

'The Fresh Food People'

WOOLWORTHS

THE MARKET

Over the years, the Fresh Food People have become an important part of the nation's economy.

How? By offering a total shopping experience that includes friendly, helpful staff, an extensive range of products, unbeatable fresh food quality, competitive pricing and excellent customer service.

In an increasingly tough market, Woolworths continues to build customer loyalty by remaining true to its promise: "The best product at the best price with the best service."

ACHIEVEMENTS

In 1999 Woolworths launched "Project Refresh", a major cost restructuring program. This enormous undertaking has changed the way Woolworths does business and over seven years has delivered cost savings amounting to 5.3 billion dollars. These savings have enabled Woolworths to offer its customers lower prices.

Most senior Woolworths managers have come through the ranks of the company and a university program has been developed to accelerate training, establishing Woolworths as a corporate leader in people development.

Woolworths has more retail apprentices and trainees than any other Australian company, investing millions of dollars every year on in-store staff training. This year's training programs involved 100,000 supermarket staff and is a prime example of Woolworths' commitment to developing employee skills and cultivating talent.

Woolworths was the first supermarket to offer savings of 4c per litre on petrol when customers spent \$30 or more in a Woolworths supermarket. The success of this offer has seen other supermarket retailers following suit.

In the community, Woolworths supports many events and charities, and facilitates the annual "Fresh Future" Children's Hospital Appeal that raises funds to aid children's hospitals and children's wards across Australia. Thanks to the efforts of Woolworths staff and the generosity of Woolworths customers, the Appeal raised more

than \$4,100,000 last year. Woolworths also works with the Fred Hollows Foundation in remote areas near Katherine in NT, teaching indigenous communities the skills required to operate retail facilities and stock fresh and nutritious foods.

Woolworths Limited is committed to reducing its environmental footprint with a broad range of initiatives addressing energy consumption, waste management, packaging, fuel consumption and hazard management.

Woolworths Limited is actively pursuing a reduction in plastic bags and is a member of the Australian National Retailers Association which includes Aus-

a program that collects its supermarkets' organic waste. This waste is taken to an anaerobic digester plant at Camellia NSW, and processed to produce green energy which is sold on the national electricity market.

Woolworths' Norwest support office, which opened in 2005 and houses 3,500 employees, is designed to incorporate energy efficient systems, recycling programs and a one million litre water tank. Staff are actively encouraged in their approach to energy, water and waste. For example, an initiative for reducing business mileage is a competition encouraging the employees to car pool to and from work. The most successful car pool team swaps cars with the CEO for one week!

HISTORY

"Woolworths Stupendous Bargain Basement" first opened in the cramped basement of the Imperial Arcade in 1924. By 1933 Woolworths had developed a "chain" with 31 stores in Australia and 9 in New Zealand. In 1956, Australia's first checkout-style variety store opened at Beverly Hills offering "swift, courteous" service. Australia's first "supermarket" opened at Dee Why in Sydney the following year.

Woolworths pioneered the supply of a wide range of low-price, quality merchandise to rural Australia, most dramatically in Alice Springs and Darwin, soon becoming Australia's biggest retailer of fresh fruit and vegetables.

By 1985, acquisition of Australian Safeway Ltd made



Australia's largest retailers. Over a three year period to December 2005, the group achieved a 45% reduction in plastic bags. Reusable green bags are attributable to the reduction, as well as a conscious effort to reduce the amount of bags being issued at check outs, when three items or less are being purchased.

Woolworths Limited reduced its electricity usage by 3% with the introduction of an Energy Management lighting system in its supermarkets. Woolworths also introduced





Woolworths the market leader in grocery sales. In 1987, Paul Simons and Harry Watts launched the concept of "The Fresh Food People". In just two years, profit leapt from \$8 million to \$136 million.

