

24 October 2014

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

Dear Sir/Madam

RE: Woolworths Limited – Listing Rules 3.17 and 4.7

Woolworths Limited advises that the following documents will be lodged with Australia Post for dispatch to shareholders today, 24 October 2014:

- Chairman's letter
- Proxy Form
- Notice of Annual General Meeting
- Shareholder Newsletter
- Questions from Shareholders Form

The Annual General meeting will be held on Thursday 27 November 2014 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane Qld 4101 commencing at 11am (Brisbane time) and will be broadcast live on the Woolworths Limited website at www.woolworthslimited.com.au for those shareholders who are unable to attend the meeting.

Copies of the Chairman's letter, Proxy Form, Notice of Annual General Meeting, Shareholder Newsletter and Questions from Shareholders form are enclosed. The Woolworths Limited 2014 Annual Report was lodged with ASX on 22 September 2014.

**For and on behalf of
WOOLWORTHS LIMITED**



**RICHARD DAMMERY
CHIEF LEGAL OFFICER AND COMPANY SECRETARY**

WOOLWORTHS LIMITED

ABN 88 000 014 675

1 Woolworths Way, Bella Vista
New South Wales 2153 Australia
Telephone +61 2 8885 0000
Facsimile +61 2 8885 0001
woolworthslimited.com.au

000001 000 WOW
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Dear Securityholder

I have pleasure in inviting you to attend the 89th Annual General Meeting of Woolworths Limited. Your Notice of Meeting and Proxy Form are enclosed together with a copy of the Shareholder Newsletter. A copy of the 2014 Annual Report can be viewed on our website at www.woolworthslimited.com.au. If you have requested a hard copy of the report it will be mailed separately.

The Annual General Meeting will be held on Thursday, 27 November 2014 at the Brisbane Convention and Exhibition Centre, Cnr Merivale and Glenelg Streets, South Bank, Brisbane, Queensland commencing at 11am (Brisbane time). The Annual General Meeting can also be viewed by webcast at www.woolworthslimited.com.au

The venue is located in Brisbane's South Bank riverside precinct and can be conveniently accessed by both bus and train. The Convention and Exhibition Centre provides undercover parking for those who wish to drive.

We are again inviting shareholders who are unable to attend the meeting to submit questions. A "Questions from Shareholders" form is enclosed in your AGM pack if you wish to submit a question. The most frequently asked questions will be posted on our website www.woolworthslimited.com.au, together with responses, and we will endeavour to address as many questions as possible at the meeting itself.

This year, an individual shareholder Mr Stephen Mayne has nominated himself for election to the Board (item 2(c)). The Board has considered Mr Mayne's nomination against the criteria it uses to ensure that candidates will add to the Board's effectiveness. The Board recommends that you vote against Mr Mayne's election as a director for the reasons set out on page 7 of the Explanatory Memorandum accompanying the Notice of Meeting.

Thank you for your continued support of Woolworths, and I hope that you are able to join us at the meeting to meet with Directors and Senior Executives of your Company.

Yours sincerely,

RALPH WATERS
Chairman

WOOLWORTHS LIMITED

ABN 88 000 014 675

000001 000 WOW
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

In Person:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney, NSW, 2000

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 368 664
(outside Australia) +61 3 9415 4055

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



You may appoint your Proxy using one of the methods described above. Your proxy appointment will not be valid if it is received after 12.00 noon (Sydney Time) or 11.00am (Brisbane Time) on Tuesday, 25 November 2014.

Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box on the form overleaf, or as instructed online. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the full name of that individual or body corporate in the space provided on the form overleaf or by following the instructions online. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy.

Voting on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions, to the extent permitted by law.

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may, to the extent permitted by law, vote as they choose. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%, otherwise your vote will be invalid on that item.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint a second proxy online you must follow the online instructions and specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half your votes. If using this form, an additional Proxy Form may be obtained by copying this form or by telephoning Computershare on the number detailed above. To appoint a second proxy by using this form you must: (a) Indicate that you wish to appoint a second proxy by marking the box. (b) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded. (c) Return both forms together.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the Help tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please use the accompanying "Questions from Shareholders" form included in this pack, and return as directed.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

A proxy need not be a securityholder of the Company.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Woolworths Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Woolworths Limited to be held at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane on Thursday, 27 November 2014 at 11.00am (Brisbane Time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy in respect of Items 3 and 4 (to the maximum extent permitted by law) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel for the Woolworths consolidated group.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or to abstain from voting on Items 3 and 4 by marking the appropriate box in step 2 below. The Chairman of the Meeting intends to vote all undirected proxy appointments in favour of each item of business with the exception of Item 2(c), where the Chairman of the Meeting intends to vote against, to the extent permitted by law.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|------|---|--------------------------|--------------------------|--------------------------|
| 2(a) | To re-elect as a Director Board endorsed candidate, Ms Jillian Rosemary Broadbent | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2(b) | To elect as a Director Board endorsed candidate, Mr Scott Redvers Perkins | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2(c) | To elect as a Director Board not-endorsed candidate, Mr Stephen Mayne | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2(d) | To re-elect as a Director Board endorsed candidate, Mr Ralph Graham Waters | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Long Term Incentive Plan issue to Managing Director and Chief Executive Officer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Appointing a Second Proxy

I/We wish to appoint a second proxy

☐

Mark with an "X" if
you wish to appoint a
second proxy

AND

%

OR

State the percentage of your
voting rights or the number of
securities for this Proxy Form

The Chairman of the Meeting intends to vote undirected proxy appointments in favour of each item of business with the exception of Item 2(c), where the Chairman of the Meeting intends to vote against, to the extent permitted by law. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

WOW

1 8 6 1 7 9 A

Computershare +

WOOLWORTHS LIMITED

NOTICE OF ANNUAL GENERAL MEETING
2014

For personal use only



Notice of Annual General Meeting 2014

woolworthslimited.com.au

Woolworths Limited ABN 88 000 014 675

Notice is given that the eighty-ninth Annual General Meeting of shareholders of Woolworths Limited (*Woolworths* or the *Company*) will be held on 27 November 2014 at the Brisbane Convention & Exhibition Centre, Corner Merivale and Glenelg Streets, South Bank, Brisbane, Queensland commencing at 11.00am (Brisbane time).

Notice of Annual General Meeting 2014

Agenda

1. FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report of the Company and the Reports of the Directors and the Auditor for the financial year ended 29 June 2014.

2. ELECTION OF DIRECTORS

Board endorsed Director

- (a) To re-elect as a Director Ms Jillian Rosemary Broadbent, a serving Director, who retires by rotation in accordance with Article 10.3 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers herself for re-election.

Board endorsed Director

- (b) To elect as a Director Mr Scott Redvers Perkins, a serving Director, who is eligible for election in accordance with Articles 10.3 and 10.7 of the Company's Constitution and, being eligible, offers himself for election.

