

2 September 2009

Company Announcements Office
Australian Securities Exchange

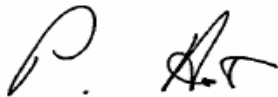
Dear Sir or Madam

Carboxy Pty Ltd takeover offer for Danks Holdings Limited (ASX: DKS)

On behalf of Carboxy Pty Ltd (**Carboxy**), a subsidiary of Woolworths Limited (ASX: WOW), we enclose pursuant to item 5 of section 633(1) of the Corporations Act 2001 (Cth) a copy of Carboxy's bidder's statement in relation to its takeover offer for all of the shares in Danks Holdings Limited (**Danks**). The bidder's statement was lodged with the Australian Securities & Investments Commission and sent to Danks today.

On behalf of Carboxy we also give notice under section 633(4) of the Corporations Act that the date set by Carboxy for the purposes of section 633(2) of the Corporations Act is 2 September 2009.

Yours faithfully



Peter Horton
Company Secretary

Enclosure

Bidder's Statement

ACCEPT RECOMMENDED CASH OFFER OF \$13.50 PER SHARE

to acquire all of your shares in

Danks Holdings Limited

ABN 81 004 295 532

from **Carboxy Pty Ltd ACN 138 990 584**

a company jointly owned by

Woolworths Limited and Lowe's Companies, Inc.

ABN 88 000 014 675

WOOLWORTHS LIMITED



If you have any questions about the Offer or this document, or about how to accept the Offer, please contact the Offer Information Line on 1800 243 528 (toll free) within Australia or +61 3 9415 4663 (normal charges apply) from outside Australia.

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISOR AS SOON AS POSSIBLE

Bidder's statement

Important Information

This Bidder's Statement is given by Carboxy Pty Ltd ACN 138 990 584 (**Bidco**), a company owned two-thirds by Woolworths Limited ABN 88 000 014 675 (**Woolworths**) and one-third by Lowe's Companies, Inc. (**Lowe's**) to Danks Holdings Limited ABN 81 004 295 532 (**Danks**), under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act in relation to the Offer contained in section 8 of this Bidder's Statement. This Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the Offer. This Bidder's Statement is dated 2 September 2009 and includes an Offer dated [] on the terms set out in this Bidder's Statement.

No investment advice

The information provided in this Bidder's Statement is not investment advice and has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. **You should seek independent financial and taxation advice from your financial or other professional adviser before deciding whether to accept the Offer.**

Forward looking statements

This Bidder's Statement includes information that is historical in character and that consists of forward looking statements (including statements of current intention, statements of opinion and predictions as to possible future events). To the extent that any statements relate to future matters, you should consider that they are subject to risks and uncertainties. Those risks and uncertainties are not all within the control of Bidco, Woolworths and Lowe's and cannot be predicted by Bidco, Woolworths and Lowe's and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Woolworths, Lowe's and Danks and their respective Related Bodies Corporate operate and/or joint-ventures and associated undertakings operate. They also include general economic conditions, acts of terrorism, health epidemics, prevailing exchange rates and interest rates and conditions in the financial markets that may cause objectives to change or may cause outcomes not to be realised. Although Bidco, Woolworths and Lowe's believe that the expectations reflected in any forward looking statements included in this Bidder's Statement are reasonable, no assurance can be given that such expectations will prove to be correct. Actual outcomes, events or results may differ materially from the outcomes, events or results expressed or implied in any forward looking statements and any statement in the nature of a forward looking statement in this Bidder's Statement.

None of Bidco, Woolworths, Lowe's, any of their respective directors, officers or advisers, or any other person named with their consent in the Bidder's Statement or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any outcomes express or implied in any forward looking statement and any statement in the nature of a forward looking statement.

Time

All references to time in this Bidder's Statement are to Sydney time.

Key Dates

Announcement of Offer	25 August 2009
Bidder's Statement lodged with ASIC and dated	2 September 2009
Date of Offer	[] 2009
Offer Period opens	[] 2009
Offer Period closes (unless extended or withdrawn)*	[] 2009 7.00 pm (Sydney time)

*This date is indicative only and may be extended as permitted by the Corporations Act.

