WOOLWORTHS LIMITED

A.B.N 88 000 014 675

1 May 2006

The Manager,
Australian Stock Exchange Limited
Companies Announcements Office
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

RE: WOOLWORTHS LIMITED - Roadshow Presentation

Attached is a copy of the Woolworths Limited Roadshow Presentation to be conducted during May 2006 with regard to the proposed new issue of Woolworths Notes.

For and on Behalf of
WOOLWORTHS LIMITED

PETER J HORTON
COMPANY SECRETARY

WOOLWORTHS LIMITED

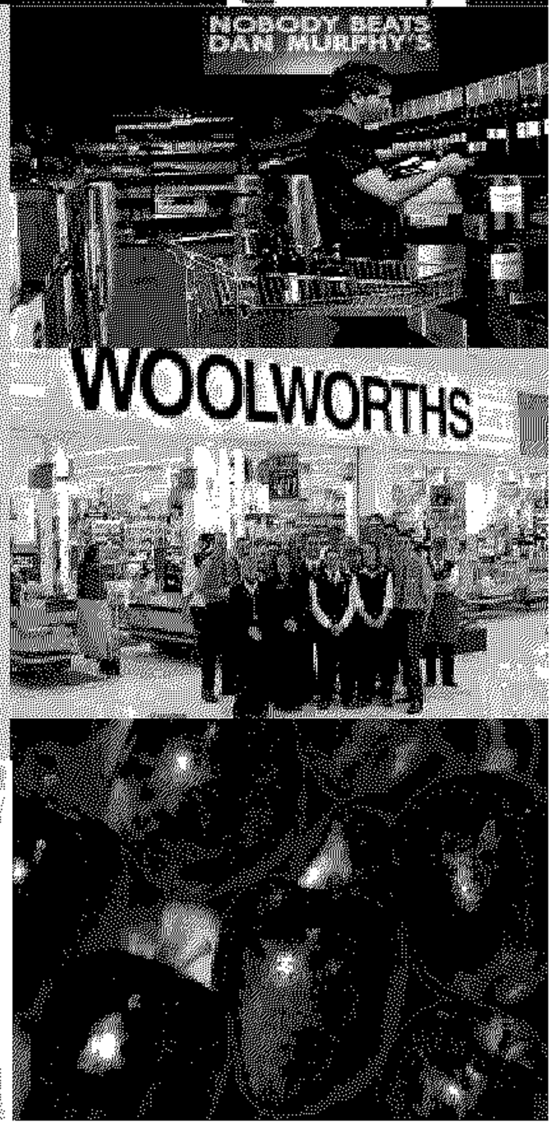
Roadshow Presentation

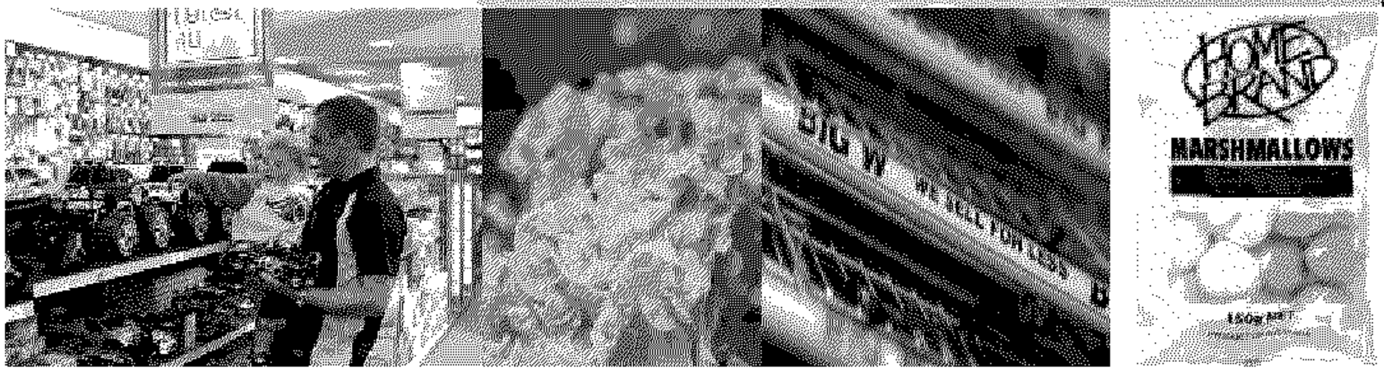
A$600m Woolworths Notes

TOM POCKETT
Chief Financial Officer

ASRAR RAHMAN
Group Treasurer

MAY 2006





SUMMARY OF OFFERING DETAILS

- **Issuer:** Woolworths Limited
- **Security:** A$ Woolworths Notes which are Perpetual Non-Call 5 subordinated, cumulative, unsecured notes (no covenants)
- **Offer Size:** Up to A$600 million, which will be used to finance the redemption of existing WINs
- **Distributions:** Unfranked, floating rate, quarterly
- **Margin:** To be determined by a bookbuild (minimum of 1.10% p.a.)
- **Issuer Rating:** A- (negative outlook) / A3 (stable outlook)
- **Woolworths Notes Rating:** BBB / Baa1
- **Offer structure:** Eligible WINs Holder Offer (ending 5 May 2006)

  Broker Firm and Institutional Offer via Bookbuild on 8-9 May 2006

  There is no general offer
- **Remarketing Process:** The Issuer may conduct a remarketing process prior to a remarketing date in order to change the margin, and certain other terms can be amended
- **First Remarketing Date:** 15 September 2011
- **Step-up:** The margin will increase by 2.00% on the first remarketing date in the absence of a successful remarketing process
- **Joint Bookrunners:** Citigroup and UBS

INVESTMENT MERITS

- Solid financials and financial discipline
- Significant cash flow generation
- Strong depth of management
- Clear growth strategy
- Leading market positions with well recognised brand names
- Product and regional revenue diversity
- Non-cyclical business
- In excess of 85% of EBIT derived from the non-discretionary supermarkets division
- Scale and efficiency
- Strong customer / supplier relationships
- Rated A- by S&P since 2001 (currently on negative outlook) and A3 by Moody's since 2005 (outlook stable)

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Woolworths -
Business Overview

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CORPORATE OVERVIEW

- Listed on the Australian Stock Exchange in 1993 at A$2.45 per share (symbol: WOW)
- Market capitalisation of A$21.8 billion as at 28 April 2006, top ten Australian company
- Long and proud history as an Australian retailer
  - Began as variety store in 1924
  - Pioneered Australian supermarket model from 1958
    - acquired Safeway 1985, Franklins stores 2001
  - Expanded into general merchandise in 1976 and consumer electronics in 1981
  - Project Refresh initiated in 1999
  - Petrol stations launched in 1996, Caltex alliance 2004
  - Acquired ALH in 2004
  - Acquired FAL in 2006
  - Acquired Taverner in 2006

WOOLWORTHS GROUP PROFILE

- Australia's largest food, liquor and grocery retailer
  - Over 2,700 retail locations
  - Over 170,000 employees
  - Annual sales in excess of A$31 billion
  - Sales growth averaged 10% and EBITA growth 15% over past five years
- Operates four primary divisions:
  - Supermarkets Group
    - includes supermarkets, petrol & liquor
  - General Merchandise Group
    - BIG W
  - Consumer Electronics Group
    - Dick Smith and Tandy
  - Hotel Group
    - includes hotels and clubs

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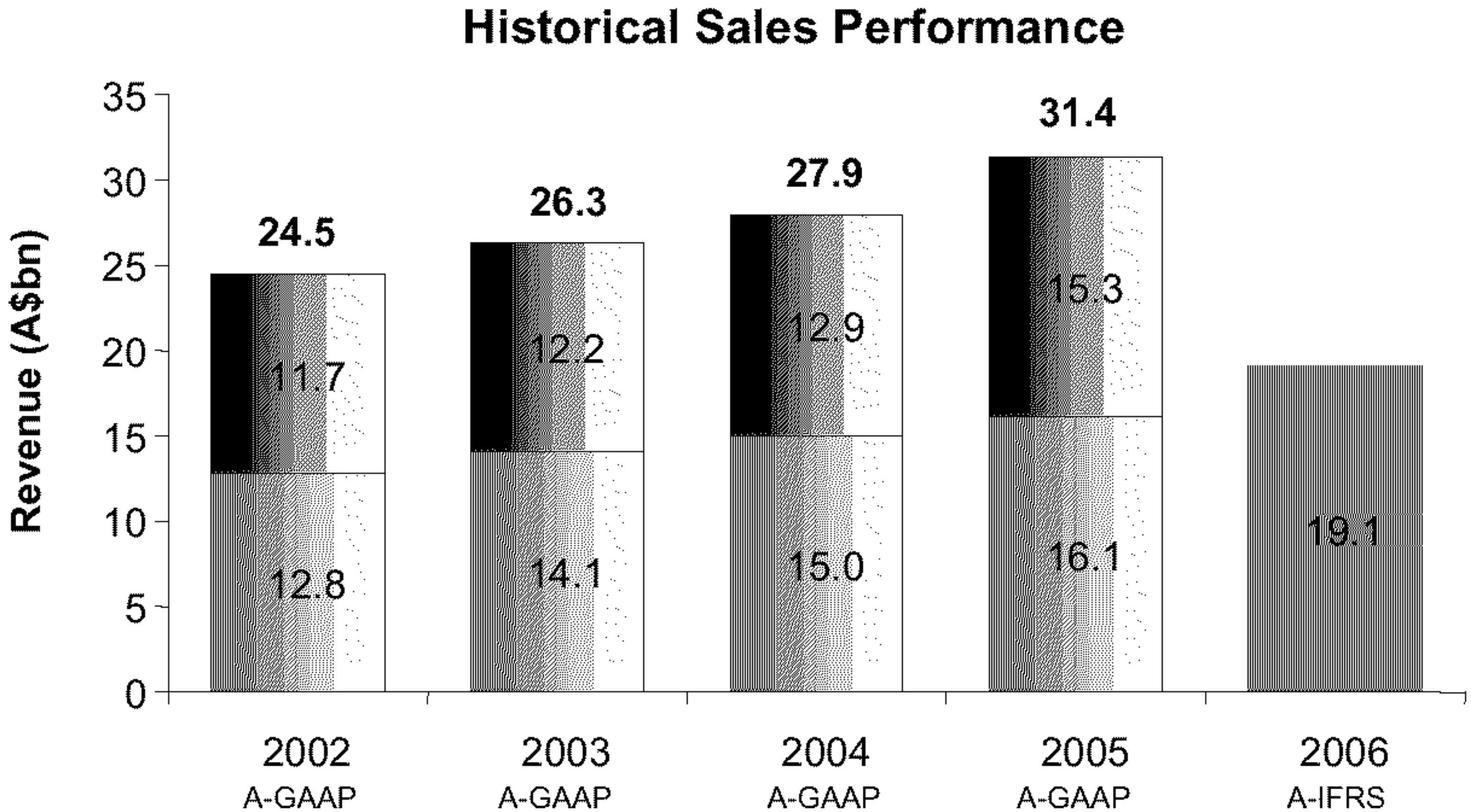
Group and Results Overview