Board not-endorsed candidate

- (c) To elect as a Director Mr Stephen Mayne, a Board not-endorsed candidate, who is eligible for election in accordance with Articles 10.5 and 10.6 of the Company's Constitution and, being eligible, offers himself for election.

Board endorsed Director

- (d) To re-elect as a Director Mr Ralph Graham Waters, a serving Director, who retires by rotation in accordance with Article 10.3 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election.

3. LONG TERM INCENTIVE PLAN ISSUE TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the grant of 67,514 Performance Rights to the Managing Director and Chief Executive Officer of the Company, Mr Grant O'Brien, under the Woolworths Long Term Incentive Plan, as described in the Explanatory Notes accompanying the Notice convening this meeting, be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."

Please note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the "Voting exclusions" section on page 6 below.

4. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 29 June 2014 be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Please also note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the "Voting exclusions" section on page 6 below.

Dated: 20 October 2014

By order of the Board



R J E Dammary
Company Secretary

Notice of Annual General Meeting 2014

ELIGIBILITY TO VOTE

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a “snapshot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all shares of the Company that are on issue at 7.00pm (Sydney time) on 25 November 2014 will, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

This means that any person registered as the holder of an ordinary share in the capital of the Company at 7.00pm (Sydney time) on 25 November 2014 is entitled to attend and vote at the Annual General Meeting in respect of that share, subject to the other provisions of these notes.

PROXIES

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies.

A proxy need not be a shareholder of the Company, and may be either an individual or a corporation. A corporation appointed as proxy will need to appoint an individual as its corporate representative, as outlined below, to exercise its powers at the Annual General Meeting.

A shareholder entitled to cast more than one vote on a resolution may appoint two proxies, in which case the shareholder should specify the proportion or number of votes that each proxy is appointed to exercise. If no proportions or numbers are specified, each proxy may exercise half of the shareholder’s votes. An additional hard copy proxy form will be supplied by the Company’s share registrar, Computershare Investor Services Pty Limited, on request for the purpose of appointing a second proxy, or the second proxy can be appointed online (as outlined below).

Shareholders are encouraged to give direction to their proxies on how to vote on each resolution. A shareholder can provide such a direction by marking the appropriate box opposite the relevant resolution in the proxy form or selecting the appropriate option for that resolution online (as outlined below). If a proxy appointment does direct the relevant proxy on how to vote on a resolution, then (subject to the other provisions of these notes, including the voting exclusions noted below):

- where the proxy is the Chairman of the Annual General Meeting, the proxy need not vote in that capacity on a show of hands on the resolution, but must do so on a poll, and in either case when voting must do so as directed;

- where the proxy is not the Chairman of the Annual General Meeting, the proxy need not vote in that capacity on a show of hands nor on a poll on the resolution, but if the proxy does vote, then the proxy must do so as directed; and
- where the proxy holds two or more appointments that provide different directions on how to vote on the resolution, the proxy must not vote any of those appointments on a show of hands on that resolution. Accordingly, any direction to such a proxy on how to vote on that resolution will not be effective on a show of hands. Similarly, if a proxy is also a shareholder, then any direction to the proxy may not be effective on a show of hands. Any directions provided to a proxy will be effective if a poll is held.

If an appointed proxy does not attend the Annual General Meeting, then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the Annual General Meeting. In addition, if a proxy attends the Annual General Meeting and has been directed how to vote on a resolution, but the proxy does not vote on that resolution on a poll, then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of that poll.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not direct how to vote on a resolution, then the Chairman intends to exercise the relevant shareholder’s votes in favour of the relevant resolution (subject to the other provisions of these notes, including the voting exclusions noted below), with the exception of the resolution on item 2(c), in respect of which the Chairman intends to exercise the relevant shareholder’s votes against the resolution.

To appoint a proxy, a shareholder can use the hard copy proxy form accompanying this notice (as applicable). Hard copy proxy forms can also be obtained on request from the Company’s share registrar.

A shareholder can also make a proxy appointment online by visiting the website www.investorvote.com.au and following the instructions provided. To use this online facility, the shareholder will need their six digit control number, their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), and their postcode, as shown on the proxy form accompanying this notice. The shareholder will be taken to have signed the proxy form if they lodge it in accordance with the instructions on the website.

Note that a proxy cannot be appointed online by a person acting on behalf of a shareholder under a power of attorney or similar authority. The online proxy facility may also not be suitable for some shareholders who wish to split their votes on a resolution or appoint two proxies with different voting directions. Shareholders should read the instructions for the online proxy facility carefully before making a proxy appointment using the facility.

In the case of certain intermediaries (such as custodians, nominees, non-broker participants and some financial advisers) who participate in the Intermediary Online system of the Company's share registrar, proxy appointments can also be submitted online by visiting the website www.intermediaryonline.com and following the instructions provided.

To be effective, online proxy appointments must be made through the relevant website above by no later than **12.00 noon (Sydney time) or 11.00 am (Brisbane time) on 25 November 2014**. Proxy appointments will not be able to be made online after that time.

To be effective, a hard copy proxy form must be received no later than **12.00 noon (Sydney time) or 11.00am (Brisbane time) on 25 November 2014** at the registered office of Woolworths, or by the Company's share registrar using the return-addressed envelope (reply-paid for mailing in Australia) enclosed with this notice or at an address or facsimile number below:

By mail

Woolworths Limited
c/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria 3001, Australia

By hand

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street, Sydney 2000
New South Wales, Australia

By facsimile

(within Australia) 1800 783 447 or (outside Australia)
+61 3 9473 2555

Proxy forms received after that time will be invalid.

CORPORATE REPRESENTATIVES

A shareholder, or proxy, that is a corporation and entitled to attend and vote at the Annual General Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the *Corporations Act 2001* (Cth) and be lodged with the Company before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting.

ATTORNEYS

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint an attorney to attend and vote at the Annual General Meeting on the shareholder's behalf.

An attorney need not be a shareholder of the Company.

The power of attorney appointing the attorney must be duly signed and specify the name of each shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy forms.

EVIDENCE OF SIGNING AUTHORITY

If a proxy form or appointment of a corporate representative is signed on behalf of an individual or a corporation under power of attorney or other authority, the power of attorney or other authority under which the relevant instrument is signed, or a copy of that power of attorney or other authority, certified as a true copy by statutory declaration, must accompany the instrument unless the power of attorney or other authority has previously been noted by the Company's share registrar.

