well over \$1 million.

As I said, you can have your cake and eat it too. You could actually as a company support a limit on the amount of cash that people can get out in a gaming venue every day. You don't need further research to do this. The evidence is already there and in fact I have shared some of that evidence with the Chairman and with Richard Dammerly yesterday. Solid research that's been undertaken rigorously and academically. You could decide that it wasn't appropriate for these venues to be open 20 hours a day because nothing good comes from being on a pokie machine at four in the morning. Most Woolworths venues are only closed between 5:00am and 9:00am. It kind of puts a different meaning on nine to five doesn't it?

You could do what Coles has done and support \$1 bets because at the moment every time you push the button and you can do that every three seconds, at the moment you can lose \$5 every time you push a button and that can be well over \$1000 an hour. You could relieve a huge amount of harm and suffering. You could be part of the solution to family violence in this country instead of part of the problem.

There are a number of other evidence based measures that could actually make the pokie machine industry safer. What we know from research is that for those people who gamble on a pokie machine every week, one third to a half of them are experiencing very significant harm. Don't believe it when they say this is a small problem in a small number

of people. Weekly gambling on a pokie machine is harmful in a very significant proportion of cases.

So I think we all know that with recommendations to vote against me it's highly unlikely I'll be elected today. I would ask you then to use your vote as a powerful statement to this Company and to all of the directors that they each, each and every one of them, has a personal responsibility to get involved in the ALH business, to step up to the Board of that business and to make sure that they are taking action to reduce harm from gambling. Because that action is possible and it doesn't need to wait for further research or information or international experts to come from overseas. You have that action in your hands with your vote today and I hope that you will demonstrate that to the Company and save the lives of people like Sarah who died tragically at the age of 54.

Just finally, I would ask that it might be possible to see the results from today's vote, not just mixed in with the previous results. Thank you.

Gordon Cairns: Yep.

Susan Rennie: Thank you very much.

[Applause]

Gordon Cairns: Thank you Susan for your very impassioned speech. Does anyone want to ask any questions of me in relation to the election of Dr Rennie? Yep, there's a question in number four.

Operator: Mr Chairman, I'd like to introduce Peter [Dulhunty] from Sydney.

Peter Dulhunty: (Shareholder) Woolworths sells cigarettes too. Where is the anti-smoking lobby? I'm glad they don't sell guns because I'm a responsible person and it's not guns that are a problem. One thing I do have a problem though is food and I have an addition to that. I ask Woolworths, have the anti-food lobby please, get out of selling food. Thank you.

[Applause]

Gordon Cairns: So sir, thank you for those comments, however I don't want to trivialise what is an important and difficult issue. Nor do I want to minimise our commitment to solving problem gambling. So could I now ask if there are no more questions that I now direct a poll in this resolution. The proxy position for this resolution as received before the meeting will be shown now on the screen. So Susan we committed to sharing this with you. I will now open the vote on this resolution. Please press one, you're now getting

good at it, press one to vote for, press two to vote against and three to abstain from voting.

I can see on the monitor in front of me that most of you have voted with 287 out of 327. I'll wait another couple of seconds for the final few votes to be cast.

It looks like - yep. So I now declare the vote closed. The result is now displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has not been carried and I'd like to thank Dr Rennie for her participation. Not only her participation but the constructive way that she has involved herself in that participation today and I committed that this wouldn't be the last opportunity that we'll have to meet.

I'd now like to move to agenda item 2(c), the resolution to re-elect Mr Scott Perkins as a director. As I said earlier your Board's recommendation with Mr Perkins abstaining is that shareholders vote for his election. I'll now invite Scott to address you directly and to make some brief remarks on his candidacy.

Scott Perkins: Thank you Mr Chairman. Good morning ladies and gentlemen and fellow shareholders. It is both a privilege and a responsibility to serve you as a non-executive director of Woolworths. Since I joined the Board three years ago we have been through quite a challenging journey. As a new director I have been part of a team, alongside my fellow directors and our management, that has been working hard to restore both the underlying health and the year on year performance of this great Company.

It's pleasing to see we are making progress but we are not resting on our laurels. This journey has called upon my professional experience as a corporate advisor in many instances. Matters of strategy and of the allocation of capital have been consistently in focus. As Chairman of the Sustainability Committee I have contributed to a renewed focus on improving our health and safety environment and pursuing a corporate responsibility agenda that is aligned with what our customers, our people, you our shareholders and other important stakeholders expect us to do. We have made real advances against our goals on both fronts.

I also draw upon my experience on other Australian listed company boards where best practice can benefit Woolworths. If I am elected I will continue to work hard to realise the full potential of Woolworths for you all. I am confident that Woolies best days are ahead of us. Thank you for your support.

[Applause]

Gordon Cairns: Thank you Scott. Are there any questions in relation to the candidacy of Scott Perkins? No, I don't see any so thank you ladies and gentlemen. I will now direct a poll on the resolution. The proxy position for this resolution as received before the meeting will be shown now on the screen. I will now open the vote on this resolution. Again, please press one to vote for, two to vote against or three to abstain from voting.

