

18 October 2011

The Manager Companies
Australian Securities Exchange
Company Announcements Office
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

OFFER OF WOOLWORTHS NOTES II

Woolworths has today lodged a prospectus (**Prospectus**) with the Australian Securities and Investments Commission (**ASIC**) for an offer of dated, unsecured, subordinated, cumulative notes at \$100 each (**Woolworths Notes II** or **Notes**) to raise \$500 million with the ability to raise more or less (the **Offer**).

The Offer is being made as part of Woolworths' ongoing capital management strategy with the proceeds of the Offer to be used for general corporate purposes.

Woolworths Finance Director Tom Pockett said: "Woolworths is a solid cash flow generating business with a conservative balance sheet. This Offer further optimises our capital structure and is expected to further support our corporate credit rating."

The Offer comprises:

- Institutional Offer—offer to Institutional Investors who have been invited by J.P. Morgan or UBS to bid for Notes in the Bookbuild;
- Broker Firm Offer—offer to Australian retail clients of Syndicate Brokers;
- Woolworths Shareholder Offer—offer to Eligible Woolworths Shareholders¹ who are resident in Australia; and
- General Offer—offer to members of the general public who are resident in Australia.

¹ Eligible Woolworths Shareholders are holders of Woolworths Ordinary Shares on the register at 7.00pm (Australian Eastern Daylight Time) on 7 October 2011 with a registered address in Australia

Key features of Notes include:

- Notes are dated, unsecured, subordinated, cumulative notes issued by Woolworths, which will mature on 24 November 2036 unless redeemed before that date
- Notes entitle holders to receive floating rate, deferrable, cumulative interest payments quarterly in arrears
- Interest Payments will be calculated on a quarterly basis as the sum of the 90 day Bank Bill Rate plus the Margin. The Margin will be determined following the Bookbuild on 25 October 2011 and is expected to be in the range of 3.25% to 3.50%
- Woolworths may elect to redeem Notes at its option on 24 November 2016 (**Step-up Date**) or any Interest Payment Date thereafter. If Notes are not redeemed on the Step-up Date, the Margin will increase by 1.00%
- Woolworths may, at its discretion, defer any Interest Payments, however, Woolworths will be restricted from paying dividends or other distributions or capital returns on any Equal Ranking Obligations, Shares or other Junior Ranking Obligations (subject to certain exceptions) while any interest amount is outstanding
- Deferred Interest Payments accrue interest at the prevailing Interest Rate, may be paid at any time and must be paid within five years of the deferral of the longest outstanding Deferred Interest Payment
- Notes are intended to be quoted on the Australian Securities Exchange (**ASX**)
- Notes are not convertible into ordinary shares or any other securities
- Redemption of Notes is subject to a Replacement Capital Deed
- Notes themselves will not be rated.

Set out below are the key dates that are expected to apply to the Offer:

Lodgement of Prospectus with ASIC	18 October 2011
Bookbuild to determine the Margin	25 October 2011
Announcement of Margin and lodgement of Replacement Prospectus with ASIC	26 October 2011
Opening Date of the Offer	26 October 2011
Closing Date of the Woolworths Shareholder Offer and General Offer	5.00pm AEDT ² on 17 November 2011
Closing Date of the Broker Firm Offer	10.00am AEDT ² on 23 November 2011
Issue Date	24 November 2011
Notes begin trading on ASX (on a deferred settlement basis)	25 November 2011
Holding statements despatched	by 28 November 2011
Notes begin trading on ASX (on a normal settlement basis)	30 November 2011

The key dates and times for the Offer are indicative only and may change without notice.

² Australian Eastern Daylight Time

The full terms of the Notes are set out in Appendix A of the Prospectus. The Prospectus has been lodged with ASIC and the ASX and is available for download within Australia at www.woolworthsnotesiioffer.com.au or by calling the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm AEDT³). A Replacement Prospectus, containing the Margin and Application Forms, will be made available from the Opening Date of the Offer, expected to be on 26 October 2011. Investors should consider the Prospectus in deciding whether to apply for Notes. Applications may only be made using the Application Form attached to or accompanying the Replacement Prospectus.

J.P. Morgan has been appointed as Structuring Adviser on the transaction.

J.P. Morgan, NAB and UBS have been appointed as Joint Lead Managers on the transaction.

Capitalised terms in this release have the meaning given to them in the Prospectus.

For and on behalf of
WOOLWORTHS LIMITED

A handwritten signature in black ink, appearing to read 'P. Horton', is positioned above the printed name of Peter J Horton.

PETER J HORTON
Group General Counsel and Company Secretary

³ Australian Eastern Daylight Time

WOOLWORTHS LIMITED
ABN 88 000 014 675

Woolworths Notes II

Prospectus relating to an offer of
Woolworths Notes II at \$100 each
to raise \$500 million with the
ability to raise more or less.



Structuring Adviser

J.P. Morgan

Joint Lead Managers

J.P. Morgan
National Australia Bank
UBS

Co-managers

ANZ Securities
Bell Potter
Commonwealth Bank
JBWere
Ord Minnett
RBS Morgans
Westpac

Important notices

This Prospectus

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission (“ASIC”) on 18 October 2011. No Woolworths Notes II (“Notes”) will be issued on the basis of this Prospectus after the expiry date of 18 November 2012.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. Refer to Section 5.3.4 for further information.

This Prospectus is available to Australian investors in electronic form at www.woolworthsnotesiioffer.com.au. The Offer constituted by this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions (including the United States) without the prior approval of Woolworths and the Joint Lead Managers. Persons in Australia having received a copy of this Prospectus in its electronic form may, before the Closing Date of the Offer, obtain a paper copy of this Prospectus (free of charge) by telephoning the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). Applications for Notes may only be made on an Application Form that will be attached to or accompanying this Prospectus following the opening of the Offer. A printable version of this Prospectus may be downloaded in its entirety from www.woolworthsnotesiioffer.com.au. If you access an electronic copy of this Prospectus, then you should read “Electronic access to Prospectus” in Section 5.1 for further information.

Offer and offeror

The Offer contained in this Prospectus is an initial public offering by invitation of Woolworths Limited (“Woolworths”) of five million Notes at \$100 per Note with the ability to raise more or less. Refer to Section 1 for further information.

Restrictions on distribution

This Prospectus does not constitute an offer of Notes or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Refer to Section 5.3 for further information.

Exposure Period

The Corporations Act prohibits Woolworths from processing applications to subscribe for Notes under this Prospectus in the seven day period after the date of lodgement of this Prospectus (“Exposure Period”). This period may be extended by ASIC by up to a further seven days. This period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of certain deficiencies in this Prospectus in which case any application may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

Financial information and forward looking statements

Section 3.4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 3.4.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest \$0.1 million unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties.

Financial information and forward looking statements – <i>Continued</i>	Any forward looking statements are subject to various risk factors that could cause Woolworths' actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 4, and other information in this Prospectus.
Defined terms	Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Appendix B of this Prospectus and in Clause 1.1 of the Terms in Appendix A.
Time	Unless otherwise stated or implied, references to times in this Prospectus are to Australian Eastern Daylight Time.
Disclaimer	No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither Woolworths nor any other person warrants or guarantees the future performance of Woolworths, or any return on any investment made pursuant to this Prospectus.
Website	Woolworths maintains an internet site at www.woolworthslimited.com.au . Information contained in or otherwise accessible through this or a related internet site is not a part of this Prospectus.
Further queries	If you are considering applying for Notes under the Offer, this document is important and should be read in its entirety. If you have any questions in relation to the Offer, please call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). ASIC has published a guide for retail investors who are considering investing in corporate bonds called “Investing in corporate bonds?” (the “ASIC Guide”). A free copy of the ASIC Guide can be obtained from ASIC’s website at www.fido.asic.gov.au/corporate-bonds or by calling ASIC on 1300 300 630. The ASIC Guide describes, in general terms, potential features of corporate bonds. Investors should carefully assess the specific terms of Notes as described in this Prospectus, which may differ from the general terms described in the ASIC Guide. The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs as an investor. In particular, if considering Woolworths’ prospects, you should consider the risk factors that could affect Woolworths’ financial performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues). Refer to Section 4 for further information. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

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Key dates

Key dates for the Offer	Date
Lodgement of this Prospectus with ASIC	18 October 2011
Bookbuild to determine the Margin	25 October 2011
Announcement of the Margin and lodgement of the Replacement Prospectus with ASIC	26 October 2011
Opening Date of the Offer	26 October 2011
Closing Date of the Woolworths Shareholder Offer and General Offer	5.00pm on 17 November 2011
Closing Date of the Broker Firm Offer	10.00am on 23 November 2011
Issue Date	24 November 2011
Notes begin trading on ASX (on a deferred settlement basis)	25 November 2011
Holding Statements despatched by	28 November 2011
Notes begin trading on ASX (on a normal settlement basis)	30 November 2011

Key dates for Woolworths Notes II⁽¹⁾	Date
First Interest Payment Date	24 February 2012
Step-up Date	24 November 2016
Maturity Date	24 November 2036

Dates may change

The key dates for the Offer are indicative only and may change without notice.

Woolworths and the Joint Lead Managers may close the Offer, or any part of it, early or extend any of the closing dates without notice, or accept late applications, whether generally or in particular cases. If any of the key dates are changed, subsequent dates may also be changed accordingly. You are encouraged to consider submitting your application as soon as possible after the Opening Date.

NOTE

(1)

Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being each 24 February, 24 May, 24 August and 24 November. If any Interest Payment Date is not a Business Day, then the Interest Payment Date will occur on the next Business Day. Notes may be redeemed in certain circumstances before the Step-up Date or the Maturity Date. Refer to Sections 1 and 2 for further information.

Chairman's letter

18 October 2011

Dear Investor,

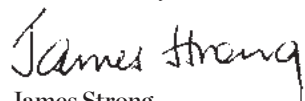
On behalf of the Board, I am pleased to offer you the opportunity to invest in Woolworths Notes II. Notes are dated, unsecured, subordinated, cumulative notes issued by Woolworths offering investors a floating rate of interest plus a fixed margin. Notes will mature on 24 November 2036, unless redeemed earlier. Woolworths has the right to redeem Notes from 24 November 2016, or earlier in certain circumstances. If Woolworths does not redeem Notes by 24 November 2016, the margin will increase by 1.00%. Notes are intended to be quoted on the ASX. The key features of Notes are set out in Sections 1 and 2 of this Prospectus. Woolworths intends to raise \$500 million through the issue of Notes with the ability to raise more or less.

The offer of Notes forms part of Woolworths' ongoing capital management strategy, with the proceeds of the offer to be used for general corporate purposes. Woolworths expects Notes to lend support to Woolworths' corporate credit rating from Standard & Poor's until 24 November 2016. Notes themselves will not be rated.

This Prospectus contains details of the offer which you should read carefully and in particular, you should consider the risk factors set out in Section 4 before deciding whether to apply for Notes. If you have any questions about the offer please call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) or contact your broker or other professional adviser. The key dates for the offer are summarised on page 1. The offer may close early so you are encouraged to consider submitting your application as soon as possible after the opening date.

On behalf of the Board, I invite you to consider this investment opportunity.

Yours faithfully



James Strong
Chairman
Woolworths Limited



Investment overview

1

This Section provides a summary of information that is key to a decision to invest in Notes.

Topic	Summary	For more information
Key features of Notes		
Who is the issuer?	— Woolworths Limited.	Section 3
What are Notes?	— Notes are dated, unsecured, subordinated, cumulative notes issued by Woolworths, which will mature on 24 November 2036 unless redeemed before that date.	Section 2
What are the key Offer details?	— Offer size is \$500 million, with the ability to raise more or less. — Issue Price is \$100 per Note. This is also the Face Value.	Section 2.1
What is the purpose of the Offer?	— The offer of Notes forms part of Woolworths' ongoing capital management strategy, with the proceeds of the offer to be used for general corporate purposes. Woolworths expects Notes to lend support to Woolworths' corporate credit rating from Standard & Poor's until 24 November 2016. Notes themselves will not be rated.	Section 2.1
What are the key terms and conditions of Notes?		
Interest Payments	— Floating interest rate equal to the sum of the Bank Bill Rate plus the Margin. — Margin to be determined under the book build and is expected to be in the range of 3.25% to 3.50% p.a. — Interest is to be paid quarterly in arrears. — Interest to be paid in cash.	Section 2.2 Clause 4.2 of the Terms
Step-up Date	— If not redeemed on 24 November 2016 ("Step-up Date"), the Margin will increase by 1.00%.	Clause 4.2 of the Terms
Deferrable Interest Payments	— Woolworths may defer any Interest Payment at its discretion. — All Deferred Interest Payments are cumulative and must be paid within 5 years of the deferral of the longest outstanding Deferred Interest Payment. — Woolworths is restricted from paying dividends or other distributions or capital returns on any Equal Ranking Obligations, Shares or other Junior Ranking Obligations (subject to certain exceptions) while any interest amount is outstanding.	Section 2.2 Clause 4.3 of the Terms Clause 4.4 of the Terms
Term and Maturity Date	— 25 years (maturing on 24 November 2036) unless redeemed earlier.	Section 2.3 Clause 5.1 of the Terms

Section 1

Topic	Summary	For more information
Woolworths' redemption rights	– Redeemable on 24 November 2016, or any Interest Payment Date after this date. – Redeemable at any time prior to 24 November 2016 if a Gross-Up Event, Accounting Event, Rating Event or Tax Event occurs. – Redeemable at any time if a Change of Control Event occurs.	Section 2.3 Clauses 5.2-5.4 of the Terms
Holders' redemption rights	– Holders' redemption rights are limited. – Holders may only request redemption if both a Change of Control Event and a Negative Rating Event subsists.	Section 2.3 Clause 5.6 of the Terms
Unsecured	– Repayment is not secured by a mortgage, charge or other security over any asset.	Section 2.4 Clause 2.1 of the Terms
Ranking	– Rank behind all Senior Obligations but ahead of Shares (including Ordinary Shares) and other Junior Ranking Obligations. – Rank equally amongst themselves and any other Equal Ranking Obligations.	Section 2.4 Clause 3.2 of the Terms
Listing	– Application will be made for Notes to be quoted on ASX under the code "WOWHC".	Section 5
What are Woolworths' key financial ratios calculated as at 26 June 2011?	– Net debt/net debt and equity: 33.83% – EBITDA/net interest expense: 12.43x – EBITDAR/fixed charges: 3.03x – Net debt/EBIT: 1.01x	Section 3.4

Key components of Woolworths' business model

Leading market positions	– Australia's largest food and grocery retailer and also one of Australia's largest retailers. – Provides scale and operating efficiencies.	Section 3.2
Successful retailing strategy and execution history	– Established history of food and grocery retailing and successfully introducing new categories and business lines. – Retail strategy centres on providing a diverse range of high quality products and good service at consistently low prices. – Assists in increasing sales volumes while maintaining margins, as well as responding to changing customer preferences.	Section 3.2

Topic	Summary	For more information
Non-cyclical businesses	– Supermarkets, comprising food, groceries, petrol and liquor sales (businesses that have traditionally been less sensitive to economic cycles), accounted for 85.5% of Woolworths' total sales and 91.3% of EBIT in the 2011 financial year. – Contributes to stable cash flows and earnings.	Section 3.2
Well-recognised brand names	– "Woolworths" brand name is a symbol of quality and excellence, dating back over 85 years in Australia. – Other well-known brands include BIG W, Dick Smith and Dan Murphy's. – Assists in engendering customer loyalty, underpinning sales volumes, and servicing of different market segments.	Section 3.2
State of the art supply chain systems	– Contribute to Woolworths' ability to sell quality products at competitive prices. – Assists in improving customer service levels and inventory management, in turn contributing to sales and EBIT performance.	Section 3.2
Geographic and business diversity	– Geographic diversity, with operations conducted throughout all states and territories in Australia and New Zealand. – Diversified business mix, providing a broad revenue base and driving incremental sales.	Section 3.2
Strong relationships with customers and suppliers	– Strong customer base built from focus on quality, value and customer engagement. – Many long standing relationships with domestic and international suppliers, providing consistency of product offering, product diversity, and value offering to customers, underpinning sales and stability of earnings.	Section 3.2
Strong financial profile	– Prominent positions in the food, liquor, grocery and petrol retailing business in Australia and New Zealand lead to stability in earnings and cash flow. – Conservative balance sheet, assists in maintaining access to domestic and international capital markets.	Section 3.2
Experienced senior management team	– The average number of years of service at Woolworths by the senior management team is over 11 years. – Managing Director and Chief Executive Officer, Grant O'Brien, has worked across a number of Woolworths' businesses, having joined the company in 1987.	Section 3.2

Section 1

Topic	Summary	For more information
Woolworths' key business strategies		
Growth strategies	– Growth in market share. – Continued space roll-out. – Expansion of global sourcing activities. – Grow home improvement offer.	Section 3.3
Cost reduction and efficiency strategies	– Reduction in costs and improved efficiencies. – Leveraging Woolworths' supply chain capabilities.	Section 3.3
Customer and product strategies	– Continued reinvestment in all businesses. – Continued emphasis on exclusive brand goods. – Developing the customer engagement strategy. – Continued investment in financial services capability.	Section 3.3
Key investment risks		
Key risks associated with Notes	Notes are subordinated obligations – There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes in the event a winding-up of Woolworths occurs. This would result in Holders not receiving a full return of capital or any Interest Payments due and unpaid at that time. Interest Payments may be deferred – Deferral of Interest Payments may have an adverse effect on the market price of Notes and may make the market price of Notes more volatile than the market prices of other debt securities that are not subject to such payment deferral rights. Deferral may also be disadvantageous to Holders from a cash flow timing perspective. Woolworths may redeem Notes on or after 24 November 2016, or earlier in certain circumstances – Relevant Redemption Amount may be less than the current market value of Notes. – Timing of redemption of Notes may not accord with a Holder's individual financial circumstances or tax position.	Section 4.1 Section 4.1 Section 4.1

Topic	Summary	For more information
Key risks associated with Notes – <i>Continued</i>	Limited rights for Holders to request redemption prior to Maturity Date – Holders are unable to request Woolworths to redeem their Notes unless both a Change of Control Event and a Negative Rating Event subsists, with limited exceptions. Holders may be unable to liquidate their investment in Notes until the Maturity Date other than by selling their Notes to a third party. Changes in Interest Rate – Interest Rate calculated by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. – Interest Rate may become less attractive compared to rates of return available on other comparable securities. Future incurring of liabilities and future issuance of securities – Issue of equal or senior ranking securities or the incurrence of any such other debt obligations may reduce the amount (if any) recoverable by Holders on a winding-up of Woolworths.	Section 4.1 Section 4.1 Section 4.1
Risks related to the market generally	Market price and liquidity – Market price of Notes may fluctuate and trade below the Issue Price. – Market for Notes may be less liquid than the market for Woolworths' Ordinary Shares. – Holders who wish to sell their Notes may be unable to do so at an acceptable price, if at all.	Section 4.2
Key risks relating to Woolworths	The following risks may have a negative impact on Woolworths' businesses and trading results: Weakening of the general economic activity and the retail sector – Any adverse developments in economic conditions, particularly during the Christmas trading period when Woolworths' sales and profitability are typically strongest, may result in a failure to grow or loss of revenues or margins. Failure to achieve expected reductions in costs – May result in inability to compete effectively, leading to increased costs or loss of margins.	Section 4.3 Section 4.3

Section 1

Topic	Summary	For more information
Key risks relating to Woolworths –Continued	Damage or dilution to Woolworths’ retail brands – Brands may be damaged or diluted, which may reduce consumer confidence in them and adversely affect Woolworths’ future trading results and profitability. The cost of repairing damaged or diluted brands may be significant.	Section 4.3
	Retail offer may not cater to customer demands – Woolworths may fail to gauge and satisfy customer preferences or adapt or expand its product offering to the changing demands of its customer base, which may adversely affect Woolworths’ market share or revenues.	Section 4.3
	Increased competition from existing competitors and/or new entrants – Woolworths may fail to compete successfully in the markets in which it operates or its existing competition in those markets may become stronger, which may result in a material failure to grow or loss of market share, revenues or margins.	Section 4.3
	Other – There are a number of other risks that Woolworths faces, which are discussed in more detail in Section 4.3.	Section 4.3

Further information about the Offer

What is the Offer Period?	The key dates, including details of the Offer Period, are set out on page 1. Further details are included in Section 5.	Key Dates Section 5
Is there a minimum amount to be raised?	No. The Offer is for the issue of Notes to raise \$500 million, with the ability to raise more or less.	
Is the Offer underwritten?	No.	
What is the pro forma balance sheet of Woolworths following the Offer?	Refer to Section 3.4.	
What is the capitalisation and indebtedness of Woolworths before and after the Offer?	Refer to Section 3.4.	

Topic	Summary	For more information
How is the Offer structured and who can apply?	The Offer comprises: – an Institutional Offer to Institutional Investors; – a Broker Firm Offer made to retail clients, of Syndicate Brokers, who are resident in Australia to apply for an allocation; – a Woolworths Shareholder Offer made to Eligible Woolworths Shareholders; and – a General Offer made to members of the general public who are resident in Australia.	Section 5.1
Who is an Eligible Woolworths Shareholder?	A registered holder of Ordinary Shares with a registered address in Australia at 7:00pm on 7 October 2011.	Section 5.2
How can I apply?	Broker Firm Applicants should contact their Syndicate Broker. Woolworths Shareholder Applicants and General Applicants should complete an electronic or paper copy of the Application Form and pay the application monies either electronically or by cheque or money order.	Section 5.2
What is the allocation policy?	The allocation policy for Broker Firm Applicants will be determined by the Syndicate Brokers. Allocations for Woolworths Shareholder Applicants and General Applicants will be determined by Woolworths and the Joint Lead Managers after the Closing Date. There is no specified proportion of the Offer that may be allocated to the Woolworths Shareholder Offer or the General Offer. If there is excess demand for Notes, priority will be given to Woolworths Shareholder Applicants over General Applicants.	Section 5.2
Is there a minimum and maximum application size?	Your application must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, for incremental multiples of \$1,000.	Section 5.2
Is brokerage, commission or stamp duty payable?	No brokerage, commission or stamp duty is payable by you on your application. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.	Section 5.1
What are the tax implications of investing in Notes?	A general description of the Australian taxation consequences of investing in Notes is set out in the summary by PricewaterhouseCoopers to Woolworths in Section 6. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.	Section 6

Section 1

Topic	Summary	For more information
When will I receive confirmation that my application has been successful?	If you are an applicant in the Woolworths Shareholder Offer, General Offer or Broker Firm Offer, you will be able to call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) from 24 November 2011 to confirm your allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Syndicate Broker from whom they received their allocation.	Section 5.2
When will Notes be issued?	Woolworths expects that Notes will be issued on 24 November 2011.	Key Dates Section 5.2
When will Notes begin trading?	Woolworths expects that Notes will begin trading on 25 November 2011 on a deferred settlement basis.	Key Dates Section 5.2
When will Holding Statements be despatched?	Woolworths expects that Holding Statements will be despatched by 28 November 2011.	Key Dates Section 5.2
Where can I find more information about this Prospectus or the Offer?	If you have any questions in relation to the Offer, please call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). If you are a Broker Firm Applicant, you should contact your Syndicate Broker.	

Key information about people, interests and benefits

Who are the Woolworths Directors?	– James Alexander Strong (Chairman) – Grant O’Brien – Tom Pockett – John Astbury – Jillian Broadbent – Roderick Deane – Jayne Hrdlicka – Leon L’Huillier – Ian Macfarlane – Ralph Waters	Section 7.1
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Topic	Summary	For more information
Who are the senior management team?	– Grant O’Brien (Executive Director, MD & CEO) – joined Woolworths in 1987. – Tom Pockett (Executive Director, Finance Director) – joined Woolworths in 2002. – Julie Coates (Director of BIG W) – joined Woolworths in 2002. – Steve Greentree (General Manager, Liquor) – joined Woolworths in 1980. – Andrew Hall (Director of Corporate and Public Affairs) – joined Woolworths in 2007. – Peter Horton (Group General Counsel and Company Secretary) – joined Woolworths in 2005. – Tjeerd Jegen (Director of Australian Supermarkets and Petrol) – joined Woolworths in 2011. – Kim Schmidt (Director of Human Resources) – joined Woolworths in 2000.	Section 7.2
What significant benefits and interests are payable to Directors and other persons associated with the Offer or Woolworths?	Interest or benefit:	Section 7.3
– Directors	Directors’ fees.	
– Management	Remuneration.	
– Advisers and other service providers	Fees for services.	
How will the expenses of the Offer be paid?	The total expenses of the Offer will be paid out of the proceeds of the Offer.	Section 7.4

Section 1

Topic	Summary
What should you do?	
Read this Prospectus in full	If you are considering applying for Notes under the Offer, this document is important and should be read in its entirety.
Determine if you are eligible to apply	The Offer is being made to: – Institutional Investors; – retail clients, of Syndicate Brokers, resident in Australia who are invited to apply under the Broker Firm Offer; – Eligible Woolworths Shareholders, who may apply under the Woolworths Shareholder Offer; and – members of the general public who are resident in Australia, who may apply under the General Offer.
Who are Eligible Woolworths Shareholders?	You are an Eligible Woolworths Shareholder if you were a registered holder of Ordinary Shares with a registered address in Australia at 7:00pm on 7 October 2011.
Consider and consult	Consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.
Complete and submit your Application Form	The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer, Woolworths Shareholder Offer or General Offer. See Section 5.2 for more details.

The Offer may close early so you are encouraged to consider submitting your application as soon as possible after the Opening Date.

Woolworths Notes II

2

This Section provides information about Notes.