Notice of Annual General Meeting 2014

VOTING EXCLUSIONS

The *Corporations Act 2001* (Cth) and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on two of the resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

Item 3

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution on item 3:

1. Any Director who is eligible to participate in the Woolworths Long Term Incentive Plan, and any associate of such a Director. However, the Company need not disregard a vote if:
 - it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
2. Any KMP member (and any closely related party of a KMP member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the relevant resolution, unless:
 - the proxy is the Chairman of the Annual General Meeting; and
 - the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

Item 4

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution on item 4:

1. Any KMP member whose remuneration details are included in the Remuneration Report (and any closely related party of such a KMP member, and any person voting on behalf of such a KMP member or closely related party), unless the person does so as a proxy and:
 - the vote is not cast on behalf of any KMP member whose remuneration details are included in the Remuneration Report (or any closely related party of such a KMP member); and
 - either:
 - that person is appointed as a proxy by writing that specifies how the proxy is to vote on the resolution; or
 - that person is the Chairman of the Annual General Meeting and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

2. Any KMP member whose remuneration details are not included in the Remuneration Report (and any closely related party of such a KMP member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution, unless:
 - the proxy is the Chairman of the Annual General Meeting; and
 - the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP member.

For the purposes of these voting exclusions:

- The **KMP (or key management personnel)** are those persons having authority and responsibility for planning, directing and controlling the activities of the Woolworths consolidated group, either directly or indirectly. The KMP for the Woolworths consolidated group during the year ended 29 June 2014 are listed in section 1.1 of the Remuneration Report on page 45 of the Company's 2014 Annual Report.
- A **closely related party** of a KMP member means:
 - a spouse or child of the member; or
 - a child of the member's spouse; or
 - a dependant of the member or of the member's spouse; or
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney, as if they were appointed as a proxy.

Notice of Annual General Meeting 2014

Explanatory Notes

1. FINANCIAL AND OTHER REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Financial Report, Directors' Report and Auditor's Report of the Company and the consolidated entity for the most recent financial year (namely the period ended 29 June 2014) will be laid before the Annual General Meeting. Shareholders will be provided with the opportunity to ask questions about the reports.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the Annual General Meeting in respect of the 2014 Financial Report and other reports.

2. ELECTION OF DIRECTORS

Details of each of the candidates for election or re-election as a Director and the Board recommendations in relation to their candidacies are set out below. The Board considers each of Ms Broadbent, Mr Perkins and Mr Waters to be independent Directors, and that they will continue to qualify as such if elected or re-elected, as applicable. Based on the information that has been provided by Mr Mayne (and that the Board has been otherwise able to obtain), the Board also considers that Mr Mayne will qualify as an independent Director, if elected.

Board recommendation:

The following summarises the Directors' recommendations in relation to voting on the election and re-election of candidates to the Board, as detailed below.

The Directors recommend that shareholders vote **FOR** the following candidates:

- Jillian Broadbent
- Scott Perkins
- Ralph Waters

The Directors recommend that shareholders vote **AGAINST** the following candidate:

- Stephen Mayne

The Board recognises that having a range of different skills, backgrounds and experience represented amongst its Directors is important to ensure robust decision-making processes with a diversity of viewpoints and the effective governance of the Woolworths group. The range of skills, backgrounds and experience currently represented on the Board includes experience in senior roles in retail, building products, white goods manufacturing, engineering, consumer goods, property, banking and finance, food manufacturing, aviation, construction, management consultancy, accounting and investment banking, as well as qualifications across a range of fields including business management, economics, accounting and the humanities.

Details regarding the Directors' recommendations are as follows:

- (a) *Jillian Broadbent* – the Directors, having conducted an assessment of the performance of Ms Broadbent (in her absence), believe that it is in the interests of shareholders that she be re-elected as a member of the Board and recommend (with Ms Broadbent abstaining) that shareholders vote **FOR** the corresponding resolution.
- (b) *Scott Perkins* – the Directors, having conducted an assessment of the skills and experience of Mr Perkins (in his absence), believe that it is in the interests of shareholders that he be elected as a member of the Board and recommend (with Mr Perkins abstaining) that shareholders vote **FOR** the corresponding resolution.
- (c) *Stephen Mayne* – the Directors do not believe that it is in the best interests of shareholders that Mr Mayne be elected as a member of the Board and recommend that shareholders vote **AGAINST** the corresponding resolution. The reasons for the Directors' recommendation are as follows:
 - The Directors do not consider that Mr Mayne has the same extensive knowledge, experience and skills to meet the Board's responsibilities and objectives as do the current Directors of Woolworths. All of the Company's current Directors have demonstrated credentials and experience to understand all facets of the business, industry and environment in which the Company operates and to provide the Board with the appropriate mix of skills required to meet the Company's responsibilities and objectives.
 - The Directors categorically reject the suggestion by Mr Mayne that the Board is not attuned to corporate social responsibility issues. Woolworths is already – both domestically and globally – earning respect and recognition for the integrity and depth of its corporate responsibility programs, across all aspects of its business. In particular, the Directors note that the Company's Hotel business (conducted through its ALH joint venture) is committed to providing responsible gaming in its venues, as well as safe and supportive environments where its customers make informed decisions about gaming. This is backed by a Hotel and Gaming Charter that addresses, among other things, voluntary pre-commitment for gaming (the Charter is available at www.alhgroup.com.au). As provided for in the Charter, a voluntary pre-commitment system is being implemented throughout the Hotel business and is expected to be completed by the end of calendar year 2015.
 - The Directors note that Mr Mayne stood for election as a Director of the Company in 2010 on a similar platform, but his candidacy was overwhelmingly rejected by shareholders with more than 93% of votes cast against the relevant resolution. Restrictions of the type propounded by Mr Mayne on the operation of gaming by the Company's Hotel business were also considered in detail by shareholders at the extraordinary general meeting held in November 2012. Those restrictions were also overwhelmingly rejected by shareholders, with more than 97% of votes cast against the relevant resolution.

Notice of Annual General Meeting 2014

Explanatory notes

(d) *Ralph Waters* – the Directors, having conducted an assessment of the performance, skills and experience of Mr Waters (in his absence), believe that it is in the interests of shareholders that he be re-elected as a member of the Board and recommend (with Mr Waters abstaining) that shareholders vote **FOR** the corresponding resolution.

Re-election of Board endorsed serving Director, Ms Jillian Broadbent

ASX Listing Rule 14.4 provides that a director must not hold office past the third annual general meeting following the director's appointment or last election, or three years, whichever is the longer, but the director is eligible to stand for re-election. Accordingly, Ms Jillian Broadbent retires at the Annual General Meeting and, in accordance with Article 10.3 of the Company's Constitution, being eligible for re-election has submitted herself for re-election at the Annual General Meeting.

Each of the Directors intends to vote undirected proxy appointments given to them **"FOR"** the re-election of Ms Broadbent.

Jillian Rosemary Broadbent, AO **Non-executive Director**

Member: Audit, Risk Management and Compliance Committee and Nomination Committee.

