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ASX Market Announcements Office
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Woolworths Group enters Convenience and Loyalty Alliance and new 15-year Wholesale Fuel arrangement with Caltex

Key Highlights:

- 125 Caltex sites to be added to Woolworths' existing 638 site redemption network
- Woolworths Group and Caltex to co-create a market-leading convenience offering on up to 250 sites under the Metro banner
- Woolworths Rewards extended to the Caltex network
- Caltex fuel supply arrangements extended for 15 years on improved terms for Woolworths Petrol business
- Woolworths Group will continue to pursue an IPO or sale of its Petrol business

Woolworths Group Limited (Woolworths Group) (ASX: WOW) today announced that it has entered into a long-term strategic alliance with Caltex across convenience, wholesale food, redemption, loyalty and fuel supply. The alliance will increase the network of fuel sites where its customers can redeem their fuel discounts and earn Woolworths Rewards points, significantly expand Woolworths Group's Metro convenience footprint, and lock in a competitive fuel price for the Woolworths Petrol business for the future.

Under the terms of the agreements, Woolworths' popular four cents per litre fuel redemption offering will be expanded across 125 new sites within Caltex's network, in addition to the 104 Caltex redemption sites that exist today. Customers will also earn Woolworths Rewards points on fuel and merchandise purchases at over 700 Caltex sites across Australia.

Woolworths Group will commence a long-term wholesale food supply to over 700 existing Caltex convenience sites. Furthermore, Woolworths Group and Caltex will co-create and rollout a market-leading convenience offering under the Metro banner to up to 250 Caltex sites over the next six years with 50 sites planned over the next two years. The new Metro convenience offer at Caltex sites will be operated by Caltex and incorporate the key elements of Woolworths evolving Metro convenience offering.

Woolworths Group has also signed a new 15-year wholesale fuel supply agreement with Caltex, locking in a market competitive cost of fuel that is expected to deliver a significant and sustainable earnings uplift to the Woolworths Petrol business. The pre-tax benefit is expected to exceed \$80 million per annum and will accrue to the Woolworths Petrol business which will continue to be treated as a discontinued operation for accounting purposes. In addition, Caltex will make a one-off payment of approximately \$50 million to the Woolworths Group.

Woolworths Group will continue to pursue an IPO or sale of its Petrol business and an expanded management team has been put in place to position it for growth on a standalone basis. James Goth, Director Corporate Development for Woolworths Group, has been appointed Chief Executive Officer, and Angus Armstrong, currently General Manager, Fuel and Metro, has been named Chief Operating Officer.

The benefits of the existing fuel redemption and loyalty arrangements will continue to be available to customers across Woolworths' existing 534 Petrol sites across Australia.

Brad Banducci, Woolworths Group CEO said: "While we were disappointed with the termination of the BP agreement, we believe the customer benefits of our alliance with Caltex, combined with a new fuel supply agreement will allow us to deliver a compelling outcome for both our customers and our shareholders. Customers will have access to an extended redemption and loyalty network and an exciting new convenience food format.

"The Woolworths Petrol business is in a good position to pursue its own growth agenda supported by a highly competitive fuel supply agreement and a strengthened management team, all underpinned by solid links to the Woolworths food business."

-ENDS-

For further information contact:

Investors and Analysts

Paul van Meurs
Head of Investor Relations
+61 407 521 651

Media

Woolworths Press Office
+ 61 2 8885 1033

Citadel-MAGNUS

Peter Brookes
+61 407 911 389