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Section 2

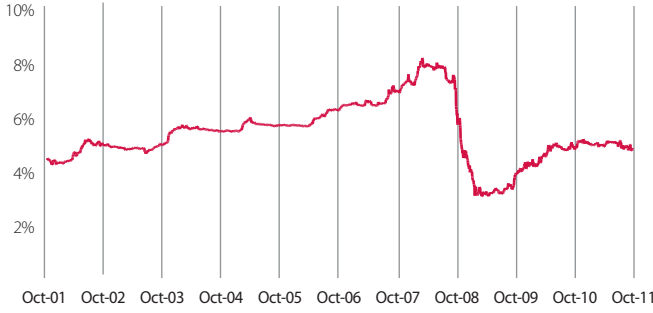
Topic	Summary	For more information
2.1 General		
2.1.1 What are Notes?	Notes are dated, unsecured, subordinated, cumulative notes issued by Woolworths, which will mature on 24 November 2036 unless redeemed before that date. Notes entitle Holders to receive floating rate, deferrable, cumulative Interest Payments quarterly in arrears. Notes are not convertible into Ordinary Shares or any other securities.	Appendix A
2.1.2 What is the Offer?	The Offer is for the issue of Notes to raise \$500 million, with the ability to raise more or less.	Section 5.1
2.1.3 What am I required to pay?	The Issue Price is \$100 per Note. This is also the Face Value. Applications must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, incremental multiples of \$1,000.	Section 5.2
2.1.4 Why is Woolworths issuing Notes?	The offer of Notes forms part of Woolworths' ongoing capital management strategy, with the proceeds of the offer to be used for general corporate purposes. Woolworths expects that Notes will provide an amount of equity credit until 24 November 2016, lending support to Woolworths' corporate credit rating from Standard & Poor's until that date.	
2.1.5 What is equity credit?	The equity credit classification of an instrument provides an indication of the extent to which a rating agency treats an instrument partly as equity rather than entirely as debt, when evaluating the corporate credit rating of the issuer. It is not a credit rating of the instrument itself. Woolworths expects that Notes will cease to provide equity credit after 24 November 2016 and will thereafter be classified entirely as a debt instrument by Standard & Poor's when evaluating Woolworths' corporate credit rating. In Woolworths' financial statements, Notes will be classified as debt for their term.	

2

Topic	Summary	For more information
2.1.6 What is the term and maturity of Notes?	25 years (maturing on 24 November 2036), unless redeemed before that date. The circumstances in which Woolworths may redeem Notes before 24 November 2036 are described in Section 2.3. In particular, Woolworths may elect to redeem Notes at its option on 24 November 2016 or any Interest Payment Date thereafter. If not redeemed on 24 November 2016, the Margin will increase by 1.00%. As referred to previously, this is also the date that Woolworths expects that the Notes will cease to provide any equity credit for the purpose of Standard & Poor's assessment of Woolworths' corporate credit rating. Notes are described as "dated" because they have a maturity date (24 November 2036).	Clause 5.1 of the Terms Clause 5.2 of the Terms Clause 4.2 of the Terms
2.1.7 Will Notes be quoted on ASX?	Woolworths has applied for Notes to be quoted on ASX and Notes are expected to trade under ASX code "WOWHC".	Section 5
2.1.8 Will Notes be rated?	No. Notes will not be rated.	
2.2 Interest payments		
2.2.1 What are Interest Payments?	Interest Payments are quarterly, floating rate, payments in respect of each Note. Interest Payments on Notes will be calculated as a percentage of the Face Value.	Clause 4.2 of the Terms
2.2.2 Will Interest Payments be franked or gross pay?	Gross pay. That is, Interest Payments will be paid wholly in cash.	

Section 2

Topic	Summary	For more information								
2.2.3	The Interest Rate for each Interest Period will be set on the first Business Day for each Interest Period as follows:	Clause 4.2 of the Terms								
How will the Interest Rate be determined?	Interest Rate = Bank Bill Rate + Margin where: Bank Bill Rate means the Bank Bill Rate on the first Business Day of the Interest Period; and Margin will be determined following the Bookbuild and is expected to be in the range of 3.25% to 3.50% per annum. The Margin will be increased by 1.00% from 24 November 2016 if not redeemed (this is referred to as the Step-up Margin). As an example, assuming the Bank Bill Rate on the first Business Day of the Interest Period is 4.80% per annum and the Margin is 3.25% per annum: <table><tr><td>Bank Bill Rate</td><td>4.80% per annum</td></tr><tr><td>plus Margin</td><td>3.25% per annum</td></tr><tr><td colspan="2"> </td></tr><tr><td>Illustrative Interest Rate</td><td>8.05% per annum</td></tr></table>	Bank Bill Rate	4.80% per annum	plus Margin	3.25% per annum			Illustrative Interest Rate	8.05% per annum	Section 2.2.4
Bank Bill Rate	4.80% per annum									
plus Margin	3.25% per annum									
Illustrative Interest Rate	8.05% per annum									

Topic	Summary	For more information
2.2.4 What is the Bank Bill Rate?	The Bank Bill Rate is a benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend short-term cash to each other over a 90 day period. This rate changes to reflect the supply and demand within the cash market. The graph below illustrates the movement in the Bank Bill Rate over the last 10 years. The rate on 14 October 2011 was 4.80% per annum. 90-day Bank Bill Rate  The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Bank Bill Rate. The actual Bank Bill Rate for the first and subsequent Interest Periods may be higher or lower than the rates in the above graph.	Clause 4.2 of the Terms
2.2.5 How will Interest Payments be calculated for each Interest Period?	Interest Payments scheduled to be paid on each Interest Payment Date will be calculated using the following formula: $\frac{\text{Face Value} \times \text{Interest Rate} \times N}{365}$ where: Face Value means \$100 per Note; Interest Rate means the rate (expressed as a percentage per annum) calculated as set out in Section 2.2.3; and N means the number of days in the Interest Period calculated as set out in the Terms.	Clause 4.2 of the Terms

Section 2

Topic	Summary	For more information										
2.2.5 How will Interest Payments be calculated for each Interest Period? <i>–Continued</i>	As an example, if the Interest Rate were 8.05% per annum, then the Interest Payment on each Note for that Interest Period (if the Interest Period was for 91 days) would be calculated as follows: <table><tr><td>Illustrative Interest Rate</td><td>8.05% per annum</td></tr><tr><td>Multiplied by the Face Value</td><td>x \$100.00</td></tr><tr><td>Multiplied by the number of days in the Interest Period</td><td>x 91</td></tr><tr><td>Divided by 365</td><td>÷ 365</td></tr><tr><td>Illustrative Interest Payment for the Interest Period per Note</td><td>\$2.01</td></tr></table> The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Payment for any Interest Period. Actual Interest Payments may be higher or lower than this example. The Interest Rate for the first Interest Period will be set on the Issue Date and will include the Margin to be determined under the Bookbuild. Interest Payments will be paid in Australian dollars by direct credit into an Australian dollar account (excluding credit card accounts) of an Australian financial institution nominated by the Holder or in any other manner determined by the Directors in accordance with Woolworths’ constitution.	Illustrative Interest Rate	8.05% per annum	Multiplied by the Face Value	x \$100.00	Multiplied by the number of days in the Interest Period	x 91	Divided by 365	÷ 365	Illustrative Interest Payment for the Interest Period per Note	\$2.01	
Illustrative Interest Rate	8.05% per annum											
Multiplied by the Face Value	x \$100.00											
Multiplied by the number of days in the Interest Period	x 91											
Divided by 365	÷ 365											
Illustrative Interest Payment for the Interest Period per Note	\$2.01											
2.2.6 When are Interest Payments scheduled to be paid?	Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being each 24 February, 24 May, 24 August and 24 November. If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day. The first Interest Payment Date will be 24 February 2012.	Clause 4.1 of the Terms										

2

Topic	Summary	For more information
2.2.7 Can Woolworths defer Interest Payments?	Woolworths may, at its discretion, defer any Interest Payment. However, all Deferred Interest Payments must be paid within 5 years of the deferral of the longest outstanding Deferred Interest Payment. Further, all Deferred Interest Payments must be paid if any of the following occur: – any dividend or distribution or interest is paid on any Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than a payment made pro rata on Notes and Equal Ranking Obligations in relation to that payment); – any redemption, purchase, buy-back or capital return is made in relation to, any Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than in respect of employee incentive plans); – any Notes are redeemed; – Notes mature; or – an order for the winding-up of Woolworths is made and the Trustee serves notice of an Event of Default.	Clauses 4.3-4.5 of the Terms
2.2.8 Are Deferred Interest Payments cumulative?	Yes. All Deferred Interest Payments are cumulative. Deferred Interest Payments will accrue interest at the prevailing Interest Rate up to but excluding the date of actual payment of that Deferred Interest Payment. This amount will be calculated on a daily basis and compounded quarterly.	Clause 4.3 of the Terms
2.2.9 Is Woolworths permitted to pay any outstanding Deferred Interest Payments at its discretion at any time before they finally become payable?	Yes.	Clause 4.5 of the Terms

Section 2

Topic	Summary	For more information
2.2.10 What are the consequences of deferring an Interest Payment?	If for any reason an Interest Payment has not been paid in full within 20 Business Days of the relevant Interest Payment Date, Woolworths must not without approval by a Special Resolution of Holders: – declare or pay any dividend, interest or distribution on any Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than a payment made pro rata on Notes and Equal Ranking Obligations in relation to that payment); or – redeem, reduce, cancel, purchase or buy-back any Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than in respect of employee incentive plans), unless: – all Deferred Interest Payments that then remain outstanding are paid; or – all Notes have been redeemed. Further, if for any reason an Interest Payment is not paid within a specified period after it becomes due and payable, an Event of Default will occur.	Clause 4.4 of the Terms Section 2.5 Section 2.5.3
2.3 Redemption		
2.3.1 When can Woolworths redeem Notes?	Woolworths may, subject to the Replacement Capital Deed, elect to redeem Notes at its option on: – 24 November 2016 (the “Step-up Date”); or – any Interest Payment Date after the Step-up Date. Prior to the Step-up Date, Woolworths may elect to redeem Notes at any time if: – a Gross-Up Event; – Accounting Event; – Rating Event; or – Tax Event occurs. Woolworths can also elect to redeem Notes at any time if: – a Change of Control Event occurs; or – the aggregate Face Value of all Notes on issue is less than 20% of the aggregate Face Value of Notes issued on the Issue Date.	Clause 5.2 of the Terms Clauses 5.3-5.4 of the Terms Clause 5.3 of the Terms Clause 5.5 (b) of the Terms

2

Topic	Summary	For more information
2.3.2 What will happen on the Step-up Date?	Woolworths may, but is not obliged to, redeem Notes on the Step-up Date. At this time, Woolworths can: – elect not to redeem Notes in which case the Step-up Margin will apply; or – redeem Notes, in which case Woolworths is required to replace Notes in accordance with the Replacement Capital Deed and Holders will receive the Redemption Amount. Woolworths expects that, if Notes remain on issue after the Step-up Date, they will cease to provide equity credit from that date and be classified entirely as a debt instrument by Standard & Poor's when evaluating Woolworths' corporate credit rating.	Clauses 4.2 and 5.2 of the Terms Section 2.3.4 and 2.3.10
2.3.3 What will happen on the Maturity Date?	Unless previously redeemed, all outstanding Notes will be redeemed on 24 November 2036 (the "Maturity Date").	Clause 5.1 of the Terms
2.3.4 What will I receive on redemption of Notes on the Step-up Date, an Interest Payment Date after the Step-up Date, the Maturity Date or if the aggregate Face Value of all Notes on issue is less than 20% of the original aggregate Face Value of Notes?	Holders will receive the sum of: – \$100 per Note; – all Deferred Interest Payments in respect of that Note that remain unpaid; and – any accrued but unpaid Interest Payment for the final Interest Period in respect of that Note. The aggregate of those amounts is called the Redemption Amount.	Clause 1.1 of the Terms
2.3.5 Can I request redemption before the Maturity Date?	Holders do not have a right to request redemption unless both a Change of Control Event and a Negative Rating Event subsists and Woolworths does not elect to redeem Notes. Upon redemption, Holders will receive the Redemption Amount.	Clause 5.6 of the Terms Section 2.3.4
2.3.6 What is a Negative Rating Event?	A Negative Rating Event will occur if due to a Change of Control Event, the rating assigned to Woolworths' senior unsecured debt (ie. Woolworths' corporate credit rating) is lowered by the relevant rating agencies to a rating below investment grade or is withdrawn.	Clause 1.1 of the Terms

Section 2

Topic	Summary	For more information
2.3.7 What is a Gross-Up Event, Change of Control Event, Accounting Event, Rating Event or Tax Event?	A summary of these events, which give Woolworths the right to redeem Notes at any time prior to the Step-up Date (except for a Change of Control Event which gives Woolworths the right to redeem Notes at any time) is as follows: — a Gross-Up Event will occur if Woolworths is required to pay more than a minimum additional amount above a threshold in relation to Notes as a result of a change in tax laws or regulations, or any change in the application or official interpretation of such laws or regulations; — a Change of Control Event will occur, in summary, if a person and their associates come to have a relevant interest in more than 50% of the voting shares in the capital of Woolworths; — an Accounting Event will occur if Notes may no longer be recorded as a “financial liability” in the audited consolidated accounts of Woolworths; — a Rating Event will occur if Notes will no longer be eligible for the same or higher category of equity credit as was initially attributed to Notes on the Issue Date; or — a Tax Event will occur if any Interest Payment would not be deductible for tax purposes.	Clause 1.1 of the Terms
2.3.8 What will I receive on redemption due to a Gross-Up Event, Change of Control Event, Accounting Event, Rating Event or Tax Event?	If a Gross-Up Event, Change of Control Event, Accounting Event or Tax Event occurs, a Holder will receive the Redemption Amount. If a Rating Event occurs, a Holder will receive the Make Whole Amount being the sum of: — \$101 per Note; — all Deferred Interest Payments in respect of that Note that remain unpaid; and — any accrued but unpaid Interest Payment for the final Interest Period in respect of that Note.	Clauses 5.3-5.4 of the Terms

Topic	Summary	For more information
2.3.9 Can Woolworths buy Notes on ASX?	Yes. Woolworths or any Subsidiary of Woolworths may at any time purchase or procure others to purchase beneficially for its account Notes in any manner and at any price subject to any applicable laws, ASX Listing Rules and the Replacement Capital Deed. Such acquired Notes may be surrendered for cancellation or held or resold.	Clause 5.5 of the Terms
2.3.10 What is the Replacement Capital Deed?	Woolworths will enter into a Replacement Capital Deed on or before the Issue Date that requires Woolworths (and its Subsidiaries) not to redeem or purchase any Notes unless Woolworths has issued Ordinary Shares or qualifying securities (being securities which attract an equity credit at least equivalent to Notes) in the 12 months prior to such redemption or purchase of Notes to at least the value required by the deed. The Replacement Capital Deed will terminate on the Maturity Date and may cease to apply if certain events set out in the deed occur before that time.	Section 8.2

Section 2

Topic	Summary	For more information
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2.4 Security and ranking

2.4.1 Notes are described as “unsecured”. What does this mean?	Repayment of the Face Value (or other money owing in respect of Notes) is not secured by a mortgage, charge or other security over any of Woolworths’ assets. Notes are “unsecured notes” for the purposes of the Corporations Act (section 283BH).	Clause 2.1 of the Terms
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2.4.2 Notes are described as “subordinated”. What does this mean?	The Notes will, in the Winding-Up of Woolworths, rank behind all Senior Obligations (including the claims of creditors mandatorily preferred by law) and equally amongst themselves and any Equal Ranking Obligations. Notes will, however, rank ahead of Ordinary Shares and other Junior Ranking Obligations for payments on a Winding-Up.	Clause 3.2 of the Terms
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Illustration of ranking upon liquidation

	Classification	Type of instrument	Existing debt obligations and equity	Amount drawn as at 26 June 2011, adjusted for the amount to be raised under the Offer ⁽¹⁾
Higher Ranking ↑	Senior Obligations	Secured debt	None	None
		Unsubordinated and unsecured debt	Bank loans, commercial paper and medium term notes	\$4,244.9m
	Equal Ranking Obligations	Subordinated and unsecured debt	Woolworths Notes II	\$500m ⁽²⁾
	Junior Ranking Obligations ↓ Lower Ranking	Preference shares	None	None
		Ordinary shares	Woolworths’ Ordinary Shares	\$7,845.8m ⁽³⁾

(1)
The Woolworths Notes issued in 2006 have not been included in this table because they were redeemed on 15 September 2011 before the issue of this Prospectus.

(2)
Assuming \$500m is raised under the Offer.

(3)
As set out in Section 3.4 of this Prospectus, Woolworths’ total equity as at 26 June 2011 was \$7,845.8m.

NOTE

The actual amount of Woolworths’ debt varies throughout the course of the year, in large part because of seasonal retail trading patterns.

2

Topic	Summary	For more information
2.4.3 What will Holders receive in a Winding-Up?	Holders will be entitled to be paid the Redemption Amount after all creditors ranking in priority to Holders at the time of the Winding-Up and any debts that receive priority by law have been paid in full. In the event of a shortfall of funds on a Winding-Up, there is a risk that Holders will not receive the Redemption Amount in full.	Clauses 3.2 and 8.1 of the Terms
2.5 Other		
2.5.1 Can Woolworths issue further Notes or other instruments?	Yes. Woolworths reserves the right to issue further Notes or other instruments which rank behind, equal with or ahead of Notes. For so long as any Notes are on issue, Woolworths is not permitted to incur (without the prior approval of Holders by Special Resolution) any debt obligation which is subordinated and ranking in priority to Notes in respect of interest, dividends or distributions of capital on a Winding-Up, but otherwise there is no restriction on Woolworths incurring any other debt obligations, including secured or unsubordinated debt obligations which will rank ahead of Notes. Notes do not give Holders any right to subscribe for new securities in Woolworths, to participate in any bonus issues of shares in Woolworths or to participate in Woolworths' dividend reinvestment or bonus option plans.	Clauses 8.2 and 9 of the Terms
2.5.2 What voting rights do Notes have at meetings of Ordinary Shareholders of Woolworths?	Holders have no voting rights at meetings of shareholders of Woolworths.	Clause 8.3 of the Terms
2.5.3 What is an "Event of Default"?	An Event of Default will occur if: – Woolworths fails to pay an amount that has become due and payable under Notes; – Woolworths fails to comply with any of its other material obligations under the Terms or the Trust Deed; or – an order is made or a resolution is passed for the winding-up of Woolworths.	Clause 10.1 of the Terms

Section 2

Topic	Summary	For more information
2.5.4 What will happen if an “Event of Default” occurs?	If an Event of Default occurs as a result of Woolworths failing to pay an amount that has become due and payable, or as a result of an order being made or a resolution being passed for the winding-up of Woolworths, the Trustee may notify Woolworths that the Redemption Amount on the Notes (being \$100 per Note plus any accrued and outstanding Interest Payments and any outstanding Deferred Interest Payments) is immediately due and payable. If an Event of Default occurs as a result of Woolworths failing to comply with any of its other material obligations under the Terms or the Trust Deed, the Trustee may serve notice on Woolworths that it is in default under the Terms and bring legal proceedings to seek a declaration, order for specific performance or an injunction. The Trustee’s ability to enforce any right or remedy under or in respect of Notes is limited as provided by the Terms. Events of default may also trigger cross-default provisions in Woolworths’ other debt facilities. Generally, only the Trustee (and not a Holder) has the right to enforce any right or remedy under or in respect of Notes.	Clauses 10.3-10.7 of the Terms
2.5.5 Can Woolworths amend the Terms of Notes?	Yes. Subject to complying with all applicable laws and the Terms, Woolworths may amend the Terms without the consent of Holders if the amendment is, in the opinion of the Trustee: — made to correct a manifest error; — of a formal, minor or technical nature; — made to comply with any law or ASX Listing Rules; or — is not materially prejudicial to Holders generally. Woolworths may also amend the Terms if the amendment has been approved by Special Resolution of Holders, provided the rights and obligations of the Trustee are not altered as a result.	Clause 11 of the Terms

Woolworths

3

This Section provides information about Woolworths and the key components of its business model that help underpin its financial performance and position.

3.1 Overview

Woolworths is Australia's largest food and grocery retailer and the second largest food and grocery retailer in New Zealand by sales revenue and number of stores, with 840 supermarkets in Australia and 156 supermarkets in New Zealand as at 26 June 2011. Woolworths is also one of Australia's largest retailers measured by sales revenue and number of stores with over 3,200 total retail locations in Australia and New Zealand as at 26 June 2011. Woolworths is a major liquor retailer, operating 1,250 retail liquor outlets and 282 hotels. Woolworths is also a large discount department store, consumer electronics and petrol retailer with 165 stores, 394 stores and 581 outlets, respectively. In addition, Woolworths provides wholesale services to 543 home improvement stores in Australia, 51 supermarkets in New Zealand and 64 electronic stores in India.

Woolworths entered the Australian home improvement market in a joint venture with the U.S. based Lowe's Companies, Inc. ("Lowe's"), with its purchase of the Danks business in 2009. As at 26 June 2011, it had 19 stores and provided wholesale services to 543 home improvement stores in Australia. Woolworths recently opened its first "Masters" branded "Big Box" home improvement store in Victoria in 2011.

As at 26 June 2011, Woolworths employed over 190,000 people working in stores, support offices and distribution centres.

Woolworths' total sales revenue in the 2011 financial year was \$54.1 billion, of which \$49.7 billion was from Australia and \$4.4 billion was from New Zealand. Woolworths' EBIT in the 2011 financial year was \$3.3 billion, with approximately \$3.1 billion coming from Australian operations and \$196 million from New Zealand.

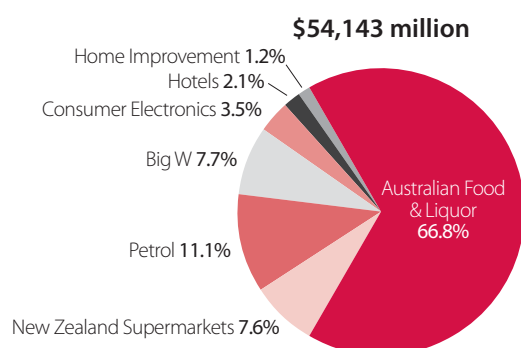
Woolworths has demonstrated consistently strong financial performance. Sales and EBIT have exhibited solid growth over each of the past five financial years with a compound average growth rate for sales of 7.5% and 13.7% for EBIT from the period 2006 - 2011.

As at 14 October 2011, Woolworths was one of the 10 largest companies listed on ASX, with a market capitalisation of \$29.9 billion.

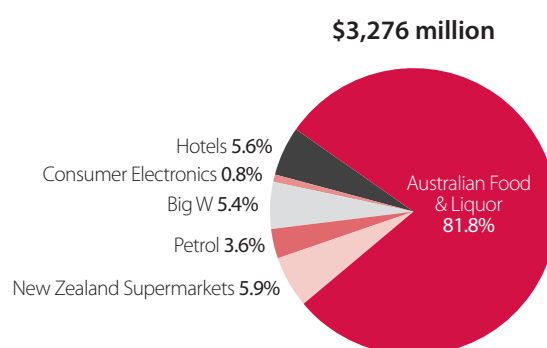
Section 3

Summary of financial contribution by division (for the 52 weeks ended 26 June 2011)

Sales



EBIT⁽²⁾



Woolworths' activities are primarily conducted through the following divisions:

- **Supermarkets:** Woolworths Supermarkets division is the company's largest division and comprises:
 - **Australian Food and Liquor:** Woolworths' Australian supermarkets and retail liquor outlets and Australian food and liquor wholesale operations;
 - **New Zealand Supermarkets:** Woolworths' New Zealand Supermarkets and supermarkets wholesale operations;
 - **Petrol:** Australian petroleum products retail outlets;
 - **BIG W:** Discount department store operations;
 - **Consumer Electronics:** Consumer electronics retailing;
 - **Hotels:** Pub operations including bars, restaurants, gaming, functions and accommodation (but excluding any retail liquor outlets); and
 - **Home Improvement⁽³⁾:** Home improvement wholesale services and retail stores.

NOTES

(2)

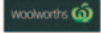
Segmental EBIT is not adjusted for unallocated costs. Excluding unallocated costs of \$99.5 million, segment EBIT is \$3,376 million. Hence total percentage is greater than 100%.

Unallocated costs are comprised of the corporate head office, the property division and the home improvement division.

(3)

Includes the Danks Holdings Limited business acquired in 2009.