BA, HonDLitt (UWS)

Ms Broadbent is a member of the Audit, Risk Management and Compliance Committee and the Nomination Committee.

Ms Broadbent has a Bachelor of Arts degree (economics and maths majors) from the University of Sydney and an Honorary PhD 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 Chair of the Board of Swiss Re Life & Health Australia Limited, Chair of the Clean Energy Finance Corporation and Chancellor of the University of Wollongong.

Ms Broadbent was a Member of the Board of the Reserve Bank of Australia (1998 to 2013). She was a Director of ASX Limited (2010 to 2012), Coca-Cola Amatil Limited (1999 to 2010), Special Broadcasting Service Corporation (SBS), Qantas Airways Limited, Westfield Property Trusts and Woodside Petroleum Ltd. Ms Broadbent was appointed a Director of the Company in January 2011.

Age: 66.

Election of Board endorsed serving Director, Mr Scott Perkins

In accordance with Article 10.7 of the Company's Constitution, Mr Scott Perkins has been appointed as a Director and holds office until the conclusion of the Annual General Meeting. In accordance with Articles 10.3 and 10.7 of the Company's Constitution, Mr Perkins is eligible for election and has submitted himself for election at the Annual General Meeting.

Each of the Directors intends to vote undirected proxy appointments given to them **"FOR"** the election of Mr Perkins.

Scott Redvers Perkins **Non-executive Director**

Member: Audit, Risk Management and Compliance Committee and Nomination Committee.

BCom, LLB (Hons)

Mr Perkins is a member of the Audit, Risk Management and Compliance Committee and the Nomination Committee.

Mr Perkins has a Bachelor of Commerce degree and a Bachelor of Laws with Honours degree from Auckland University.

Mr Perkins has extensive Australian and international experience as a leading corporate adviser. He was most recently Head of Corporate Finance for Deutsche Bank Australia and New Zealand and a member of the Executive Committee with overall responsibility for the Bank's activities in this region. He was also a member of the Asia Pacific Corporate and Investment Bank Management Committee. Prior to that he was Chief Executive Officer of Deutsche Bank New Zealand and Deputy CEO of Bankers Trust New Zealand. Mr Perkins' experience encompasses advising leading local and international companies across a broad range of markets on strategy, mergers and acquisitions and capital markets matters.

Mr Perkins is an active participant in the not for profit communities in Australia and New Zealand. He has a long-standing commitment to breast cancer causes, the visual arts and public policy development.

Mr Perkins is also a Director of the Museum of Contemporary Art in Sydney and was a Director of Meridian Energy (1999 to 2002).

Mr Perkins was appointed a Director of the Company in September 2014.

Age: 50.

Election of Board not-endorsed candidate and self nominee, Mr Stephen Mayne

In accordance with Articles 10.5 and 10.6 of the Company's Constitution, Mr Stephen Mayne is eligible for election and has submitted himself for election at the Annual General Meeting.

Each of the Directors intends to vote undirected proxy appointments given to them "**AGAINST**" the election of Mr Mayne.

The following statement was provided by Mr Mayne with his nomination and is reproduced in full without endorsement or independent verification by the Company.

Stephen Mayne Self Nominee BCom

"Stephen Mayne is a Walkley award winning business journalist and professional shareholder advocate, who publishes the corporate governance ezine www.maynereport.com. He is a City of Melbourne councillor where he chairs the Finance and Governance Committee and is deputy chair of the Planning Committee. Until recently, he was Policy and Engagement Coordinator for the Australian Shareholders' Association and previously served as an ASA director.

Mr Mayne's business experience includes launching, building and later successfully selling Australia's best known independent ezine, Crikey.com.

Mr Mayne believes Woolworths needs more directors in tune with the global focus on corporate social responsibility. In particular, Mr Mayne is concerned about potential damage to the Woolworths brand and franchise from its operation of more than 11,000 pokies at its pubs and clubs through the ALH joint venture with Bruce Mathieson.

Mr Mayne believes Woolworths should exit the gambling business or, at the very least, conduct its pokies business in a way that minimises customer harm, such as by implementing the Productivity Commission recommendations for a maximum \$1 bet and mandatory pre-commitment.

If not, Woolworths potentially risks being unfavourably screened by professional investors who are signatories to the United Nations Principles for Responsible Investment.

If elected, Mr Mayne undertakes to work constructively and collegially with the board and management team to maximise shareholder value in an environment of heightened governance, transparency and corporate social responsibility."

Age: 45.

Re-election of Board endorsed serving Director, Mr Ralph Waters

ASX Listing Rule 14.4 provides that a director must not hold office past the third annual general meeting following the director's appointment or last election, or three years, whichever is the longer, but the director is eligible to stand for re-election. Accordingly, Mr Ralph Waters retires at the Annual General Meeting and, in accordance with Article 10.3 of the Company's Constitution, being eligible for re-election has submitted himself for re-election at the Annual General Meeting.

Each of the Directors intends to vote undirected proxy appointments given to them "**FOR**" the re-election of Mr Waters.

Ralph Graham Waters Non-executive Director and Chairman

Member: People Policy Committee, Audit, Risk Management and Compliance Committee and Nomination Committee.

CPEng, HonFIEAust, M Bus

Mr Waters is a member of the People Policy Committee, the Audit, Risk Management and Compliance Committee and the Nomination Committee.

Mr Waters has a Master of Business degree from Curtin University, is a Chartered Professional Engineer and an Honorary Fellow of the Institution of Engineers Australia. He has had extensive experience in the Australasian building products industry, including as Managing Director of 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 currently Chairman of Fletcher Building Limited (Director since 2001; retiring October 2014) and Chairman of Cricket World Cup 2015 Ltd. He is also a Director of Asciano Limited (since 2012). In the past, Mr Waters was Chairman and Director of Fisher and Paykel Appliances Holdings Limited (Director 2001 to 2011), Director of Fonterra Co-operative Group Limited (2006 to 2013) and Westpac New Zealand Limited (2006 to 2012).

Mr Waters was appointed a Director of the Company in January 2011 and Chairman in November 2012.

Age: 65.

Notice of Annual General Meeting 2014

Explanatory Notes

3. LONG TERM INCENTIVE PLAN ISSUE TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Why shareholder approval is being sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of the resolution on item 3 is to have shareholders approve the proposed grant under the Woolworths Long Term Incentive Plan (**Plan** or **LTIP**) to the Company's Managing Director and Chief Executive Officer, Mr Grant O'Brien, of rights to receive fully paid ordinary shares in the Company (**Shares**) by issue or transfer for no cash payment (**Performance Rights**).

Subject to approval by shareholders, the Board proposes that under the LTIP in respect of the 2015 financial year, the grant will comprise the issue of 67,514 Performance Rights to Mr O'Brien.

Performance hurdles will apply to the Performance Rights, as outlined in Appendix A.