HIGHLIGHTS FOR THE FIRST HALF

- Excellent result for Woolworths with sales up 18.4%, and strengthening second quarter comparable store sales, EBIT up 31.5% and NPAT up 22.1%.
- The result reflects:
  - Proven ability to concentrate on the needs of our customers, whilst undertaking significant operational changes and acquisitions.
  - Continuing to provide customers with a combination of great convenience, freshness and quality, best range and consistently lower prices.
- Our focus on reducing CODB continued with a reduction exceeding our target of 20bps, despite incurring one-off costs in relation to the migration to our new supply chain.
- The result includes the initial contribution from our recent acquisitions which are all performing well and in some cases better than expectations. The majority of benefits from our acquisition synergies and supply chain will flow through in future periods.
- We continue to execute in line with our growth strategy:
  - New supply chain is nearing its completion phase
  - Successful bolt-on acquisition strategy:
    - ALH integration now completed
    - Completed Foodland acquisition
    - Acquired Taverner group
  - Achieved targeted space rollout
  - Dan Murphy rollout strategy well underway
- Both our existing and recently acquired businesses will provide solid growth.

FINANCIAL PROFILE: SALES



	2002	2003	2004	2005
Year Increase	+17.0%(1)	+7.6%	+6.1%	+12.2%
52 Week Basis	+14.9%	+9.6%		

First Half Second Half

(1) Includes extra week, and 2002 sales ex-Franklins grew 10.1% on a 52 week basis

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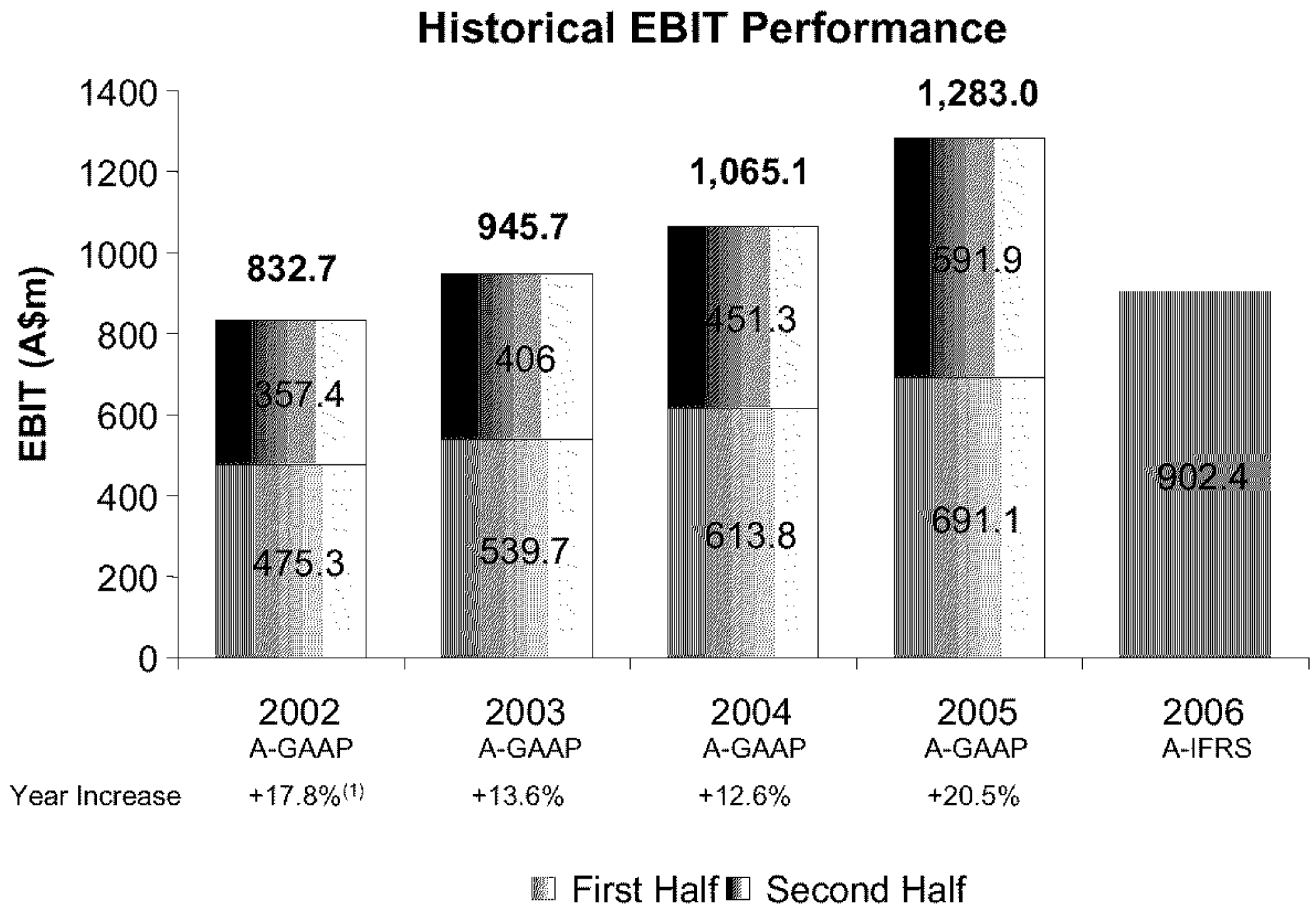
FINANCIAL PROFILE: EBIT



(1) Includes extra week

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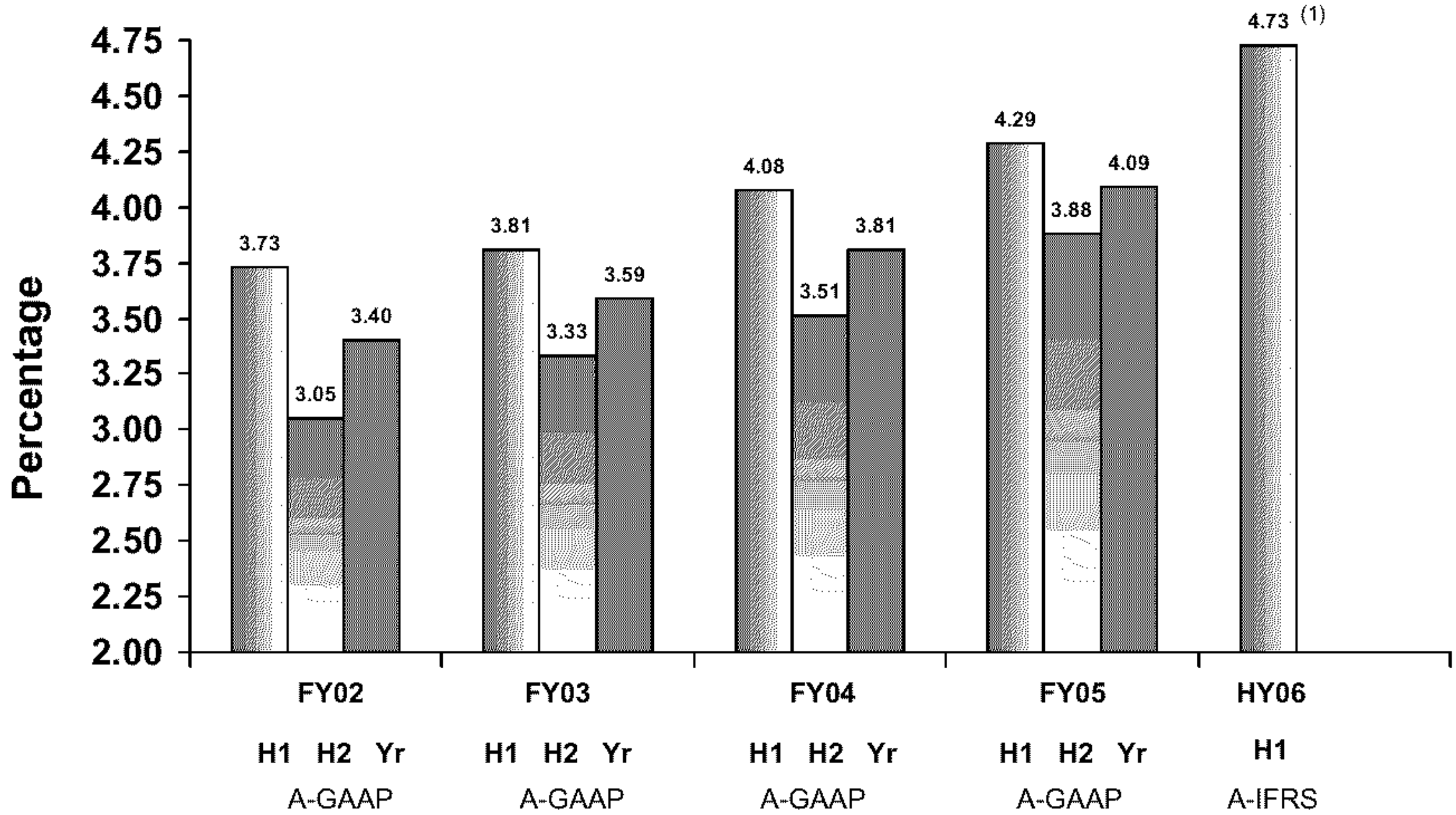
EBIT MARGIN