TODAY

This year, Woolworths celebrates 20 years of "The Fresh Food People". Now Woolworths has over 750 supermarkets serving more than 13 million customers nationally every week. As a significant supporter of rural and regional Australia, The Fresh Food People purchase 25 per cent of all fruit and vegetables sold at retail in Australia, 14 per cent of all meat and 24 per cent of all dairy products.

Woolworths Liquor, along with sister stores Dan Murphy's and BWS, has brought significant competition to the liquor market and lower prices to customers.

RECENT DEVELOPMENTS

In 2005, Woolworths launched its "Select" range of high quality private label products. Woolworths sources products from specialist suppliers to provide a range that is second to none at great prices. All "Select" products meet expectations on quality and taste. With its distinctive silver packaging, the range is proving very popular with customers. It complements Woolworths' Home Brand range, everyday products at rock bottom prices, and Woolworths health ranges - Organics, Freefrom and Naytura.

On January 23rd 2007, as rural Australia struggled for survival in the worst drought for over 100 years, Woolworths held a National Drought Action Day. Woolworths Supermarkets donated the full day's profits to help rural communities affected by drought. The initiative received overwhelming support from Australian shoppers and raised over \$4.7 million, which was distributed by the Country Women's Association (CWA).

PROMOTION

The launch of "Fresh Food People" in 1987 was supported by an advertising campaign that ran for several years. Many of the staff that featured in the early Fresh Food People ads are still with the company. The familiar jingle has been maintained

in different forms since 1987 and "Fresh Food People" is now synonymous with Woolworths.

In 2003, Woolworths launched the "Fresh Obsession" campaign to demonstrate how Woolworths really are The Fresh Food People, delivering the best and freshest foods to its customers by working closely with suppliers and meeting the high standards set in its Quality Assurance Program. Each commercial featured a true story involving real Woolworths people and partners to give customers the facts behind the fresh food in store.

For Christmas 2006, Woolworths unveiled the latest campaign in The Fresh Food People lineage. With a new line, "You Can Count On The Fresh Food People" the campaign demonstrates



The Fresh Food People's knowledge and passion for the fresh foods they provide to customers and to their families. Each ad shows real staff working, as a team, talking about the great produce, creating meal solutions and pointing out the value that customers can enjoy from a trip to Woolworths.

The campaign launch extended across all media linking TV with radio, press, in-store, catalogues and online work. It coincided with the introduction of new uniforms for all staff across 750 stores.

Woolworths continues to promote healthy foods and meal ideas in store, on its website and in its magazines. Woolworths.com.au tells customers what produce is in season, offers healthy recipes and provides healthy-eating advice from Rosemary Stanton, one of Australia's best known nutritionists. Its "Supermarket Safari" section is a resource for parents and teachers to help educate young children about nutrition.

In association with News Limited, Woolworths' monthly Australian Good Taste and free "Fresh" magazines are a further rich source of tips, recipes and health and nutrition information. Woolworths Australian Parents offers advice to mums-to-be and parents of young children.

Woolworths continues to offer customers low prices everyday. Under its "Rollback" banner, Woolworths "rolls back" the prices of items that customers buy week in, week out. On top of "Rollback" Woolworths continues to offer great specials every week keeping customers informed of what's on offer through its catalogues and on woolworths.com.au.

Customers can always count on low prices



from the Fresh Food People.

BRAND VALUES

Group CEO Michael Luscombe sums up the Woolworths Way: 'we are a passionate group of people with a common interest in engaging the customer at every level; seeking to understand, meet, fill and exceed the expectations of 20 million Australians every time they shop'.

The strategy of "The Fresh Food People" incorporates more than just the promise of the biggest and best range of fresh food. Woolworths passionately believes that its people are the core of the company's success, as important to the shopping experience as the food itself.

www.woolworths.com.au

THINGS YOU DIDN'T KNOW ABOUT WOOLWORTHS

- Woolworths is the largest private employer in Australia.
- All staff shown in commercials are actual Woolworths employees.
- Woolworths has more than 320,000 shareholders, 30,000 of whom are Woolworths employees.