Information on Danks

All of the information concerning Danks contained in this Bidder's Statement has been obtained from publicly available sources including public documents filed by Danks or information published by Danks on its website. Neither Bidco, Woolworths, Lowe's nor their advisers assume any responsibility for the accuracy or completeness of this information. None of the information in this Bidder's Statement relating to Danks has been verified by Danks or the Danks Board or independently verified by Bidco, Woolworths or Lowe's or their respective directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, neither Bidco, Woolworths nor Lowe's make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Danks in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Danks to provide a Target's Statement to Danks Shareholders in response to this Bidder's Statement, setting out certain material information concerning Danks.

Notice to foreign shareholders

The distribution of this Bidder's Statement may in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of and observe those restrictions.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 2 September 2009. Neither ASIC nor its officers take any responsibility for the contents of this Bidder's Statement.

Privacy

Bidco has collected your information from the register of Danks Shareholders for the purposes of making the Offer. The Corporations Act requires the names and addresses of Danks Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Bidco's Related Bodies Corporate, and holders of securities in Bidco or its Related Bodies Corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC.

Definitions

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, capitalised terms have the meaning given in the Glossary in section 10 of this Bidder's Statement.

Information Line

If you have any questions about the Offer or this document, or about how to accept the Offer, please call the Offer Information Line on 1800 243 528 (toll free) (from within Australia) or +61 3 9415 4663 (normal charges apply) (from outside Australia).

Dear Danks Shareholder,

Cash Offer for Danks

We are delighted to enclose the recommended offer by Carboxy Pty Ltd (Bidco), a joint venture entity owned 2/3 by Woolworths Limited (Woolworths) and 1/3 by leading US home improvement retailer Lowe's Companies, Inc. (Lowe's), to acquire all of your shares in Danks Holdings Limited (Danks).

Offer

Bidco is offering \$13.50 cash for each Danks Share you own. Danks Shareholders on the Danks Share Register at 7.00 pm (Melbourne time) on 4 September 2009 (Dividend Record Date) will also be entitled to retain the final dividend for FY09 of 53.0 cents per Danks Share which is fully franked.

The Offer Price of \$13.50 per Danks Share represents a significant premium for your Danks Shares:

- 64.6% to the closing price of Danks Shares on the ASX on 24 August 2009, the last trading day prior to the announcement of the Offer;
- 68.1% to the volume weighted average price (VWAP) for Danks Shares for the 1 month period ending on 24 August 2009; and
- 85.6% to the VWAP for Danks Shares for the 3 month period ending on 24 August 2009.¹

Bidco's all cash offer provides you with certainty of value for your Danks Shares and you will incur no brokerage or stamp duty.

Danks Board Support

The Board of Danks unanimously recommends that you accept the Offer, and each of the directors of Danks have indicated their intention to accept the Offer in respect of Danks Shares in which they have a relevant interest, in the absence of a superior proposal.

Investments Proprietary Limited, the Danks family investment company which represents 48.89% of the issued capital of Danks, has also indicated its intention to accept the Offer, in the absence of a superior proposal.

Conditions

The Offer is conditional upon 90% minimum acceptance and a number of other conditions, full details of which are set out in section 8.6 of this Bidder's Statement.

We encourage you to read this Bidder's Statement for further details about the Offer, Woolworths, Lowe's and Bidco. The Offer is open for your acceptance until 7.00 pm (Sydney time) on [], unless extended. If you wish to accept the Offer, please follow the instructions in this Bidder's Statement and in the enclosed Acceptance Form.

¹ This page contains references to trading data. This trading data was prepared by IRESS Market Technology Ltd ACN 060 313 359. IRESS Market Technology Ltd has not consented to the use of the references to this trading data in this Bidder's Statement.

If you have any questions about the Offer, please contact your legal, financial or other professional adviser, or call the Offer Information Line on 1800 243 528 (toll free) (within Australia) or +61 3 9415 4663 (normal charges apply) (outside Australia).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Luscombe', set against a light blue grid background.

Michael G. Luscombe
Woolworths Limited

A handwritten signature in black ink, appearing to read 'R. Niblock', in a cursive style.

Robert A. Niblock
Lowe's Companies, Inc.