EBIT MARGINS HAVE INCREASED OVER THE 2005 YEAR BY 27pts

(1) Includes Foodland (NZ) and 20 Australian ex-FAL store results from 2 November 2005, and ALH retail, MGW retail and BMG retail results for the 27 weeks

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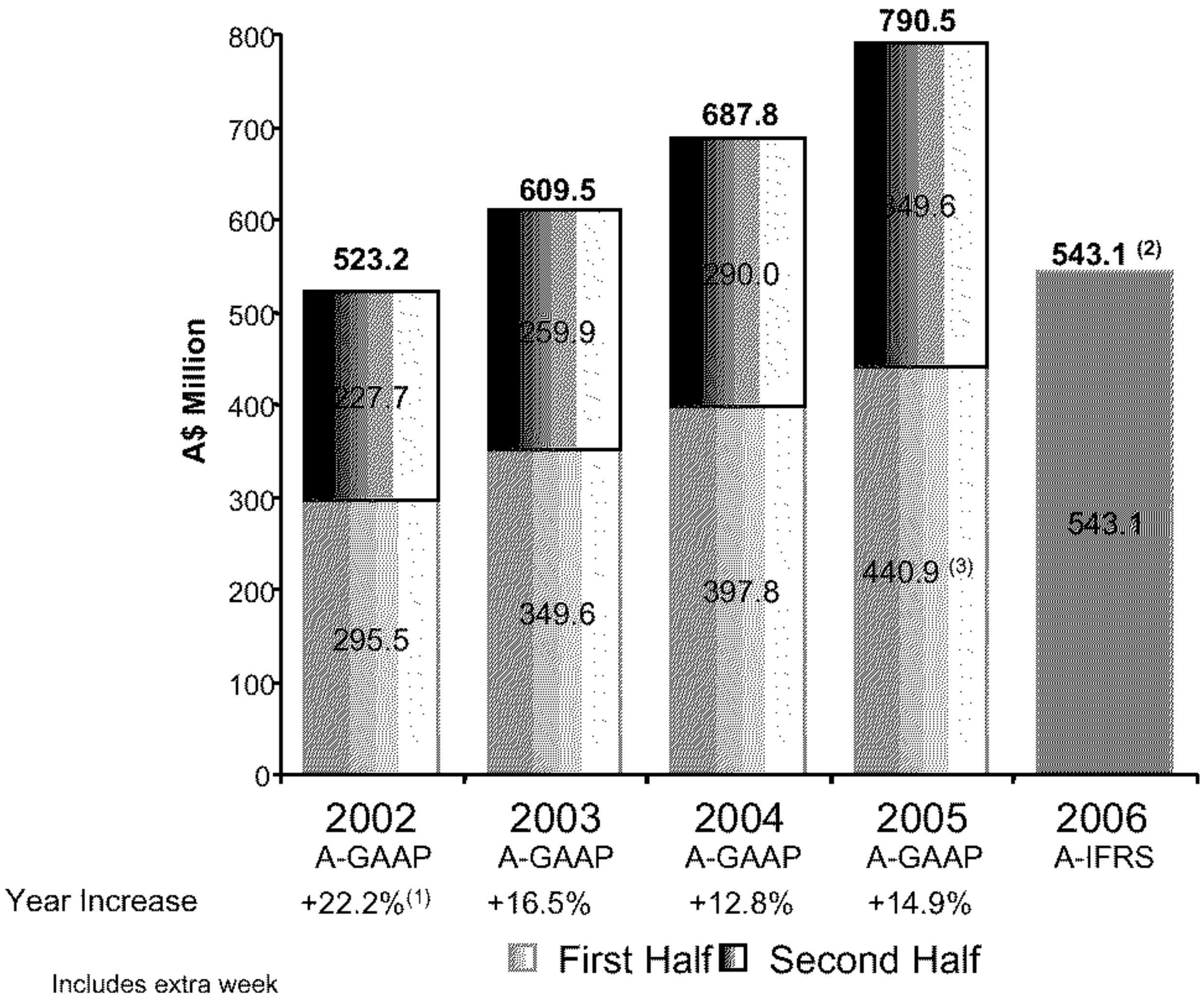
PROFIT AFTER TAX



(1) Includes extra week
(2) Includes Foodland (NZ) and 20 Australian ex-FAL store results from 2 November 2005, and ALH retail, MGW retail and BMG retail results for the 27 weeks
(3) Includes ALH for 2 months

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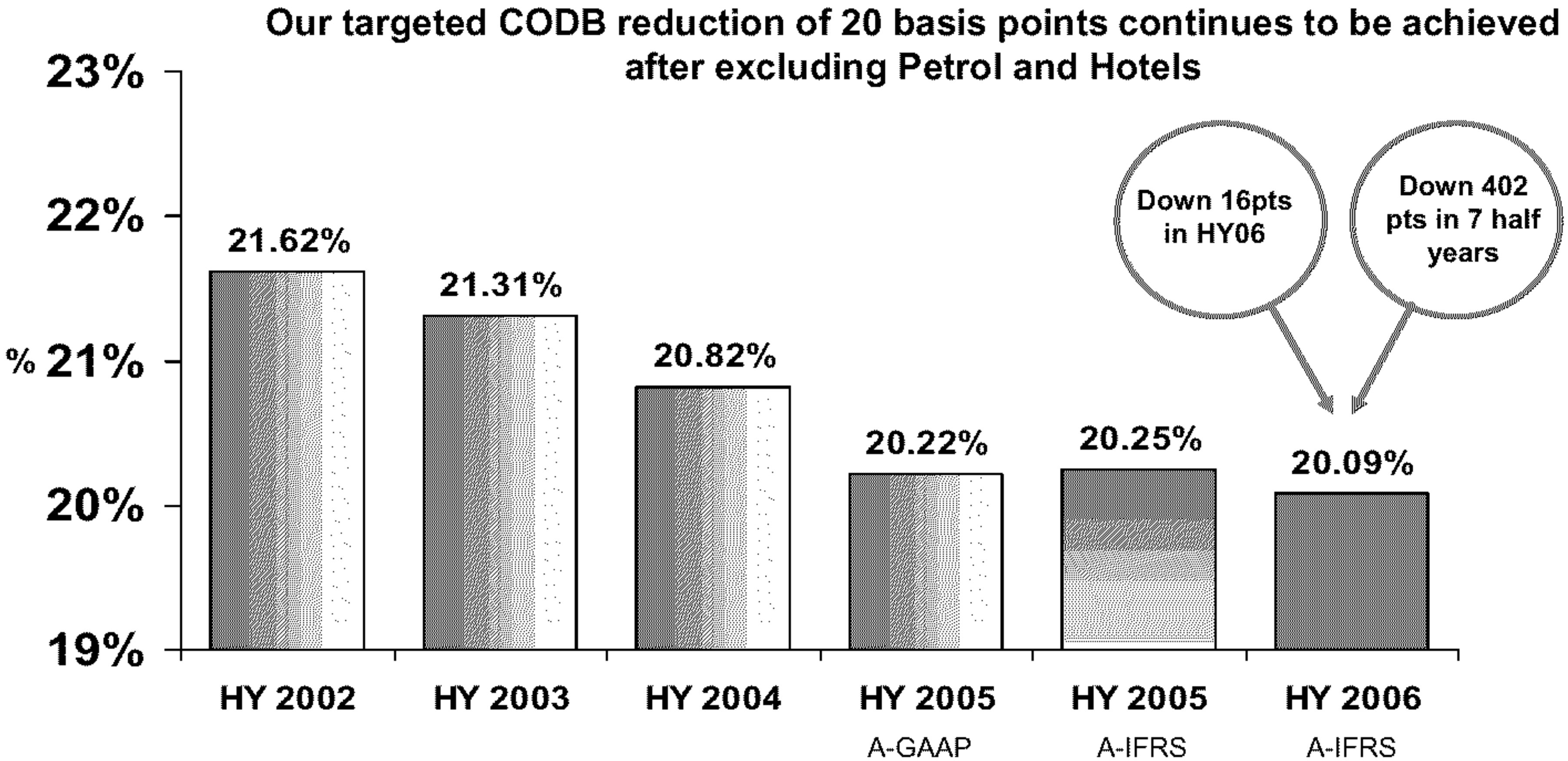
CODB / SALES



Reductions[(1)] $317 m + $393 m + $492 m + $625m + $768 m = $3.0bn

(1) The annual reductions calculated using 1999 as the base year where CODB/Sales was 24.1%. 2000 cost reduction was $127m and 2001 cost reduction was $245m. CODB percentage of sales in 2000 was 22.87 and in 2001 was 21.91.