The diagram below provides an overview of some of Woolworths' brands by division, illustrating each division's sales contribution for the 2011 financial year and number of outlets, highlighting the importance to Woolworths of its Supermarkets division (unless otherwise noted, all figures are as at 26 June 2011):

	Supermarkets	BIG W	Consumer Electronics	Hotels ⁽⁴⁾	Home Improvement
AUS Food & Liquor	  				
NZ Supermarkets					 
Petrol	 				
	85.5% of FY11 sales 840 Woolworths supermarkets 156 New Zealand supermarkets 1,250 Retail liquor outlets 581 Petrol outlets	7.7% of FY11 sales 165 BIG W department stores	3.5% of FY11 sales 394 consumer electronics stores	2.1% of FY11 sales 282 Hotels	1.2% of FY11 sales 19 Danks retail stores and 543 wholesale stores

NOTE

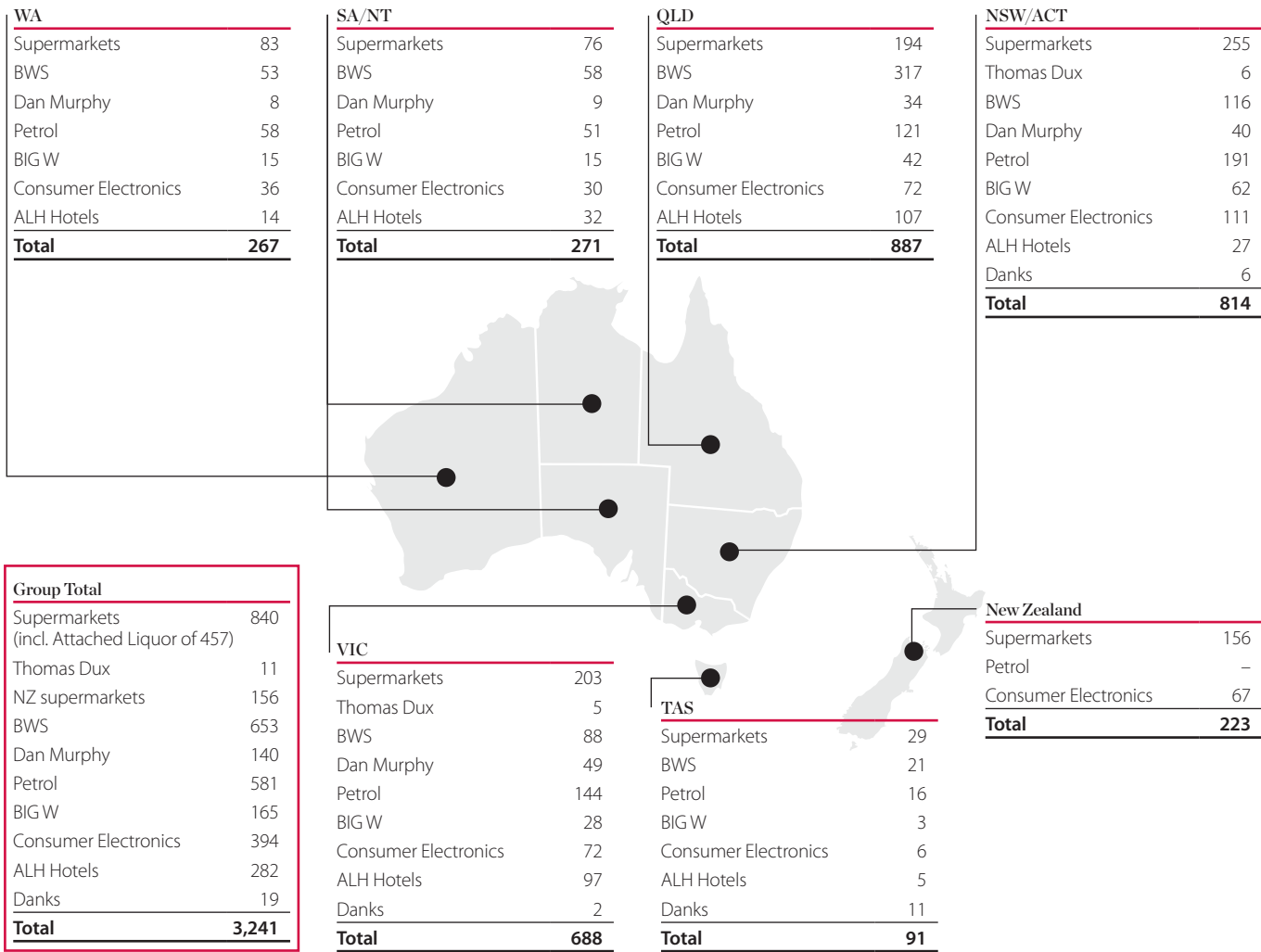
(4)

Hotels refer to pubs or bars that may also provide restaurants, wagering and gaming facilities, function facilities and in some cases accommodation.

Section 3

Woolworths’ spread of business operations is complemented by its geographic diversification as highlighted by the map below.

Number of Woolworths’ stores in Australia and New Zealand (as at 26 June 2011)



3.2 What are the key components of Woolworths' business model?

Woolworths believes that there are a number of key components of its business model that help underpin its financial performance and position:

— **Leading market positions**

Woolworths is Australia's largest food and grocery retailer and also one of Australia's largest retailers by sales revenue and number of stores. Woolworths had the leading market share in Australia with over 30% of food retailing (including supermarket and grocery stores, liquor retailing and other specialised food retailing) as at June 2011. Woolworths' leading market positions provide scale and operating efficiencies to its retail businesses.

— **Successful retailing strategy and execution history**

Woolworths has an established history of food and grocery retailing and in successfully introducing new categories and business lines. Woolworths' retail strategy centres on providing a diverse range of high quality products and good service at consistently low prices. For example, when Woolworths has been able to lower its prices by reducing its cost of doing business, it has sought to pass on some of these cost savings to consumers.

This strategy assists Woolworths to increase its sales volumes while maintaining its margins, as well as to respond to changing customer preferences, including through its multi-channel online offering.

— **Predominantly non-cyclical businesses**

Woolworths' Supermarkets division, comprising food, groceries, petrol and liquor sales, accounted for 85.5% of Woolworths' total sales and 91.3% of EBIT in the 2011 financial year. As providers of food and other basic necessities, the earnings of these businesses have traditionally been less sensitive to economic cycles than the earnings of businesses that predominantly provide discretionary goods.

The less cyclical nature of this business has assisted to provide Woolworths with stable cash flows and earnings.

— **Well-recognised brand names**

The Woolworths brand name is a symbol of quality and excellence and dates back over 85 years in Australia. The brand is presented with "The Fresh Food People" tagline to promote Woolworths' quality food and groceries. The Countdown brand name has been in existence in New Zealand since 1981. In addition, Woolworths has several other well-known brands including BIG W, Dick Smith and Dan Murphy's. Woolworths' well-recognised brand names assist it to engender customer loyalty, underpinning sales volumes, and to service different market segments.

— **State of the art supply chain systems**

Woolworths believes its purchasing and distribution systems have contributed to its ability to sell quality products at competitive prices. These systems have also assisted Woolworths to improve customer service levels and inventory management, which in turn have contributed to sales and EBIT performance. Woolworths is now applying the supply chain technologies developed for its Australian Supermarkets division to its other divisions, including New Zealand Supermarkets, BWS, Dan Murphy's, BIG W and Consumer Electronics.

Section 3

– Geographic and business diversity

Woolworths has a geographically diverse business, with operations conducted throughout all states and territories in Australia and New Zealand, which provides risk diversification benefits as well as assisting Woolworths to continue to serve its customers wherever they are located in Australia or New Zealand. In addition, Woolworths has diversified its business mix and revenue base through the growth of existing categories other than supermarkets and through the introduction of new categories such as home improvement. This diversity provides Woolworths with a broad revenue base and drives incremental sales.

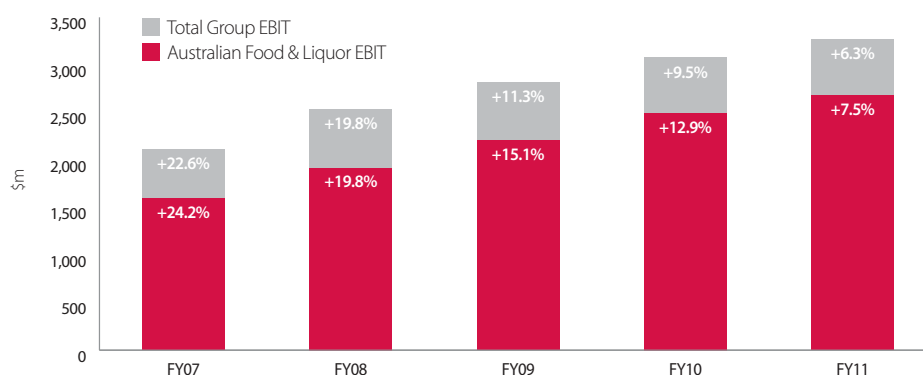
– Strong relationships with customers and suppliers

Woolworths has a strong customer base built from its focus on quality, value and customer engagement.

Woolworths has long standing relationships with many of its domestic and international suppliers which assists it to provide consistency of product, a diverse range, and a value offering to customers, underpinning sales and stability of earnings.

– Strong financial profile

Food, liquor and petrol retailing represented 85.5% of Woolworths' sales revenue for the 2011 financial year. Woolworths believes its prominent positions in industries selling non-discretionary products in Australia and New Zealand lead to stability in earnings and cash flow. As illustrated in the chart below, Woolworths' EBIT growth is underpinned by solid growth in Australian Food and Liquor.



Note: Woolworths' financial year end finishes on the last Sunday in June. The effect of this is that periodically Woolworths has a 53 week as opposed to a 52 week financial year. The 2008 financial year was a 53 week year. All other financial years depicted above were 52 week years.

Woolworths maintains a conservative balance sheet. This has assisted it historically to maintain access to domestic and international capital markets.

– **Experienced senior management team**

Woolworths has an experienced senior management team. The average number of years of service at Woolworths by the senior management team is over 11 years. Woolworths' Group Managing Director and Chief Executive Officer, Grant O'Brien, has worked across a number of Woolworths' businesses, having joined the company in 1987.

3.3 What are Woolworths' business strategies?

Woolworths' vision is to continue to drive each of its retail businesses with a focus on continually improving the customer offer, rewarding customers with lower prices, better value, quality, range, freshness, service and convenience.

Woolworths has adopted a number of key strategies which include the following:

- *Growth in market share* – of existing and new businesses, including entry into the home improvement market;
- *Continued reinvestment in all businesses* – driven by customer feedback and changing consumer demand;
- *Continued space roll-out* – adding 15-25 Australian supermarkets each year, with the intention to open 15-20 new BIG W stores in the next three years and acquire hotels selectively;
- *Reduction in costs and improved efficiencies* – through the continued implementation of initiatives to improve gross margin and Cost of Doing Business, the benefits of which Woolworths proposes will be shared between customers and shareholders. The current focus of these initiatives includes improving Woolworths' end-to-end supply chain management, lowering non-inventory procurement costs, improving efficiency and lowering costs in operational work practices, investing in global direct sourcing to enhance procurement capability and lower costs for the consumer, and improving efficiency in support structures;
- *Leveraging Woolworths' supply chain capabilities* – by sharing the intellectual property that it has developed in its supply chain and retailing systems with other Woolworths businesses;
- *Expansion of global sourcing activities* – further developing its international logistics capability to support its growth plans;
- *Continued emphasis on exclusive brand goods* – across supermarket, liquor, BIG W and Dick Smith stores;
- *Grow home improvement offer* – through its joint venture with Lowe's, targeting to secure 150 Masters sites in 5 years from its announcement in 2009 and to open 15-20 home improvement stores per year;
- *Developing the customer engagement strategy* – building on the 8.4 million loyalty customers across Australia and New Zealand through the "Everyday Rewards" and "Onecard" programmes; and
- *Continued investment in financial services capability* – beyond its existing in-store ATM networks and credit card, pre-paid Mastercard and stored-value card offerings, into additional financial service offerings through its retail network and its own financial switch (which was developed to process card based payments delivering significant cost savings).

Section 3

3.4 Financials

Consolidated income statement

The following table sets out Woolworths' consolidated results for the 52 week periods ended 26 June 2011 and 27 June 2010:

	52 weeks ended 27 June 2010 \$m	52 weeks ended 26 June 2011 \$m
Revenue from the sale of goods	51,694.3	54,142.9
Other operating revenue	90.5	136.6
Revenue from operations	51,784.8	54,279.5
Cost of sales	(38,391.2)	(40,186.3)
Gross profit	13,393.6	14,093.2
Other revenue	179.3	226.2
Branch expenses	(8,165.4)	(8,583.8)
Administration expenses	(2,325.4)	(2,459.2)
Earnings before interest and tax	3,082.1	3,276.4
Financial expense	(238.5)	(300.0)
Financial income	27.0	38.5
Net financing cost	(211.5)	(261.5)
Net profit before income tax expense	2,870.6	3,014.9
Income tax expense	(832.6)	(874.6)
Profit after income tax expense	2,038.0	2,140.3
 Net profit attributable to equity holders of Woolworths Limited	 2,020.8	 2,124.0
Net profit attributable to non-controlling interests	17.2	16.3

Source: Woolworths Limited Annual Report for the financial year ended 26 June 2011.

Pro forma consolidated balance sheet

The following table sets out Woolworths' summarised consolidated balance sheets as at 26 June 2011 and 27 June 2010, as well as the pro forma consolidated balance sheet as at 26 June 2011 assuming \$500 million is raised through the issue of Notes.

	Actual as at 27 June 2010 \$m	Actual as at 26 June 2011 \$m	Adjustment for issuance of Notes ⁽⁵⁾ \$m	As adjusted pro forma as at 26 June 2011 \$m
Current assets				
Cash	713.4	1,519.6	489.6	2,009.2
Trade and other receivables	916.8	1,122.2	–	1,122.2
Inventories	3,438.8	3,736.5	–	3,736.5
Assets held for sale	37.3	93.9	–	93.9
Other financial assets	92.7	120.8	–	120.8
Total current assets	5,199.0	6,593.0	489.6	7,082.6
Non-current assets				
Trade and other receivables	13.3	14.9	–	14.9
Other financial assets	132.3	119.3	–	119.3
Property, plant and equipment	7,639.1	8,620.3	–	8,620.3
Intangibles	5,071.0	5,236.6	–	5,236.6
Deferred tax assets	432.6	510.4	–	510.4
Total non-current assets	13,288.3	14,501.5	–	14,501.5
Total assets	18,487.3	21,094.5	489.6	21,584.1
Current liabilities				
Trade and other payables	5,278.9	5,512.8	–	5,512.8
Borrowings	871.7	1,471.1	–	1,471.1
Current tax liabilities	199.0	204.7	–	204.7
Other financial liabilities	24.7	238.7	–	238.7
Provisions	779.1	861.0	–	861.0
Total current liabilities	7,153.4	8,288.3	–	8,288.3
Non-current liabilities				
Borrowings	2,670.4	3,373.8	489.6	3,863.4
Other financial liabilities	236.7	915.5	–	915.5
Provisions	416.3	465.2	–	465.2
Other	192.8	205.9	–	205.9
Total non-current liabilities	3,516.2	4,960.4	489.6	5,450.0
Total liabilities	10,669.6	13,248.7	489.6	13,738.3
Net assets	7,817.7	7,845.8	–	7,845.8
Equity				
Issued capital	3,784.4	3,988.6	–	3,988.6
Shares held in trust	(41.2)	(56.1)	–	(56.1)
Reserves	(28.0)	(236.8)	–	(236.8)
Retained earnings	3,855.2	3,897.5	–	3,897.5
Equity attributable to the members of Woolworths Limited	7,570.4	7,593.2	–	7,593.2
Non-controlling interests	247.3	252.6	–	252.6
Total equity	7,817.7	7,845.8	–	7,845.8

**NOTE
(5)**

Reflects the net proceeds of the Offer, taking into account \$500 million gross proceeds, less \$10.4 million estimated Offer costs.

Section 3

Consolidated cash flow statement

The following table sets out Woolworths' consolidated cash flow statements for the 52 week periods ended 26 June 2011 and 27 June 2010:

	52 weeks ended 27 June 2010 \$m	52 weeks ended 26 June 2011 \$m
Cash flows from operating activities		
Receipts from customers	55,664.6	58,886.6
Receipts from vendors and tenants	45.5	52.9
Payments to suppliers and employees	(51,811.4)	(54,797.3)
Interest and costs of finance paid	(260.5)	(332.1)
Interest received	10.7	22.5
Income tax paid	(896.9)	(841.5)
Net cash provided by operating activities	2,752.0	2,991.1
Cash flows from investing activities		
Proceeds from the sale of property, plant and equipment	55.4	394.4
Proceeds from the sale of investments	4.2	-
Payments for capital expenditure	(1,817.7)	(2,138.5)
Payment for purchase of investments	(1.9)	-
Dividend received	12.5	10.6
Payments for purchase of businesses	(204.7)	(443.9)
Net cash used in investing activities	(1,952.2)	(2,177.4)
Cash flows from financing activities		
Proceeds from issue of equity securities	73.8	97.7
Proceeds from issue of equity securities in subsidiary to non-controlling interests	79.5	176.6
Payments for share buyback	(294.6)	(738.7)
Proceeds from external borrowings	12,833.8	13,349.2
Repayment of external borrowings	(12,347.7)	(11,590.9)
Dividends paid	(1,164.6)	(1,260.0)
Dividends paid to non-controlling interests	(16.8)	(13.2)
Repayment of employee share plan loans	3.7	7.4
Payments for shares acquired by the Woolworths Limited Employee Share Trust	-	(28.8)
Net cash used in financing activities	(832.9)	(0.7)
Net increase/(decrease) in cash held	(33.1)	813.0
Effects of exchange rate changes on balance of cash held in foreign currencies	(0.2)	(6.8)
Cash at the beginning of the financial period	746.7	713.4
Cash at the end of the financial period	713.4	1,519.6
Non-cash financing and investing activities		
Dividend	1,349.2	1,457.7
Issuance of shares under the DRP ⁽⁶⁾	(184.6)	(197.7)
Net cash outflow	1,164.6	1,260.0

NOTE (6)

In accordance with the company's Dividend Reinvestment Plan ("DRP") 14% (2010: 14%) of the dividend paid was reinvested in the shares of the company.

Source: Woolworths Limited Annual Report for the financial year ended 26 June 2011.

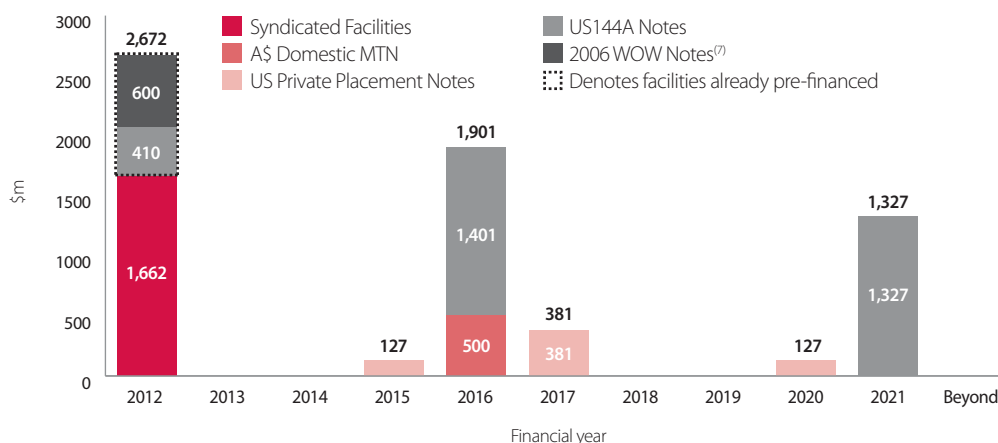
Capital Management

Woolworths currently sets its capital structure with the objective of enhancing shareholder value through optimising its weighted average cost of capital while retaining flexibility to pursue growth and undertake capital management initiatives. Consistent with this objective, Woolworths has targeted, achieved and maintained its strong credit ratings which underpin its debt profile.

Woolworths has historically accessed a diverse range of debt funding sources, including bank facilities (bilateral and syndicated), the Australian domestic bond market (both commercial paper and medium-term notes) and the international capital markets.

Woolworths' debt facility maturity profile as at 26 June 2011 is shown below.

Woolworths debt facility maturity profile



NOTE: Excludes \$2,173 million of bi-lateral credit facilities extended annually.

In the financial year ending June 2012, Woolworths has \$2,672 million of debt facilities falling due, of which \$1,010 million had been pre-financed at 26 June 2011. In April and May 2012, two syndicated bank loan facilities totalling \$1,662 million will mature, of which approximately \$546 million was drawn at 26 June 2011. Woolworths had \$3.2 billion in undrawn bank loan facilities as at 26 June 2011. Following the issue of Notes, Woolworths' debt facility maturity profile would include an additional amount in the "Beyond" period in respect of the total funds raised under the Offer, assumed to be \$500 million.

Woolworths seeks to return capital to shareholders when it is consistent with its capital structuring objectives and where it will enhance shareholder value. Since July 2001, over \$10.3 billion has been returned to shareholders through dividends, on-market and off-market buy-backs (including the final dividend for the financial year ended 26 June 2011).

Woolworths currently operates a dividend reinvestment plan which provides shareholders with the ability to reinvest all or part of their dividends (to a maximum of 20,000 shares) to obtain additional shares in the company. Historically, Woolworths has entered into an underwriting agreement in relation to the Woolworths dividend reinvestment plan to fully underwrite dividends when consistent with its capital structuring objectives.

NOTE (7)

2006 Woolworths Notes were redeemed on 15 September 2011.

Section 3

Woolworths will continue to assess capital management initiatives in light of investment and growth opportunities available to Woolworths, its focus on maintaining a strong credit rating and the prevailing capital markets environment.

Financial Ratios

Woolworths believes its prominent position in the food and liquor industries, among others, provides a relatively high degree of stability in earnings and cash flow. In the 2011 financial year, Woolworths generated net operating cash flow of \$2,991.1 million.

Woolworths' key financial ratios for the 52 weeks ended on 26 June 2011 are as follows:

— **Gearing Ratio (Net debt / Net debt and equity) of 33.83%⁽⁸⁾**

The Gearing Ratio indicates the extent to which the assets of Woolworths are funded by debt. Generally, a higher ratio indicates greater use of borrowings to fund a business. As calculated above, Woolworths has a gearing ratio of 33.83%, meaning it has \$0.34 of Net debt for every \$1 of Net debt and equity outstanding.

— **Interest Cover Ratio (EBITDA / net interest expense) of 12.43x⁽⁹⁾**

The Interest Cover Ratio provides an indication of Woolworths' ability to meet its interest payments from earnings. It therefore provides important information about Woolworths' ability to meet its interest payments from operating cashflows and the risks associated with Woolworths' level of borrowings. A low interest cover ratio may indicate that a company could face difficulties in servicing the interest payable on its debt (including the interest payable on a debt instrument like Notes) if earnings decrease or interest rates increase. As calculated above, Woolworths has an Interest Cover Ratio of 12.43x, meaning Woolworths' EBITDA was 12.43x larger than its net interest expense.

— **Fixed Charges Cover Ratio (EBITDAR / fixed charges) of 3.03x⁽¹⁰⁾**

The Fixed Charges Cover Ratio provides an indication of Woolworths' ability to meet its fixed charges payments (including interest and rental costs) from earnings (after the payment of rental expense). It therefore provides important information about Woolworths' ability to meet its interest and rental payments from operating cashflows and the risks associated with Woolworths' level of borrowings. A low fixed charges cover ratio may indicate that a company could face difficulties in servicing the interest payable on its debt (including the interest payable on a debt instrument like Notes) and rental payments if earnings decrease or interest rates increase. As calculated above, Woolworths has a Fixed Charges Cover Ratio of 3.03x, meaning Woolworths' EBITDAR was 3.03x larger than its fixed charges.

— **Net Debt-to-EBIT Ratio (Net debt / EBIT) of 1.01x⁽¹¹⁾**

The Net Debt-to-EBIT Ratio provides an indication of the number of years it would take Woolworths to pay off its existing debt if Net debt and EBIT are held constant (ignoring factors of interest and taxes). It therefore provides important information about Woolworths' ability to repay its existing debt and capacity to take on additional debt obligations. A high Net Debt-to-EBIT Ratio may indicate that Woolworths may not be able to service its debt and could place downward pressure on Woolworths' corporate credit rating. As calculated above, Woolworths has a Net Debt-to-EBIT Ratio of 1.01x, meaning that Woolworths had net debt that was 1.01x larger than its EBIT.

NOTES

(8)

Net debt is defined as current and non-current interest bearing liabilities, including Woolworths Notes, less cash on hand, cash at bank and cash on short term deposit and provision for dividends, and includes hedge liabilities less hedge assets. The Gearing Ratio has not been adjusted for operating leases.

(9)

Net interest expense excludes foreign exchange gains/losses, dividend income and includes interest capitalised. The Interest Cover Ratio has not been adjusted for operating leases.

(10)

EBITDAR means operating profit from continuing operations before net interest expense, depreciation and amortisation, income tax and rent expense. Fixed charges includes net interest on all indebtedness, including interest on deposits, and all rent expense, and is stated before non-controlling interests. Interest excludes foreign exchange gains/losses, dividend income and includes interest capitalised. The Fixed Charges Cover Ratio has not been adjusted for operating leases.

(11)

Net debt is as defined in Footnote 8 but excludes hedge liabilities less hedge assets. The Net Debt-to-EBIT Ratio has not been adjusted for operating leases.

Investment risks

This Section provides information about risks associated with Notes, Woolworths and the Offer.

As this document is a prospectus Woolworths is required to explain risks associated with its business and the risks associated with Notes and the Offer. By investing in Notes you will be lending money to Woolworths and may be exposed to a number of risks which can be broadly classified as including risks associated with Notes, the market generally and with Woolworths.

This Section of the Prospectus does not purport to list every risk that may be associated with an investment in Notes now or in the future, and the occurrence or consequences of some of the risks described in this Section of the Prospectus are partially or completely outside the control of Woolworths, its Directors and senior management team.

Further, there can be no guarantee that Woolworths will achieve its stated objectives, that it will meet trading performance or financial results guidance that it may provide to the market, or that any forward looking statements contained in this Prospectus will be realised or otherwise eventuate.

Investors should satisfy themselves that they have a sufficient understanding of these matters, and have regard to their own investment objectives, financial circumstances and taxation position before investing in Notes. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

4.1 Risks associated with Woolworths Notes II

Notes are subordinated obligations

In the event of a winding-up of Woolworths, all payments on Notes will rank behind the prior payment in full of all other liabilities of Woolworths, except for obligations which rank equally with or junior to Notes. Notes are liabilities of Woolworths itself and Holders will have no right to claim against any related bodies corporate of Woolworths.

Woolworths may also incur further liabilities that will rank ahead of Notes without the prior consent of Holders. These include liabilities which arise out of events that are not reflected on the balance sheet of Woolworths, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such liabilities or guarantees will, in a winding-up of Woolworths, need to be paid in full before any obligations under Notes may be satisfied.

There is a risk that there may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes in the event a winding-up of Woolworths occurs. This would result in Holders not receiving a full return, or potentially no return of capital, or any Interest Payments due and unpaid at that time.

Interest Payments may be deferred

Woolworths may determine in its sole discretion, not to pay all or part of the Interest Payments falling due on a particular Interest Payment Date for a period of up to 5 years from the deferral of the longest outstanding Deferred Interest Payment. There is a risk that the deferral of an Interest Payment will have an adverse effect on the market price of Notes and may make them more volatile than the market prices of other debt securities that are not subject to such interest payment deferrals.

Section 4

There is also a risk that the deferral of an Interest Payment will be disadvantageous to Holders from a cash flow timing perspective.

Woolworths may redeem Notes under certain circumstances

Notes may be redeemed at the option of Woolworths:

- on 24 November 2016;
- on any Interest Payment Date after 24 November 2016;
- upon the occurrence of a Gross-Up Event, Tax Event, Rating Event or Accounting Event (prior to 24 November 2016);
- upon the occurrence of a Change of Control Event; or
- while the aggregate Face Value of all Notes on issue is less than 20% of the aggregate Face Value of Notes issued on the Issue Date,

subject to its ability to comply with its obligations under the Replacement Capital Deed which may restrict the circumstances when Notes can be redeemed:

The Notes will be redeemed at \$100 per Note (plus any accrued and outstanding interest and any outstanding Deferred Interest Payments) except where they are being redeemed on account of the occurrence of a Rating Event, in which case the Notes will be redeemed at \$101 per Note (plus any accrued and outstanding interest and any outstanding Deferred Interest Payments).