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1. Reasons why you should accept the Offer

Why You Should Accept Bidco's Cash Offer

- 1 The Danks Board unanimously recommends you accept the Offer, in the absence of a superior proposal
- 2 The Offer provides a significant premium for your Danks Shares
- 3 The all cash Offer provides you with certainty of value for your Danks Shares
- 4 The Offer allows you to sell your entire shareholding in Danks, a stock which is otherwise very illiquid
- 5 Under the Offer you will not incur brokerage fees

ACCEPT THE BIDCO OFFER

Why You Should Accept Bidco's Cash Offer

1

THE DANKS BOARD UNANIMOUSLY RECOMMENDS YOU ACCEPT THE OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Danks Board unanimously recommends that you accept the Offer, in the absence of a superior proposal.

Each of the directors of Danks intends to accept the Offer in respect of Danks Shares held by them or in which they have a relevant interest, in the absence of a superior proposal.

Furthermore, Investments Proprietary Limited, the Danks family investment company which represents 48.89% of the issued capital of Danks, has stated that it intends to accept the Offer, in the absence of a superior proposal.

In its announcements on 25 August 2009, Danks stated:

“...Today marks a turning point in Danks history as we deliver this exceptional result, and another positive outcome for shareholders through the agreement with Woolworths-Lowe’s...”

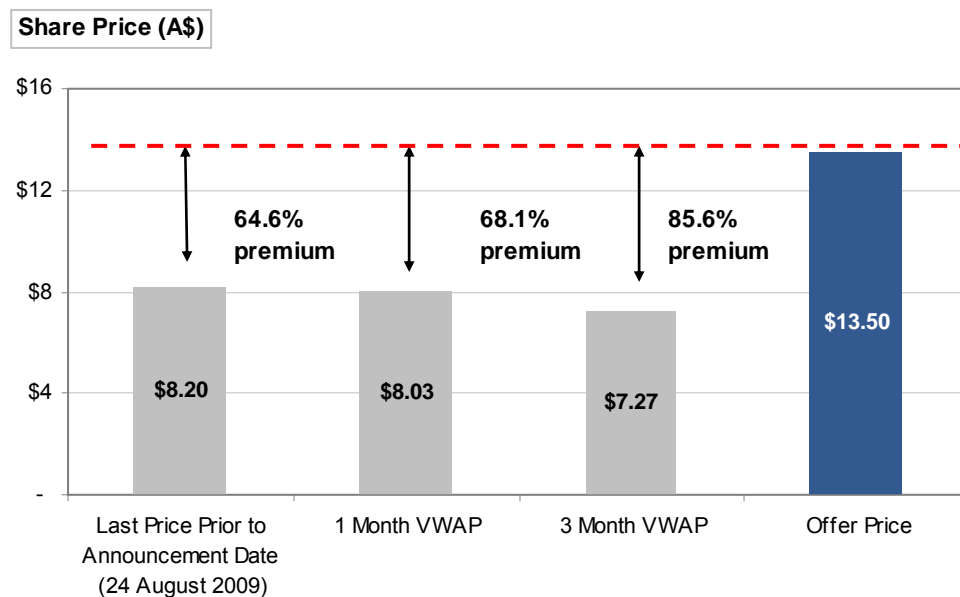
“...Danks Managing Director, Graeme Danks, said this was a great opportunity for both Danks shareholders and the Danks business...”

2

THE OFFER PROVIDES A SIGNIFICANT PREMIUM FOR YOUR DANKS SHARES

The Offer Price of \$13.50 provides a significant premium to Danks' recent share price performance on the ASX of:

- 64.6% to the closing price of Danks Shares on the ASX on 24 August 2009, the last trading day prior to the announcement of the Offer;
- 68.1% to the VWAP for Danks Shares for the 1 month period ending on 24 August 2009; and
- 85.6% to the VWAP for Danks Shares for the 3 month period ending on 24 August 2009.



Danks Shares closed at \$13.25 on 1 September 2009, the day before the date on which this Bidder's Statement was lodged with ASIC.

The Offer Price also represents a premium of 38.5% over the highest closing price of Danks Shares over the 3 years prior to the Announcement Date of \$9.75.

In addition, if you are a Danks Shareholder on the Dividend Record Date you will also be entitled to retain the Final Dividend for FY09 of

53.0 cents per Danks Share which is fully franked.

This page contains references to trading data. This trading data was prepared by IRESS Market Technology Ltd ACN 060 313 359. IRESS Market Technology Ltd has not consented to the use of the references to this trading data in this Bidder's Statement.

3

THE ALL CASH OFFER PROVIDES YOU WITH CERTAINTY OF VALUE FOR YOUR DANKS SHARES

Bidco's all cash Offer of \$13.50 per Danks Share provides you with certainty of value for your Danks Shares (subject to the Conditions being satisfied or waived).