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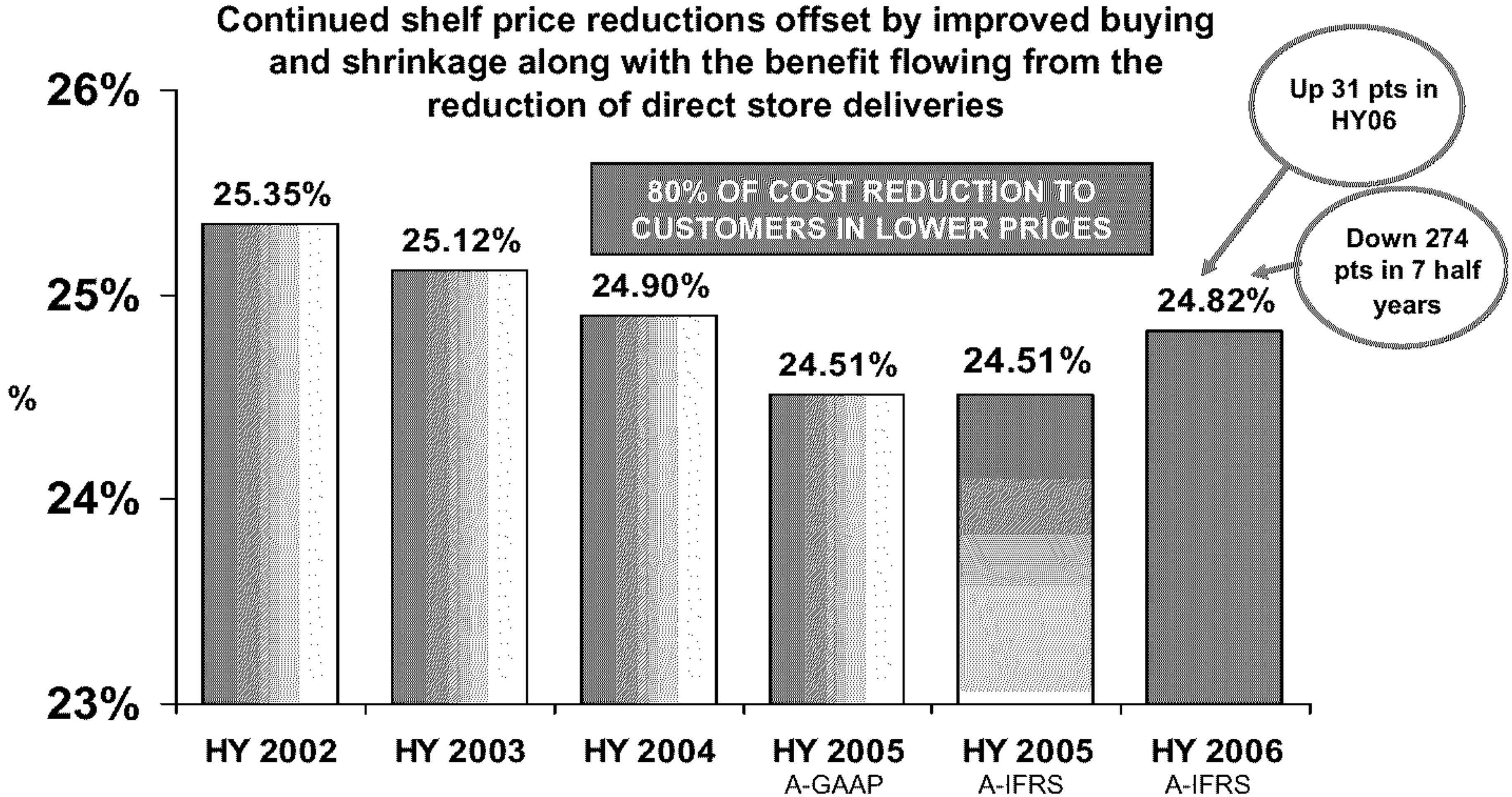
GROSS PROFIT MARGIN



Reductions[1] $283 m + $344 m + $399 m + $491m + $522m = $2.4bn

(1) The annual reductions calculated using 1999 as the base year where GP/Sales was 27.56%. 2000 Gross Profit reduction was $125m and 2001 GP reduction was $235m. GP percentage of sales in 2000 was 26.35% and in 2001 was 25.46%.

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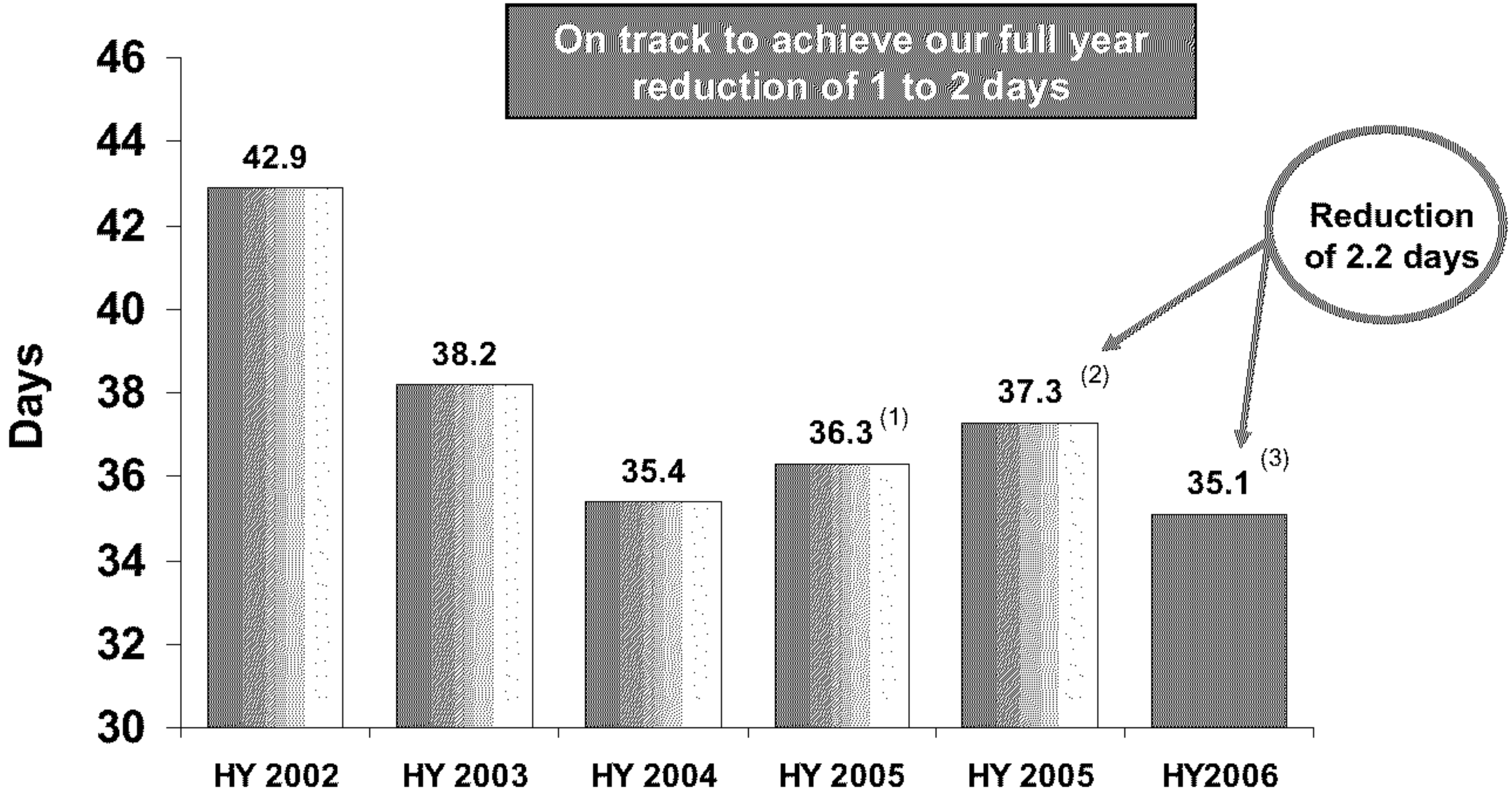
CASH FLOW HALF YEAR

	HY05 A-IFRS $m	HY06 A-IFRS $m	Change %
EBITDA	881.4	1,154.8	+31.0
Net reduction in working capital and other operating cash flows	64.9	205.6	
	946.3	1,360.4	+43.8
Interest paid (including cost of WINs)	(62.1)	(113.3)	+82.4
Taxation Paid	(201.8)	(229.2)	+13.6
Total cash provided by operating activities	**682.4**	**1,017.9**	**+49.2**
Payments in relation to the Distribution Centres	(77.0)	(257.0)	
Payments in relation to Norwest	(67.0)	(48.0)	
Payments normal Capex	(390.4)	(485.7)	
Proceeds on disposal of property, plant and equipment	8.0	288.4	
Dividends received	6.1	-	
Total cash used in investing activities	**(520.3)**	**(502.3)**	
Free cash before acquisitions	**162.1**	**515.6**	**+225.3**
Payments for purchase of ALH/FAL net of cash received on acquisition	(1,182.6)	(895.7)	
Payments for other acquisitions net of cash received on acquisition	(9.2)	(73.5)	
Free cash after acquisitions	**(1,029.7)**	**(453.6)**	

DAYS STOCK ON HAND (HALF YEAR)



10.9 days reduction over past 7 half years equals $800m cash flow benefit

(1) Last year as reported – Proforma excluding ALH and adjusted to 28 weeks.
(2) Based on 27 weeks with values for the ALH Group.
(3) Excludes Foodland (NZ) and 20 Ex-FAL Australian stores.
(4) 1999: 46.0 days stock on hand.