There is a risk that the relevant redemption amount may be less than the then current market value of Notes or the timing of such redemption may not accord with a Holder's individual financial circumstances or tax position.

Limited rights for Holders to request redemption

Holders are not able to request redemption of Notes unless:

- Woolworths fails to pay an amount within a specified period after it has become due and payable under Notes;
- both a Change of Control Event and Negative Rating Event subsist; or
- an order is made or a resolution is passed for the Winding-Up of Woolworths.

If none of these events occur, Holders have no right to require redemption of their Notes.

If any of these events occurs and Woolworths redeems Notes, Notes will be redeemed at \$100 per Note (plus any accrued and outstanding interest and any outstanding Deferred Interest Payments).

There is a risk that a Change of Control Event may occur which may increase the risk profile of Woolworths but which does not trigger a Negative Rating Event. If this occurs, Holders may be required to bear an increased likelihood of a deferral of Interest Payments as well as the financial, liquidity and interest rate risks associated with an investment in long-term securities.

In all other circumstances, Holders can only realise their investment in Notes by a sale on ASX or a private sale. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes. Brokerage may also be payable if Notes are sold through a broker.

Changes in Interest Rate

The Interest Rate is calculated for each Interest Period by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. The Interest Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Bank Bill Rate. As the Interest

Rate fluctuates, there is a risk that it may become less attractive compared to the rates of return available on other comparable securities.

Future incurring of liabilities and future issuance of securities

There are no restrictions on Woolworths issuing further Notes that rank equally with Notes issued under this Prospectus.

While Notes are on issue, Woolworths is not permitted to incur (without the prior approval of Holders by Special Resolution) any debt obligation which is subordinated to other debt obligations of Woolworths but ranking in priority to Notes. Otherwise there are no restrictions on Woolworths incurring any other debt obligations, whether subordinated or not or ranking ahead of, equally with or behind Notes. There is a risk that the issue of any such securities or the incurrence of any such other debt obligations may reduce the amount (if any) recoverable by Holders on a winding-up of Woolworths, or have an adverse impact on the market value of Notes.

Modification and substitution

Woolworths may in certain circumstances modify, cancel or amend the Terms without the consent of Holders. Woolworths may also modify, cancel or amend the Terms if the modification, cancellation or amendment has been approved by a Special Resolution of Holders.

Woolworths may also in certain circumstances substitute itself as the principal debtor under Notes without consent of Holders provided, along with other applicable conditions, the Trustee is satisfied that the interests of Holders are not materially prejudiced by the substitution.

There is a risk that a modification, cancellation, amendment or a substitution of Woolworths as principal debtor under these powers will occur, and with which Holders may not agree.

Tax consequences for Holders

A general description of the Australian taxation consequences of investing in Notes is set out in the summary by PricewaterhouseCoopers to Woolworths in Section 6. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.

Holders should also be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Notes, or the holding and disposal of Notes.

4.2 Risks related to the market generally

Market price

The market price of Notes may fluctuate due to various factors, including investor perceptions, worldwide economic conditions, interest rates, credit spreads, movements in the market price of Woolworths' Ordinary Shares or senior or subordinated debt, and factors that may affect Woolworths' financial position and trading results and other factors beyond the control of Woolworths and its Directors. Notes may trade at a market price below the Issue Price. As a result, Holders who wish to sell their Notes may be unable to do so at an acceptable price (if at all).

In recent years, markets have become more volatile. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market.

Section 4

Liquidity

Woolworths will apply for Notes to be listed on ASX. However, Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Insufficient liquidity may have a severely adverse effect on the market price of Notes which may trade at a market price below their Issue Price. Holders may not be able to sell their Notes easily or at an acceptable price. The extent of liquidity may also affect the volatility of the market price of Notes.

Change in credit rating

Woolworths has obtained credit ratings from rating agencies which could be reviewed, suspended or downgraded. The rating agencies could also change the methodologies by which they rate Woolworths. Even though Notes will not be rated, such changes may adversely impact the market price and liquidity of Notes. Further, Woolworths' cost of funds, margins, access to capital markets and other aspects of its performance may be also be affected if it fails to maintain its credit rating which may in turn affect Woolworths' ability to fulfil its obligations in respect of Notes.

4.3 Risks associated with Woolworths

Weakening of general economic activity and the retail sector

Woolworths' operations are conducted almost entirely in Australia and New Zealand and, as such, are affected by general economic conditions in these markets as well as global markets, including, but not limited to, the following:

- changes in the rate of inflation, interest rates and foreign currency exchange rates;
- changes in fiscal or monetary policy by the Australian or New Zealand governments or central banks;
- changes in the level of global economic activity flowing through to a negative domestic economic impact;
- changes in relation to movements in the general level of share prices on local and international equity markets;
- changes in commodity prices, in particular the price of oil;
- changes in aggregate investment and economic output;
- changes in consumers' saving levels; and
- changes in employment levels and labour costs.

Any adverse developments in economic conditions, particularly during the Christmas trading period when Woolworths' sales and profitability are typically strongest, and where sustained for an extended period, may result in a material failure to grow or loss of revenues or margins.

Failure to achieve expected reductions in costs

One of Woolworths' key strategies for improving its future profitability is the reduction in Cost of Doing Business through various initiatives. If Woolworths is unable to do so on a sustainable basis, it may be unable to compete effectively in its markets, leading to an increase in costs or loss of margin.

Furthermore, the supply chain and other cost reduction initiatives it has implemented have required, and will continue to require ongoing capital investment. There is a risk that Woolworths will not be able to derive reductions in operating costs to match the overall capital investment.

Damage or dilution to Woolworths' retail brands

There is a risk that the brand reputation of Woolworths' retail businesses may be damaged or diluted. Poor quality or inconsistent products, breaches of consumer protection laws, negative publicity at the brand level or other factors may damage the reputation and efficacy of Woolworths' retail brands. Further, Woolworths' retail brands may be damaged or diluted because of brand infringement by third parties. Any of these factors could materially adversely affect the value of Woolworths' brands, reduce consumer confidence in them and adversely affect Woolworths' future trading results and profitability. In addition, if any of Woolworths' brands are damaged or diluted, Woolworths may face significant expense in repairing the damage or dilution or in rebuilding its brands.

Retail offers may not cater to customer demands

The ability of Woolworths to gauge successfully and satisfy consumer preferences is critical to Woolworths maintaining its competitive position. Specifically, Woolworths adapts its retail product offerings to overall changes in Australian and New Zealand demographics as well as adapting or expanding its product offerings in response to changes to customer preferences and customer demands in new areas, such as home improvement and financial services and via new channels such as the internet. The effect of a failure to gauge and satisfy customer preferences or adapt or expand its product offering to the changing demands of its customer base may adversely affect Woolworths' market share or revenues.

Increased competition (from existing competitors and/or new entrants)

As Woolworths operates in a broad range of retail sectors (food and liquor, petrol, general merchandise, consumer electronics, hotels and home improvement) it is exposed to competition in many retail sectors of the Australian and New Zealand markets.

There is a risk that Woolworths will fail for an extended period to compete successfully in the markets in which it operates or that its existing competition in those markets will become stronger, which may result in a material failure to grow or loss of market share, revenues or margins.

In addition, there is a risk of new entrants into the Australian or New Zealand retail markets, either by acquisition of an existing retailing company or potentially through greenfields development. Further, retail globalisation (an international trend in breaking down national barriers) may result in a further increase in future competition from multi-national retailing groups that may have substantial buying power, particularly in general merchandise.

In 2009, Woolworths provided undertakings to the Australian Competition and Consumer Commission ("ACCC") not to enforce restrictive covenants (which restricted the ability of competitors to open stores in the same shopping centres) in supermarket leases and this may have the effect of improving competitors' access to greenfield sites.

A sustained increase in competition from new entrants may result in a material failure to grow or loss of market share, revenues or margins. It may also limit Woolworths' ability to expand its existing sites or acquire new sites.

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Expected growth in its exclusive brand lines in its supermarkets business may not be achieved

Woolworths believes that its exclusive brand lines, particularly its Homebrand and Woolworths Select brand, represent a growth opportunity, both in terms of a differentiated product offering and increased profit margins. There is a risk that Woolworths may be unable to execute its exclusive brand strategy due to an inappropriate offer, sourcing difficulties with suppliers or lack of customer acceptance of exclusive brand products, which may result in a failure to grow or loss of market share, revenues or margins.

There is also a risk that continued low levels of food price inflation, such as that experienced in the 2011 financial year, may reduce the shelf price of branded products and therefore reduce the price difference between branded and exclusive brand products, which may reduce sales of Woolworths' exclusive brand products.

Failure to open sufficient new stores

There is a risk that Woolworths may fail to identify and acquire appropriate sites for new store locations in or near population catchment areas or enter into leases on suitable sites on a timely basis and on satisfactory terms, including due to governmental zoning or permit restrictions, competition from other companies seeking similar sites or the inability of property owners to develop suitable property at the pace required by Woolworths. Woolworths' inability to open new stores in accordance with its new store roll-out strategy may have a material adverse effect on its growth, if sustained.

Failure to refurbish sufficient stores

Woolworths' future growth and operating performance depend in part on its ability to refurbish and improve existing stores over time. If such refurbishments are not completed on time, within budget or fail to realise their anticipated benefits, Woolworths' growth and performance may be materially adversely affected, in particular where that failure is sustained and widespread.

Further, if Woolworths fails to regularly monitor underperforming stores and to take appropriate remedial action, such stores may adversely affect the overall profitability of Woolworths.

Acquisition and divestment activities

From time to time Woolworths examines new acquisition opportunities both domestically and internationally, which may relate to existing businesses or to new areas of operation for Woolworths. There is a risk that Woolworths may incur substantial costs, delays or other problems in implementing its strategy for any acquired businesses, which could negatively impact Woolworths' results of operations, profitability or reputation.

Woolworths also pursues disposition strategies from time to time. There is a risk that the divestment of an existing business may be costly and may result in variability in earnings over time.

In addition, there could be liabilities that arise in connection with the businesses that Woolworths may sell or the businesses that Woolworths may acquire in the future, which could adversely affect Woolworths' earnings.

Supply chain and inventory

Woolworths relies on major suppliers, manufacturers and other service providers to provide materials and produce products for Woolworths' retail businesses and to transport products to customers. Woolworths' businesses are dependent upon their access to products that meet their specifications.

There is a risk that the supply chain for one or more of Woolworths' stores will be materially disrupted with the result that sufficient quantities of supplies are not obtained or delivered on a timely basis or in sufficient quantity at acceptable cost.

Any disruption to the Woolworths supply chain as a result of an issue with a supplier, an unexpected system or computer network interruption or otherwise, or any damage to its integrity, could cause Woolworths significant time and expense in remediation of any deficiencies and could impact its reputation, which could adversely affect its brand recognition, market share and profitability. Further, it could result in increased operating costs, and improperly implemented initiatives which may harm customer engagement through reduced levels of service and could adversely impact Woolworths' businesses. Efficiently managing inventory stocks and ensuring stock availability are of paramount importance to all of Woolworths' businesses. If Woolworths is unable to manage inventory effectively, or if Woolworths faces shortages of stock availability, this could affect the businesses' competitive position and may have an adverse impact on Woolworths' results of operations and financial condition.

Interruptions resulting from industrial disputes and work stoppages

Many of Woolworths' employees are unionised and covered by collective bargaining agreements. From time to time Woolworths has major enterprise bargaining agreement renegotiations in its businesses, and these can result in increases in costs, and, in some circumstances, temporary interruptions to operations. In addition, industrial unrest or interruption by Woolworths' employees or the employees of its service providers could lead to work stoppages, production losses and delays that may significantly affect Woolworths' business operations.

System and computer network interruptions

The ongoing performance of Woolworths' operations is dependent, in large part, on the reliability and availability of its systems and computer networks. There is a risk that unexpected system or computer network interruptions could cause disruptions in supply or increases in costs. Although Woolworths carries business interruption insurance, which may partly offset the financial effect of such an event, no assurance can be given that any such event may not adversely affect Woolworths' future profitability.

Furthermore, a significant portion of the communications between Woolworths' personnel and suppliers depends on information technology which may be vulnerable to a variety of interruptions due to events that may be beyond Woolworths' control including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hacking, and other security issues. Woolworths has technology and information security processes and disaster recovery plans in place to mitigate its risk to these vulnerabilities, but these measures may not be adequate or implemented properly to ensure that its operations are not disrupted and its ability to generate revenues protected.

Product liability risk

The packaging, marketing, distribution and sale of food and liquor products entail an inherent risk of product liability, public liability, product recall and resultant adverse publicity. If any products sold by Woolworths, including Woolworths' exclusive brand products, are defective, contaminated or adulterated, this may lead to a risk of exposure to product liability claims and adverse publicity. Such claims may have an adverse impact on Woolworths' future results of operations (should Woolworths' insurance not be adequate to cover all liabilities it may incur) if current or potential customers choose alternative stores as a result of any adverse publicity. Further, as a distributor

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of products, Woolworths faces risks associated with faulty, defective products or mislabelled products. Breaches of Woolworths' obligations can give rise to prosecution or claims for damages and can adversely affect its profitability or market reputation.

Legal and regulatory risk

Woolworths is subject to a range of legal and other regulatory controls imposed by Australian and New Zealand state, territory and federal government bodies, including industry specific regulation (such as gaming and liquor licensing). The relevant regulatory regimes are complex and are subject to change over time depending on the policies of the government in place. Compliance with, or changes in, these laws or regulations may reduce the sales and profitability of Woolworths' retail operations and may otherwise adversely affect Woolworths' businesses, financial condition or results of operations. Non-compliance may result in financial penalties being levied against Woolworths and may result in the loss of certain licenses, which would have a negative impact on Woolworths' performance.

Competition regulation

Woolworths is subject to scrutiny by the ACCC and other federal and state regulatory bodies. Such regulatory bodies may limit Woolworths' ability to acquire further businesses. In addition, adverse outcomes may arise from any investigations or prosecutions that may be commenced by the ACCC or other federal or state regulatory bodies against Woolworths, including for breaches of undertakings Woolworths has given to the ACCC or any other regulatory restrictions on its business activities. There is a risk that these events may adversely affect Woolworths' future financial performance and position.

Failed expansion into new lines of business, such as home improvement

Part of Woolworths' growth strategy is to leverage its experience in supermarkets, general merchandise and consumer electronics through expansion into new retail categories, such as home improvement. Expansion into new retail categories requires a substantial investment of financial, operational and management resources and often faces strong competition from more established retailers in the target sector. Should the home improvement joint venture or any other expansion fail to produce expected results, this could have an adverse impact on Woolworths' businesses and results of operations.

Failure to attract or retain key management

Woolworths' success and growth strategy will also depend on its ability to attract and retain key management and other operating personnel. An inability to attract and retain the requisite personnel by Woolworths could have an adverse effect on Woolworths' business, operating results and financial condition. While Woolworths has an established succession planning strategy, there can be no assurance that it will prevent disruptions in the business resulting from the departure of key personnel.

Breaches of security, privacy, unauthorised disclosure of customer information or fraud

As part of Woolworths' retail operations, including through its Everyday Rewards programme and the Woolworths' Everyday Money Card, Woolworths possesses "personally identifiable" information, including customer addresses, credit card numbers and purchase history. It is possible that unauthorised persons could improperly access Woolworths' systems and data and obtain or disclose information about Woolworths' customers. Further, because customer data may also be collected, stored or processed by third-party vendors, it is possible that these vendors could intentionally or negligently disclose data about Woolworths' clients or customers.

A breach of Woolworths' information systems could lead to fraudulent activity, such as identity theft, credit card fraud, additional security costs, negative publicity and damage to Woolworths' reputation and brand. Claims for compensatory or other damages may be brought against Woolworths as a result of a breach of its systems or fraudulent activity. Additionally, Woolworths may be subject to regulatory action and fines for certain breaches of Australian or New Zealand privacy laws. Such incidents could adversely affect Woolworths' reputation, its businesses and its results of operations.

Natural disasters and adverse weather conditions

Certain areas of Australia and New Zealand are particularly susceptible to natural disasters and adverse weather conditions, such as earthquakes, cyclones, flooding and drought. These events can damage Woolworths' stores, distribution centres and the infrastructure upon which Woolworths and its suppliers rely to run their businesses, and may also affect the availability of certain agricultural goods. While Woolworths has insurance and certain procedures in place to deal with these events, should they occur, there can be no certainty that Woolworths' insurance coverage or procedures are adequate to ensure that events of this type do not adversely impact Woolworths' results of operations.

Joint ventures and strategic alliances

Woolworths operates certain of its businesses through partnerships and strategic alliances, such as its retail home improvement joint venture with Lowe's, its strategic alliance in its petrol business with Caltex, its joint ownership of the hotels business with the Bruce Mathieson Group and its consumer electronics business venture in India with the TATA Group. Through the use of joint ventures and strategic alliances, Woolworths is subject to additional risks and uncertainties in that it may be dependent upon, and is subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control. In addition, conflicts or disagreements between Woolworths and its joint venture and strategic alliance partners may negatively impact Woolworths' businesses.

Failure to hedge appropriately or effectively

There is a risk that Woolworths' results of operations may be adversely affected if its hedges are not effective to mitigate interest rate and exchange rate risks, if Woolworths is under hedged or if a hedge provider defaults on its obligations under Woolworths' hedging agreements.

In addition, Woolworths acquires goods and services and issues debt in non-Australian currencies and outside Australia. The impact of such exchange rate risk cannot be predicted reliably. Woolworths manages its exchange rate risks to minimise any adverse effect on its financial position and performance. However, there can be no assurance that Woolworths' interest rate and exchange rate hedging arrangements or hedging policy will be sufficient or effective.

Litigation risks

From time to time, Woolworths may be a party to litigation claims and legal proceedings, including personal injury and other claims and proceedings arising in the ordinary course of its business. Adverse outcomes in such legal proceedings, or changes in management's evaluations or predictions about the proceedings, could have a material adverse effect on Woolworths' financial results and financial condition.

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The Offer

Information about the Offer including the Offer key dates and the Offer Period is included in Section 1. This Section provides further information about the Offer, including how to apply.

Topic	Summary
5.1 The Offer	
How is the Offer structured?	The Offer comprises: – an Institutional Offer to Institutional Investors; – a Broker Firm Offer made to retail clients, of Syndicate Brokers, who are resident in Australia to apply for an allocation; – a Woolworths Shareholder Offer made to Eligible Woolworths Shareholders; and – a General Offer made to members of the general public who are resident in Australia. If there is excess demand for Notes, priority will be given to Woolworths Shareholder Applicants over General Applicants.
Is any brokerage, commission or stamp duty payable?	No brokerage, commission or stamp duty is payable by you on applications. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.
Will application monies be held on trust?	All application monies received before Notes are issued will be held by Woolworths on trust in an account established solely for the purposes of depositing application monies received. Any interest that accrues in that account will be retained by Woolworths. After Notes are issued to successful applicants, the application monies held on trust will be payable to Woolworths.
How will refunds (if any) be made?	If you are not allotted any Notes or you are allotted fewer Notes than the number that you applied and paid for as a result of a scale back, all or some of your application monies (as applicable) will be refunded to you (without interest) as soon as practicable after the Issue Date. In the event that the Offer does not proceed for any reason, all applicants will have their application monies refunded (without interest) as soon as practicable.
Do I need to provide my bank account details to receive Interest Payments?	Woolworths' current policy is that Interest Payments will be paid in Australian dollars by direct credit into nominated Australian financial institution accounts (excluding credit card accounts), for Holders with a registered address in Australia. For all other Holders, Woolworths' current policy is that Interest Payments will be paid by electronic funds transfer or Australian dollar cheque.
Do I need to provide my Tax File Number or ABN?	You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, Woolworths may be required to withhold Australian tax at the maximum marginal tax rate on the amount of any Interest Payment unless you provide one of the following: – TFN; – TFN exemption number (if applicable); or – ABN (if Notes are held in the course of an enterprise carried on by you). The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act. Successful applicants who do not have an address in Australia registered with the Registry, or who direct the payment of any Interest Payment to an address outside of Australia, may have an amount deducted for Australian withholding tax from any Interest Payment paid.

Topic	Summary
How do I obtain a copy of the Prospectus and Application Form?	During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.woolworthsnotesiiioffer.com.au. Application Forms will not be made available until after the Exposure Period. During the Offer Period, an electronic version of the Replacement Prospectus with an Application Form will be available at www.woolworthsnotesiiioffer.com.au and may be available through your Syndicate Broker. Electronic access to Prospectus The following conditions apply if this Prospectus is accessed electronically: – you must download the entire Prospectus; – your application will only be considered where you have applied on an Application Form that was attached to or accompanied by a copy of the Prospectus; and – the Prospectus is available electronically to you only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia. You can also request a free paper copy of the Prospectus and an Application Form by calling the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a printed copy of this Prospectus or the complete and unaltered electronic version of the Prospectus. Your application will only be considered where you have applied pursuant to an Application Form (either electronic or paper) that was attached to, or accompanied by, a copy of the Replacement Prospectus, and have provided your application monies.

5.2 How to apply

	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
Who can apply?	Institutional Investor – that is, an investor who is invited by J. P. Morgan or UBS to bid for Notes in the Bookbuild, who is applying through the Institutional Offer.	Broker Firm Applicant – that is, a retail client, of a Syndicate Broker, who is resident in Australia invited to participate through the Broker Firm Offer.	Eligible Woolworths Shareholder – that is, a holder of Ordinary Shares at 7:00pm on 7 October 2011 who is resident in Australia applying through the Woolworths Shareholder Offer.	General Applicant – that is, a member of the general public who is resident in Australia applying through the General Offer.
How many Notes can be applied for?	Your application must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, for incremental multiples of \$1,000.			

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	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
When can I apply?	The Bookbuild will be conducted on 25 October 2011.	Applications will only be accepted during the Offer Period, which is expected to open on 26 October 2011. The Closing Date for the Broker Firm Offer is 10:00am on 23 November 2011. Your completed white paper Application Form and application monies must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.	Applications will only be accepted during the Offer Period, which is expected to open on 26 October 2011. The Closing Date for the Woolworths Shareholder Offer is 5:00pm on 17 November 2011. Your completed personalised blue paper Woolworths Shareholder Application Form or online Application Form and application monies must be received by the Registry by the Closing Date. If you apply using a white paper Application Form, you may not be treated as a Woolworths Shareholder Applicant.	Applications will only be accepted during the Offer Period, which is expected to open on 26 October 2011. The Closing Date for the General Offer is 5:00pm on 17 November 2011. Your completed white paper Application Form or online Application Form and application monies must be received by the Registry by the Closing Date.

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	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
How do I apply online?	N/A	N/A	You can apply online at www.woolworthsnotesioffer.com.au. Instructions on how to complete your application are provided online. You will be asked to identify the holding that gives you the entitlement to apply by providing your SRN or HIN which can be found on your holding statement or payment advice. When applying online, you will be required to pay for Notes using BPAY®.	You can apply online at www.woolworthsnotesioffer.com.au. Instructions on how to complete your application are provided online. When applying online, you will be required to pay for Notes using BPAY.
How do I pay online?	N/A	N/A	If you apply using an online Application Form, you must complete your application by making a BPAY payment. Once you have completed your online Application Form, you will be given a BPAY biller code and unique Customer Reference Number for that application. Follow the BPAY instructions below to complete your Application. If you do not make a BPAY payment, your application will be incomplete and will not be accepted by Woolworths. Your completed online Application Form and application monies must be received by the Registry by the Closing Date.	

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	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer General Offer
How do I use BPAY?	N/A	N/A	Using the BPAY details provided, you need to: — access your participating BPAY financial institution either through telephone banking or internet banking; — select BPAY and follow the prompts; — enter the biller code supplied; — enter the unique Customer Reference Number supplied for each application; — enter the total amount to be paid which corresponds to the number of Notes you wish to apply for under each application (that is, a minimum of \$5,000 – 50 Notes, and incremental multiples of \$1,000 – 10 Notes). Note that your financial institution may apply limits on your use of BPAY and that you should make enquiry about the limits that apply in your own personal situation; — select the account you wish your payment to be made from; — schedule your payment for the same day that you complete your online Application Form since applications without payment cannot be accepted; and — record your BPAY receipt number and date paid. Retain these details for your records. BPAY payments must be made from an Australian dollar account of an Australian financial institution.

	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
How do I apply using a paper Application Form?	Application and settlement procedures for Institutional Investors will be advised by J.P. Morgan or UBS.	There are white paper Application Forms in the back of the Replacement Prospectus (that is expected to be available from 26 October 2011) that should be used by Broker Firm Applicants. General instructions on how to complete the white paper Application Form are set out on the Application Form. You must contact your Syndicate Broker for their specific instructions on how to submit the white paper Application Form and your application monies to your Syndicate Broker. You must not return your white paper Application Form to the Registry. Your Syndicate Broker must have received your completed white paper Application Form and application monies in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer – being 10:00am on 23 November 2011; and will act as your agent in processing your white paper Application Form and providing your application details and application monies to Woolworths.	You can request a paper copy of the Prospectus and your personalised blue Woolworths Shareholder Application Form by calling the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). Instructions on how to complete your personalised blue Woolworths Shareholder Application Form are set out on the Application Form. You will be required to pay for Notes by 17 November 2011 by cheque(s) and/or money order(s). If you wish to pay by BPAY you need to make an online application. You will be required to post your completed personalised blue paper Woolworths Shareholder Application Form to the Registry.	There are white paper Application Forms contained in the back of the Replacement Prospectus (that is expected to be available from 26 October 2011) that should be used by General Applicants. You can request a paper copy of the Replacement Prospectus and white paper Application Form by calling Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm). Instructions on how to complete the white paper Application Form are set out on the Application Form. If applying using the white Application Form, you will be required to pay for Notes by 17 November 2011 by cheque(s) and/or money order(s). If you wish to pay by BPAY you need to make an online application. You will be required to post your completed white paper Application Form to the Registry.