In addition to the Offer Price, if you are a Danks Shareholder on the Dividend Record Date you will be entitled to receive the Final Dividend which is 53.0 cents per Danks Share.

4

THE OFFER ALLOWS YOU TO SELL YOUR ENTIRE SHAREHOLDING IN DANKS, A STOCK WHICH IS OTHERWISE VERY ILLIQUID

The Offer is a unique opportunity to exit your investment in Danks Shares at a significant premium.

As an indication of the limited liquidity of Danks Shares:

- Danks substantial shareholders as at 24 August 2009 held approximately 62% of Danks Shares on issue;
- Only 476,566 Danks Shares were traded on the ASX during the 12 months to 24 August 2009 (the day prior to the announcement of the Offer). This represents less than 7.5% of the total number of Danks Shares on issue; and
- The average daily volume of Danks Shares traded on the ASX during the 12 months to 24 August 2009 was 1,826 Danks Shares out of approximately 6.5 million Danks Shares on issue.

This page contains references to trading data. This trading data was prepared by IRESS Market Technology Ltd ACN 060 313 359. IRESS Market Technology Ltd has not consented to the use of the references to this trading data in this Bidder's Statement.

5

UNDER THE OFFER YOU WILL NOT INCUR BROKERAGE FEES

By accepting the Offer:

- You will receive (subject to the Conditions being satisfied or waived) \$13.50 cash per Danks Share
- You will not incur any brokerage fees which may be incurred if you choose to sell your Danks Shares on the ASX
- You will be paid within one month after the later of the receipt of your acceptance and the date on which the Offer becomes unconditional and in any event within 21 days after the end of the Offer Period (subject to the Conditions being satisfied or waived)

Bidco intends to compulsorily acquire your Danks Shares if it becomes entitled to do so. You should be aware that any payment made to Danks Shareholders whose Danks Shares are compulsorily acquired may occur significantly later than payments made to Danks Shareholders who accept the Offer.

2. Summary of the Offer

This section 2 of the Bidder's Statement provides an overview of the Offer. Section 8 of the Bidder's Statement contains the full terms and conditions of the Offer.

Question	Answer
What is the Offer?	<p>Bidco is offering to acquire all of your Danks Shares, by way of an off-market takeover bid. The Offer consideration is \$13.50 cash for each Danks Share.</p> <p>Holders of Danks Shares as at the Dividend Record Date for the Final Dividend will be entitled to receive the Final Dividend of \$0.53 per Danks Share, but Bidco will be entitled to all other Rights.</p> <p>Bidco is entitled to reduce the Offer consideration by the amount of any dividend or distribution in respect of your Danks Shares, other than the Final Dividend.</p> <p>The Dividend Record Date for the Final Dividend is 7.00 pm (Melbourne time) on 4 September 2009 and the Final Dividend is scheduled to be paid on 21 September 2009.</p>
Who is making the Offer?	<p>The Offer is being made by Bidco, which is two-thirds owned by Woolworths and one-third owned by Lowe's (through its Subsidiary, WDR Delaware II Corporation).</p> <p>Woolworths is Australia's largest food retailer and the largest overall retailer by market capitalisation. Woolworths has businesses in food, liquor, petrol, hotels and general merchandise, including Big W and Dick Smith, with annual turnover of \$49.6 billion for the financial year ended 30 June 2009.</p> <p>Lowe's is the second largest home improvement retailer in the world and the 7th largest retailer in the United States, with annual turnover of US\$48.2 billion for the financial year ended 30 January 2009.</p> <p>Further information on Bidco, Woolworths and Lowe's is set out in section 3 of this Bidder's Statement.</p>
Are there any conditions to the Offer?	<p>The Offer is subject to the Conditions set out in full in section 8.6 of this Bidder's Statement including a 90% minimum acceptance condition.</p> <p>Bidco may choose to waive some or all of the Conditions, in accordance with the terms of the Offer.</p>
What happens if the conditions of the Offer are not satisfied or waived?	<p>If the Conditions of the Offer are not satisfied or waived the Offer will lapse.</p>
How do I accept the Offer?	<p>You may only accept this Offer in respect of all of your Danks Shares. To accept the Offer:</p> <ul style="list-style-type: none">• if your Danks Shares are in the issuer sponsored subregister, complete and sign the Acceptance Form in accordance with the instructions on the form and send it in the enclosed envelope or to the address on the Acceptance Form, so that it

is received before the end of the Offer Period; or

- if your Danks Shares are in a CHESS holding and are sponsored by a Controlling Participant, or if you are a Participant, either:
 - (a) complete and sign the Acceptance Form in accordance with the instructions on the form and send it in the enclosed envelope or to the address on the Acceptance Form; or
 - (b) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,before the end of the Offer Period.