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FOUR YEAR REPORT CARD

	HY02	HY03	HY04	HY05 A-GAAP	HY06 A-IFRS
Sales will grow in the upper single digits supported by bolt on acquisitions.	13.4%	10.9%	6.4%	7.0%	18.4%
EBIT will outperform sales growth driven by cost savings.	18.9%	13.5%	13.7%	12.6%	31.5%
EPS will outperform EBIT growth assisted by capital management.(1)	27.4%	16.3%	17.6%	9.4%	16.5% (2)

(1) Our long term EPS objective is that EPS will outperform EBIT growth, however in circumstances where we undertake a major acquisition which results in the need to defer our normal ongoing capital management initiatives for a period of time, EPS over this time will not necessarily outperform EBIT growth.

(2) EPS growth per the HY06 has been impacted by the temporary suspension of our share buy back initiatives as a result of the acquisition of ALH/Foodland. We anticipate resuming these initiatives following the integration of ALH/Foodland into our business.

PROJECT REFRESH – COST REDUCTIONS

- **Level I – Reorganisation / line items (1999)**
  - Eliminate State-based structure
  - Streamlined management
  - Supplier relations
- **Level II – Logistics (2003)**
  - Automatic inventory replenishment
  - Warehouse management systems
  - Warehouse rationalisation
  - Primary and secondary freight
- **Level III – Initiatives (2005)**
  - Growth initiatives (acquisitions and organic)

PROJECT REFRESH

Overview

- "Refresh" level 1 initiatives since 1999 underpin a reduction in CODB of 3.78% of sales, giving cumulative savings of $3.6 billion to the end of FY05 (based on our 1999 cost structure). We are on track to deliver a further $1.3 billion in savings in FY06.
- Targeting further "Refresh" savings to underpin a cost reduction of 20bps per annum over the next 5 years.
- These additional savings over the next 5 years will come from both Refresh level I and Level II (Supply Chain improvement program).

PROJECT REFRESH (continued)

[redacted]

Level III - Development

[redacted]

Level I - Reorganisation / line items

99 00 01 02 03 04 05 06 07 08 09

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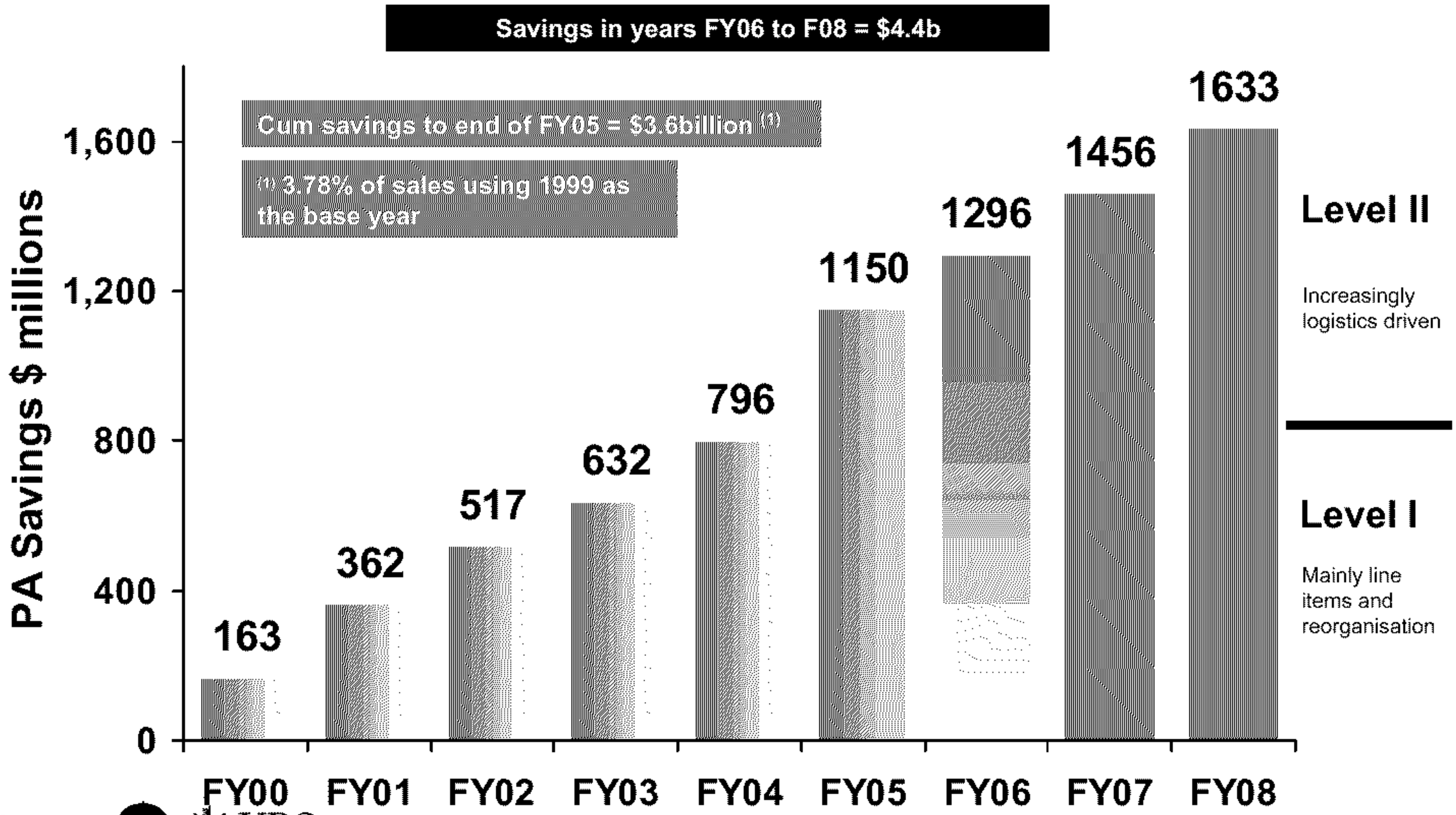
PROJECT REFRESH (continued)

9 year cumulative savings = $8.0 billion



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"REFRESH" LEVEL II

- Significant progress has been made to date as we move toward the completion phase.
- The technology required to support our new supply chain is critical to its success and was complex in its design. We have now passed the high risk stage of our IT rollout with far better results than expected. The technology and systems are critical in achieving synergies in any supply chain transition.
- As previously reported, Stocksmart (DC forecast based replenishment) has been implemented fully in our DCs and AutoStockR has been rolled out (store forecast based replenishment) to all supermarkets five months ahead of the original schedule and under budget.
- During the current year we have started to utilise the significant advantages that these systems provide and more will follow as we roll out our new Point of Sale technology during 2006.
- Further, we have expanded AutoStockR to cover other areas not originally planned because it has been so successful.
- This technology is a key enabler in achieving synergies and future growth from recent acquisitions.

“REFRESH” LEVEL II (continued)

- Rollout of our new DC network well underway with 4 new RDCs being operational this financial year:
  - Perth was completed ahead of schedule and is now fully operational. This site forms the “blueprint” for our future RDC transitions.
  - Adelaide RDC is now fully operational.
  - Wyong and Townsville RDCs commenced operation during the last quarter – on time and on budget.
  - Wodonga RDC commenced operation in January.
  - Construction is well advanced on our Brisbane RDC and we expect this facility to come on line this calendar year.
- As previously reported, roll cages successfully implemented in WA with expectations exceeded. Rollout into SA and QLD was completed last half. Rollout into NSW and VIC stores is underway and is aligned with the commissioning of our new RDCs at Wyong and Wodonga.
- With the TMS now implemented for primary freight, a new secondary freight is being piloted to ensure the optimisation of transport loads and routes and visibility of stock in transit at any point in time. Roll out has commenced and is aligned to the commissioning of our new RDCs.
- Continued active engagement with vendors.
- FY06 is a year of transition to our new supply chain.

GUIDANCE FY06

Sales

- For FY06 we expect that sales growth including Foodland and Taverner to be in the range of 15% to 20%.

Earnings

- For FY06, we anticipate that NPAT (excluding Foodland and Taverner) will increase in the lower double digits (10% to 15%). Furthermore we expect that Foodland and Taverner will add between 5% and 8% to the result.
- We also anticipate that EBIT will continue to grow faster than sales in FY06.