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	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
What is the address of the Registry?	N/A	N/A	Woolworths Notes II Offer c/Computershare Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001, Australia Please note that paper Application Forms and application monies will not be accepted at any other address or office and will not be accepted at Woolworths' registered office or any other Woolworths office or store or at other offices or branches of the Registry.	
How to pay using a paper Application Form?	N/A	You must contact your Syndicate Broker for information on how to submit the white paper Application Form and your application monies to your Syndicate Broker.	If you apply under the Woolworths Shareholder Offer using a personalised blue paper Woolworths Shareholder Application Form, your completed Application Form must be accompanied by application monies in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of an Australian financial institution and made payable to 'Woolworths Notes II Offer'. Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted. You cannot pay by BPAY if you apply under the Woolworths Shareholder Offer using a personalised blue paper Woolworths Shareholder Application Form. If you wish to pay by BPAY, you will need to make an online application.	
			If you apply under the General Offer using a white paper Application Form, your completed Application Form must be accompanied by application monies in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of an Australian financial institution and made payable to 'Woolworths Notes II Offer'. Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted. You cannot pay by BPAY if you apply under the General Offer using a white paper Application Form. If you wish to pay by BPAY, you need to make an online application.	

	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer	General Offer
How to pay using a paper Application Form? – <i>Continued</i>			Your completed personalised blue paper Woolworths Shareholder Application Form and application monies must be received by the Registry by the Closing Date.	Your completed white paper Application Form and application monies must be received by the Registry by the Closing Date.
What is the allocation policy?	Allocations to Institutional Investors will be agreed by J.P. Morgan, UBS and Woolworths.	Allocations to Syndicate Brokers will be agreed by the Joint Lead Managers and Woolworths following completion of the Bookbuild. Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker.	Allocations for the Woolworths Shareholder Offer and the General Offer will be determined by Woolworths in consultation with the Joint Lead Managers after the Closing Date. There is no specified proportion of the Offer that may be allocated to the Woolworths Shareholder Offer or the General Offer. Woolworths (at its discretion and in consultation with the Joint Lead Managers) reserves the right to scale back applications from Woolworths Shareholder Applicants and General Applicants. Any scale back will be announced on ASX on the day Notes commence trading on a deferred settlement basis – expected to be 25 November 2011. If there is excess demand for Notes, priority will be given to Woolworths Shareholder Applicants over General Applicants. Woolworths, after consultation with the Joint Lead Managers, has absolute discretion to determine the method and extent of the priority Allocation. Woolworths in consultation with the Joint Lead Managers reserves the right to: – allocate to any Woolworths Shareholder Applicant or General Applicant all Notes for which they have applied; – reject any application by a Woolworths Shareholder Applicant or a General Applicant; or – allocate to any Woolworths Shareholder Applicant or General Applicant a lesser number of Notes than that applied for, including less than the minimum application of Notes or none at all.	

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	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer General Offer
What is the allocation policy? –Continued			No assurance is given that any Woolworths Shareholder Applicant or General Applicant will receive an Allocation.
How will the final allocation policy be announced?	Allocations to Institutional Investors will be advised to those investors following the Bookbuild.	Allocations to Syndicate Brokers will be advised to those brokers following the Bookbuild. Applicants under the Broker Firm Offer will be able to confirm their Allocation through the Syndicate Broker from whom they received their allocation. You will also be able to call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) to confirm your Allocation. However, if you sell Notes before receiving a Holding Statement, you do so at your own risk, even if you confirmed your Allocation through a Syndicate Broker.	If you are an applicant in the Woolworths Shareholder Offer or General Offer, you will be able to call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) to confirm your Allocation. It is expected that this information will be advertised in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review. However, if you sell Notes before receiving a Holding Statement, you do so at your own risk, even if you obtained details of your holding from the Woolworths Notes II Offer Information Line.

	Institutional Offer	Broker Firm Offer	Woolworths Shareholder Offer General Offer
Who should I contact with an enquiry?	Contact J.P. Morgan or UBS.	If you have further questions about the Offer or your Broker Firm Application, please call your Syndicate Broker.	You can call the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) if you: – have further questions on how to apply for Notes; – require assistance to complete your Application Form; – require additional copies of this Prospectus and Application Forms; or – have any other questions about the Offer. If you are unclear in relation to any matter relating to the Offer or are uncertain whether Notes are a suitable investment for you, you should consult your financial adviser or other professional adviser.

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5.3 Other

5.3.1 Bookbuild

The Joint Lead Managers will conduct a Bookbuild to determine the Margin and Allocations of Notes to Bookbuild participants. The Bookbuild is expected to be conducted on 25 October 2011 in accordance with terms and conditions agreed by Woolworths and the Joint Lead Managers. As part of the Bookbuild, certain Institutional Investors and Syndicate Brokers will be invited to lodge bids for Notes. On the basis of those bids, Woolworths and the Joint Lead Managers will determine the Margin and the Allocations of Notes to Syndicate Brokers. J.P. Morgan, UBS and Woolworths will determine the Allocations to certain Institutional Investors. Notes allocated during the Bookbuild will be issued pursuant to this Prospectus.

The Margin set by the Bookbuild is expected to be announced on 26 October 2011 to ASX. Details will also be published in The Sydney Morning Herald, The Melbourne Age, The Australian and The Australian Financial Review on or about 26 October 2011, and will be available by calling the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday 8.30am to 5.30pm) from on or about 26 October 2011.

Application and settlement procedures for the Bookbuild will be notified to Syndicate Brokers by the Joint Lead Managers, and to Institutional Investors by J.P. Morgan and UBS.

5.3.2 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Notes or the Offer or otherwise to permit a public offering of Notes in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Notes in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed by you in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, this Prospectus may only be distributed to and accessed by persons in Hong Kong who are “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or otherwise to persons in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute the making of an offer to the public within the meaning of that Ordinance.

Further, this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and Notes will be only offered in Singapore pursuant to exceptions under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or

otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired Notes pursuant to an offer under Section 275 of the Securities and Futures Act except: (i) to an institutional investor or to a relevant person defined in Section 275(12) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or (ii) where no consideration is or will be given for the transfer; or (iii) where the transfer is by operation of law; or (iv) pursuant to Section 276(7) of the Securities and Futures Act.

This document is not a prospectus or investment statement for the purpose of, and has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). Notes that are the subject of the Offer are not being offered or sold in New Zealand other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the Notes before the allotment of those Notes or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of Woolworths (the “initial securities”) in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document,

where such persons are not acquiring Notes with a view to offering them (or any of them) for Sale to members of the public (as that expression is used in New Zealand Securities Act 1978).

Notes have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws.

Each applicant under the Offer, will be taken to have represented, warranted and agreed as follows:

- It understands that Notes have not been, and will not be, registered under the US Securities Act 1933 or the securities law of any state of the United States and may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any other applicable securities laws;
- If a person in a jurisdiction (outside Australia) referred to in this Section, you are a person to whom this Prospectus may be distributed, or Notes offered or sold, in accordance with this Section without lodgement, filing or registration of this Prospectus with any government authority of that jurisdiction;

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- It is not in the United States or a US Person;
- It has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- It will not offer or sell Notes in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and in compliance with all applicable laws in the jurisdiction in which Notes are offered and sold.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and applicable US state securities laws.

5.3.3 ASX listing, registers and holding statements, deferred settlement trading

Application to ASX for listing and quotation of Notes

Woolworths will apply for quotation of Notes on ASX under the code “WOWHC”.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may quote Notes is not to be taken as an indication of the merits of Notes offered for subscription.

If Woolworths does not make such an application within seven days after the date of this Prospectus, or if permission is not granted for the official quotation of Notes on ASX within three months after the date of this Prospectus, Notes will not be issued and all application monies received by Woolworths will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

CHESS and issuer sponsored holdings

Woolworths will apply to participate in ASX’s Clearing House Electronic Sub-register System (“CHESS”) and will comply with ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When Notes become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful applicants, Notes of a Holder who is a participant in CHESS or a Holder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Notes will be registered on the issuer sponsored sub-register.

Following completion of the Offer, Holders will be sent a Holding Statement that sets out the number of Notes that have been allocated to them. This statement will also provide details of a Holder’s Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. It is expected that Holding Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful applicants by 28 November 2011. Certificates will not be issued.

Holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Holder’s sponsoring broker in the case of a holding on the CHESS sub-register or

through the Registry in the case of a holding on the issuer sponsored sub-register. Woolworths and the Registry may charge a fee for these additional issuer sponsored statements.

Deferred settlement trading and selling Notes on market

It is expected that trading of Notes on ASX (on a deferred basis) will commence on or about 25 November 2011.

It is the responsibility of each person who trades in Notes to confirm their holding before trading in Notes. If you sell Notes before receiving a Holding Statement, you do so at your own risk. Woolworths, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Notes before receiving your Holding Statement, even if you obtained details of your holding from the Woolworths Notes II Offer Information Line on 1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8:30am to 5:30pm) or confirmed your firm allocation through a Syndicate Broker.

Notes are expected to commence trading on ASX on a normal settlement basis on or about 30 November 2011.

5.3.4 ASIC relief and ASX waivers

Woolworths has received in principle confirmation from ASX that ASX will classify Notes as debt securities.

Woolworths intends to apply for ASIC relief to permit Woolworths to extend or reduce by up to 7 days on either side the length of its quarters for the purpose of quarterly reporting on Notes to ASIC and the Trustee so as to align with its usual quarterly financial reporting cycle.

5.3.5 Discretion regarding the Offer

Woolworths reserves the right not to proceed with the Offer or any part of it at any time before the issue of Notes to successful applicants.

If Woolworths withdraws the offer, Notes will not be issued and all relevant application monies will be refunded (without interest).

Woolworths and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any applicant or bidder fewer Notes than applied or bid for.

Investors should also note that no cooling off rights (whether by law or otherwise) apply to an investment in Notes. This means that, in most circumstances, applicants may not withdraw their applications once submitted.

Taxation summary



18 October 2011

The Directors
Woolworths Limited
1 Woolworths Way
Bella Vista, NSW 2153

Dear Directors,

Australian taxation consequences of investing in Notes

We have been instructed to prepare a summary of the Australian income tax and goods and services tax ("GST") consequences regarding the issue of Notes by Woolworths for inclusion in the Prospectus, based upon the arrangements explained in the Prospectus.

This summary outlines the Australian taxation consequences for investors who hold the Notes ("Holders") on capital account and who are not associates of Woolworths for the purposes of the tax laws.

Tax considerations which may arise for investors who are in the business of share trading, dealing in securities or otherwise hold the Notes on revenue account have not been considered in this tax summary.

This summary only provides a guide to the general Australian income tax and GST consequences of investing in the Notes based on the income tax and GST law and administrative practice in force as at the date of the Prospectus. It is necessarily general in nature and does not purport to be definitive advice, nor a complete analysis, to identify all potential tax consequences for Holders. The Australian income tax and GST treatment may vary according to individual circumstances, and each Holder should seek their own tax advice that is specific to their particular circumstances.

Unless the context indicates otherwise, all capitalised terms bear the same meaning as those contained in the Glossary of the Prospectus, and the Terms.

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Liability limited by a scheme approved under Professional Standards Legislation.

1. Taxation consequences for Holders

1.1 Interest Payments

a) Australian residents

The Commissioner of Taxation has issued a private ruling to Woolworths which confirms that the Notes are financial arrangements (and are not “equity”) for income tax purposes under the Taxation of Financial Arrangement (“TOFA”) provisions in Division 230 of the Income Tax Assessment Act 1997 (“ITAA 1997”).

Interest Payments made in respect of the Notes should be included in the assessable income of the Holders. The year of income in which the Interest Payments should be included in each Holder’s income tax returns will depend on whether the TOFA provisions apply to them.

TOFA will generally not apply to:

- Individuals;
- Superannuation funds and managed investment schemes if the value of their assets is less than \$100 million; or
- Other entities (not individuals) who are below all of the following thresholds in a previous income year:
 - aggregated turnover of less than \$100 million;
 - assets of less than \$300 million; and
 - financial assets of less than \$100 million.

i) Holders who are not subject to TOFA

For Holders who are not subject to the TOFA provisions, the Interest Payments should generally be recognised in their income tax returns in the year of income in which the Interest Payments are received.

ii) Holders who are subject to TOFA

For Holders who are subject to TOFA, the default position should be to include the Interest Payments in their income tax returns on a compounding accruals basis over the life of the Notes. However, Holders may elect to be taxed pursuant to various elective regimes under TOFA. Due to the complexities within TOFA, Holders should seek tax advice specific to their circumstances in relation to the application of the elective regimes.

b) Non-residents

Where:

- A Holder is a non-resident; and
 - The Holder does not hold the Notes through a permanent establishment in Australia,
- the Interest Payments received in respect of the Notes should not be included in the Australian assessable income of the Holder.

Normally, Interest Payments made to such non-residents would be subject to Australian withholding tax. However, it is anticipated that the Notes will be issued in a manner that will cause the Interest Payments to be exempt from Australian withholding tax under section 128F of the Income Tax Assessment Act 1936 (“ITAA 1936”).

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The exemption will not apply in respect of the Notes if, at the time of issue, Woolworths knows or has reasonable grounds to suspect that the Notes, or interests in the Notes, are being or will be, acquired directly or indirectly by an associate of Woolworths that is not a resident of Australia (or who is a resident of Australia acting through a permanent establishment outside Australia), other than in the capacity of a dealer, manager or underwriter in relation to a placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (an “Offshore Associate”). Woolworths will take all reasonable steps to ensure that no Notes are acquired by an Offshore Associate.

If the exemption under section 128F does not apply and an Interest Payment to a non-resident Holder is subject to withholding tax, the amount of the Interest Payment will be increased so that the net amount received by Holders is equal to the amount that would have been received if withholding tax had not applied, subject to certain restrictions.

If a non-resident Holder does hold Notes through a permanent establishment in Australia, then Interest Payments will be included in the assessable income of the Holder for Australian taxation purposes. Interest withholding tax will not apply to Interest Payments paid to such a Holder.

1.2 Disposal, redemption or transfer of Notes

a) Australian residents

i) Holders who are not subject to TOFA

The Notes should be treated as “traditional securities” pursuant to Australian tax law for Holders who are not subject to TOFA. Accordingly, the Notes will be subject to those specific provisions relating to the taxation of gains and deduction of losses arising from the disposal, redemption or transfer of traditional securities.

If an Australian resident Holder disposes of or transfers the Notes, and the proceeds of disposal exceed the cost of the Notes, the resulting gain should generally be assessable income of the Holder in the income year in which the sale takes place. The gain will be taxed in the same way as ordinary income and will not be a capital gain. The Holder will not be entitled to apply the capital gains discount in respect of the gain and will not be entitled to apply any capital losses against the gain.

Conversely, if the proceeds of disposal are less than the cost of the Notes, the resulting loss may be deductible to the Holder in the income year in which the sale takes place.

For a Holder that acquires Notes under this Prospectus, the cost of a Note will include its Issue Price. Generally, the proceeds of disposal would include the gross amount received by the Holder in respect of the disposal of the Notes. If the Notes are redeemed by Woolworths, the proceeds would exclude any amount referable to an Interest Payment. This amount would be included separately in the assessable income of the Holder, as outlined above.

ii) Holders who are subject to TOFA

Holders who are subject to TOFA should treat the Notes as financial arrangements pursuant to TOFA. TOFA requires a balancing adjustment be made when the Holder disposes of the Notes to bring to account any outstanding gains or losses from the Notes.

If the interest, including the Final Interest Payment (see 1.3 below), and proceeds of disposal received in respect of the Notes exceed the cost of the Notes and taking into account any past assessable amounts, an assessable balancing adjustment may be included in the assessable income of the Holder in the year of income in which the sale takes place.

Conversely, a deductible balancing adjustment should arise if the interest and proceeds of disposal received in respect of the Notes are less than the cost of the Notes.

A number of considerations should be made when calculating the balancing adjustment including, amongst other things, whether the Holder has made a choice to be taxed under the elective regimes under TOFA. Due to the complexities within TOFA, Holders should seek tax advice specific to their circumstances.

b) Non-residents

Any gain arising to a non-resident Holder from disposal of the Notes should only be subject to Australian tax if:

- The non-resident Holder is a resident of a country with which Australia has concluded a comprehensive double tax treaty and the Notes are held through a permanent establishment in Australia; or
- The non-resident Holder is not a resident of a country with which Australia has concluded a comprehensive double tax treaty and the gain has an Australian source. The source of a gain on disposal of a security is determined by weighing all of the relevant factors including the location of the security, the place at which the contract to sell the security is concluded and the place at which the decision to sell the security is made. For example, the Commissioner of Taxation has concluded in a non-binding Interpretative Decision that the source of a gain arising from the sale of securities listed on the Australian Stock Exchange is in Australia on the basis that contracts for the sale of such securities are made in Australia by the relevant stock broker on behalf of the vendor.

Generally, the proceeds of disposal would include the gross amount received by the Holder in respect of the disposal of the Notes. If the gain is subject to Australian tax, it will be taxed in the same way as ordinary income and will not be a capital gain. In addition, depending on whether the Holder is subject to TOFA, either the Australian tax law relating to traditional securities or TOFA may apply (see 1.2(a)(i) and (ii) above). The Holder will not be entitled to apply the capital gains discount in respect of this gain and will not be entitled to apply any capital losses against the gain.

If the Notes are redeemed by Woolworths, the proceeds of disposal would exclude any amount referable to an Interest Payment. Provided that the Holder does not hold the Notes through a permanent establishment in Australia, the amount referable to an Interest Payment should not be subject to Australian income tax or withholding tax (see 1.3(b)).

1.3 Redemption of Notes – Final Interest Payment

Woolworths may redeem all Notes on or after 24 November 2016 (or earlier in certain circumstances). Each Note will be redeemed for an amount equal to its Face Value of \$100 (or \$101 if redeemed due to a Rating Event) together with interest that has accrued from the last interest payment date (the “Final Interest Payment”) and any outstanding Deferred Interest Payments.

a) Australian residents

i) Holders who are not subject to TOFA

The Final Interest Payment and any outstanding Deferred Interest Payments will constitute assessable income of the Holders. Holders should recognise this amount as interest in their income tax returns for the income year in which the redemption takes place.

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ii) Holders who are subject to TOFA

The Final Interest Payment and any outstanding Deferred Interest Payments should be included as part of the interest received to calculate the assessable or deductible balancing adjustment (see 1.2(a)(ii) above).

b) Non-residents

Where:

— A Holder is a non-resident; and

— The Holder does not hold the Notes through a permanent establishment in Australia,

the Final Interest Payment and any outstanding Deferred Interest Payments received in respect of the Notes should not be included in the assessable income of the Holder for Australian taxation purposes. The Final Interest Payment and any outstanding Deferred Interest Payments should also not be subject to Australian withholding tax. It is anticipated that the Notes will be issued in a manner that will cause Interest Payments to be exempt from Australian withholding tax under section 128F of the ITAA 1936.

If a non-resident Holder holds the Notes through a permanent establishment in Australia, then the Final Interest Payment and any outstanding Deferred Interest Payment will be included in the assessable income of the Holder for Australian taxation purposes.

2. Goods and Services Tax

2.1 The buying and selling of Notes is not subject to GST

For Australian GST purposes, the buying and selling of the Notes is treated as an input taxed financial supply. This means that GST is not charged or recoverable on these supplies.

Accordingly, the following will not be subject to GST:

- the issue, redemption or sale of the Notes by Woolworths;
- the subscription (applying to buy) for, and any subsequent disposal (sale or withdrawal) of the Notes by an investor, should this occur; or
- the payment of Interest Payments on the Notes.

If a non-resident investor purchases the Notes, these supplies will not be subject to GST.

2.2 Claiming GST on acquisitions

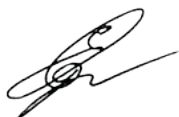
Holders should seek their own advice as to whether GST costs they incur, in relation to acquiring the Notes, are recoverable.

3. Disclaimer

The information contained in this summary does not constitute financial product advice within the meaning of the Corporations Act. The PricewaterhouseCoopers partnership which is providing this advice is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any particular Holder.

Accordingly, all individual Holders should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act. All individual Holders should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice. If this material relates to the acquisition or possible acquisition of a particular financial product, a Holder should obtain any relevant disclosure document prepared in respect of that product and consider that document before making any decision about whether to acquire the product.

Yours sincerely

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

Ernest Chang
Partner

Section 7

Key people, interests and benefits

This Section provides information about the directors and key managers of Woolworths, the interests of people involved in the Offer and any benefits they might receive.

7.1 Board of Directors

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Director/Position	Experience, qualifications and expertise
James Alexander Strong, AO Chairman Age: 67	Member: Audit, Risk Management and Compliance Committee, People Policy Committee and Nomination Committee. Mr Strong is currently Chairman of Kathmandu Holdings Limited (2009 to date), the Australian Council for the Arts and the Organising Committee for the ICC Cricket World Cup 2015. He is also a director of Qantas Airways Limited (2006 to date), a member of the Australian Grand Prix Corporation and a member of the Nomura Australia Advisory Board. Mr Strong was Chairman of Insurance Australia Group Limited (IAG) (director 2001 to August 2010), Chief Executive and Managing Director of Qantas Airways Limited (1993 to 2001), Chairman of Rip Curl Group Pty Limited (director from 2001 to 2008), Group Chief Executive of DB Group Limited in New Zealand, National Managing Partner and later Chairman of law firm Corrs Chambers Westgarth, Chief Executive of Trans Australian Airlines (later Australian Airlines) and Executive Director of the Australian Mining Industry Council. Mr Strong has been admitted as a barrister and/or solicitor in various state jurisdictions in Australia. In 2006, he was made an Officer of the Order of Australia for his services to business and commerce, particularly in the aviation, insurance and retail fields, and to the arts as an administrator and philanthropist. Mr Strong was appointed a Director of Woolworths Limited in March 2000 and Chairman in April 2001.
Grant O'Brien Managing Director and Chief Executive Officer Age: 50	Mr O'Brien is a long term employee of Woolworths. His career extends over 24 years, starting as an Accountant in Purity (Supermarkets) in Tasmania, a division of Woolworths Limited. He was appointed Managing Director and Chief Executive Officer in October 2011. Prior to that he held positions as Deputy Chief Executive Officer, Chief Operating Officer Australian Food and Petrol, Director New Business Development, General Manager Woolworths Liquor, National Operations Manager Freestanding Liquor, Senior Business Manager Marketing Supermarkets, and Marketing and Merchandise Manager for Purity. He completed the Advanced Management Program at Harvard in 2010. Mr O'Brien is a Director of The Consumer Goods Forum, the peak global body for food/grocery retailers and manufacturers. He is also a Director of the Avner Nahmani Pancreatic Cancer Research Fund. Mr O'Brien was appointed a Director of Woolworths Limited in April 2011.

Director/Position	Experience, qualifications and expertise
Thomas (Tom) William Pockett Finance Director Age: 53	Mr Pockett was educated in Sydney, receiving a Bachelor of Commerce degree from the University of New South Wales. He is a member of the Group of 100 and was the National President from August 2000 to January 2003. He is a Fellow of the Institute of Chartered Accountants in Australia (FCA) and was a member of the Financial Reporting Council from March 2003 to March 2006. In 2011, he was appointed Chairman of the Business Council of Taxation Reform. Mr Pockett joined Woolworths Limited as Chief Financial Officer in August 2002. He previously held the position of Deputy Chief Financial Officer at the Commonwealth Bank of Australia (CBA). Prior to his role with CBA, he was with Lend Lease Corporation Ltd. Whilst at Lend Lease he held several senior finance roles in different companies within the Lend Lease Group, including Property and Financial Services, with his last position before moving being General Manager Finance for Lend Lease Corporation Ltd. Prior to Lend Lease, he was with Chartered Accounting firm Deloitte. Mr Pockett is also a director of Sunnyfield, a not for profit disability services provider in New South Wales. Mr Pockett was appointed a Director of Woolworths Limited in November 2006.
John Frederick Astbury Non-executive Director FAICD Age: 67	Chairman: Audit, Risk Management and Compliance Committee (since July 2010), and Member: Nomination Committee. He is also a director of Hydrox Holdings Pty Ltd and Chairman of its Audit Committee (since 2009). Mr John Astbury was a Director of AMP Limited from 2004 to 2007 and of Insurance Australia Group Limited from 2000 to 2007. He was also the Finance Director of Lend Lease Corporation Ltd and a Chief General Manager, National Australia Bank Limited. He has had a long career in banking and financial services in both the UK and Australia. Mr Astbury was appointed a Director of Woolworths Limited in January 2004.
Jillian Rosemary Broadbent, AO Non-executive Director BA, HonDLitt (UWS) Age: 63	Member: Audit, Risk Management and Compliance Committee (since February 2011) and Nomination Committee. Ms Broadbent has a Bachelor of Arts degree (economics and maths majors) from the University of Sydney and an Honorary PhD in Literature from the University of Western Sydney. Ms Broadbent has extensive experience in corporate banking and finance in both Australia and internationally, primarily with Bankers Trust Australia. She is a Member of the Board of the Reserve Bank of Australia (since 1998) and a non-executive director of ASX Limited (since 2010) and Chancellor of the University of Wollongong. She is Chairman of the Sydney Theatre Company Foundation. In the past Ms Broadbent has been a director of Special Broadcasting Service Corporation (SBS) (2002 to June 2011), Qantas Airways Limited, Westfield, Woodside Petroleum and Coca-Cola Amatil. Ms Broadbent was appointed a Director of Woolworths Limited in January 2011.