We're getting much faster. Yeah, I think we've stopped. I can see on the monitor in front of me that most of you have voted. I will wait just a few more seconds. No, it looks like the final votes have been cast so I now declare the vote closed. The result will now be displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has passed and congratulations Scott.

[Applause]

Gordon Cairns: I now move to the third item on the agenda, the adoption of the Remuneration Report. The resolution for this item is to adopt the Remuneration Report for 2017 financial year. The resolution is an advisory resolution required to be put to shareholders under the *Corporations Act*. 2017 was the first year of the new remuneration framework endorsed by shareholders at least year's annual general meeting. The Rem Report sets out full details of this framework and how the Group's performance in 2017 was linked to remuneration outcomes. I'd like to make a few comments before opening for discussion.

The Board is confident that these remuneration arrangements provides strong management alignment with shareholders and the transformation strategy for the business. These arrangements will continue to apply in financial year 2018. The Board will monitor their effectiveness going forward and will obviously consider changes as appropriate for future years.

The Group performed strongly in financial year 2017 and this was reflected in the short term incentive outcomes that were slightly above target. A detailed explanation of how the Group's performance supported this above target outcome is set out on page 39 of the Annual Report and I think it's fair to say, as we've talked to our institutional shareholders, they have absolutely commended us for our transparency and for our leading in this area.

It is important to note that 2017 financial year was the first year that the Group executive team members received a short term incentive award since financial year 2014. The Board considers that this is an appropriate outcome given the Group's poor performance over that period.

Long term incentive plans for prior years did not vest as the performance hurdles for those plans were not met. Again, the Board believes that management should only be awarded for strong performance, which was not the case over the period of those long term incentive grants. I now open the resolution up for discussion. Yes sir, item number 2.

Speaker: Mr Chairman, I would just like to reintroduce Mr Geoff Bowd from the Australian Shareholders Association.

Gordon Cairns: Welcome back Geoff.

Geoff Bowd: (Australian Shareholders Association, Director) Thank you very much Mr Chairman. I can assure that I personally am not seeking recognition in Woolworths Rewards Scheme when I say that last year ASA complimented the presentation of the Remuneration Report and your restructured remuneration policy. ASA repeats that compliment and will support the resolution today.

We are pleased to note that your policy structure and implementation of policy are very close to our guidelines. However, we noted the CEO's salary increase last year was high. We still think that the fixed component of the CEO's salary raised significantly and this of course inflates bonuses which are factored with this salary. Mr Chairman, you may take that at a comment because I don't particularly want to be zapped on that as a question in your [count of] too.

The question I have now is that three years may seem a long time in a transformation strategy but it's not really a long term outlook for a big organisation such as Woolworths. We note that the long term incentives vest after three years when half of the short term incentives are held in escrow for two years. The timeframe between the long term versus the short term is very close. I think that in the past you had a five year outlook which was reduced to four and is now three. I heard you say there will be no changes for 2018 and yes, we have to accept that, you've announced it, but will you consider in due course extending the long term incentive scheme to at least four if not five years?

Gordon Cairns: Thanks very much Geoff. Let me answer the two parts to your question. First of all, the fixed remuneration we benchmark against the ASX 30 and that benchmark puts the fixed remuneration at medium which is exactly our policy on fixed remuneration and I think in fact is market best practice.

Your second comment was on the long term incentive being over three years as opposed to over five. I think the truth of the matter is that businesses are changing so rapidly today that actually we don't have five years to wait. If you reflect on some of the

comments on the threat from ALDI, the threat from Amazon, the competitive nature of our supermarket business and our drinks business and our discount department store business, we actually have to have not only a long term perspective but a short term perspective as well.

I think my position would be I think three years if the market average if you look at the ASX 50. I think three years is also important given the transformation that we're going through at Woolworths.

Are there any other questions? Well thank you for that question Geoff. As set out in the Notice of Meeting your directors recommend that shareholders vote for the resolution to adopt the Remuneration Report. I also intend to vote all open proxies I have for the resolution. I've directed that a poll be conducted before you vote. The proxy position for this resolution as received before the meeting will be shown now on the screen.

I will now open the vote for this resolution and you're getting really fast so I'd encourage you please press one to vote for, two to vote against or three to abstain from voting. Goodo. I can see on the monitor in front of me that most of you have voted. I'll wait just another couple of seconds with your indulgence for the final few votes to be cast. We get up to about 280 I think. Everyone voted? No, one more come in. Somebody had trouble making up their mind or deciding between one, two and three.

Yep, I think we've stopped. So I now declare the vote closed. The result is now displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has passed. Thank you ladies and gentlemen.

The next item of business is to approve the grant of performance share rights to the CEO. The proposed financial year 2018 long term incentive grant to Brad Banducci is for a maximum of 195,278 performance share rights. I'd like to stress that Brad will only receive the maximum value of this reward if our transformation targets are exceeded and I say exceeded, over the three year period to financial year 2020. Details of those performance hurdles and the other key terms of the performance share rights are contained in the Notice of Meeting. The key terms of this long term incentive grant to the CEO are unchanged from 2017.