Other

- Trading area expected to grow between 3% and 5% over the foreseeable future.

Guidance subject to current trading patterns being maintained, and present business, competitive and economic climate continuing

Capital Structure

CAPITAL MANAGEMENT

- Woolworths currently sets its capital structure with the objective of maintaining credit ratings of A- from Standard and Poor's and A3 from Moody's Investor Services.
- Three significant debt transactions were undertaken since June 2005:
  - Medium Term Notes of A$300 million issued in September 2005 into the domestic market.
  - Senior Notes totalling US$725 million issued in November 2005 into the US bond market.
  - Medium Term Notes of A$350 million issued in March 2006 into the domestic market.
- The company announced on 26 October 2005 that it intended to redeem the Woolworths Income Notes (WINs). These Woolworths Notes will be used to finance the redemption.
- To assist in strengthening the balance sheet and to maintain current credit ratings, Woolworths has entered into an underwriting agreement in connection with the WOW DRP. To date 3 dividends have been underwritten with plans to underwrite the final dividend in October this year.
- Woolworths will re-examine opportunities for future share buy backs once the ALH and Foodland integrations are completed.
- Whilst no decision has been made, Woolworths is reviewing strategies in regard to the sale of its distribution centres.
- Fixed charge cover ratio is at 2.6 times despite the impact of the recent acquisitions. This is a good outcome.

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CONSISTENTLY STRONG FINANCIAL POSITION

- Strong cash flow generation
- History of improved working capital driven by reduced days stock on hand
- Maintenance of strong financial ratios, in particular Fixed Charge Cover:

2001	2002	2003	2004	2005	HY2006
2.40x	**2.35x**	**2.50x**	**2.52x**	**2.47x**	**2.64x**

- Commitment to maintain S&P credit rating of A- and Moody's credit rating of A3
- DRP underwritten for 2 years – strengthens balance sheet
- Foodland acquisition funded 50% by equity (81.6 million shares)
- Refinancing WINs with a hybrid containing intermediate equity credit – further strengthens balance sheet
- A security which attracts intermediate equity credit is roughly equivalent to a 50:50 debt/equity raising mix

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Note: Fixed Charge Cover Ratio is defined as EBITDAR divided by fixed charges, which includes interest on all indebtedness, including interest on deposits and WINs expense, and all rent expense, and is stated before minority interests. The Fixed Charge Cover Ratio for 2005 has been calculated on an AIFRS basis.

CAPITALISATION & KEY RATIOS

Woolworths' healthy balance sheet reflects the firm's strong credit profile and commitment to financial discipline

Capitalisation

A$m as at 1 January 2006	AIFRS 2006H1
Cash	(706.5)
Total borrowings	4,128.3
Shareholders' Equity	4,053.6
Total Capitalisation	**7,475.4**

Key Ratios

As at 30 June	2002	2003	2004	2005
Net Debt / Net Debt + Equity	40.6%	44.0%	34.5%	52.4%
EBITDA Interest Cover	13.11x	16.63x	16.33x	11.35x
Fixed Charge Cover	2.35x	2.50x	2.52x	2.48x
Net Debt / EBIT	1.01x	1.01x	0.72x	1.88x

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Woolworths Notes Offer

KEY TERMS

Security	Woolworths Notes are perpetual, unsecured, subordinated, cumulative notes.
Maturity	Woolworths Notes have no fixed maturity or repayment date.
Distribution Payments	Distributions are unfranked and quarterly, deferrable at the discretion of Woolworths' Directors for a period of up to 10 years. Woolworths is restricted from the payment of dividends to ordinary shareholders and the return of capital in the event a Distribution is missed.
Distribution Rate	The Distribution Rate will be based on the prevailing 3 month bank bill rate plus a margin at the commencement of each Distribution Period until the First Remarketing Date. The margin applying until 15 September 2011 will be as set by a bookbuild expected to be conducted on 8-9 May 2006 and will be a minimum of 1.10% p.a.
Remarketing Process	The Issuer may conduct a remarketing process prior to a remarketing date in order to change the margin and certain other terms
First Remarketing Date	15 September 2011.
Step-up	On the First Remarketing Date, either a new margin will be set or the margin increased by an additional step-up of 2.00%.
Issuer's right to redemption	The Company may redeem the Woolworths Notes (for the issue price plus all outstanding amounts) in the following circumstances: (a) On the Remarketing Date or any distribution payment date where the step-up margin applies; or (b) Upon occurrence of certain events such as an acquisition, accounting, tax or regulatory event; or (c) Where the face value of the Woolworths Notes is less than $100 million.
Holders' right to redemption	Holders have the right to request redemption in limited circumstances (ie breach of the restrictions on paying ordinary dividends).
Ranking	Holders are subordinated in right of payment of redemption proceeds to the claims of all creditors of Woolworths but rank ahead of Woolworths' shareholders in a winding-up of the company.
Credit Rating	Woolworths expects that, on their issue, the Woolworths Notes will be assigned a credit rating of BBB from Standard & Poor's and Baa1 from Moody's.
Listing	Woolworths are expected to trade on the ASX as WOWHB

OFFER & SYNDICATE STRUCTURE

Offer Structure

- Eligible WINs Holder Offer for existing WINs Holders (closes Fri 5 May)
- Broker Firm offer to syndicate (closes 9am Tue 9 May)
- Institutional Investor Offer (closes 3pm Tue 9 May)

Syndicate Structure

- Joint Bookrunners (Citigroup, UBS)
- Joint Lead Managers (Citigroup, UBS, Merrill Lynch)
- Co-Managers (Citigroup Wealth Advisors, UBS Wealth Management, Bell Potter Securities)

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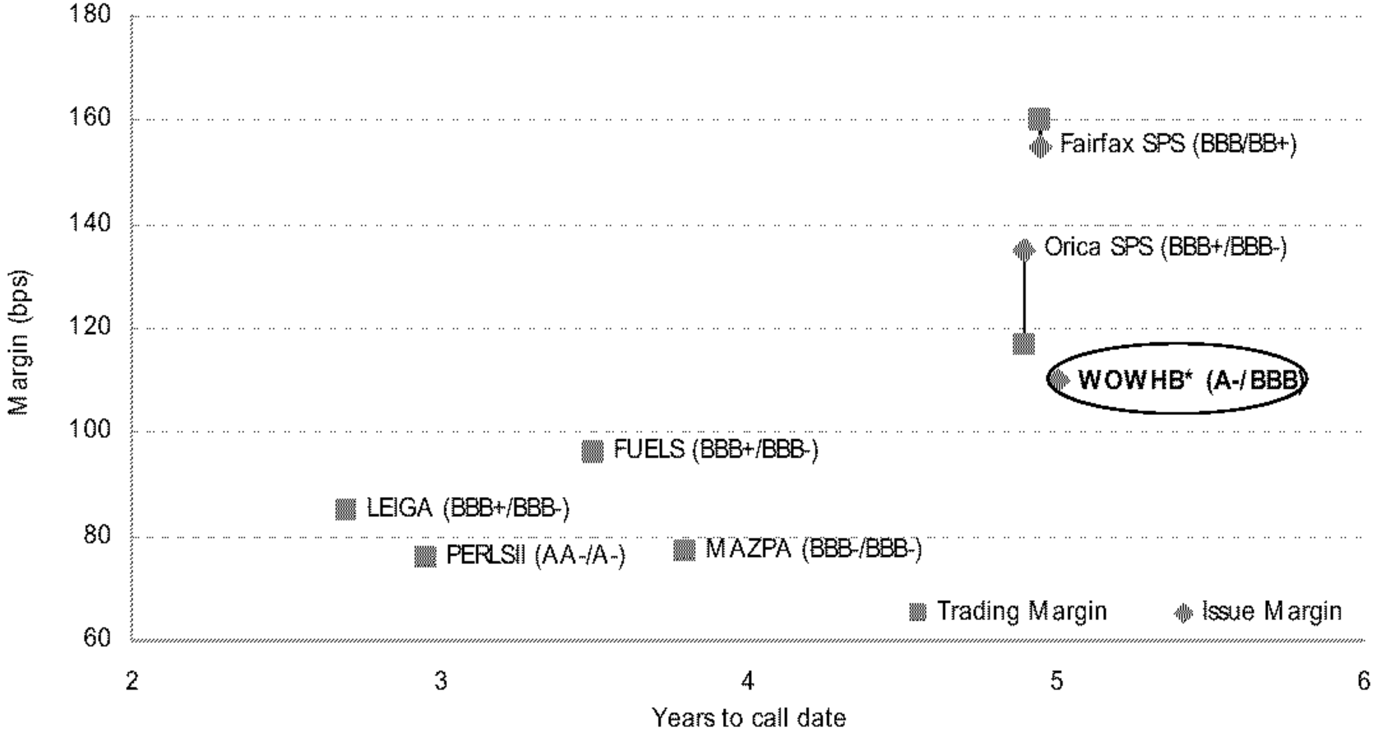
WOOLWORTHS NOTES PRICING

- Bookbuild range will be announced on Monday 8th May
- Margin will be a minimum of 110 bps