Section 7

Director/Position	Experience, qualifications and expertise
Roderick Sheldon Deane Non-executive Director PhD, BCom (Hons), FCA, FCIM, FNZIM Age: 70	Dr Roderick Deane has an honorary LLD from Victoria University of Wellington. Chairman: People Policy Committee and Member: Nomination Committee. Dr Deane is the Chairman of the New Zealand Seed Fund (2000 to date), the IHC Foundation (2006 to date) and is Chairman and Director of Pacific Road Group Pty Limited (2010 to date). Dr Deane is Patron of New Zealand's largest charitable organisation, the IHC. He was appointed to the Board of Anaesthesia and Pain Medicine Foundation in May 2011. He was previously Chairman and a director of Fletcher Building Limited (2001 to 2010), Telecom Corporation of New Zealand Limited (1999 to 2006, having been CEO 1992 to 1999), Te Papa Tongarewa The Museum of New Zealand (2000 to 2006) and ANZ National Bank Limited (1999 to 2006), a Director of ANZ Banking Group Limited (1994 to 2006) and TransAlta Corporation (2000 to 2003), Chief Executive Officer of the Electricity Corporation of NZ Limited (1987 to 2002), Chairman of the State Services Commission (1986-87), Deputy Governor of the Reserve Bank of NZ (1982 to 1986), Chairman of the City Gallery Wellington Foundation (1998 to 2006) and Professor of Economics & Management at Victoria University of Wellington (2000 to 2003). Dr Deane was appointed a Director of Woolworths Limited in April 2000.
Carla (Jayne) Hrdlicka Non-executive Director BA, MBA Age: 49	Member: People Policy Committee and Nomination Committee. Ms Hrdlicka holds a Bachelor of Arts degree in Economics and Business Administration from the Colorado College, Colorado Springs, Colorado USA and an MBA from Dartmouth College, Hanover, New Hampshire USA. Ms Hrdlicka is an experienced executive and advisor. She was a senior partner with management consulting firm Bain & Company where she led the Asia region Customer Strategy practice for eight years. She is a recognised leader globally on the topic of customer led growth and loyalty. She held numerous leadership positions within the firm including being a founding member of Bain's Global Women's Leadership Council. Ms Hrdlicka has worked across many industries and geographies and has extensive experience in consumer products, retail and alcoholic beverages. Prior to her consulting career, she was an executive in the publishing and marketing industry. In August 2010, she joined Qantas Airways as Group Executive Strategy and Information Technology. She is also a member of the Sydney Medical School Deans Advisory Board. Ms Hrdlicka was appointed a Director of Woolworths Limited in August 2010.

Director/Position	Experience, qualifications and expertise
Leon Michael L'Huillier Non-executive Director BCom (Hons), MBA, MPhil Age: 68	Member: Audit, Risk Management and Compliance Committee (since August 2010) and Nomination Committee. Member of People Policy Committee until August 2010. Chairman of the Woolworths Group Superannuation Plan's Policy Committee. Director of ALH Group Pty Ltd and Chairman of its Audit Committee. Mr L'Huillier is an experienced Chief Executive and Company Director in the grocery and liquor industries. He commenced his business career with Myer and is a former CEO of Lion Nathan Australia. He has substantial experience as a Non-executive Director of major organisations in transport and logistics, property and financial services. Mr L'Huillier was previously a member of the Policy Board of Price Waterhouse, Chairman and Chief Executive of the Transport Accident Commission, a director of MPG Logistics, and former Chairman of the Australian Property Fund, a group with interests in major retail shopping centres. He is a former Director of MLC Limited, Challenge Bank Limited and Melbourne Rebels Rugby Union Ltd. Mr L'Huillier was appointed a Director of Woolworths Limited in September 1997.
Ian John Macfarlane, AC Non-executive Director BEc(Hons), MEc Age: 65	Member: Audit, Risk Management and Compliance Committee and Nomination Committee. Mr Macfarlane is a graduate of Monash University in Melbourne. He was Governor of the Reserve Bank of Australia (RBA) from 1996 until 2006. He held several senior positions with the RBA after joining in 1979. Prior to the RBA, he worked in the Economics Department of the OECD in Paris and at the Institute for Economics and Statistics at Oxford University. Mr Macfarlane is also a Director of ANZ Banking Group Limited (since 2007), Leighton Holdings Limited (since 2007) and of the Lowy Institute for International Policy (since 2003). He is a member of the International Advisory Board of Goldman Sachs (since 2007) and the International Advisory Board of the China Banking Regulatory Commission (since 2010). Mr Macfarlane is also a member of the Asian Advisory Board of Champ Private Equity (since 2008). Mr Macfarlane was appointed a Director of Woolworths Limited in January 2007.
Ralph Graham Waters Non-executive Director CPEng, FIE Aust, M Bus Age: 62	Member: People Policy Committee (since February 2011) and Nomination Committee. Mr Waters has a Master of Business from Curtin University of Technology, is a Chartered Professional Engineer and a Fellow of the Institution of Engineers Australia. He has had extensive experience in the Australasian building products industry, including as Managing Director for Email Limited and as Chief Executive of Fletcher Building Limited, as well as engineering and management experience in London and the Middle East. Mr Waters is also a director of Fonterra Co-Operative Group Limited (since 2006) and Westpac New Zealand Limited (since 2006) and is Chairman of Fletcher Building Limited (director since 2001). In the past, Mr Waters has been Chairman and Director of Fisher and Paykel Appliances Holdings Limited (director 2001 to February 2011). Mr Waters was appointed a Director of Woolworths Limited in January 2011.

Section 7

7.2 Management

Woolworths' senior management team is set out below.

Director/Position	Experience, qualifications and expertise
Grant O'Brien Managing Director and Chief Executive Officer	See previous.
Thomas (Tom) William Pockett Finance Director	See previous.
Julie Coates Director of BIG W	Julie Coates is Woolworths' Director of BIG W and was appointed to this role in November 2008. Prior to this role she was Woolworths' Chief Logistics Officer, after serving as Woolworths Director, Human Resources. Before joining Woolworths in 2002, she held senior positions with Coles Myer and David Jones Limited.
Steve Greentree General Manager, Liquor	Steve Greentree is Woolworths' General Manager, Liquor and was appointed to this role in 2007. Prior to this role, Steve held senior roles in supermarkets including General Manager, Private Label and Quality Assurance and General Manager, Promotions and Marketing. Steve joined Woolworths in 1980 and spent many years working in senior operational roles including Area Manager and Regional Manager.
Andrew Hall Director of Corporate and Public Affairs	Andrew Hall is Woolworths' Director of Corporate and Public Affairs and was appointed to this role in June 2007. Prior to this role, he spent five years as the federal director for the National Party of Australia in Canberra and has previous experience in politics, journalism and as a BIG W sales assistant.
Peter Horton Group General Counsel and Company Secretary	Peter Horton is Woolworths' Group General Counsel and Company Secretary and was appointed to this role in November 2005. Prior to this role, he was General Manager Legal and Company Secretary at WMC Resources Ltd.
Tjeerd Jegen Director of Australian Supermarkets and Petrol	Tjeerd Jegen is Woolworths' Director of Australian Supermarkets and Petrol and was appointed to this role in October 2011. Prior to this role he was CEO of Tesco Malaysia but commenced his retailing career as a management trainee with Royal Ahold in his native Holland. He has held store operations, commercial, marketing and general management roles with three leading international retailers (Royal Ahold, Metro Group and Tesco) in seven countries.
Kim Schmidt Director of Human Resources	Kim Schmidt is Woolworths' Director of Human Resources and was appointed to this role in May 2007. Ms. Schmidt joined Woolworths in 2000 as the General Manager of Human Resources for BIG W.

7.3 Interests and benefits

Directors and management

Other than as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Woolworths;
- the Offer; or
- any property acquired or proposed to be acquired by Woolworths in connection with its formation or promotion or with the Offer.

Other than as set out in this Prospectus, no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given, or agreed to be given to any Director or proposed Director:

- to induce a person to become, or qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of Woolworths or the Offer.

Interests in Woolworths securities

The Directors at the date of this Prospectus had the following relevant interests in issued securities of Woolworths as at 20 September 2011:

Woolworths Directors	Beneficial holding – Ordinary Shares	Beneficial holding – Options	Beneficial holding – Performance rights
James Alexander Strong, AO	70,479	–	–
Grant O'Brien	32,739	185,000	35,730
Thomas (Tom) William Pockett	133,000	625,000	91,685
John Frederick Astbury	12,797	–	–
Jillian Rosemary Broadbent, AO	65,138	–	–
Roderick Sheldon Deane	40,000	–	–
Carla (Jayne) Hrdlicka	1,735	–	–
Leon Michael L'Huillier	30,000	–	–
Ian John Macfarlane, AC	12,000	–	–
Ralph Graham Waters	14,000	–	–

No Director has a non-beneficial holding in Ordinary Shares, options over Ordinary Shares or performance rights.

Directors' fees

Woolworths' constitution provides that the Directors will be entitled to remuneration out of the funds of Woolworths as determined by the Directors but the remuneration of non-executive Directors may not exceed in aggregate, in any year, the amount fixed by Ordinary Shareholders in a general meeting for that purpose. The amount last fixed by Ordinary Shareholders in a general meeting for that purpose was \$4 million.

Participation in the Issue

Directors (and their associates) may participate in the issue of Notes.

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Professionals

J.P. Morgan Australia Limited has acted as structuring adviser to the Offer, in respect of which it will receive the fees described in Section 8.3 for work performed by it up to the date of this Prospectus.

J.P. Morgan Australia Limited, National Australia Bank Limited and UBS AG, Australia Branch have acted as Joint Lead Managers for the Offer, in respect of which they will receive the fees described in Section 8.3.

In addition, the Joint Lead Managers have appointed the Co-Managers to be co-managers and will be responsible for paying to the Co-Managers fees of 1.00% of the value of Notes allotted to clients of the respective Co-Managers.

PricewaterhouseCoopers has acted as tax adviser in relation to the Offer and has prepared the taxation summary in Section 6. In respect of this work PricewaterhouseCoopers will be paid approximately \$80,000 (excluding disbursements and GST) for work performed by it up until the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopers in accordance with its time-based charges.

Deloitte Touche Tohmatsu has acted as accounting adviser in relation to the Offer. In respect of this work Deloitte Touche Tohmatsu will be paid approximately \$60,000 (excluding disbursements and GST) for work performed by it up until the date of this Prospectus. Further amounts may be paid to Deloitte Touche Tohmatsu in accordance with its time-based charges.

Clayton Utz has acted as legal adviser to the Offer. In respect of this work and work in relation to the trustee and trust deed arrangements, Clayton Utz will be paid approximately \$385,000 (excluding disbursements and GST) for work performed by it until the date of this Prospectus. Further amounts may be paid to Clayton Utz in accordance with its time-based charges.

Australian Executor Trustees Limited will be paid the fees described in Section 8.1 in respect of acting as trustee in respect of Notes.

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- Joint Lead Manager or Co-Manager, holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
 - the formation or promotion of Woolworths;
 - the Offer; or
 - any property acquired or proposed to be acquired by Woolworths in connection with the formation or promotion of Woolworths or the Offer, nor has anyone paid or agreed to pay or given or agreed to give any benefit to such persons in connection with the formation or promotion of Woolworths or the Offer.

7.4 Expenses of the Offer

The total expenses of the Offer will also be paid out of the proceeds of the Offer. Assuming the Offer raises \$500 million, then the net proceeds of the Offer are expected to be \$489.6 million and the total expenses of the Offer (including fees payable to the Joint Lead Managers, legal, accounting, tax, marketing, administrative fees, ASX quotation fees, as well as printing, advertising and other expenses related to this Prospectus and the Offer) are expected to be \$10.4 million. All of these expenses have been, or will be, borne by Woolworths.

Additional information

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This Section provides information about a number of other matters not covered elsewhere in this Prospectus.

8.1 Summary of Trust Deed

Woolworths has entered into a Trust Deed constituted under New South Wales law, with the Trustee. The Terms are set out as a schedule to the Trust Deed. Woolworths will provide a copy of the Trust Deed upon request free of charge to potential investors during the period until the Issue Date and thereafter to Holders of Notes.

Australian Executor Trustees Limited has agreed to act as the trustee of the assets and rights held on trust for Holders (as described below) pursuant to the terms of the Trust Deed. Notes are issued subject to the terms and conditions contained in the Trust Deed.

The Interest Payments on Notes are obligations of Woolworths and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity. The obligation to redeem Notes in accordance with their Terms is a direct obligation of Woolworths. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity guarantees the redemption of or prepayment of the Face Value of Notes.

The Trustee is not responsible for monitoring Woolworths' compliance with the Trust Deed nor Woolworths' businesses except as required by law. In this regard, the Trustee is subject to certain statutory duties imposed on it under Chapter 2L of the Corporations Act including to:

- (i) exercise reasonable diligence to ascertain whether:
 - (a) the property of Woolworths that is or should be available will be sufficient to repay the amounts lent by Holders in respect of Notes; and
 - (b) Woolworths has breached the Terms, the Trust Deed or the provisions of Chapter 2L of the Corporations Act,
- (ii) and unless the Trustee is satisfied the breach is not material, do everything in its power to ensure Woolworths remedies such a breach.

The following is a summary only of the principal provisions of the Trust Deed.

Appointment of Trustee and declaration

The Trustee holds on trust for Holders:

- a trust settlement sum of \$10.00;
- the benefit of the Trust Deed;
- all money received by the Trustee in its capacity as trustee of the Trust;
- the right to enforce Woolworths' duty to repay the money owing by Woolworths to the Trustee and Holders under Notes and under the Trust Deed;
- the right to enforce all other duties of Woolworths under the Terms, the provisions of the Trust Deed and Chapter 2L of the Corporations Act; and
- any other property and benefits which the Trustee from time to time receives or holds on such trust.

Undertakings

Woolworths has undertaken to the Trustee that it will, amongst other things:

- duly and punctually pay any amounts owing under the Trust Deed and Notes to the Trustee as and when the same falls due for payment; and

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- comply with its obligations under the Trust Deed, the Corporations Act (including Chapter 2L), Listing Rules and ASX Settlement Operating Rules, where a failure to do so would have or would be likely to have a material adverse effect on the ability of Woolworths to meet its payment obligation under Notes, or the validity or enforceability of the rights and remedies (taken as a whole) of Holders under the Trust Deed.

Action by Trustee

The Trustee may, but is not required, to act independently of a direction from Holders. The Trustee is required, at all times, to act in accordance with its obligations under the Terms, the Trust Deed, the Corporations Act and applicable law.

The Trustee is not liable to Woolworths, Holders or any other person in any capacity other than as Trustee of Notes, except where the Trustee acts fraudulently, negligently or wilfully defaults under the Trust Deed.

Under clause 9.8 of the Trust Deed, and subject to the Terms, the Trustee is not obliged to exercise or refrain from exercising its powers in accordance with any direction from Holders or any of them, or in accordance with a resolution of Holders, in relation to a breach of the Trust Deed or an Event of Default unless:

- it is directed by an ordinary resolution or a special resolution if the Terms require this;
- its liability is limited as noted above; and
- it is indemnified to its reasonable satisfaction against actions to which it may be liable and costs which it may incur.

The Trustee's liability is further limited to the extent permitted by the Corporations Act.

Direct action by Holder

No Holder is entitled to proceed directly against Woolworths to enforce any right, power or remedy in connection with any Note, the relevant Terms or the Trust Deed unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Holder may, upon giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), itself institute proceedings against Woolworths for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

If action is taken by the Trustee in accordance with the Terms, the Trust Deed, the Corporations Act or applicable law, there can be no guarantee that such action will ensure the performance of all (or any) of Woolworths' obligations under the Terms.

Fees and expenses

Under the Trust Deed, Woolworths will pay the Trustee by way of a fee for its services such amounts (inclusive of GST) as may be agreed between Woolworths and the Trustee. The agreed fees are an initial establishment fee of \$5,000 (exclusive of GST) and an annual fee of \$30,000 (exclusive of GST). Woolworths will also pay the Trustee's reasonable costs and expenses in connection with the Trust Deed and the Terms as well as additional fees for any enforcement action that the Trustee takes in relation to the Trust Deed following default by Woolworths or the occurrence of an Event of Default.

Retirement and removal

The Trustee may retire by giving written notice to Woolworths, which will not be effective until 60 days after the date of the notice has passed (or such other period as the Trustee and Woolworths may agree) and provided that the appointment of a new trustee is effective. The Trustee may be removed by Woolworths if, amongst other things:

- the Trustee breaches a material obligation under the Trust Deed, or has otherwise acted fraudulently or with negligence or is in wilful default, and where such breach is capable of rectification, the Trustee has not rectified the breach within 10 Business Days of receiving a notice from Woolworths of its occurrence;
- the Trustee becomes subject to an insolvency event;
- the Trustee is no longer permitted to act as trustee under the Corporations Act;
- any licence, consent, authorisation or similar thing the Trustee is required to hold to carry out its obligations under the Trust Deed is revoked or not renewed;
- a Special Resolution is passed that the Trustee is to be removed from office; or
- Woolworths reasonably believes that the Trustee has ceased to exist, has not been validly appointed, cannot be a trustee under section 283AC of the Corporations Act or has failed or refused to act as trustee.

Woolworths may appoint a new trustee following the retirement or removal of the Trustee.

Substituted Issuer

Woolworths may substitute itself as principal debtor under the Trust Deed. It may only do so with the agreement of the Trustee, who must be satisfied that the interests of Holders will not be materially prejudiced by the substitution, a substitution deed is entered into by Woolworths whereby the substitute entity agrees to be bound by the Trust Deed and Terms, the obligations of the substitute entity are guaranteed by Woolworths, and certain other conditions are met.

Meetings

A meeting of Holders has the power, by Ordinary Resolution to:

- give directions to the Trustee as to; or
- authorise, ratify or confirm anything the Trustee has done or omitted to do in respect of, the performance or exercise of any of its duties, rights, powers and remedies under the Trust Deed or Notes.

The Holders may by Special Resolution, approve the release of the Trustee from liability for anything done or omitted to be done by the Trustee or any other person.

Each Holder is entitled to one vote on a show of hands. On a poll, each Holder is entitled to one vote for each Note that the person holds.

8.2 Summary of the Replacement Capital Deed

Woolworths will enter into a deed poll (the “Replacement Capital Deed”) in favour of “Eligible Debtholders” (as described below) on or before the Issue Date. Woolworths will provide a copy of the Replacement Capital Deed upon request free of charge to potential investors during the period until the Issue Date and thereafter to Holders of Notes. Under the Replacement Capital Deed, neither Woolworths nor its Subsidiaries will redeem or purchase Notes unless it has first issued Ordinary

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Shares or qualifying securities in the 12 months prior to such redemption or purchase of Notes. The amount of Ordinary Shares or qualifying securities to be issued must be equal to:

- 50% of the Face Value of Notes redeemed if any of the following securities are issued:
 - Ordinary Shares;
 - warrants to purchase Ordinary Shares of a certain exercise price;
 - securities which achieve “high” equity credit from Standard & Poor’s; or
 - other securities that would achieve “high” equity credit from Standard & Poor’s but for their effective maturity date being less than 20 years provided such maturity date is not earlier than 24 November 2036; and/or
- 100% of the Face Value of Notes redeemed if any of the following securities are issued:
 - securities which achieve the same equity credit from Standard & Poor’s as attributed to Notes on the Issue Date; or
 - other securities that would achieve the same equity credit from Standard & Poor’s as attributed to Notes on the Issue Date but for their effective maturity date being less than 20 years provided such maturity date is not earlier than 24 November 2036.

Eligible Debtholders are holders of long-term debt securities of Woolworths (or if there are no such securities which meet the criteria below, certain long term debt securities of Subsidiaries of Woolworths guaranteed by Woolworths) that have been held for at least 6 months, which are debt securities:

- which rank senior to Notes;
- are issued on an unsecured basis (or if no such securities are outstanding, on a secured basis);
- have an outstanding principal amount of at least \$100 million (or its equivalent if denominated in another currency);
- have a remaining maturity of at least 2 years; and
- have been issued through or with the assistance of, a commercial or investment banking firm or firms acting as underwriter, initial purchaser or distribution agent.

Cessation

The restriction in the Replacement Capital Deed on redeeming or purchasing Notes by Woolworths will not apply if any of the following events occur:

- the Replacement Capital Deed is terminated in accordance with its terms;
- Woolworths is not rated by Standard & Poor’s;
- the Standard & Poor’s corporate credit rating of Woolworths is A or above;
- a Change of Control Event, a Gross-Up Event, a Rating Event, a Tax Event or an Accounting Event (each as defined in the Terms) has occurred;
- the level of equity credit attributed by Standard & Poor’s to Notes is lower than that attributed on the Issue Date;
- the Replacement Capital Deed is no longer required to maintain the level of equity credit attributed by Standard & Poor’s to Notes on the Issue Date;
- the amount of Notes redeemed, cancelled or purchased is not more than 10% per annum, and when aggregated with all other Notes redeemed, cancelled or purchased in the previous 10 years is no more than 25% of the original amount of Notes issued on the Issue Date; or

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- Woolworths and/or its Subsidiaries has in aggregate, redeemed, cancelled or purchased Notes (and not resold) equal to 80% of the original amount or Notes issued on the Issue Date.

The Replacement Capital Deed will terminate on the date:

- that there are no Notes outstanding;
- elected by a majority of Eligible Debtholders (by principal amount);
- when there are no long term debt securities of the nature referred to above outstanding; or
- 24 November 2036.

8.3 Summary of Offer Management Agreement

Overview

Woolworths and the Joint Lead Managers entered into the Offer Management Agreement on 18 October 2011. Under the Offer Management Agreement, Woolworths appointed J.P. Morgan, NAB and UBS as the Joint Lead Managers of the Offer, J.P. Morgan as Sole Structuring Adviser of the Offer and UBS as Settlement Agent.

The following is a summary only of the principal provisions of the Offer Management Agreement.

Under the Offer Management Agreement, the Joint Lead Managers have agreed to use their reasonable endeavours to procure offers to subscribe for Notes in accordance with this Prospectus and the timetable set out in the Offer Management Agreement, including by conducting the Bookbuild described in this Prospectus, and to manage the completion of the issue of Notes under the Offer. J.P. Morgan and UBS will provide settlement support for the settlement obligations under the Institutional Offer and the Joint Lead Managers will provide settlement support for the settlement obligations under the Broker Firm Offer.

Fees

The estimated aggregate fees payable by Woolworths to the Joint Lead Managers under the Offer Management Agreement are \$9.125 million (exclusive of GST), making certain assumptions as to the allocations of Notes between the Woolworths Shareholder Offer, General Offer, Broker Firm Offer and Institutional Offer. The actual amount payable will not be known until the allotment of Notes.

In addition, Woolworths must pay each Joint Lead Manager for all reasonable travel costs, expenses and disbursements, including (in some circumstances) legal costs and disbursements, incurred by the Joint Lead Managers in relation to the Offer with Woolworths' prior approval.

The Joint Lead Managers are responsible for paying all pay-away fees including selling fees or other commissions or fees payable to Syndicate Brokers, stamping fees, sub-underwriting fees and handling fees.

Representations, warranties and undertakings

Woolworths gives various representations, undertakings and warranties to the Joint Lead Managers, including that this Prospectus complies with all applicable laws, including the Corporations Act and the ASX Listing Rules.

Woolworths also represents and warrants that, with the exception of Notes, it, its related bodies corporate and any entity deemed to be controlled by Woolworths under Australian Accounting Standard AASB 127 shall not make, agree to make or announce any issue of subordinated debt securities without the prior written consent of the Joint Lead Managers (which shall not be

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unreasonably withheld or delayed) during the period commencing on the date of the Offer Management Agreement and ending 3 months after the day on which Notes are issued.

Indemnity and release

Woolworths agrees to indemnify the Joint Lead Managers and certain parties affiliated with them against all damage, loss, cost, expense or liability suffered by, or claims made against, them arising out of or in connection with the appointment of the Joint Lead Managers pursuant to the Offer Management Agreement. This indemnity does not extend to damage, loss, cost, expense or liability suffered by, or claims made against, the relevant person to the extent that it results from negligence, misconduct or error of the relevant person, or a breach by that person of an obligation or warranty under the Offer Management Agreement (other than a breach arising as a result of a breach by Woolworths of the Offer Management Agreement). Woolworths may not make a claim against the Joint Lead Managers or certain parties affiliated with them, and unconditionally and irrevocably releases and discharges them from any claim that may be made by it, to recover losses arising as a result of the participation of that person in any transaction or proposal contemplated by the Offer Management Agreement, the engagement of the Joint Lead Managers pursuant to the Offer Management Agreement or the performance by that person of the services contemplated by the Offer Management Agreement, except to the extent that those losses are attributable to the person's negligence, misconduct or error, or a breach by that person of an obligation or warranty under the Offer Management Agreement (other than a breach arising as a result of a breach by Woolworths of the Offer Management Agreement).

Termination events

Any Joint Lead Manager may terminate its obligations under the Offer Management Agreement by giving notice in writing to Woolworths if any one or more of the following events occurs between the date of the Offer Management Agreement and the date that the Notes are issued:

- (a) any credit rating assigned to Woolworths at the date of the execution of the Offer Management Agreement by any ratings agency is downgraded or withdrawn or placed on credit watch negative;
- (b) the All Ordinaries Index, the S&P/ASX 200 Index or the Dow Jones Industrial Average:
 - (i) closes on 3 consecutive Business Days at a level which is 10% or more below the level of that index as at the close of trading on the Business Day prior to the day on which the Margin is announced;
 - (ii) closes on the second Business Day before the day on which Notes are issued, at a level which is 10% or more below the level of that index as at the close of trading on the Business Day prior to the day on which the Margin is announced; or
 - (iii) closes on the last Business Day before the day on which Notes are issued, at a level which is 10% or more below the level of that index as at the close of business on the Business Day prior to the day on which the Margin is announced.
- (c) any of the following notifications are made:
 - (i) ASIC gives notice of an intention to hold a hearing or issues an interim order or order under section 739(1) or 739(2) of the Corporations Act except where such notice, interim order or order does not become public and is withdrawn within two Business Days; or
 - (ii) an application is made by ASIC for an order under Part 9.5 in relation to this Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 in relation to this Prospectus;
- (d) unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Joint Lead Managers, have a material adverse effect on the success or

settlement of the Offer) by ASX for official quotation of Notes is refused, or is not granted, on or before the day on which the Bookbuild closes (or such later date agreed in writing by the Joint Lead Managers) or is withdrawn on or before the day on which Notes are issued;

- (e) Woolworths fails to lodge this Prospectus with ASIC on or before the day set out for lodgment in the Offer Management Agreement or such other day agreed in writing by the Joint Lead Managers;
- (f) a person (other than the Joint Lead Managers or a Co-Manager) whose consent is required by the Corporations Act to the issue of this Prospectus refuses to give or withdraws that consent;
- (g) a certificate which is required to be given by Woolworths under the Offer Management Agreement is not given when required or a statement in the certificate is untrue, incorrect or misleading in a material respect;
- (h) any event specified in the timetable set out in the Offer Management Agreement is delayed for more than 2 Business Days without the prior written approval of the Joint Lead Managers (such approval not to be unreasonably withheld or delayed);
- (i) Woolworths withdraws this Prospectus, any supplementary or replacement prospectus to this Prospectus lodged with ASIC in connection with the Offer, or the Offer;
- (j) the Trustee ceases to be licensed to act as a trustee for the purposes of Chapter 2L of the Corporations Act; or
- (k) Woolworths' Ordinary Shares are suspended from trading on ASX or cease to be quoted on ASX.

