

WOOLWORTHS LIMITED

A.B.N 88 000 014 675

27 November 2008

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

Dear Sir/Madam

RE: Woolworths Limited – Chief Executive Officer’s Address - Listing Rule 3.13.3

Attached is a copy of the Chief Executive Officer’s address to the 2008 Woolworths Limited Annual General Meeting being held today.

**For and on behalf of
WOOLWORTHS LIMITED**

A handwritten signature in black ink, appearing to read 'P. Horton', with a stylized flourish at the end.

**PETER J HORTON
COMPANY SECRETARY**

CEO Address
Woolworths Limited Annual General Meeting
Thursday 27th November, 2008

Introduction

Thank you Mr Chairman and good morning ladies and gentlemen.

As Chief Executive Officer,

I am delighted to present a review of the last twelve months of trading and to highlight some of the key business initiatives that are contributing to the ongoing success of this great company.

I will also present some of the main financial indicators and talk about our growth intentions in the context of the current climate of economic uncertainty.

The 2008 Year in Review

2008 was another very good year for Woolworths. We exceeded our financial targets for the ninth successive year thanks to a continued commitment by our 190,000 strong team to deliver the best possible choice, value and service to our customers in all our stores, service stations and hotels.

Of course 2008 has not been without its challenges. The rigorous and intensive Government Inquiry into the grocery sector was undoubtedly time consuming and costly but nevertheless did establish a formal basis of fact about the way in which we do business, and dispelled the myths which are often peddled by certain vested interest groups. The key finding of the Inquiry was that the grocery retail sector is 'workably competitive.'

At its heart, retailing is a simple, service oriented business and Woolworths has never lost sight of the fact that our success ultimately hinges on our ability to serve our customers better than our competitors can. We remind ourselves everyday that our customers have choices about where to spend their hard earned money and we do not ever take their patronage for granted.

On that basis, Woolworths has continued to reinvest in the business to improve stores, create jobs, add services, deliver value, and create an even better shopping experience for our customers. This is even more critical in challenging times. Strong companies will always continue to invest in the long term growth of their businesses. Woolworths is exactly that kind of company.

The highlights of 2008 for Woolworths are stories of investment, ingenuity and innovation. They are also a testament to the exceptional vision and expertise of thousands of men and women who have chosen to pursue their career at Woolworths.

1) A fresh look for our brands

Keeping our stores and our brands up to date and relevant for customers is extremely important.

During 2008 three of our brands have invested in a major facelift.

- in August we announced the rebranding of Woolworths Supermarkets after 20 years, including the renaming of Safeway here in Victoria.

This will rollout gradually over the next couple of years but the response from staff and customers so far has been fantastic.

In tandem with the rollout of the 2010 store format, the new branding will really accentuate the shopping experience.

- BIG W has also undergone a fresh repositioning with new store formats, brand livery and merchandising techniques. Again, customer response has been overwhelming as the BIG W sales results in the last two years will testify.
- Dick Smith Electronics launched a pilot store in NSW during the year and the results were so impressive we're now embarked on a national refurbishment program. New brand positioning and a new website design will also help to keep DSE relevant to its customer base.

2) New additions to the portfolio – Thomas Dux and Everyday Money

A couple of new homegrown brands have joined the Woolworths stable this year, adding additional diversity and innovation to our business.

- Thomas Dux is a new concept community grocery store stocking the freshest fresh produce as well as an interesting range of unusual and eclectic grocery items. We have opened two stores in Sydney so far, both of which are enormously successful and we look forward to expanding that brand over time
- Everyday Money is Woolworths' financial services brand and this launched a few months ago with the first product, the Everyday Money Credit Card. Woolworths has built an exceptionally capable financial services team who are not only responsible for delivering customer facing products such as the credit card but also take care of our payment systems, including our in-house financial switch which now handles over 6 million transactions a week.

3) In-store innovations

It is always our aim to improve the in-store experience for customers and this means investing in new services, innovations and technologies.

In 2008 we introduced.....

- self serve checkouts in supermarkets
- More optical stores in BIG W
- New and improved photo laboratory facilities in BIG W and online with a huge range of gift options
- iTunes download facilities in Dick Smith Electronics

4) Delivering even more value

2008 also saw us rollout the hugely successful Everyday Rewards card.

This card is brilliant in its simplicity

because it not only replaces the paper fuel docket with an easy to use plastic card, but also gives registered customers the chance to win prizes and receive targeted offers.

We now have almost 2.7 million customers signed up to Everyday Rewards and clearly this is a great basis for building a solid and valuable loyalty program that will deliver value back into the hands of our customers.

Another initiative launched recently is the rollout of comparative unit pricing which is the shelf ticketing system which shows the price of an item by unit of measurement, such as per kilo or per litre.

This will hopefully give our customers a little extra information which may help them to make better choices depending on their needs and preferences.

5) Supply chain efficiencies

Behind the scenes, our efforts to gain greater efficiencies continue.

The proprietary systems and knowledge gained from Project Refresh in supermarkets are now being extended to other divisions

including liquor, BIG W and Progressive in New Zealand.

Two brand new liquor distribution centres in Sydney and Melbourne became operational during 2008

and we also commissioned a \$100 million supermarkets distribution centre in Launceston in Tasmania in conjunction with our partner SIW.