* Note: Minimum Margin

Ratings shown are S&P Issuer rating / S&P Issue rating

OFFER TIMETABLE

Lodgement of Prospectus with ASIC	3 April 2006
Record date for WINs Holders to participate in the Eligible WINs Holder Offer	11 April 2006
Opening date of the Eligible WINs Holder Offer	13 April 2006
Closing date of the Eligible WINs Holder Offer	5 May 2006
Bookbuild	8-9 May 2006
Announcement of Margin	10 May 2006
Opening date of the Broker Firm Offer	10 May 2006
Last day of WINs trading	12 May 2006
Record date for WINs redemption and final WINs interest payment	19 May 2006
Closing date of the Broker Firm Offer	26 May 2006
WINs Redemption Date and payment of final interest amount	5 June 2006
Allotment of Woolworths Notes	5 June 2006
Commencement of Woolworths Notes trading on ASX on deferred settlement basis	6 June 2006
Despatch Woolworths Notes Holding Statements	8 June 2006
Commencement of Woolworths Notes trading on ASX on normal settlement basis	9 June 2006
First Distribution Payment Date	15 September 2006
First Remarketing Date	15 September 2011

CONTACTS

- **Woolworths Limited**
  - Tom Pockett — CFO — (02) 8885 1028
  - Asrar Rahman — Group Treasurer — (02) 8885 1107
  - Peter Horton — Company Secretary & General Counsel — (02) 8885 3680

- **Citigroup Global Markets Australia Pty Limited**
  - Fraser Todd — Citigroup — (02) 8225 4692
  - Rhonda Rowland — Citigroup — (02) 8225 6046
  - Jason Murray — Citigroup — (02) 8225 6030
  - David Bailey — Citigroup — (02) 8225 6031

- **UBS AG, Australia Branch**
  - Simon Maidment — UBS — (02) 9324 3948
  - Bryan Davies — UBS — (02) 9324 2425
  - Dane FitzGibbon — UBS — (02) 9324 2339

QUESTIONS?

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Appendices

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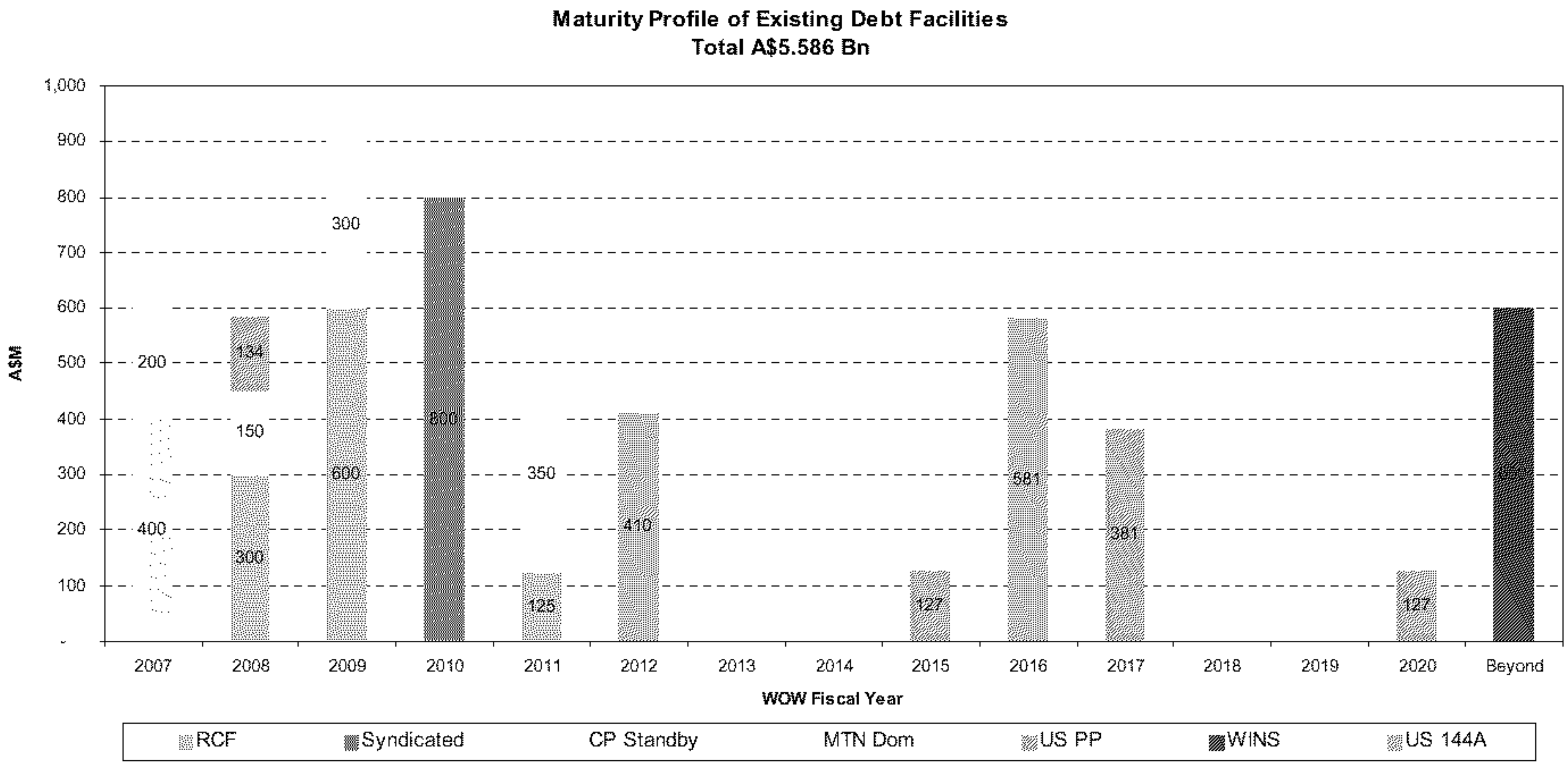
DEBT FACILITY MATURITY PROFILE



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DETAILED TERM SHEET

Issuer	Woolworths Limited (**Woolworths**).
Security	Remarketable, floating rate, unsecured, subordinated notes (**Woolworths Notes**).
Term	Perpetual, non-redeemable prior to the First Remarketing Date except in limited circumstances (refer to Issuer and Holder Redemption sections below).
Face Value	$100.00.
Ranking	Unsecured and subordinated on a winding up of Woolworths to all secured and unsecured creditors for the payment of the Redemption Amount. Ahead of shareholders on a winding up or liquidation. Woolworths is restricted from issuing preference shares under its Constitution. As a result, the only securities that rank below the Woolworths Notes are Ordinary Shares.
Distributions	Subject to Woolworths' ability to defer distributions, Holders are entitled to a floating rate Distribution payment equal to: (Distribution Rate x Face Value x N) / 365 where N is the number of days in the Distribution Period Distributions are unfranked and are payable quarterly in arrears.
Distribution Rate	The Distribution Rate will be the Market Rate calculated at the beginning of each Distribution Period plus the Margin. The Market Rate will be the three month Bank Bill Swap Rate, expressed as a percentage per annum. Until the First Remarketing Date, the margin is as determined through the bookbuild and is at least 1.10%. Following a Successful Remarketing Process, the margin is the Remarketing Margin as set by this process (subject to a minimum of zero). If a Remarketing Process has not been conducted or if the Remarketing Process is unsuccessful, the margin is the Step-Up Margin.
Step-Up Margin	The Margin determined through the bookbuild (or the Remarketing Margin set through a Successful Remarketing Process) plus 2.00%. The Step-Up Margin from a Remarketing Date can be changed as part of a Successful Remarketing Process.

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DETAILED TERM SHEET

Distribution Payment Dates	15 March, 15 June, 15 September, 15 December and the date of redemption of a particular Woolworths Note.
Deferral of Distributions	Woolworths has the right to defer any Distribution payment (**Unpaid Distribution Amount**), at its absolute discretion, for a period of up to 10 years (subject to the below). Any outstanding Unpaid Distribution Amount will accrue interest (on a daily basis, compounding quarterly) at the prevailing Distribution Rate (**Accrued Distributions**). All outstanding Unpaid Distribution Amounts and Accrued Distributions (**Deferred Distribution Amounts**) will become liable to be paid on the **Final Distribution Deferral Date**, being the first to occur of: • The 10th anniversary of the original Distribution Payment Date of the earliest outstanding Unpaid Distribution Amount; • A redemption, or resale by Woolworths, of any Woolworths Notes; or • A Remarketing Date following a Successful Remarketing Process. There is no obligation to repay the Face Value outstanding on the Final Distribution Deferral Date. Woolworths, at its discretion, may at any time make optional payments of any unpaid Deferred Distribution Amounts.
Dividend Stopper	Woolworths must not pay dividends on Ordinary Shares or other securities ranking equally with, or junior to, the Woolworths Notes (collectively **Capital Securities**), or reduce or buy back any Capital Securities while any Deferred Distribution Amounts remain unpaid (except in certain circumstances or if approved by Woolworths Notes Holders).
Remarketing Date	The First Remarketing Date (15 September 2011), and thereafter: • As set through a Successful Remarketing Process; and • The fifth anniversary of a Remarketing Date which does not follow a Successful Remarketing Process.