In the Board's view, the performance hurdles that must be satisfied before Performance Rights are exercisable link the ultimate value of the Performance Rights to the continued growth of the Company's earnings and shareholder returns and therefore provide a major incentive for Mr O'Brien to ensure the Company continues its superior performance.

Issuing Performance Rights (and other forms of equity securities) to senior executives is a well established and standard component of the Company's remuneration structures and the Directors, other than Mr O'Brien (in view of his personal interest in the resolution), believe it is appropriate for shareholders to approve the grant of Performance Rights as contemplated by the resolution on item 3.

Terms of the Performance Rights

Set out below is a summary of the key rules of the LTIP (including the Sub-Plan of the LTIP under which Performance Rights will be delivered, if approved by shareholders).

The Performance Rights Sub-Plan delivers a contractual right to a grant of a Share to the holder at a future date, subject to performance hurdles being met and any other vesting conditions being satisfied. No payment is required to be made by the holder in respect of the exercise of Performance Rights. Upon exercise, each Performance Right entitles the holder to the issue or transfer of one Share (subject to adjustment in certain circumstances as permitted by the ASX Listing Rules).

- **Performance hurdles and other vesting conditions** – the Board has determined that, subject to the terms of the LTIP, the vesting and exercise of Performance Rights is conditional on the achievement of the performance hurdles, and the satisfaction of any other vesting conditions, as set out in the terms and conditions of the specific grant. The performance hurdles for the Performance Rights proposed to be granted to Mr O'Brien are described below in Appendix A (no other vesting conditions will apply).
- **Exercise** – the Board will prescribe a date or dates on which Performance Rights become exercisable. Subject to the LTIP, on or after the prescribed date, and provided all other vesting and exercise conditions prescribed by the Board have been achieved and the Performance Rights have not otherwise lapsed, the relevant holder of Performance Rights may acquire Shares by exercising the Performance Rights.
- **Early exercise** – early exercise of Performance Rights may be permitted at the discretion of the Board, if the relevant holder ceases employment with any participating Woolworths group company in circumstances such as death, retirement, ceasing employment because of illness, incapacity or redundancy or where otherwise permitted by the Board or its delegate (such as on a transfer of business). Such early exercise, however, is subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at the time of cessation and is pro-rated for the time served. Early exercise may also be permitted on a takeover, scheme of arrangement, or winding up of Woolworths, subject to the Board or its delegate's approval. Early exercise of Performance Rights of persons whose employment is terminated for cause may only occur if permitted at the discretion of the Board or its delegate (and again subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at that time).

- **Delivery of Shares** – the Board can decide whether to purchase Shares on-market or to issue new Shares to satisfy exercise of Performance Rights.
- **Reorganisations and bonus issues** – a holder's entitlement to Shares under a Performance Right will be adjusted to take account of bonus issues as if the Performance Right had been exercised before the determination of entitlements in respect of those issues. In the case of reorganisation of the issued capital of the Company, the entitlement to Shares under a Performance Right will be adjusted as required by the ASX Listing Rules from time to time.
- **Lapse** – a Performance Right will lapse if it is not exercised within the exercise period determined by the Board on grant. However, in the case of death or cessation of employment of the relevant Plan participant, the lapse date may be brought forward. Subject to the Board determining an earlier lapse date, a Performance Right lapses at the latest of:
 - the expiry of 12 months after the relevant Plan participant's death, if death occurs before the Performance Right lapses in accordance with the below;
 - the expiry of 3 months after the relevant Plan participant ceases to be employed by the Woolworths group for any other reason; and
 - if the Board extends the time during which the Performance Right may be exercised, the expiry of that time.

Lapse may also occur in other circumstances, including where there is dishonesty, fraud or breach of duty by a Plan participant.

- **Restrictions on transfer** – a Performance Right granted to a Plan participant is only exercisable by the participant or their legal personal representative. Performance Rights are not transferable, except with express approval of the Board or its delegate or by force of law on death or legal incapacity.
- **Restriction on disposal of Shares** – the Board may impose a restriction on disposal of Shares acquired on exercise of a Performance Right.

Number of equity incentives issued under the LTIP

Under the LTIP, options to acquire Shares (**Options**), Performance Rights, and beneficial interests in Shares (**Performance Shares**) may be issued to employees of the Woolworths group.

Since the initial approval by shareholders of the LTIP in 2004, the following Options, Performance Rights and Performance Shares have been issued under the LTIP:

- 41,640,200 Options;
- 16,429,258 Performance Rights; and
- no Performance Shares.

Maximum number of Performance Rights to be issued to Mr O'Brien

The maximum number of Performance Rights that may be acquired by Mr O'Brien if shareholder approval is provided at the Annual General Meeting is 67,514.

Price of Performance Rights

The Performance Rights will be issued at no cost to Mr O'Brien. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at nil cost.

Notice of Annual General Meeting 2014

Explanatory Notes

Other information relating to the potential grants of Performance Rights

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders.

- No Director other than Mr O'Brien is currently eligible to participate in the grant of Options, Performance Rights or Performance Shares under the LTIP.
- No Directors have received Options or Performance Shares under the LTIP since the last approval given by shareholders under ASX Listing Rule 10.14 (namely, at the 2013 Annual General Meeting).
- No Directors other than Mr O'Brien have received Performance Rights under the LTIP since the last approval given by shareholders under ASX Listing Rule 10.14. Mr O'Brien has received 161,780 Performance Rights (as approved at the 2013 Annual General Meeting) and the acquisition price for the Performance Rights was nil.
- Upon satisfaction (or waiver) of the relevant performance hurdles as referred to above, Mr O'Brien will be entitled to exercise each Performance Right granted to him and be issued with one Share (subject to the terms of the issue of the Performance Rights relating to bonus issues and capital reorganisations of the Company).
- No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights proposed to be provided to Mr O'Brien.
- If shareholders approve the resolution on item 3, 67,514 Performance Rights will be issued to Mr O'Brien at nil cost by no later than 12 months after the passing of the resolution.

Board recommendation:

The Directors (with Mr O'Brien abstaining) recommend that shareholders vote in favour of the resolution on item 3.

Mr O'Brien does not make a recommendation in respect of the resolution in view of his personal interest in the resolution.

Copies of the Woolworths Long Term Incentive Plan Rules are available on Woolworths' website at www.woolworthslimited.com.au and at Woolworths' registered office at 1 Woolworths Way, Bella Vista, NSW 2153, or may be obtained by shareholders at no charge by writing to the Company Secretary at that address.

4. ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the period ended 29 June 2014 is set out on pages 44 to 70 of the 2014 Annual Report. The Remuneration Report is also available on Woolworths' website at www.woolworthslimited.com.au.

The Remuneration Report includes an explanation of the Company's remuneration policy and the remuneration arrangements in place for Directors and other key management personnel.