As set out in the Notice of Meeting the directors other than Brad, in view of his personal interest in this resolution, recommend that shareholders vote for this resolution. I also intend to vote all open proxies I have for this resolution. Are there any questions or comments in relation to this resolution?

Thank you ladies and gentlemen. I now direct a poll on this resolution. The proxy position for this resolution as received before the meeting will be shown now on the screen. I will now open the vote on this resolution. Again, I think we've got it down pat, one for, two against, three abstain, let's go. Wow, some people are really trigger happy.

I wonder if we could keep the doors closed at the back of the room because people will be disturbed by the noise outside, so if we could just close them that would be great.

Okay, I can see on the monitor in front of me that most of you have voted. I'll just wait another couple of seconds while the final few voters make up their mind. Hm, it's gone backwards. Somebody has changed their mind. Do you want to change back? No. Okay, I now declare the vote closed.

The result is now displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has passed.

Unidentified Company Representative: Well done.

Gordon Cairns: Thank you. The next item of business is to approve the Group's approach to termination benefits for team members. If the resolution is passed this approval will apply until the 2020 Annual General Meeting. The Company always seems to treat department team members appropriately, having considered all the relevant circumstances in accordance with applicable laws, market practice and company policy. The Group share plans provide the Board with an overriding discretion in relation to the treatment of grants on cessation of employment. The Notice of Meeting sets out the likely treatment as to how the Board expects to exercise this discretion.

I would now like to stress to you that this resolution does not convey any rights to additional compensation. It simply provides approval for the Board to apply discretion existing in the Group's share plans. The Board will include in the remuneration report full details if this discretion is applied for any team management personnel.

As set out in the Notice of Meeting the directors, other than Brad Banducci in view of the potential that this resolution could apply to him in the future, recommend that shareholders vote for this resolution. I also intend to vote all open proxies I have for this resolution. Are there any questions or comments in relation to this resolution? If there are no questions, thank you ladies and gentlemen, I now direct a poll on this resolution.

The proxy position for this resolution as received before the meeting will be shown now on the screen. I will now open the vote on this item resolution, one for, two against, three

abstain. Go for it. I can see from the monitor that most of you have voted. It looks like we've - we'll just wait a few seconds. Okay, I now declare the vote closed.

The result is now displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has passed.

The next item of business is to approve a Company name change to Woolworths Group Limited and we're proposing this change to reflect that Woolworths Limited is the parent company of a diverse group of businesses. Further details of the proposed name change are set out in the Notice of Meeting. This is a special resolution and requires approval by 75% of the votes cast.

As set out in the Notice of Meeting the directors recommend that shareholders vote for this resolution. It won't be the most onerous resolution that you have to vote for. I also intend to vote all open proxies I have for this resolution. Are there any questions or comments in relation to the resolution? I'm not sure whether this gentleman is resuming his seat or - I think he's resuming his seat.

Okay, thank you ladies and gentlemen. I will now direct a poll in this resolution. The proxy position for this resolution as received before the meeting will be shown now on the screen. Yep. I will now open the vote on this resolution. Go for it, one, two or three. Okay I think from the monitor in front of me that most of you have voted. No, somebody changed their mind and gone back. I'll just wait a couple of seconds just in case anyone wants to recalibrate.

Okay, I now declare the vote closed. The result will now be displayed on the screen showing a combination of proxy votes and those cast here today. On that basis the resolution has passed and we now have a new name for the Company. Thank you.

As I said earlier, the resolution sponsored by the Australian Centre for Corporate Responsibility have been withdrawn and we were pleased to announce that yesterday that we will work with the National Union of Workers and other stakeholders to improve labour rights in fresh food supply chains. Our initiatives will be focused on developing and agreed pre-qualification program for labour hire providers to deliver genuine improvements and sensible and practical reforms. These commitments are absolutely consistent with our corporate responsibility strategy 2020.

In the interests of transparency I have shown on the screen the proxy voting position of these resolutions prior to the withdrawal of the resolution. We didn't have to do this but we thought it was only fair and proper if we showed it.

So ladies and gentlemen, that concludes all the items of business in the Notice of Meeting. As I said earlier, the final numbers of votes for and against each resolution will be made available to shareholders after the conclusion of the meeting when we release the poll results to the Australian Stock Exchange and post them on the Company website.

I'd like to thank everybody for their attendance and participation here today. I now would like to invite all of you to join me, my fellow directors and senior management in the foyer outside for some well-deserved refreshments. Our food sampling team are preparing some Christmas [fair] which I'm sure will wet your appetite for Christmas, so please try some of the food samples before you need - if you need something more to eat we also have sandwiches provided by this venue in the room next door.

Before you leave you should also visit the displays in the foyer from a number of our businesses. The staff on those displays would love to talk to you and I can see you're really interested in this part of my presentation.

[Laughter]

Desperate for some food and drink so I declare the meeting closed. Thank you.

[Applause]

End of Transcript