Detailed instructions on how to accept the Offer are set out in the Acceptance Form.

What is the earliest date I can accept the Offer?	The earliest date on which you may accept the Offer is [] 2009. For information on the effect of accepting the Offer, refer to the question “What will happen if I accept the Offer?” below.
When will I be paid?	If you accept the Offer, you will generally be paid on or before the earlier of: <ul style="list-style-type: none">• one month after the date the Offer is validly accepted by you or, if the Offer is conditional when accepted, within one month after the Offer or the contract resulting from your acceptance of the Offer becomes unconditional; and• 21 days after the end of the Offer Period provided that the Offer has become unconditional.
Do I have to pay brokerage if I accept?	You will not pay brokerage on the disposal of your Danks Shares if you accept the Offer.
Can I sell my Danks Shares on the ASX?	Yes. However, once you accept the Offer (even while it remains subject to any Conditions), you will not be able to sell your Danks Shares on the ASX, accept any other offer or otherwise deal with your Danks Shares, subject to any statutory withdrawal rights that may arise.
When does the Offer close?	The Offer is currently scheduled to close at 7.00 pm (Sydney time) on [] 2009, unless extended in accordance with the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period can be extended at Bidco's election (subject to the Corporations Act). You will be sent written notice of any extension as required by the Corporations Act and the extension will be announced to ASX.
What will happen if I accept the Offer?	If you accept the Offer, and the Offer becomes unconditional, you will be paid \$13.50 cash for each of your Danks Shares. Holders of Danks Shares as at the Dividend Record Date will be entitled to keep the Final Dividend, but Bidco will be entitled to all other Rights. Once you accept the Offer (even while it remains subject to any Conditions), you will not be able to sell your Danks Shares on the ASX,

accept any other offer or otherwise deal with your Danks Shares, subject to any statutory withdrawal rights that may arise.

Your statutory withdrawal rights will arise if the Offer is varied in such a way as to postpone for more than one month the time by which Bidco has to meet its obligations under the Offer and the Offer is subject to a Condition. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.

What will happen if I do not accept the Offer?

If you do not accept the Offer you will retain your Danks Shares unless Bidco and its Associates obtain a Relevant Interest in 90% or more of all Danks Shares during or at the end of the Offer Period. In those circumstances Bidco intends to exercise its rights to acquire your Danks Shares under the compulsory acquisition provisions of the Corporations Act.

If this occurs, you will have to claim the Offer Price through the compulsory acquisition process.

Further information on Bidco's intentions is set out in section 5 of this Bidder's Statement.

Further information

If you require any further information in relation to the Offer, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1800 243 528 (toll free) (within Australia) or +61 3 9415 4663 (normal charges apply) (outside Australia).

3. Information about Bidco, Woolworths and Lowe's

3.1 Bidco

Woolworths holds two-thirds of the shares in Bidco and WDR, a wholly owned Subsidiary of Lowe's, holds one-third of the shares in Bidco. Bidco is incorporated in Australia under company number ACN 138 990 584. Bidco was established by Woolworths and Lowe's to make the Offer and has not traded. Bidco currently has 3 ordinary shares on issue, 2 of which are owned by Woolworths and 1 of which is owned by WDR.

3.2 Overview of Woolworths Group and its principal activities

Woolworths is the largest food retailer and the largest overall retailer, by market capitalisation, in Australia. It has businesses in food, liquor, petrol, hotels and general merchandise comprising discount department and consumer electronic stores. It has been serving customers across the nation for over 80 years.

Woolworths has operations in Australia, New Zealand and India, and buying offices in Hong Kong and China. As at 28 June 2009, the Woolworths Group had 3,162 retail locations, including 802 supermarkets in Australia and 202 supermarkets in New Zealand. Woolworths is also the largest liquor retailer in Australia, operating 1,154 retail liquor outlets and 280 pubs and clubs. Woolworths services approximately 23 million customers per week.