At Woolworths, all employees play an important role in delivering the Company's financial performance, and remuneration policies have been developed to provide market competitive remuneration in order to sustain Woolworths' competitive advantage and protect the interests of shareholders.

Woolworths has an achievement and performance oriented culture that the Company's remuneration policies serve to drive and support. In recognising the importance of its people to the Company's success, over 45,000 current Woolworths group employees hold shares in the Company or participate in various equity based schemes, sharing in the Company's success and aligning their interests with that of other shareholders. The Company's remuneration policy is aligned with both its financial and strategic business objectives and recognises that people are a major contributor to sustained improvements in performance.

Woolworths' remuneration policy for all executives ensures:

- remuneration is market competitive and designed to attract, motivate and retain key executives;
- demanding performance measures are applied to both short and long term "at risk" remuneration;
- short term performance is linked to both financial and individual performance measures; and
- long term performance is measured through shareholder value creation.

In summary, the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of Directors and other key management personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance hurdles applicable to the remuneration of Directors and other key management personnel of the Company; and
- sets out remuneration details for each Director and other key management personnel of the Company (including the value of any options and performance rights granted to those persons).

As required by the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to shareholders at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Board recommendation:

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

Notice of Annual General Meeting 2014

Appendix A

PERFORMANCE HURDLES FOR GRANT TO BE MADE TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Under the LTIP, Performance Rights are granted but only vest subject to the achievement (or waiver in certain circumstances) of specific performance hurdles (and, if applicable, satisfaction of any other applicable vesting conditions).

The performance hurdles (**Performance Hurdles**) set by the Board for the proposed grant of Performance Rights to Mr O'Brien are as follows:

- for 50% of the Performance Rights granted (**EPS tranche**), an Earnings Per Share (**EPS**) Performance Hurdle; and
- for 50% of the Performance Rights granted (**TSR tranche**), a market comparative Total Shareholder Return (**TSR**) Performance Hurdle.

In each case, satisfaction of the Performance Hurdle is subject to the vesting scale outlined below. The EPS and TSR Performance Hurdles are measured over a three year period from the effective grant date (i.e. 1 July 2014). The Performance Hurdle is not retested if not met and any Performance Rights will lapse, subject to the waiver of Performance Hurdles to the extent permitted under the LTIP.

As detailed in section 2.3 of the Remuneration Report on page 54 of the Company's 2014 Annual Report, the performance period for grants under the LTIP in respect of the 2015 financial year has been reduced to three years from the five years that applied to grants in previous financial years. This change will importantly bring performance measures under the LTIP in line with the Company's three year business strategy, is consistent with the practices followed by the majority of ASX 100 companies, and allows sufficiently challenging targets to be set while assisting in the Company attracting and retaining key talent. In moving from a five year to a three year performance period, the transition approach that has been adopted involves three year grants being made under the LTIP immediately in respect of the 2015 financial year but at the 50% grant level for that year and the following financial year for all executives previously participating in five year grants. This effectively 'smoothes' the move to the three year performance period and is expense neutral to the Company over four years.

EPS Performance Hurdle

EPS is the non-dilutive EPS, which is measured as the net profit after income tax expense of the consolidated entity after non-controlling interests, divided by the weighted average number of shares on issue (including Shares and dividend reinvestment allotments and adjusted to remove treasury shares held by Woolworths Custodian Pty Ltd) over the relevant measurement period.

In relation to the proposed grant of Performance Rights to Mr O'Brien, the EPS tranche will vest (wholly or in part) upon Woolworths attaining a compound annual EPS growth rate of equal to or greater than 6% over the performance period, relative to the 2014 financial year. A compound annual EPS growth rate equal to or greater than 8% over the performance period will result in 100% of the Performance Rights in the EPS tranche vesting. Vesting will occur progressively on the basis determined by the Board up to 100% of the EPS tranche for a compound annual EPS growth rate between 6% and 8% over the performance period.

TSR Performance Hurdle

Broadly, TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the change in a company's share price over the relevant measurement period as well as the dividends received (and assumed to be reinvested back into the company's shares) during that period.

The TSR Performance Hurdle for the proposed grant of Performance Rights to Mr O'Brien compares the Company's TSR performance over the performance period against the TSR performance over the same period of a group of comparator companies. The group of comparator companies comprises S&P/ASX 100 companies, but excludes any non-comparable companies such as financial services and resources sector companies, trusts and any companies in the comparator group that are under takeover or takeover speculation, have merged, had a share reconstruction or been de-listed as at the measurement date.

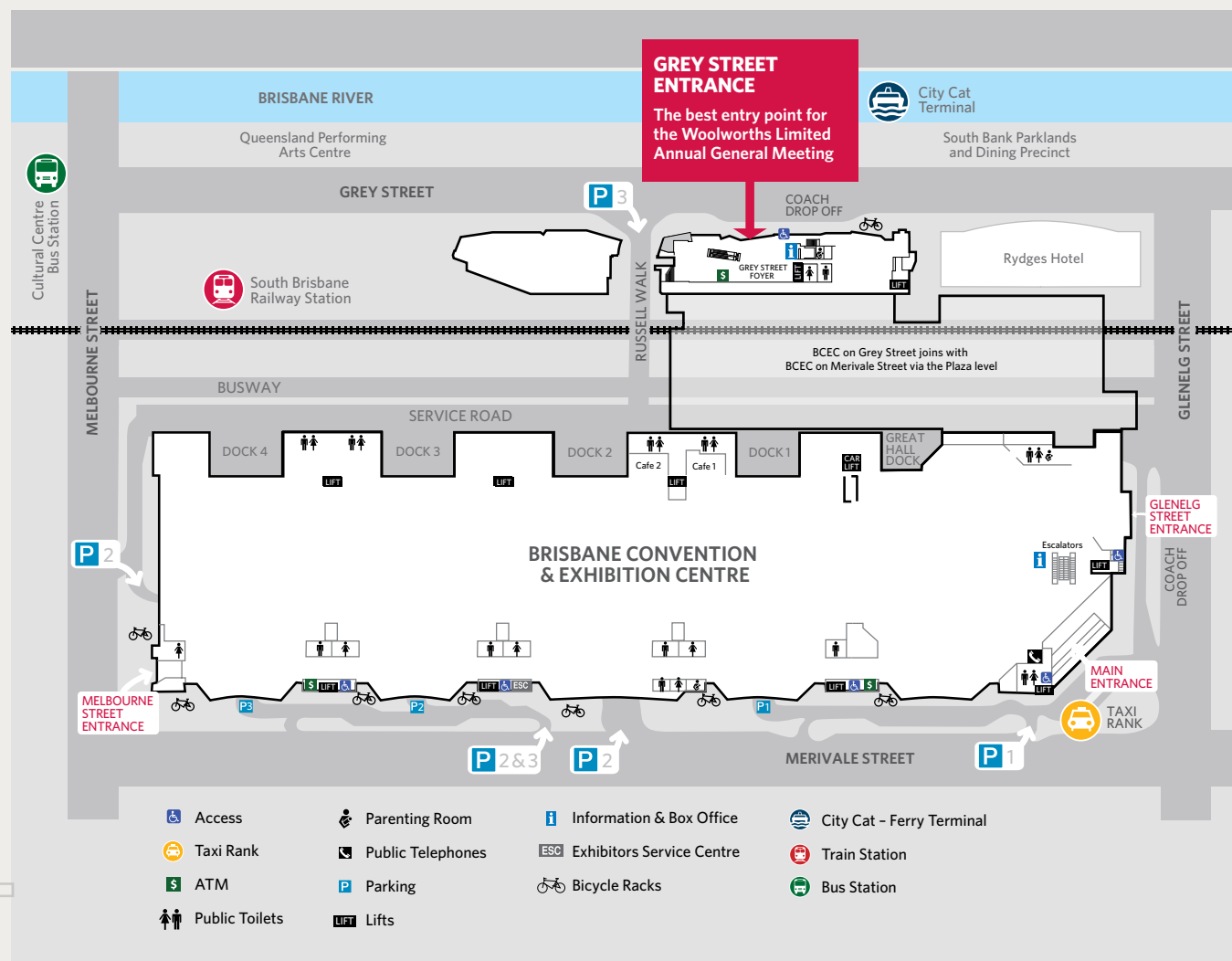
A minimum TSR ranking for Woolworths at the 51st percentile measured against the comparator companies is required for any Performance Rights in the TSR tranche for Mr O'Brien to vest. All of the TSR tranche will vest if Woolworths' TSR ranking is at or above the 75th percentile measured against the comparator companies. Vesting will occur progressively on the basis determined by the Board up to 100% of the TSR tranche for a TSR ranking for Woolworths between the 51st percentile and the 75th percentile.

