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JOINT PRESS RELEASE

Woolworths and HSBC enter Heads of Agreement

- Australia's leading retailer to tie up with one of the world's largest banks
- Strategic alliance to produce credit card in 2008
- Key milestone in Woolworths Financial Services offer

Woolworths Limited and HSBC Bank Australia today announced the signing of an exclusive Heads of Agreement for the issuance of a Woolworths General Purpose Credit Card in Australia.

A formal alliance agreement is expected to be signed by the end of the first quarter 2008, with a view to issuing the credit card to customers by late 2008.

Commenting on the planned alliance, Michael Luscombe, Chief Executive Officer, Woolworths Limited said: "We are pleased to announce HSBC as our credit card issuer. HSBC is a global leader in credit cards with world class technology and expertise."

HSBC has long-term successful partnerships with other large retailer cards programs including Marks & Spencer's and John Lewis in UK and Best Buys and Saks in the USA. "HSBC's experience makes it a perfect partner for Woolworths to leverage our unique distribution reach and customer base in Australia," Mr Luscombe added.

"The selection of HSBC has been the culmination of an intensive global tender process which was undertaken by Woolworths' Group Financial Services team during 2007," he said.

Each year, Woolworths processes 114 million credit card transactions through its checkouts which equates to 11% of all credit card transactions in the country. "Handling customer payments is an important part of our retail business and our service to customers," Mr Luscombe said.

"Woolworths' highly successful implementation of its own payments processing platform in mid-2007 provides a payments and cards infrastructure from which to launch a successful credit cards program for our customers," Mr Luscombe said.

Stuart Davis, Chief Executive Officer of HSBC Bank Australia said "Global cards expertise and scale is critical to effective performance of products like credit cards and consumer finance and as one of the world's largest banks, HSBC brings that global strength to this relationship."

- more over -

“HSBC manages over 125 million credit cards worldwide, with established co-branded and white label alliances with over 100 of the world’s most respected companies,” Mr Davis said.

“HSBC’s track record of long-term credit card issuing relationships with retailers across the globe is an important asset for us to bring to this relationship.

“HSBC’s experience in product design and technology provides Woolworths with the benefit of international product innovation, global operational and service efficiencies, as well as its best-in-class credit card processing platform – WHIRL,” he said.

Developed by HSBC Finance in the United States, the WHIRL credit card authorisation and accounting platform consists of a range of integrated applications, including risk management, fraud detection, document production and storage, transaction processing and reporting as well as productivity tools. WHIRL is one of HSBC’s most successful global technology deployments to date.

“The combination of HSBC’s global strength and our local customer focus is critical to meeting the needs of Woolworths customers in Australia. The assets that both organisations bring to this relationship put us in a strong position to deliver a unique value proposition to Woolworths customers,” Mr Davis said.

Further details on the credit card will be released in due course.

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CONTACT DETAILS:

Luke Schepen (Woolworths)

+61 (0)2 8885 3048

+61 (0)400 798 786

lschepen@woolworths.com.au

Kate Epworth (HSBC)

+61 (0)2 9006 5682

+61 (0)418 700 172

kateepworth@hsbc.com.au

Notes to Editors

About Woolworths Limited

Woolworths Limited (ASX: WOW) is Australia and New Zealand’s largest retail group made up some of the most recognisable and trusted brands in retailing serving millions of customers every day. Woolworths retail interests span across supermarkets, petrol, liquor, hotels, consumer electronics and discount department stores. As a group across Australia and New Zealand, Woolworths Limited has more than 3000 stores (including more than 770 supermarkets in Australia) and 180,000 employees.

About HSBC Bank Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody.

Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162), HSBC Bank plc (ABN 98 067 329 015), The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970) and HSBC Precious Metals (Australia) Limited (ABN 98 001 930 392). HSBC is marketed worldwide as ‘the world’s local bank’.