As at 28 June 2009, Woolworths had more than 191,000 employees. Woolworths had total revenue of \$49.7 billion and net profit after tax of \$1.84 billion after tax for the financial year ended 30 June 2009.

Woolworths listed on the ASX in 1993 under the symbol "WOW" and is among the top 10 publicly listed companies in Australia by market capitalisation and ranks third among the only eight Fortune Global 500 companies based in Australia. As at the close of market trading on 31 August 2009 Woolworths had a total equity market capitalisation of approximately \$34.5 billion.

In the Woolworths Announcement, Woolworths disclosed that it had made a decision to enter the home improvement and hardware products sector by:

- (a) making the Offer;
- (b) developing a network of destination home improvement stores; and
- (c) entering into a joint venture with Lowe's.

For more information regarding Woolworths' entry into the home improvement and hardware products sector, see Annexure A and section 9.4.

3.3 Overview of Lowe's and its principal activities

Lowe's is a Fortune 50 company and the world's 2nd largest home improvement retailer, with sales for the year ended 30 January 2009 of US\$48.2 billion. It offers a complete line of home improvement products and services. Lowe's, through its subsidiaries, serves approximately 14 million do-it-yourself, do-it-for-me and commercial business customers each week through over 1,600 stores in North America. Founded in 1946 and based in Mooresville, North Carolina, Lowe's employs more than 228,000 people worldwide. Lowe's has been a publicly held company since October 10, 1961.

Lowe's stock is listed on the NYSE with shares trading under the symbol LOW. At the close of the market on 31 August 2009, Lowe's had a market capitalisation of US\$31.768 billion. Lowe's files reports with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any other filings required by the SEC.

Lowe's core business activities are based around running retail stores in North America, and engaging in strategic investments within the home improvement sector. At 30 January 2009, the portfolio of Lowe's properties included over 1,600 retail stores, with a total square footage of approximately 187 million square feet. The stores are built and developed on the basis of three primary prototypes – the 94,000, 103,000 and 117,000 square-foot formats, with the penetration of underserved markets the priority. However, as the market diversifies, more flexible formats are being put in place, and Lowe's is starting to introduce concepts such as the smaller 'format store', the drive-through lumberyard, and smaller inner metropolitan stores where land holdings are more constrained.

WDR is a company incorporated by Lowe's on 20 August 2009 for the purpose of investing in Bidco and effectuating the Offer. WDR is a wholly-owned Subsidiary of Lowe's.

3.4 Directors

(a) Bidco

The Directors of Bidco are Michael G. Luscombe and Thomas W. Pockett. If the Offer becomes unconditional Lowe's will appoint a director to the board of Bidco at the end of the Offer Period.

(b) Woolworths

The following persons are directors of Woolworths:

- James A. Strong AO (Chairman)
- Michael G. Luscombe (Managing Director and Chief Executive Officer)
- John F. Astbury
- Roderick S. Deane
- Diane J. Grady AM
- Leon M. L'Huillier
- Ian J. Macfarlane AC
- Thomas W. Pockett
- Alison M. Watkins

Further details about the qualifications and experience of the directors is available from Woolworths' corporate website at www.woolworthslimited.com.au.

(c) Lowe's

The following persons are directors of Lowe's:

- Robert A. Niblock (Chairman and Chief Executive Officer)
- David W. Bernauer
- Leonard L. Berry, Ph.D.
- Peter C. Browning
- Dawn E. Hudson
- Robert A. Ingram
- Robert L. Johnson
- Marshall O. Larsen
- Richard K. Lochridge
- Stephen F. Page
- O. Temple Sloan, Jr

Further details about the qualifications and experience of the directors is available from Lowe's corporate website at www.lowes.com.

(d) **WDR**

The Directors of WDR are:

- Gaither M. Keener, Jr.
- Larry D. Stone
- Robert F. Hull, Jr.
- Greg M. Bridgeford
- Marshall A. Croom
- Todd I. Woods

3.5 Publicly available information

Bidco is two-thirds owned by Woolworths, which is listed on the ASX under the symbol "WOW". Woolworths is subject to the continuous reporting obligations of the ASX. Further information concerning Woolworths can be obtained via the ASX website at www.asx.com.au or Woolworths' corporate website at www.woolworthslimited.com.au.