Vesting, exercise period and expiry period

If the Performance Hurdle for the EPS tranche for Mr O'Brien is met as at the third anniversary of the date of grant then the applicable number of Performance Rights will vest, with the balance lapsing. Similarly, if the Performance Hurdle for the TSR tranche is met as at the third anniversary of the date of grant then the applicable number of Performance Rights will vest, with the balance lapsing.

Notice of Annual General Meeting 2014

Getting to the Brisbane Convention & Exhibition Centre



The Brisbane Convention & Exhibition Centre is located in Brisbane's South Bank riverside precinct on the corner of Merivale & Glenelg Street. **The best entry point for the Woolworths Limited AGM is the Grey Street entrance.**

Airtrain - Catch the Airtrain from Brisbane's international and domestic airports to South Brisbane station, adjacent to the Convention Centre.

Bus Services - South Bank is serviced by two bus stations: The Cultural Centre Station on Melbourne Street and the South Bank Busway Station corner of Colchester and Tribune Streets, South Bank.

CityCats - Operate everyday and stop at the South Bank River Terminal on the Clem Jones Promenade. The inner-city ferry travels between the CBD, North Quay and Kangaroo Point, stopping at South Bank Terminal 1 and 2 on the Clem Jones Promenade.

Taxi - Taxi ranks are located outside the main entrance to the Convention Centre on Merivale Street, at Mantra South Bank on Grey Street. There is a taxi drop off located at the Convention Centre Grey Street entrance.

Trains - South Brisbane Railway Station adjacent to the Convention Centre on Grey Street.

For information about public transport visit translink.com.au for more information on go card, transfer rules and alternative services or **call 13 12 30** anytime.

For personal use only

WOOLWORTHS LIMITED

SHAREHOLDER NEWSLETTER
FOR THE FULL YEAR
ENDED JUNE 2014

For personal use only



Managing Director and Chairman's Report 2014

We are pleased to report that the four Strategic Priorities we outlined three years ago are delivering strong, sustainable growth in established parts of the business. At the same time we are investing in opportunities to deliver growth into the future.

Grant O'Brien and Ralph Waters



Since outlining the Strategic Priorities in November 2011, we have been transforming our business. Our FY14 result demonstrates that we are on the right path.

Our net profit after tax from continuing operations before significant items¹ increased by 4.2% or 6.1% on a normalised 52 week basis for financial year 2014 to \$2.452 billion.

Sales were \$60.8 billion, an increase of 3.9% or 5.9% on the prior year, on a normalised 52 week basis, supported by ongoing momentum in the Australian Food, Liquor and Petrol business.

This year \$1.7 billion, 70% of our profit, will be returned to our shareholders in dividends. Delivering strong and consistent returns to our mum and dad shareholders is something Woolworths prides itself on.

The work we are doing for the benefit of the 29.4 million customers we serve on average every week has ensured that

Woolworths remains well positioned in its market segments and has a strong and sustainable business model.

The momentum we have built is pleasing, but there is a lot more to do. We are working hard to transform our business to secure ongoing returns for our shareholders.

Thank you for your support in FY14 and we look forward to reporting on our progress throughout FY15.

Grant O'Brien
Managing Director
and Chief Executive Officer

Ralph Waters
Chairman

¹ Refer page 35 of the Annual Report for information relating to significant items.

CORPORATE RESPONSIBILITY HIGHLIGHTS

1. A great place to invest

Woolworths has delivered solid returns to its shareholders as well as maintaining a good corporate responsibility performance. For the second year in a row, the Dow Jones Sustainability Index (DJSI) and RobecoSAM have rated us as the world's industry group leader for the food and staples retailing sector.

2. A great community partner

We have contributed more than \$41 million to our community partners. The Salvation Army is one of our major partners and in response to bushfires and drought we have raised, thanks to the generosity of our customers, more than \$5.5 million to help those affected by natural disasters.

3. A great place to shop

Our customers want locally produced products and during the year we continued to deliver this through partnerships with Australian suppliers of fruit, vegetables and milk this year. In Victoria, our \$10 million contract for SPC Ardmona to supply Own Brand canned fruit prompted a 38% sales increase Australia-wide. In Tasmania, our \$16.5 million Select frozen vegetables contract with Simplot enabled 155 farmers to plant another 650ha of vegetables.

4. A great place to work

We're Australia's second largest private sector employer with 198,642 employees in Australia and New Zealand. Women comprise 33% of Board members and managers up to three levels below the Board. Our diversity policies are working: our employees include younger and older workers, Indigenous, Maori and Pacific Islanders, and people with disabilities.