Any Joint Lead Manager may also terminate its obligations under the Offer Management Agreement if any of the following events occurs between the date of the Offer Management Agreement and the day on which Notes are issued provided that, in the reasonable opinion of that Joint Lead Manager, the event (a) has or is likely to have a material adverse effect on the market price of Notes on ASX, the success of the Offer, or the technical capability for settlement of Notes, or (b) leads or is likely to lead to a contravention or involvement in a contravention by a Joint Lead Manager of the Corporations Act or any other applicable law or to a liability for the Joint Lead Manager under the Corporations Act or any applicable law:

- (a) the Trust Deed or any other material contract (excluding the Offer Management Agreement) summarised in this Prospectus is terminated (whether by breach or otherwise), rescinded, altered or amended in a material respect without the prior written consent of the Joint Lead Managers or any such document or contract is found to be void or voidable or the performance of any such document or contract has been suspended by any event of force majeure or any person breaches any such document or contract;
- (b) a representation or warranty made or given or deemed to have been made or given by Woolworths under the Offer Management Agreement proves to be, or has been, or becomes, untrue or incorrect;
- (c) without the prior written consent of the Joint Lead Managers, which consent shall not be unreasonably withheld or delayed, Woolworths reduces or reconstructs its share capital or alters its constitution or the Trust Deed in any material respect;
- (d) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be);
- (e) Woolworths, or a related body corporate of Woolworths, or an entity deemed to be controlled by Woolworths under Australian Accounting Standard AASB 127, contravenes any provision of its constitution, the Trust Deed, the Corporations Act, the ASX Listing Rules or any other

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requirement of the ASX or any other applicable law (except to the extent that compliance with any applicable law has been waived, or an exemption granted, by a government agency having authority to do so);

- (f) Woolworths fails to perform or observe any of its obligations under the Offer Management Agreement or the Trust Deed;
- (g) trading of all securities on ASX, the New York Stock Exchange or the London Stock Exchange is suspended or limited in a material respect;
- (h) a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries and remains in force for 2 consecutive Business Days, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (i) there occurs an adverse change or disruption to the political or economic conditions or financial markets of Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective adverse change in any of these conditions or markets;
- (j) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, any member state of the European Union, or the United Kingdom, or a major terrorist act is perpetrated any where in the world;
- (k) a Director of Woolworths:
 - (i) is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the Director in his or her capacity as a Director of Woolworths or announces that it intends to take any such action; or
 - (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- (l) there is an adverse change in the assets, liabilities, profits, losses, financial position or prospects of Woolworths, the related bodies corporate of Woolworths, and the entities deemed to be controlled by Woolworths under Australian Accounting Standard AASB 127, taken as a whole from those disclosed in:
 - (i) this Prospectus;
 - (ii) any other public statements, announcements, advertisements, presentations, roadshow or other materials made by or on behalf of Woolworths in connection with the Offer; or
 - (iii) any other public statements, announcements, advertisements, presentations, roadshow or other materials made by or on behalf of Woolworths, the related bodies corporate of Woolworths, and the entities deemed to be controlled by Woolworths under Australian Accounting Standard AASB 127, in relation to the affairs of Woolworths, or a related body corporate of Woolworths, or an entity deemed to be controlled by Woolworths under Australian Accounting Standard AASB 127, within 6 months prior to the date of the Offer Management Agreement (taken together and having regard to the extent to which later statements may supersede earlier statements);
- (m) a supplementary prospectus to this Prospectus must, in the reasonable opinion of the Joint Lead Managers, be lodged with ASIC under the Corporations Act or Woolworths lodges a supplementary prospectus to this Prospectus;

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- (n) Woolworths is not capable of accepting applications in accordance with section 727(3) of the Corporations Act after the period of 14 days after the date this Prospectus was lodged with ASIC has ended;
- (o) Woolworths is prevented from allotting and issuing Notes within the time required by the Listing Rules, or ASIC, by any statute or regulation, by the order of a court of competent jurisdiction or by a government agency;
- (p) any government agency commences any public action against Woolworths in connection with the Offer, or announces that it intends to take such action; or
- (q) this Prospectus omits any material required by the Corporations Act, contains a statement which is misleading or deceptive or otherwise fails to comply with the Corporations Act, the ASX Listing Rules or any other applicable law or requirement of a government agency.

8.4 Consents to be named and disclaimers of responsibility

Each of the parties referred to in the table below:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based; and
- does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

Role	Consenting parties
Structuring Adviser	J.P. Morgan
Joint Lead Managers	J.P. Morgan, NAB, UBS
Co Managers	ANZ Securities Limited, Bell Potter Securities Limited, Commonwealth Bank of Australia, JBWere Pty Ltd, Ord Minnett Limited, RBS Morgans Limited and Westpac Banking Corporation
Legal Adviser	Clayton Utz
Investigating Accountant and Auditor	Deloitte Touche Tohmatsu
Registry	Computershare Investor Services Pty Limited
Trustee	Australian Executor Trustees Limited

Deloitte Touche Tohmatsu has given, and not withdrawn before lodgement of the Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant and Auditor in the form and content in which it is named.

Neither Standard & Poor's nor Moody's has made any statement in this Prospectus, or any statement on which a statement made in this Prospectus is based, and does not cause or authorise the issue of the Prospectus and has not accepted any responsibility for any statements in or omissions from this Prospectus.

PricewaterhouseCoopers has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Australian Tax Adviser and for the

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inclusion of statements by it, or a statement said to be based on a statement by it, in the form and context in which it appears in this Prospectus, and to be named in the taxation summary in Section 6 of this Prospectus in the form and context in which it is named. PricewaterhouseCoopers does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than the reference to its name and the statements included in this Prospectus with its consent.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as registrar to Woolworths.

8.5 Privacy

Woolworths collects personal information from you in order to process your application, administer your investment and keep in touch with you about your investment.

Woolworths may disclose this information on a confidential basis to its subsidiaries and companies, as well as agents, contractors and third party service providers that provide services on its behalf (for example, the Registry and a printing firm or mailhouse engaged to print and mail statements to you).

If you used a financial adviser who recommended your investment in Notes then details of your investment may be provided to that adviser.

Woolworths will also disclose your information if required to do so by law or if you consent to or request the disclosure.

If you think Woolworths' records of your personal information are incorrect or out of date, it is important that you contact Woolworths so that your records can be corrected. You may (subject to permitted exceptions) access the personal information Woolworths holds on you at any time by contacting the Registry in writing. Woolworths is permitted to charge a fee for such access but does not intend to do so.

You may choose not to give your personal information or to limit the information you provide to Woolworths. Depending on the type of information you withhold, Woolworths may not be able to process your application efficiently (if at all), or make payments to you.

8.6 Photographs and diagrams

The assets depicted in photographs in this Prospectus are assets of Woolworths unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of the Prospectus.

8.7 Governing law

This Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the laws applicable in New South Wales and each applicant for Notes under this Prospectus and each bidder submits to the exclusive jurisdiction of the courts of New South Wales.

8.8 Statement of Directors

This Prospectus is authorised by each Director who consents to its lodgement with ASIC and its issue.

Appendix A

Woolworths Notes II

Terms

Terms and conditions of Woolworths Notes II (“Notes”)

1. Definitions and Interpretation

1.1 Definitions

Unless the context otherwise requires, the following terms will have the following meanings in these Terms:

Accounting Event means the Issuer receives advice from an experienced qualified accounting adviser to the effect that the obligations of the Issuer under Notes may no longer be recorded as a “financial liability” in the audited consolidated financial statements of the Issuer prepared in accordance with Australian International Financial Reporting Standards or other recognised accounting standards that the Issuer may adopt from time to time for the preparation of its audited consolidated financial statements.

Additional Amounts means additional amounts paid by the Issuer as may be necessary in order that the net amounts received by the Holders after a withholding or deduction for, or on account of, Taxes will equal the respective amounts which would otherwise have been receivable in respect of Notes in the absence of the withholding or deduction, in accordance with Term 7.1.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

Bookbuild means the process, described in the prospectus, to be conducted by, or on behalf of the Issuer whereby certain Australian institutional investors and brokers who wish to obtain a firm allocation of Notes (whether for themselves or for their clients) lodge bids for Notes.

Business Day has the meaning given to that term in the ASX Listing Rules.

Change of Control Event means that:

- (a) the Issuer becomes a Subsidiary of another person; or
- (b) a person together with its associates (as defined in section 12 of the Corporations Act) acquires or comes to hold a relevant interest (as defined in the Corporations Act) in more than 50% of the voting shares (as defined in the Corporations Act) in the capital of the Issuer,

(such other person or person together with its associates being a **Relevant Person**), provided that a Change of Control Event will not have occurred if:

- (i) the persons holding, directly or indirectly, more than 50% of the voting shares of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control Event were, persons who held, directly or indirectly, more than 50% of the voting shares of the Issuer; or
- (ii) the event which would otherwise constitute a Change of Control Event occurs as part of a Solvent Reorganisation of the Issuer.

Change of Control Notice means a notice by the Issuer to the Holders and the Trustee if both a Negative Rating Event and a Change of Control Event have occurred and remain current, in accordance with Term 5.6.

Change of Control Period means the period ending 120 days after a Change of Control Event has occurred. However, where it has been publicly announced within those 120 days that the Issuer’s listed or listable obligations are under consideration by a Rating Agency for rating review and the determination of that review has not been announced during that period, the Change of Control Period will be extended by any further period until announcement of that determination, up to a maximum of 90 calendar days.

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Corporations Act means the Corporations Act 2001 (Cth).

Deferred Interest Payment means an Interest Payment (or part thereof) which has been deferred in accordance with Term 4.3 and will, where relevant, include any amount of additional interest accrued on that amount in accordance with Term 4.3.

Equal Ranking Obligations means any subordinated debt obligation of the Issuer (other than Notes) which ranks equally with the Issuer's obligations under Notes.

Event of Default has the meaning given in Term 10.1.

Face Value means the face value of a Note, being \$100 per Note.

Gross-Up Event means the Issuer has or will become obliged to pay, in respect of an amount (the "Relevant Amount") an Additional Amount that is at least 30% (or other percentage which is the corporate tax rate then prevailing in the Relevant Jurisdiction) of the Relevant Amount as a result of:

- (a) any change in the laws (or any rules or regulations under them) of the Relevant Jurisdiction; or
- (b) any change in any official interpretation or application of those laws, rules or regulations,

which becomes effective on or after the Issue Date, and the Issuer cannot avoid being obliged to pay the Additional Amount by taking reasonable measures available to it.

Holder means a person who is entered into the Register as the holder of a Note.

Holder Claims means the rights and claims of the Trustee (in respect of Notes) and of the Holders in respect of Notes.

Initial Margin means the margin expressed as a percentage per annum determined by the Issuer (or another party on its behalf) on the basis of the bids made under the Bookbuild.

Interest Payment means the interest payable on a Note on the Interest Payment Date, as calculated in accordance with Term 4.2.

Interest Payment Date means, subject to Term 4.2, 24 February, 24 May, 24 August and 24 November in each year, commencing on the first such date following the Issue Date until Notes are redeemed.

Interest Period means:

- (a) in respect of the first interest period, the period from and including the Issue Date to but excluding the first Interest Payment Date; and
- (b) for each subsequent interest period, from and including each Interest Payment Date to but excluding the immediately following Interest Payment Date.

Interest Rate has the meaning specified in Term 4.2.

Issue Date means 24 November 2011.

Issuer means Woolworths Limited ABN 88 000 014 675 or any Related Body Corporate for which Woolworths Limited is substituted under Term 12 and the Trust Deed.

Junior Ranking Obligations means any equity or subordinated debt obligation of the Issuer (other than Notes) which ranks junior to the Issuer's obligations under Notes.

Make Whole Amount in respect of a Note means the sum of:

- (a) 101 per cent. of the Face Value of Notes; and
- (b) all Deferred Interest Payments in respect of that Notes that remain unpaid at the Redemption Date; and



-
- (c) any accrued but unpaid interest for the Interest Period in which the Redemption Date falls determined in accordance with Term 2 calculated up to (but excluding) the Redemption Date as if that date were an Interest Payment Date.

Margin has the meaning specified in Term 4.2.

Maturity Date means 24 November 2036 or, if that day is not a Business Day, the next Business Day.

Moody's means Moody's Investors Service, Inc. (or any of its Subsidiaries or any successor in business thereto from time to time).

Negative Rating Event means the solicited rating assigned to the Issuer's senior unsecured obligations by any two Rating Agencies (or any single Rating Agency if less than two Rating Agencies have assigned a solicited rating to the Issuer's senior unsecured obligations) is:

- (a) lowered by at least one full rating notch provided such reduction results in a rating of the Issuer's senior unsecured obligations below investment grade (Baa3 by Moody's or BBB- by Standard & Poor's); or
 - (b) withdrawn,
- provided such reduction or withdrawal:

- (i) occurs in anticipation of a Change of Control Event or during the Change of Control Period, provided that in the case of an anticipated Change of Control Event, a Change of Control Event will occur only if and when a Change of Control Event subsequently occurs;
- (ii) the relevant Rating Agency announces publicly or confirms in writing to the Issuer, a copy of which is provided to the Trustee, that the Negative Rating Event resulted, in whole or in part, from the occurrence or anticipation of the Change of Control Event; and
- (iii) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade rating.

Notes means Woolworths Notes II to which these Terms apply, as described in Term 2.1.

Ordinary Share means a fully paid ordinary share in the capital of the Issuer.

Outstanding means a Note that has not been cancelled or redeemed by the Issuer and is not held by or on behalf of the Issuer, or any Subsidiary of the Issuer or any Relevant Person.

Payment Reference Date means the Business Day which is the earliest of:

- (a) the date on which any dividend, distribution or interest is paid on, or any redemption, purchase or buy-back is made of, or any capital return is made in relation to, any Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than payments made pro rata on Notes and Equal Ranking Obligations in relation to that payment or in respect of employee incentive plans);
- (b) the date which is the fifth anniversary of the date on which any of the then outstanding Deferred Interest Payments was initially deferred;
- (c) the Maturity Date;
- (d) the date on which Notes are otherwise redeemed; and
- (e) the date on which the Trustee serves notice of an Event of Default which results from an order being made for the winding-up of the Issuer as described in Term 10.

Preference Shares means any preference shares in the capital of the Issuer.

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Proper ASTC Transfer has the meaning given in the Corporations Regulations 2001.

Prospectus means a prospectus to be issued by the Issuer in respect of a public offer of Notes.

Put Date means the Business Day which is, or immediately follows, 60 days after the last day of the Change of Control Period.

Put Notice means a notice given by a Holder to the Issuer requiring the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of), Notes held by the Holder on the Put Date at their Redemption Amount, in accordance with Term 5.6.

Rating Agency means each of Standard & Poor's and Moody's.

Rating Event means the Issuer has received and provided to the Trustee a copy of written confirmation from Standard & Poor's that following a published change in its assessment criteria, Notes will no longer be eligible for the same or higher category of "equity credit" (or any similar nomenclature Standard & Poor's is using at the relevant time) as was initially attributed to Notes by Standard & Poor's at the time of issue of Notes, as notified from time to time to the Issuer by Standard & Poor's.

Record Date means, for an Interest Payment, 8 calendar days before the relevant Interest Payment Date or such other date as the Issuer determines in its absolute discretion and notifies to Holders by a market release to ASX at least 6 Business Days before the specified record date, or such other date as may be required by ASX. If the record date is changed because of a requirement of ASX, the Issuer will give notice of the changed record date to all Holders by issuing a market release to ASX.

Redemption means the redemption of a Note in accordance with Term 5.

Redemption Amount in respect of a Note means the sum of:

- (a) the Face Value;
- (b) all Deferred Interest Payments in respect of that Notes that remain unpaid at the Redemption Date; and
- (c) any accrued but unpaid interest for the Interest Period in which the Redemption Date falls determined in accordance with Term 3 calculated up to (but excluding) the Redemption Date as if that date were an Interest Payment Date.

Redemption Date means the day on which Notes become due for redemption in accordance with these Terms.

Register means the register of Notes maintained by or on behalf of the Issuer.

Registrable Transfer Document has the meaning given in the ASX Settlement Operating Rules.

Registrar means Computershare Investor Services Pty Ltd (ABN 48 078 279 277) or such successor registrar as the Issuer may appoint.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Jurisdiction means:

- (a) the Commonwealth of Australia or any State or Territory of Australia; or
- (b) in the event of any substitution, Solvent Reorganisation or other corporate action resulting in either the Issuer being incorporated in any other jurisdiction, that other jurisdiction or any political subdivision or any authority of that jurisdiction having power to tax.

Relevant Person has the meaning given in the definition of Change of Control Event.



Replacement Capital Deed means the deed poll entered into by the Issuer on or before the Issue Date for the benefit of certain holders of Senior Obligations defined in the deed as “Eligible Debtholders”.

Senior Obligations means all obligations of the Issuer (including any subordinated debt obligation ranking senior to Notes) except for Notes, the Equal Ranking Obligations and the Junior Ranking Obligations.

Shares means any Ordinary Shares or any Preference Shares.

Solvent Reorganisation means, with respect to the Issuer, solvent winding-up, deregistration, dissolution, scheme of arrangement or other reorganisation of the Issuer solely for the purposes of a consolidation, amalgamation, merger or reconstruction, the terms of which have been approved by the holders of the ordinary shares of the Issuer or by a court of competent jurisdiction under which the continuing or resulting corporation effectively assumes the obligations of the Issuer under Notes and the Trust Deed.

Special Resolution means a resolution approved by not less than 75% of all votes cast by Holders present and entitled to vote on the resolution.

Standard & Poor’s means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (or any of its Subsidiaries or any successor in business thereto from time to time).

Step-up Date means 24 November 2016 or, if that day is not a Business Day, the next Business Day.

Step-up Margin means the margin which is the Initial Margin plus 1.00% per annum.

Subsidiary has the meaning given in the Corporations Act.

Tax Act means the Income Tax Assessment Act 1936 of Australia.

Tax Event means that:

- (a) in the opinion of a recognised independent legal or tax adviser (which has been obtained by the Issuer and delivered to the Trustee), on or after the Issue Date, as a result of:
 - (i) any amendment to, or change in, the laws (or any rules or regulations under them) of the Relevant Jurisdiction which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (ii) any amendment to, or change in, an official interpretation of any laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

interest paid by the Issuer on Notes would no longer, or within 90 calendar days of the date of that opinion will no longer, be fully deductible (or the entitlement to make such deduction would or will be materially reduced) by the Issuer for corporate income tax purposes in the Relevant Jurisdiction; and

- (b) that risk cannot be avoided by the Issuer taking reasonable measures available to it.

Taxes means any present or future taxes, duties, assessments or governmental charges of whatever nature.

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Terms means these terms and conditions of Notes.

Trust Deed means the trust deed dated 17 October 2011 between the Issuer and the Trustee as trustee for the Holders.

Trustee means Australian Executor Trustees Limited (ABN 84 007 869 794) and includes a successor of it.

Winding-Up includes winding up, liquidation, provisional liquidation, receivership or other appointment of a controller, deregistration, compromise, deed of arrangement, amalgamation, administration, reconstruction, dissolution, assignment for the benefit of creditors, arrangement or compromise with creditors.

1.2 Interpretation

In these Terms:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these terms;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government or semi-government agency;
- (e) a reference to any statute or regulation includes all statutes and regulations amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (g) where the day on or by which any thing is to be done, or payment is to be made, is not a Business Day, that thing must be done, or payment must be made, on or by the next succeeding Business Day;
- (h) a reference to cash includes cheques and bank cheques;
- (i) a reference to a body including a commission or an exchange, whether statutory or not, which ceases to exist or whose functions or powers are transferred to another body, is a reference to the body which replaces it or substantially succeeds to its powers and functions;
- (j) references to sums of money are to amounts in Australian dollars;
- (k) a reference to a thing or things after the words “include” or “including” or similar expressions is not limited to that thing or those things;
- (l) a calculation, determination, election or decisions made under these Terms, will (in the absence of manifest error, negligence, default or bad faith) be binding upon the Issuer, the Trustee and all Holders; and
- (m) if a calculation is required under these Terms, the calculation will be rounded to four decimal places, provided that the amount to be paid to a Holder will be rounded down to the nearest whole cent.



2. Form, Face Value, Issue and Title

2.1 Form

Notes are unsecured and subordinated debt obligations of the Issuer in registered uncertificated form. Notes are constituted under, and issued according to, the Trust Deed. Notes take the form of entries in the Register. No certificate will be issued to a Holder unless the Issuer determines that a certificate should be available or is required by any applicable law or regulation.

Notes are unsecured notes for the purposes of section 283BH of the Corporations Act.

2.2 Face Value

Each Note will have a Face Value of \$100.

2.3 Issue

The Issuer may issue Notes at any time to any person at an issue price of \$100 per Note. The issue price must be paid in full on application.

2.4 Title

An entry in the Register is conclusive evidence that the person is the absolute owner of Notes subject to correction for fraud or error. Except as required by law, the Issuer must treat the person entered in the Register as the absolute owner of Notes.

3. Ranking

3.1 Ranking

Notes constitute unsecured and subordinated obligations of the Issuer and will at all times rank equally and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Term 3.2.

3.2 Subordination

The Holder Claims, including any claim in respect of Deferred Interest Payments, will, in the Winding-Up of the Issuer, rank in such Winding-Up:

- (a) junior to the rights and claims of the holders of all Senior Obligations of the Issuer;
- (b) equally with each other and with the rights and claims of the holders of any Equal Ranking Obligations of the Issuer; and
- (c) senior to the rights and claims of holders of any Junior Ranking Obligations and any Shares, and, for the purposes of giving effect to this ranking, in any Winding-Up of the Issuer the Holder Claims:
 - (i) are subordinated and postponed and subject in right of payment to payment in full of the rights and claims of the holders of Senior Obligations of the Issuer; and
 - (ii) may only be proved as a debt which is subject to prior payment in full of the rights and claims of the holders of Senior Obligations of the Issuer.

3.3 Holder Acknowledgments

Each Holder acknowledges and agrees that:

- (a) this Term 3 is a debt subordination for the purposes of section 563C of the Corporations Act;

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- (b) the debt subordination effected by this Term 3 is not affected by any act or omission of the Issuer or the holder of a Senior Obligation which might otherwise affect it at law or in equity;
- (c) to the maximum extent permitted by applicable law, it may not exercise or claim (nor will the Trustee exercise or claim on its behalf) any right of set-off or counterclaim in respect of any amount owed by it to the Issuer against any amount owed to it by the Issuer in respect of Notes and it shall waive and be deemed to have waived such rights of set-off or counter-claim; and
- (d) it may not exercise any voting rights as a creditor in a Winding-Up in a manner inconsistent with the subordination contemplated in this Term 3.

4. Interest

4.1 Interest

Subject to these Terms, the Issuer shall pay interest in respect of a Note on an Interest Payment Date to the person recorded as Holder of Notes on the Record Date in respect of that Interest Payment Date.

4.2 Interest amount

- (a) The amount of an Interest Payment in respect of a Note on an Interest Payment Date is calculated according to the following formula:

$$\text{Interest Payment} = \frac{\text{Interest Rate} \times \text{Face Value} \times N}{365}$$

where:

Interest Rate (expressed as a percentage per annum) is calculated according to the following formula:

$$\text{Interest Rate} = \text{Bank Bill Rate} + \text{Margin}$$

where:

Bank Bill Rate (expressed as a percentage per annum) means, for an Interest Period, the average mid-rate for bills of a term of 90 days which average rate is displayed on Reuters page BBSW (or any page which replaces that page) on:

- (i) in the case of the first Interest Period, the Issue Date; and
- (ii) in the case of any other Interest Period, the first Business Day of that Interest Period, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10.30am (Sydney time) on that date, the rate specified in good faith by the Issuer at or around that time on that date having regard, to the extent possible, to:
- (iii) the rates otherwise bid and offered for bills of that term or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; or
- (iv) if bid and offer rates for bills of that term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date;

Margin (expressed as a percentage per annum) means in respect of the Interest Period:

- (i) for each Interest Period commencing on a date before the Step-up Date, the Initial Margin; and



-
- (ii) for each Interest Period commencing on or after the Step-up Date, the Step-Up Margin;

Face Value is the Face Value of each Note;

N means in respect of:

- (i) the first Interest Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Interest Payment Date; and
 - (ii) each subsequent Interest Payment Date, the number of days from (and including) the preceding Interest Payment Date until (but not including) the relevant Interest Payment Date.
- (b) Interest accrues daily and is payable to Holders in arrears on the relevant Interest Payment Date subject to these Terms.
 - (c) If any Interest Payment Date would otherwise fall on a calendar day which is not a Business Day, the Interest Payment Date will be postponed to the next calendar day which is a Business Day.

4.3 Deferral of Interest Payments

- (a) The Issuer may determine in its sole discretion not to pay all or part of the Interest Payment payable on that Interest Payment Date. If the Issuer so determines, the Interest Payment (or part thereof) will not be due and payable and will not be paid, until the relevant Payment Reference Date and will constitute a Deferred Interest Payment. Additional interest will accrue on each Deferred Interest Payment:
 - (i) at the same Interest Rate as applies to Notes from time to time in accordance with Term 4.2; and
 - (ii) from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to (but excluding) the date the Deferred Interest Payment is paid,and will be added to the Deferred Interest Payment (and thereafter accumulate additional interest accordingly) on each Interest Payment Date. Each Deferred Interest Payment and additional interest thereon will be payable in accordance with Term 4.5.
- (b) The Issuer will notify the Holders and the Trustee of any resolution not to pay all or part of the Interest Payment falling due on an Interest Payment Date not less than 16 Business Days prior to the relevant Interest Payment Date. Deferral of Interest Payments pursuant to this Term will not constitute a default of the Issuer or a breach of its obligations under Notes or for any other purpose.