6) Employer of choice

In May this year Woolworths became the largest private sector employer to introduce paid maternity leave.

People are pivotal to our business

and our employment strategy is to ensure that good people are recognised, rewarded and retained.

Paid maternity leave makes very good sense for us as a business and for our employees and I'm pleased to report that approximately 500 new mums have already taken full advantage of their new entitlement.

7) Corporate citizenship

Today I'm delighted to release our first standalone Corporate Responsibility report.

You should have received a copy of the report on your way in

and I would certainly encourage you to read it to gain a fuller understanding about our impact on the environment, our communities and our stakeholders.

It also provides a detailed progress report on our sustainability strategy which we launched at last year's AGM.

Some of the key initiatives from the last twelve months include:

- The roll out of our green store program including two new green stores here in Victoria – Victoria Harbour and Pakington Strand in Geelong
- The reduction of water usage by 20 million litres
- The phase out of incandescent light bulbs one year ahead of schedule
- The trials of plastic bag reduction schemes in conjunction with the Victorian Government

The report also details our \$17.5 million contribution to community funds during 2008 via programs such as the Backing Our Farmers Drought Action Day and our hugely successful Fresh Food Kids program to promote healthy lifestyles for children through marketing and a community grants scheme.

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These of course, are just a handful of the exciting changes happening across our business which will underpin our future growth and success.

And we're far from finished.

In fact I am already looking forward to presenting the year in review for 2009 at next year's AGM

because I know there are so many fresh ideas in the pipeline just waiting to come to fruition.

Financials

I would now like to briefly review the key financial performance metrics for our business for the 2008 financial year.

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|------------------------|----------------------------|
| 1. Sales | 5. Profit After Tax |
| 2. CODB/Sales | 6. Shareholder Payouts |
| 3. Gross Profit Margin | 7. Share Price Performance |
| 4. EBIT | 8. Q1 Sales |

Economic Outlook

In the last few months I have been frequently asked for my opinion on the state of the economy and the global financial crisis.

Clearly as the country's major retailer,

Woolworths is something of a barometer for consumer confidence and spending patterns.

The media has been quick to seize the prophecies of doom and there has been no shortage of self appointed prophets only too willing to talk down the Australian economy.

But I am not one of them.

Without a doubt Australia is experiencing some challenging times, as are many countries around the world.

In fact many countries have been hit far harder than ours and perhaps they haven't yet reached the bottom of the curve.

Many retailers have been affected

and are experiencing material slowdowns in sales.

All retailers large and small take a bit of deep breath in as they approach the crucial Christmas trading period.

Although this year, that breath might be deeper than usual,

I believe the Government's stimulus package,

the interest rate cuts and falling petrol prices

will all contribute to a general underpinning of the Christmas trading season.

Of course Woolworths is in the business of consumer staples such as food, everyday needs, liquor and petrol.

And whilst no one can ever be totally immune,

we are somewhat shielded from any potential downturn.

Clearly there are a number of macro economic factors currently affecting the economy.

This makes it difficult to predict how consumers will react
and the impact this will have on discretionary spending.

Subject to this uncertainty, Woolworths reconfirms its guidance as follows:

Sales for 2009 are expected to grow in the upper single digits.

We expect EBIT will grow faster than sales in 2009

Net profit after tax is expected to grow in the range of 9% to 12% on a 52 vs 53 week basis
(11% to 14% on a 52 comparative week basis)

I remain steadfastly confident about the long term economic health of Australia,
provided strong companies such as Woolworths
are encouraged and allowed to continue to invest in jobs, growth and infrastructure.
Woolworths is a strong, prudently managed and responsible company,
committed to investing in Australia's future.

We are focused on sustainable growth
and the investments we make in our business have a substantial flow-on effect
on the rest of the economy.

As you have already seen, we continue to invest our profits back into our business
– in technology, in new stores and infrastructure, in jobs and training, in sustainability
and right back into the hundreds of communities we serve.

We spend billions of dollars a year buying products from small, medium and large
Australian manufacturers, producers and farmers,
indirectly generating employment and opportunity
for a significant number of Australians.

In fact Woolworths' indirect contribution to Australia's economic output and employment
has been independently calculated at \$90 billion last year
and 696,000 full time equivalent jobs.

Federal Finance and Deregulation Minister and Member for Melbourne, Lindsay Tanner recently commented on ABC Lateline that long term sustainable growth is crucial and that there is considerable pent up momentum and energy in the economy pushing back on those downward pressures. He also noted that the actions of imaginative, innovative and creative companies are key to avoiding recession.

The Prime Minister and Mr Tanner have also committed to reducing the regulatory burden on businesses as part of the Government's broader agenda to harmonise regulation between the States. We applaud this commitment, but would urge the Government not to give with one hand and take away with the other.

The global financial crisis and subsequent downturn in Europe and the US have clearly demonstrated that the achievement of economic growth and employment requires both prudent regulation by Government and the ongoing investment of well managed, strong companies.

Therefore any future piece of legislation or regulation should be made with full consideration of its potential impact on Australia's growth and employment opportunities.

I have every confidence in the Woolworths team to continue to deliver results for our company, for our shareholders and for Australia. I have every confidence that we will continue to invest in our business to support our future growth. And I have every confidence that the CEO of Woolworths will be standing in front of you at future meetings, not just next year but the year after and the year after that, with the same positive outlook for our business.

Thank you