Progress Against Strategic Priorities

STRATEGIC PRIORITY #01

Extend our leadership in Food and Liquor



PROGRESS DURING FY14 INCLUDED:

- **Ongoing momentum in Food and Liquor** with improved comparable sales, EBIT growth and market share
- **Delivered excellent value** with key Supermarkets promotional campaigns providing more than \$750 million in savings to customers. Average price deflation was 3.1% for the year
- **Improved our offer** with Fresh market share growing faster than Grocery in line with our strategy
- **Provided more convenient access** both in-store with 34 new Australian Supermarkets (net) and 11 new Dan Murphy's stores (net), and Online with a number of new digital features making shopping easier for our customers. We served on average 21.1 million customers per week in FY14
- **Enhanced Australia's leading liquor offer** with further improvements to our market leading store formats and online offer. danmurphys.com.au is Australia's most visited liquor website
- **Reinforced our value credentials in Countdown New Zealand** with a strong customer response to our 'Price Lockdown' and 'Price Drop' campaigns
- **Strengthened our Petrol offer** with 67 canopies and forecourts refreshed to provide increased access to diesel and premium fuels. Our improved merchandise offer is also delivering strong results

STRATEGIC PRIORITY #02

Maintain our track record of building new growth businesses



PROGRESS DURING FY14 INCLUDED:

- **Extended our leadership as Australasia's largest domestic online retailer** with Online sales over \$1.2 billion for FY14, increasing by 50% on the previous year. Our market leading online offers in Australian Food, Australian Liquor as well as Food in New Zealand continue to exceed our expectations and have been supported by strong growth in our Australasian Apparel business
- **Continued to lead on innovation** with Australia's first full range dedicated online fulfilment grocery store, 'Track My Order' GPS routing on Supermarket online orders improving convenience for our customers and the roll out of cross-divisional Click & Collect now underway
- **Acquired EziBuy** with the integration progressing well to drive online growth in General Merchandise
- **Australia's fastest growing Home Improvement offer** has made a strong start. We are focused on moving Home Improvement from a start-up to a scalable, material profit contributor for the Group under the new leadership of Matt Tyson

STRATEGIC PRIORITY #03

Put in place the enablers for a new era of growth



PROGRESS DURING FY14 INCLUDED:

- **Next generation logistics and technology development** as we continued to invest in technology to enable our online growth whilst building the next generation of supply chain capability
- **Building customer loyalty** leveraging the work performed by Quantum to provide customer insights, enabling us to better understand our customers' needs. We now have 7.9 million Everyday Rewards members in Australia and 1.9 million Onecard members in New Zealand
- **Continue to strengthen our world class retail team** blending the best local and international talent, including David Marr as Chief Financial Officer, Clive Whincup as Chief Information Officer, Managing Director appointments Matt Tyson (Home Improvement) and Alistair McGeorge (BIG W) as well as Emma Gray as Chief Loyalty and Data Officer

STRATEGIC PRIORITY #04

Act on our portfolio to maximise shareholder value



PROGRESS DURING FY14 INCLUDED:

- **Divestment of property as market opportunities arise** with the sale and leaseback of a \$600 million portfolio of freehold Hotel sites announced in September 2014, which adds to the \$1.4 billion of property divested through the creation of the SCA Property Group in FY13
- **Commenced the transformation of BIG W** implementing the BIG W strategy with a focus on execution and operational excellence complemented by new leadership
- **Commenced program to introduce voluntary pre-commitment functionality** on electronic gaming machines in our Hotels
- **Acquisition of Hudson Building Supplies** in our Home Timber and Hardware business which will improve our presence in New South Wales and Queensland

Delivering sustainable profit growth in established divisions whilst investing for future growth.

FY14 KEY FINANCIAL HIGHLIGHTS

FY14 FULLY FRANKED DIVIDENDS PER SHARE

137c

TOTAL DIVIDENDS RETURNED TO SHAREHOLDERS IN RELATION TO FY14

\$1.7b

SALES

\$60.8b

CONTINUING OPERATIONS

3.9% OR 5.9%² ↑

NET PROFIT AFTER TAX

\$2,451.7m

CONTINUING OPERATIONS BEFORE SIGNIFICANT ITEMS¹

4.2% OR 6.1%² ↑

TOTAL GROUP

8.5% ↑

EARNINGS PER SHARE

196.5c

CONTINUING OPERATIONS BEFORE SIGNIFICANT ITEMS¹

3.3% OR 5.2%² ↑

TOTAL GROUP

7.6% ↑

1. Refer page 35 of the Annual Report for information relating to significant items.

2. Full year growth has been adjusted to remove the 53rd week in the 2013 financial year.



89TH ANNUAL GENERAL MEETING

Thursday, 27 November 2014

11:00 am (Brisbane time)

Brisbane Convention & Exhibition Centre,

Cnr Merivale & Glenelg Streets, South Bank

Brisbane, Queensland 4101 Australia

KEY FINANCIAL DATES

First Quarter Sales

3 November 2014

Annual General Meeting

27 November 2014

First Half Year Profit

27 February 2015

Third Quarter Sales Results

29 April 2015

Full Year Profit Report

28 August 2015

Please note: the timing of events may be subject to change.

MORE INFORMATION

Please contact our share registrar,

Computershare Investor Services Pty Limited

Phone: 1300 368 664

Fax: 03 9473 2564

Mail: GPO Box 2795, Melbourne VIC 3001

Website: www.woolworthslimited.com.au

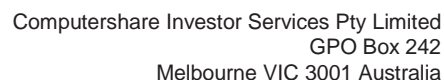
Corporate Responsibility Initiatives

www.woolworthslimited.com.au/page/A_Trusted_Company/

Woolworths Limited ABN 88 000 014 675

woolworthslimited.com.au

ABN 88 000 014 675



The Annual General Meeting (AGM) of Woolworths Limited will be held on Thursday, 27 November 2014 at Brisbane Convention & Exhibition Centre, Cnr Merivale & Glenelg Streets, South Bank, Brisbane QLD 4101 commencing at 11.00am (Brisbane Time). Shareholders who are unable to attend the meeting or who may prefer to register questions in advance of the AGM are invited to do so. This form is provided to shareholders as a convenient way to submit any questions you may have.

Shareholders may also use this form to submit a written question to the auditor if the question is relevant to the content of the auditor's report or the conduct of the audit of the financial report to be considered at the AGM.

During the course of the AGM we intend to address as many of the more frequently asked questions as is practicable. After the AGM, responses to the more frequently asked questions will be available on the Woolworths Limited website.

Shareholder questions must be received by Thursday 20 November 2014. Please return the form to our Share Registry, Computershare Investors Services Pty Ltd, GPO Box 242, Melbourne Victoria 3001 or by Facsimile to 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia). The envelope provided for the return of your proxy form may also be used for this purpose.

| | |
|--------------------|--|
| Shareholder's Name | |
| Address | |

[illegible]

| Question(s) | |
|-------------|--|
| 1. | |
| 2. | |
| 3. | |
| 4. | |