4.4 Dividend and capital restrictions

If:

- (a) some or all of an Interest Payment is deferred under Term 4.3; and
- (b) the Interest Payment has not been paid in full within 20 Business Days after the relevant Interest Payment Date on which it would otherwise have been due, the Issuer will not:
 - (i) declare or pay any dividend, interest or distribution, on any Equal Ranking Obligations, Junior Ranking Obligations or any Shares (other than a payment made pro rata on Notes and Equal Ranking Obligations in relation to that payment); or

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- (ii) redeem, reduce, cancel, purchase or buy-back any of its Equal Ranking Obligations, Junior Ranking Obligations or Shares (other than in respect of employee incentive plans), until the date on which all Deferred Interest Payments have been paid in full, unless Holders by Special Resolution have approved such action.

4.5 Payment of Deferred Interest Payments

- (a) Subject to paragraph (b), the Issuer may elect to pay any Deferred Interest Payment at any time.
- (b) A Deferred Interest Payment will become due and payable, and the Issuer must pay the Deferred Interest Payment, on the relevant Payment Reference Date, by giving at least six and no more than 15 Business Days' prior notice to the Holders and the Trustee.

4.6 Interest on unpaid Redemption Amounts

When any Notes become due for Redemption, until the actual payment of the Redemption Amount to, or to the order of, the Trustee, interest on the Redemption Amount will accrue at the Interest Rate determined from time to time in accordance with Term 4.2 (except that any determination of the Bank Bill Rate required for the purposes of Term 4.2 will be by the Trustee or a calculation agent appointed by it) and such interest will be payable until Notes are finally redeemed.

5. Redemption and purchase

5.1 Maturity

Unless redeemed earlier in accordance with these Terms and subject to applicable laws, Notes will be redeemed upon the Maturity Date at their Redemption Amount.

5.2 Early Redemption at the option of the Issuer

Subject to applicable laws and the Replacement Capital Deed, the Issuer may redeem Notes (in whole but not in part) on the Step-up Date or on any Interest Payment Date after that date at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee in accordance with Term 13.

5.3 Early Redemption due to a Gross-Up Event or a Change of Control Event

- (a) If a Gross-Up Event or a Change of Control Event occurs, the Issuer may, subject to applicable laws, redeem Notes (in whole but not in part):
 - (i) in the case of a Gross-Up Event, on any Business Day prior to the Step-up Date; and
 - (ii) in the case of a Change of Control Event, on any Business Day;in each case at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee in accordance with Term 13.
- (b) In the case of a Gross-Up Event:
 - (i) no notice of redemption may be given earlier than 45 calendar days prior to the earliest calendar day on which the Issuer would be for the first time obliged to pay the Additional Amounts in question on payments due in respect of Notes; and
 - (ii) prior to the giving of any notice of redemption, the Issuer will obtain and deliver to the Trustee, an opinion of an independent legal or tax adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the Additional Amounts in question as a result of a Gross-Up Event,

and the Trustee will be entitled to accept the notice and opinion as sufficient evidence of the satisfaction of the conditions set out above, and then it will become conclusive and binding on the Holders.

- (c) In the case of a Change of Control Event, a notice of redemption may only be given simultaneously with or at any time after a notification to the Holders by the Issuer that a Change of Control Event has occurred.

5.4 Early Redemption due to a Tax Event, Rating Event or Accounting Event

- (a) If a Tax Event or an Accounting Event occurs, the Issuer may, subject to applicable laws, redeem Notes (in whole but not in part) on any Business Day prior to but excluding the Step-up Date at their Redemption Amount by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee in accordance with Term 13.
- (b) If a Rating Event occurs, the Issuer may, subject to applicable laws, redeem Notes (in whole but not in part) on any Business Day prior to but excluding the Step-up Date, at their Make Whole Amount by giving at least 30 but not more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee in accordance with Term 13.
- (c) A notice of redemption may only be given simultaneously with or after a notification by the Issuer in accordance with Term 13 that a Tax Event, Rating Event or Accounting Event has occurred.

5.5 Purchase of Notes

- (a) The Issuer or any Subsidiary of the Issuer may, subject to the applicable laws and the ASX Listing Rules and any rules of any other Notes exchange on which any of Notes are quoted from time to time and subject to the provisions of the Replacement Capital Deed, at any time purchase or procure others to purchase beneficially for its account, Notes in any manner and at any price. Such acquired Notes may be surrendered for cancellation or held or resold.
- (b) In the event that the Issuer or any Subsidiary of the Issuer has, individually or in aggregate, purchased (and cancelled) or redeemed Notes equal to or in excess of 80% of the aggregate Face Value of Notes issued on the Issue Date, the Issuer may redeem the remaining Notes (in whole but not in part) on any Business Day at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee in accordance with Term 13.

5.6 Optional Holder redemption upon a Change of Control Event

- (a) If both a Negative Rating Event and a Change of Control Event have occurred and remain current, the Issuer will no later than 14 calendar days after the end of the Change of Control Period relating to that Change of Control Event notify the Holders and the Trustee accordingly (a Change of Control Notice). The notice will contain a statement confirming whether or not the Issuer intends to exercise its right to redeem Notes and, if the Issuer does not intend to exercise its right to redeem Notes, of the Holder's entitlement to exercise their rights under Term 5.6(b) below. The Change of Control Notice will also specify, if relevant:
 - (i) the material facts comprising the Change of Control Event;
 - (ii) the Put Date; and
 - (iii) that a Put Notice, once validly given, may not be withdrawn.

Appendix A

- (b) If the Change of Control Notice specifies that the Issuer does not intend to exercise its right to redeem Notes, or the Issuer does not give a Change of Control Notice as required by Term 5.6(a), a Holder may require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of), all Notes held by the Holder on the Put Date at their aggregate Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice prior to the Put Date (a Put Notice).
- (c) The Put Notice must include:
 - (i) the name and address of the Holder;
 - (ii) the aggregate Redemption Amount of Notes held by the Holder;
 - (iii) the details of the bank account to which payments can be made; and
 - (iv) confirmation that the Holder authorises the production of the Put Notice in any applicable administrative proceedings.
- (d) If, after a Holder exercises its rights under Term 5.6(b), the Issuer chooses to exercise its right to redeem Notes pursuant to Term 5.3 or 5.4, all Notes will be redeemed in accordance with Term 5.3 or 5.4 (as relevant) and not in accordance with Term 5.6(b). In such circumstances, all Put Notices will be disregarded.

5.7 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any Subsidiary of the Issuer and which the Issuer elects to cancel will promptly be cancelled, and accordingly may not be held, reissued or resold.

6. Payments

6.1 Method of payment

Any amount which is payable to Holders in respect of Notes in accordance with these Terms will, unless the Issuer and the relevant Holder otherwise agree, be paid by direct credit to a nominated account at an Australian financial institution or by cheque drawn in favour of the Holder and sent by prepaid post to the address of the Holder in the Register.

6.2 Payments subject to applicable laws

Payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

6.3 Time Limit on Payments

A claim against the Issuer for payment under these Terms is void, to the fullest extent permitted by applicable law, unless made within 10 years (in the case of a Redemption Amount) or five years (in case of an Interest Payment or other payment) after the relevant due date for payment.

7. Taxation and Gross-up

7.1 Payment without withholding

All payments in respect of Notes by or on behalf of the Issuer, will be made free and clear of, and without withholding or deduction for, or on account of Taxes imposed, levied, collected, withheld or



assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts (“Additional Amounts”) as may be necessary in order that the net amounts received by the Holders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of Notes in the absence of the withholding or deduction. However, no Additional Amounts will be payable in relation to any payment in respect of any Notes:

- (a) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of such Notes by reason of their having some connection with the Relevant Jurisdiction other than the mere holding of Notes;
- (b) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of Notes by reason of that person being an associate of the Issuer for the purposes of Section 128F of the Tax Act;
- (c) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) the deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment in respect of the relevant Notes is made; or
- (d) to, or to a third party on behalf of, a Holder who has not supplied to the Registrar an appropriate tax file number, an Australian business number or exemption details, to the extent that such information would have reduced or eliminated the relevant Taxes.

7.2 Additional Amounts

Any reference in these Terms to any amounts in respect of Notes (including in relation to any Deferred Interest Payments and any additional interest accumulated on them under Term 4.3 includes a reference to any Additional Amounts which may be payable under this Term 7).

8. No Other Rights

8.1 No rights to surplus

Notes do not confer on their holders any further right to participate in the surplus assets of the Issuer on a winding-up, beyond the payment of the Redemption Amount in respect of each Notes.

8.2 No rights to new securities

Notes confer no rights to subscribe for new securities in the Issuer, or to participate in any bonus issues.

8.3 Meetings and Voting

- (a) Holders have the same rights as holders of Ordinary Shares to receive reports, accounts and notices of meetings in relation to the Issuer and to attend meetings of the Issuer’s members.
- (b) Holders may not speak or vote at such meetings except to the extent required under the Corporations Act or the ASX Listing Rules.

Appendix A

9. Further Issues

For so long as any Notes are on issue, the Issuer cannot incur any other debt obligation, which is both subordinated and ranks in priority to Notes in respect of interest, dividends or distributions of capital in a winding-up, without the prior approval of Holders by a Special Resolution, but otherwise there are no restrictions on the Issuer incurring any other debt obligations, whether subordinated or not or ranking in priority ahead of, equal with or behind Notes (including any Notes that rank equally with Notes and are consolidated and form a single series with Notes).

10. Events of Default

10.1 Events of Default

Each of the following is an Event of Default:

- (a) the Issuer fails to pay any Redemption Amount, Interest Payment or Additional Amount within 20 Business Days after it has become due and payable;
- (b) the Issuer fails to comply with any of its other material obligations under these Terms or the Trust Deed and the failure, if it is capable of being remedied, is not remedied to the reasonable satisfaction of the Trustee within 30 Business Days (or such longer period as the Trustee may permit) after notice of the failure has been given to the Issuer by the Trustee; or
- (c) an order is made (other than an order which is successfully appealed or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia or a resolution is passed by the shareholders of the Issuer for the winding-up of the Issuer, other than for the purposes of a Solvent Reorganisation of the Issuer.

10.2 Exceptions

Each of the following do not constitute an Event of Default falling within Term 10.1(a):

- (a) the non-payment by the Issuer of any amount due and payable in respect of any of the Notes:
 - (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
 - (ii) (subject as provided in the Trust Deed) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given by an independent law firm acceptable to the Trustee as to such validity or applicability; and
- (b) the deferral of any Interest Payment under clause 4.3.

10.3 Consequences

If an Event of Default occurs, the Trustee may, and must if so directed by a Special Resolution of the Holders or so requested in writing by the holders of at least one-quarter of the total Face Value of Notes then Outstanding (subject in each case to clause 9.8 of the Trust Deed):

- (a) in the case of an Event of Default under Term 10.1(a) or (c), give notice to the Issuer that the total Redemption Amount of Notes is due and payable (and that amount will immediately become due and payable when the notice is served); or
- (b) in the case of an Event of Default under Term 10.1(b), serve notice on the Issuer that it is in default under the Trust Deed and Notes.



10.4 Enforcement

If an Event of Default occurs and while it is subsisting, the Trustee may take such action as it considers appropriate on account of the Event of Default, except that:

- (a) the Trustee must not obtain any judgment against the Issuer for damages or in debt in relation to any failure of the Issuer to pay an amount referred to in Term 10.1(a); and
- (b) the only legal proceedings that the Trustee may bring for a failure of the Issuer to comply with its other material obligations referred to in Term 10.1(b) is to seek a declaration, specific performance or an injunction.

10.5 Trustee not bound to enforce

The Trustee shall not in any event be bound to take any action referred to in Term 10.4 unless:

- (a) it shall have been so requested by Holders holding between them at least one-quarter of the total Face Value of the Notes then Outstanding or it shall have been so directed by a Special Resolution; and
- (b) it shall have been indemnified as contemplated by clause 9.8 of the Trust Deed.

10.6 No other remedies against Issuer

Except as permitted by this Term 10 (including, without limitation, any rights or remedies of the Trustee under Term 10.4), no remedy against the Issuer shall be available to the Trustee or the Holders in respect of any breach by the Issuer of any of its obligations under the Trust Deed (or these Terms), other than payment of the costs, charges, liabilities, expenses or remuneration of the Trustee.

10.7 Holders' right to enforce

No Holder shall be entitled to proceed directly against the Issuer to enforce any right or remedy under or in respect of any Note unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure is continuing, in which case any such Holder may, upon giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), itself institute proceedings against the Issuer for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

11. Amendments and Meetings

11.1 Amendments with Holder approval

Without limiting Term 11.4 below, the Issuer may amend these Terms subject to the approval of Holders by a Special Resolution and provided the amendment does not alter any of the rights and obligations of the Trustee.

11.2 Notice

Where the Issuer proposes to amend these Terms with the approval of Holders by a Special Resolution, it must notify the Holders and the Trustee of the proposal and give them at least 28 days' notice of the meeting at which the Special Resolution relating to the proposed variation is to be proposed (exclusive of the day on which the notice is given and the meeting is held), specifying the terms of the proposed amendment, and the day, time and place of the meeting.

Appendix A

11.3 Amendment binding

Any amendment of the Terms proposed by the Issuer in accordance with this Term 11 and approved by the Holders by Special Resolution is binding on all Holders.

11.4 Amendments without Holder approval

Subject to complying with all laws, providing the Trustee with a copy of the amendment and the amendment not altering any of the rights and obligations of the Trustee, the Issuer may, without the authority, assent or approval of Holders, by written instrument amend these Terms if the amendment is, in the opinion of the Trustee:

- (a) made to correct a manifest error;
- (b) of a formal, minor or technical nature;
- (c) made to comply with any law, the ASX Listing Rules or the requirements of any exchange on which the Issuer proposes from time to time to seek listing of Notes;
- (d) convenient for the purposes of obtaining or maintaining the listing or quotation of Notes; or
- (e) is not, and is not likely to become, taken as a whole and in conjunction with all other amendments to be made contemporaneously with that amendment, materially prejudicial to Holders generally.

Any such amendment is binding on all Holders.

11.5 Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Holders.

11.6 Compliance with stock exchange rules

The Issuer will comply with the ASX Listing Rules or the rules of any Notes exchange on which Notes are quoted in connection with any amendment under this Term 11.

11.7 “Amend”

In this Term 11, “amend” includes modify, cancel, amend or add to.

11.8 No consent of holders of Senior Obligations

Nothing in these Terms requires the consent of the holder of any Senior Obligation or Equal Ranking Obligation to the amendment of any Terms made in accordance with this Term 11.

12. Issuer Substitution

The Trustee may, without the consent of the Holders, agree with the Issuer to the substitution in place of the Issuer or any of its Related Bodies Corporate (or of any previous substitute under this Term) as the principal debtor under Notes and the Trust Deed, subject to:

- (a) the Trustee being satisfied that the interests of the Holders will not be materially prejudiced by the substitution; and
- (b) compliance with certain other applicable conditions set out in the Trust Deed.



13. Notices

13.1 Service of notices

- (a) Without limiting anything else in these Terms, a notice may be given by the Issuer to any Holder, or in the case of joint Holders to the Holder whose name appears first in the Register, personally, by leaving it at the Holder's address as shown on the Register or by sending it by prepaid post (airmail if posted to a place outside Australia) to the Holder's address as shown on the Register or, in any case, by other electronic means determined by the Issuer. If the notice is signed, the signature may be original or printed.
- (b) Where a notice is given by the Issuer to Holders generally, a copy of the notice must also be given to ASX.
- (c) A notice given by a Holder to the Issuer must:
 - (i) be in writing; and
 - (ii) be left at, or sent by prepaid post (airmail if posted from a place outside Australia) to the address below or the address last notified by the Issuer, or sent by facsimile transmission to the fax number below or the fax number last notified by the Issuer:

Woolworths Limited

c/- Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000
(03) 9473 2500

13.2 When notice considered to be received

Any notice is taken to be given:

- (a) if served personally or left at the intended recipient's address, when delivered;
- (b) if sent by post, on the second Business Day after it is mailed in a prepaid envelope to the intended recipient's address; and
- (c) if sent by facsimile or other electronic transmission, on production of a report by the sending machine or other system by which the transmission is sent indicating that the transmission has been made in its entirety to the correct fax number or other transmission address and without error.

13.3 Notice to transferor bind transferee

Every person who, by operation of law, transfer or other means, becomes entitled to be registered as the holder of any Notes is bound by every notice which, prior to the person's name and address being entered in the Register, was properly given to the person from whom the person derived title to those Notes.

13.4 Service on deceased Holders

A notice served in accordance with this Term 13 is (despite the fact that the Holder is dead and whether or not the Issuer has notice of the Holder's death) considered to have been properly served in respect of any Notes, whether held solely or jointly with other persons by the Holder, until some other person is registered in the Holder's place as the Holder or joint Holder. The service is sufficient service of the notice or document on the Holder's personal representative and any person jointly interested with the Holder in Notes.

Appendix A

13.5 Copy of notices to Trustee

Whenever the Issuer issues any notice under these Terms to Holders, the Issuer must at the same time provide to the Trustee a copy of the notice.

14. Transfer of Notes

14.1 Forms of transfer

A Holder may transfer any Notes the Holder holds by:

- (a) a Proper ASTC Transfer or any other method of transferring or dealing in Notes introduced by ASX or operating in accordance with the operating rules of a clearing and settlement facility (as that term is defined in the Corporations Act), the ASX Settlement Operating Rules or the ASX Listing Rules and, in any such case, recognised under the Corporations Act; or
- (b) a written instrument of transfer in any usual form or in any other form approved by either the Issuer or ASX, that is otherwise permitted by law.

14.2 Registration of transfer

A transferor of Notes remains the owner of Notes transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of Notes.

15. Non-resident Holders

- (a) Where Notes are held by, or on behalf of, a person resident outside the Commonwealth of Australia, then, despite anything else to the contrary contained in or implied by these Terms, it is a condition precedent to any right of the Holder to receive payment of any monies in respect of those Notes that all necessary authorisations (if any) and any other statutory requirements which may then be in existence are obtained at the cost of the Holder and satisfied.
- (b) For the purposes of Term 15(a), authorisation includes any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with any government or any government agency.

16. Quotation

The Issuer must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, that Notes are quoted by ASX within 7 Business Days after the initial issue of Notes and to maintain quotation so long as any Notes are Outstanding.

17. Governing Law

- (a) These Terms are governed by the law in force in the state of New South Wales, Australia.
- (b) The Issuer, the Trustee and each Holder submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia in connection with matters concerning Notes or these Terms. The Issuer, the Trustee and each Holder waives any right they have to an objection to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

Glossary

B

This appendix provides a glossary of key terms used throughout the Prospectus and the Application Form. There is also a list of further defined terms in Clause 1.1 of the Terms.

Term	Meaning
ACCC	Australian Competition and Consumer Commission
Allocation	The number of Notes allocated under this Prospectus to: – Woolworths Shareholder Applicants and General Applicants at the end of the Offer Period; and – Syndicate Brokers and Institutional Investors under the Bookbuild
Application Form	The application form attached to or accompanying the Replacement Prospectus (including the electronic form provided by an online application facility)
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the market operated by it as the context requires
ASX Settlement	ASX Settlement Pty Ltd
Bank Bill Rate	A benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend short-term cash to each other over a 90 day period, as more particularly defined in Clause 4.2 of the Terms
Board	The board of directors of Woolworths Limited
Bookbuild	The process described in Section 5.3 to determine the Margin
Broker Firm Applicant	A retail client of a Syndicate Broker who is an Australian resident invited to participate through the Broker Firm Offer
Broker Firm Offer	The Offer of Notes under this Prospectus to retail clients, of Syndicate Brokers, resident in Australia who have received a firm allocation from their Broker
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business Day
CHESS	Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act
Closing Date	The date by which Applications must be lodged for the Offer, being: – 5:00pm on 17 November 2011 for the General Offer and Woolworths Shareholder Offer unless varied – 10:00am on 23 November 2011 for the Broker Firm Offer unless varied
Co-Managers	ANZ Securities Limited, Bell Potter Securities Limited, Commonwealth Bank of Australia, JBWere Pty Ltd, Ord Minnett Limited, RBS Morgans Limited and Westpac Banking Corporation
Corporations Act	Corporations Act 2001 (Cth)
Cost of Doing Business	All of Woolworths' expenses other than the cost of goods sold, interest and tax expense
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDAR	Earnings before interest, tax, depreciation, amortisation and rent
Eligible Woolworths Shareholder	A registered holder of Ordinary Shares with a registered address in Australia at 7:00pm on 7 October 2011

Appendix B

Term	Meaning
Exposure Period	The seven day period (unless otherwise extended by ASIC) after the date this Prospectus was lodged with ASIC during which the Corporations Act prohibits the processing of applications
General Applicant	A member of the general public who is resident in Australia and who applies under the General Offer
General Offer	The invitation to the general public to apply for Notes under this Prospectus
GST	Goods and services or similar tax imposed in Australia
HIN	Holder Identification Number for Notes (when issued) held on the CHESS subregister
Holder	A person registered in the Register as a holder of Notes
Holding Statements	A statement issued to Holders by the Registry which sets out details of Notes allotted to them under the Offer
Institutional Investor	An investor to whom offers or invitations in respect of Notes can be made without the need for a lodged prospectus (or other formality, other than a formality which Woolworths is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act and who has been invited by J.P. Morgan or UBS to bid for Notes in the Bookbuild.
Institutional Offer	The invitation by J.P. Morgan & UBS to Institutional Investors to bid for Notes in the Bookbuild
Issue Price	The issue price for Notes, being \$100 per Note
Joint Lead Managers	J.P. Morgan, NAB and UBS
J.P. Morgan	J.P. Morgan Australia Limited (ABN 52 002 888 011)
Listing Rules	The listing rules of ASX
Margin	The margin to be determined under the Bookbuild
NAB	National Australia Bank (ABN 12 004 044 937)
Notes	Woolworths Notes II with terms and conditions set out in Appendix A
Offer	The offer by Woolworths of Notes under this Prospectus to raise \$500 million with the ability to raise more or less
Offer Management Agreement	The offer management agreement entered into between Woolworths and the Joint Lead Managers as described in section 8.3
Offer Period	The period from the Opening Date to the Closing Date
Opening Date	The day the Offer opens, which is expected to be 26 October 2011
Ordinary Share	A fully paid ordinary share in the capital of Woolworths
Privacy Act	Privacy Act 1998 (Cth)
Prospectus	This document (including the electronic form of this Prospectus), as supplemented or replaced
Register	The official register of Notes (if issued) maintained by the Registry on Woolworths' behalf and including any subregister established and maintained in CHESS

Term	Meaning
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that Woolworths appoints to maintain the Register
Replacement Capital Deed	The deed poll to be entered into by Woolworths on or before the Issue Date in favour of certain beneficial holders of debt securities of Woolworths
Replacement Prospectus	The replacement prospectus that is to be lodged with ASIC on 26 October 2011 that will replace this Prospectus
Share	An Ordinary Share or preference share in the capital of Woolworths
SRN	Securityholder Reference Number for Notes (when issued) held on the issuer sponsored subregister
Syndicate Broker	Co-Managers and any other participating organisation of ASX selected by the Joint Lead Managers to participate in the Bookbuild (including any related body corporate of the Joint Lead Managers)
Terms	Terms and Conditions of the Notes, as set out in Appendix A
TFN	Tax File Number
Trust Deed	The deed dated 17 October 2011 between Woolworths and the Trustee governing the issue of Notes
Trustee	Australian Executor Trustees Limited (ABN 84 007 869 794)
UBS	UBS AG, Australia Branch (ABN 47 088 129 613)
US Person	Has the meaning given in Regulation S of the US Securities Act 1933
Woolworths	Woolworths Limited (ABN 88 000 014 675)
Woolworths Notes II Offer Information Line	1300 660 837 or +61 3 9415 4249 (Monday to Friday – 8.30am to 5.30pm)
Woolworths Shareholder Applicant	An Eligible Woolworths Shareholder who applies under the Woolworths Shareholder Offer
Woolworths Shareholder Application Form	The blue application form attached to or accompanying the Replacement Prospectus
Woolworths Shareholder Offer	The invitation to Eligible Woolworths Shareholders to apply for Notes under this Prospectus

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Corporate directory

Issuer

Woolworths Limited

1 Woolworths Way
Bella Vista NSW 2153
Australia

Legal Adviser

Clayton Utz

1 Bligh Street
Sydney NSW 2000
Australia

Taxation Adviser

PricewaterhouseCoopers

201 Sussex Street
Sydney NSW 2000
Australia

Investigating Accountant and Auditor

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Woolworths Registry

Computershare Investor Services Pty Limited

Level 4, 60 Carrington Street
Sydney NSW 2000
Australia

Trustee

Australian Executor Trustees Limited

Level 22, 207 Kent Street
Sydney NSW 2000
Australia

Structuring Adviser

J.P. Morgan Australia Limited

Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Joint Lead Managers

J.P. Morgan Australia Limited

Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

National Australia Bank Limited

255 George Street
Sydney NSW 2000
Australia

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Co-Managers

ANZ Securities Limited

Level 8, 100 Queen Street
Melbourne VIC 3000
Australia

Bell Potter Securities Limited

Level 29, 101 Collins Street
Melbourne VIC 3000
Australia

Commonwealth Bank of Australia

Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000
Australia

JBWere Pty Ltd

Level 16, 101 Collins Street
Melbourne VIC 3000
Australia

Ord Minnett Limited

Level 8, NAB House
255 George Street
Sydney NSW 2000
Australia

RBS Morgans Limited

Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
Australia

Westpac Banking Corporation

Level 20, 275 Kent Street
Sydney NSW 2000
Australia

How to contact us

Call the Woolworths Notes II Offer
Information Line on 1300 660 837
or +61 3 9415 4249 (Monday to Friday
– 8:30am to 5:30pm)

Website:

www.woolworthsnotesiioffer.com.au