Remarketing Process	Prior to a Remarketing Date, Woolworths may conduct a Remarketing Process to determine a new Margin, and may propose that certain other terms be adjusted Holders may respond to a Remarketing Process as follows: • Step-Up Response: cease holding the Woolworths Notes if the Margin does not increase to the Step-Up Margin. • Bid Response: indicate a desired new Margin, within the range offered by Woolworths, at or above which the Holders will continue to hold the Woolworths Notes. • Hold Response: continue to hold the Woolworths Notes at the new Margin determined by Woolworths through the Remarketing Process. Holders who do not respond will be deemed to have given a Hold Response.
Outcomes of a Remarketing	*Successful Remarketing Process* If there is a Successful Remarketing Process, the margin set by Woolworths (**Remarketing Margin**) (and the other proposed term adjustments) will apply from the Remarketing Date. In relation to a Woolworths Note that is held by an Exiting Holder, Woolworths must either redeem or resell the Woolworths Note such that the Exiting Holder receives a cash amount equal to the Redemption Amount. Resold Woolworths Notes will have the same terms as all other Woolworths Notes on issue. Except in respect of Exiting Holders, Woolworths Notes cannot be redeemed until the next Remarketing Date other than in limited circumstances. *No Successful Remarketing Process* If Woolworths does not set a Remarketing Margin through a Remarketing Process (or no Remarketing Process is conducted) the Margin will increase to the Step-Up Margin from the Remarketing Date (and any proposed term adjustments will not apply). Woolworths will be entitled to redeem some or all of the Woolworths Notes after the Remarketing Date (refer to Issuer Redemption section below).

DETAILED TERM SHEET

Successful Remarketing Process	A Remarketing Process where a Remarketing Margin is set following provision by Holders of: • Hold Responses (for the avoidance of doubt, this does not include Holders who are deemed to have given a Hold Response by not responding); or • Bid Responses equal to, or less than, the Remarketing Margin, in respect of Woolworths Notes representing an aggregated Face Value of at least 25% of Woolworths Notes on issue at the time of the Remarketing Process.
Exiting Holders	Holders who provide, before a Successful Remarketing Process: • A Step-Up Response, unless the Remarketing Margin is equal to the Step-Up Margin; or • A Bid Response, where their bid margin is greater than the Remarketing Margin.
Holder Redemption	Holders may only cause redemption following a breach of the Dividend Stopper.
Issuer Redemption	Woolworths may redeem some or all Woolworths Notes for the Redemption Amount: • On a Remarketing Date; • Unless a Successful Remarketing Process has been conducted, on each Distribution Payment Date following the relevant Remarketing Date; • On the occurrence of a Tax Event, Accounting Event, Acquisition Event or Regulatory Event (must redeem all, but not some Woolworths Notes); and • Where the Face Value of the outstanding Woolworths Notes is less than $100 million (must redeem all, but not some Woolworths Notes).

Replacement Capital Covenant	Woolworths and a trustee will enter a Trust Deed, expressed also to be a deed poll, in which Woolworths covenants in favour of the holders of unsecured, rated debt of Woolworths (excluding the Woolworths Notes) that it will not redeem the Woolworths Notes except in the circumstances where Woolworths has itself or through another member of the Woolworths group raised funds prior to such redemption by the issue within the preceding 12 months before the date of redemption of either: • ordinary shares in Woolworths Limited; or • any security, whether debt or equity, ranking pari passu with the Woolworths Notes with substantially the same terms and conditions regarding maturity, ranking, deferral or redemption as the Woolworths Notes in an amount sufficient for those shares or securities to carry at least the same equity credit weighting assigned to the Woolworths Notes by Standard & Poor's at the date the Woolworths Notes are issued. If Woolworths makes an issue of this kind in order to satisfy this covenant, Woolworths will enter into another deed on substantially the same terms as the Trust Deed with respect to that new issue. The covenants referred to above will not apply in circumstances where Woolworths reasonably believes that the redemption of the Woolworths Notes will not cause the corporate credit rating assigned to Woolworths by Standard & Poor's (**Rating**) to fall from the Rating applying on the business day immediately before the day on which Woolworths publicly announces that the Woolworths Notes are to be redeemed. If as a result of the public announcement by Woolworths that the Notes are to be redeemed, the Rating applying on the business day immediately before the day on which Woolworths publicly announces that the Woolworths Notes are to be redeemed is placed on negative outlook or credit watch or equivalent, the Rating will for the purposes of the Trust Deed be considered to not have fallen.

DETAILED TERM SHEET

Resale	Woolworths may procure the sale of Woolworths Notes held by Exiting Holders following a Successful Remarketing Process. In relation to each Woolworths Note being Resold, Woolworths must procure the payment to the selling Holder of net proceeds of sale at least equal to the Redemption Amount.
Further Debt Obligations	While Woolworths Notes are on issue, Woolworths cannot incur (without the prior approval of Holders) any debt obligation which is subordinated and ranking in priority to the Woolworths Notes in respect of interest, dividends or distributions of capital in a winding up. Otherwise there are no restrictions on incurring any debt obligations (whether subordinated or not or ranking ahead of, equal with or behind the Woolworths Notes in priority).
Participation	Woolworths Notes do not carry a right to participate in any offering of new securities in Woolworths.
Quotation	Woolworths Notes will trade as WOWHB on ASX.
Voting Rights	Woolworths Notes do not carry a right to vote at general meetings of Woolworths except if required under the Corporations Act or ASX Listing Rules.
Key Events	• Accounting Event – occurs on a change in Australian generally accepted accounting principles that would result in Woolworths Notes being treated as equity (currently treated as a liability). • Tax Event – may occur if there is a change or amendment in tax laws or its interpretation. Woolworths has received a tax ruling from the ATO confirming the tax treatment of the Woolworths Notes for Woolworths.

SUPERMARKETS DIVISION – HALF YEAR

- Australian and NZ supermarket division sales for the half year increased 12% and 4.3% respectively over the previous comparable period
- Overall food inflation in Australia and NZ remained below 2.0% in the half
- During the half year, 9 new Supermarkets along with 20 ex-FAL Australian stores were opened in Australia (compared to 8 last year). 11 stores are scheduled to open in the second half
- EBIT grew faster than sales - 22.3% compared to sales growth of 17.7%
- Inventory down on last year by 1.2 days
- Funds employed grew 131.2% due primarily to the acquisition of FAL (excluding FAL down marginally by 1.5%)
- The 20 ex-FAL stores made a minimal contribution to EBIT during the period due to write off of establishment costs. These will be significant contributors in future years.

OTHER DIVISIONS – HALF YEAR

Liquor	• Comparable store sales in all our businesses were strong • Dan Murphy's continued to expand with 8 stores opened in the half, bringing total number of stores to 43 • Group liquor sales for the half year (including ALH/MGW/BMG) were $1.6 billion • Anticipate that total liquor sales for the group will exceed $3.1 billion, which is well on our way to our new target of $3.5 billion annual liquor sales in the near to medium future
Petrol	• Petrol sales of $2.2bn increased by 35.6% for the half • Strong volume growth with litres increasing 15.4% • EBIT was impacted by tighter retail margins in the first quarter caused by higher petrol prices • Currently 472 sites, including 125 co-branded Woolworths/Caltex alliance sites
BIG W	• BIG W recorded a solid result despite tighter trading conditions • BIG W sales for the half year grew 7.6% • EBIT increased 3.9% mainly reflecting the inability to fractionalise costs with lower comparable sales • Three BIG W stores were opened in the half (3 last year), taking the total number of stores in the division to 123
Consumer Electronics	• An excellent result all round with the division reporting double digit growth in both revenue and earnings • Sales for the half increasing by 17.4% • During the half year, 15 new Dick Smith Electronics, Powerhouse and Tandy stores were opened with a plan to open a further 10 during the second half
Hotel	• Sales growth increased by 4.2% over the equivalent period last year, in line with expectations • Hotel sales driven by continued growth in major markets including QLD and VIC • Gaming revenue continues to grow (4.7%), however has and will continue to be impacted by the introduction of smoking restrictions in NSW/QLD/SA • The division held a premium portfolio of 243 Hotels and clubs (including Taverner) at the end of the half year

EBIT SUMMARY

EBIT ($million)	HY05 A-GAAP Before Goodwill	HY05 A-GAAP After Goodwill	HY05 [1] A-IFRS	HY06 A-IFRS	Change A-IFRS
Food and Liquor	564.0 [2]	551.0 [2]	553.1	681.0 [3]	+23.1%
Petrol	22.2	22.2	22.2	22.4	+0.9%
Supermarkets Division	**586.2**	**573.2**	**575.3**	**703.4**	**+22.3%**
BIG W	100.6	100.6	100.6	104.5	+3.9%
Consumer Electronics	31.5	29.4	31.2	36.9	+18.3%
General Merchandise Division	**132.1**	**130.0**	**131.8**	**141.4**	**+7.3%**
Hotels	**17.4** [4]	**14.9** [4]	**7.3**	**81.2** [5]	**+1012.3%**
Total Trading Result	**735.7**	**718.1**	**714.4**	**926.0**	**+29.6%**
Property Income	10.3	10.3	10.8	17.3	+60.2%
Central Overheads	(38.7)	(38.7)	(40.2)	(41.7)	+3.7%
Continuing Operations	**707.3**	**689.7**	**685.0**	**901.6**	**+31.6%**
Wholesale Division	1.4	1.4	1.4	0.8	-42.9%
Group EBIT	**708.7**	**691.1**	**686.4**	**902.4**	**+31.5%**

(1) HY05 restated under A-IFRS.
(2) Includes ALH retail liquor results for the 2 months to 2 January 2005.
(3) Includes Foodland (NZ) business and 20 ex-FAL Australian stores from 2 November 2005, ALH retail, MGW retail and BMG retail for the 27 weeks.
(4) Represents ALH Hotel results for the 2 months to 2 January 2005.
(5) Represent ALH/MGW/BMG Hotel results for 27 weeks.