Bidco is one-third owned by WDR which is a Subsidiary of Lowe's. Lowe's is listed on the NYSE under the symbol "LOW". Lowe's is subject to the reporting obligations of NYSE. Further information concerning Lowe's can be obtained via the NYSE website at www.nyse.com or Lowe's website at www.lowes.com.

4. Information about Danks

4.1 Disclaimer

The following information about Danks has been prepared based on a review of publicly available information, and has not been independently verified. To the extent permitted by law, neither Bidco, Woolworths, Lowe's nor any of their respective directors, officers, advisers or any person included in the preparation of this Bidder's Statement assume any responsibility for the accuracy or completeness of this information.

The information on Danks in this Bidder's Statement should not be considered comprehensive.

Further information relating to Danks' businesses and the Danks Shares will be set out in the Target's Statement that Danks is required to issue in response to the Offer.

4.2 Overview

Danks is a public company registered in Victoria and listed on the ASX under the symbol "DKS". Danks commenced trading as John Danks & Son Pty Ltd in 1859 and Danks Shares were first listed on the ASX on 1 January 1974. As at the close of market trading on 31 August 2009 Danks had a market capitalisation of approximately \$86.8 million.

Danks is one of Australia's largest distributors of hardware and garden products, servicing over 580 independently owned and operated retail businesses through the "Home Timber & Hardware", "Thrifty-Link Hardware" and "Plants Plus Garden Centre" brands and a further 900 independent retailers. Danks operates distribution centres in Melbourne, Sydney and Perth servicing all states in Australia.

4.3 Danks' issued securities

(a) Issued Capital

According to documents lodged by Danks with ASX, as at the date of this Bidder's Statement, Danks' issued securities consisted of 6,490,079 Danks Shares.

(b) Substantial shareholders

Based on substantial holder notices lodged with ASX up to and including 1 September 2009 the substantial shareholders in Danks are as follows:

Holder of relevant interest	Total Number	% of Issued Securities
Investments Proprietary Limited	3,172,903	48.89
Perpetual Limited and its Subsidiaries	875,212	13.46

4.4 Voting Power and Relevant Interest in Danks Shares

As at the date of lodgement of this Bidder's Statement with ASIC:

- (a) The voting power of Bidco and its Associates in Danks is nil; and
- (b) Bidco and its Associates have:
 - (i) no relevant interest in Danks Shares; and
 - (ii) no relevant interest in any securities in any other class of securities of Danks.

4.5 Dealings in Danks Shares

Neither Bidco nor any of its Associates has provided, or agreed to provide, consideration for Danks Shares under a purchase or agreement during the period of four months before the date of lodgement of this Bidder's Statement with ASIC.

4.6 Inducing benefits given during previous 4 months

Neither Bidco nor any of its Associates, during the period of 4 months before the date of lodgement of this Bidder's Statement with ASIC, gave, or offered to give or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate, to:

- (a) accept the Offer; or
- (b) dispose of Danks Shares,

and which benefit was not offered to all Danks Shareholders under the Offer.

4.7 Other Danks information

Danks Shares are listed on the ASX and Danks is obliged to comply with the continuous disclosure requirements of the ASX.

The ASX website lists all of the announcements issued by Danks including its Annual Financial Report for the year ended 30 June 2009 which was lodged with the ASX on the Announcement Date. This document and other announcements issued by Danks are available in electronic form from the ASX website (www.asx.com.au) or from the Danks website (www.danks.com.au).

5. Bidco's intentions

5.1 Introduction

This section 5 sets out Bidco's intentions, on the basis of the facts and information concerning Danks and the existing circumstances affecting the business of Danks which are known to Bidco at the time of preparation of this Bidder's Statement, in relation to the following:

- (a) the continuation of the business of Danks;
- (b) any major changes to be made to the business of Danks, including any redeployment of the fixed assets of Danks; and
- (c) the future employment of the present employees of Danks.

However, as Bidco does not currently have access to all material information regarding Danks, final decisions on these matters have not been made. Any final decisions on these matters will only be reached in light of all material facts known to Bidco and circumstances at the relevant time. Accordingly, the statements set out in the following sections are statements of current intention only which may vary as new information becomes available or circumstances change.

The intentions, views, estimations, understandings and beliefs of Bidco are the same as the intentions, views, estimations, understandings and beliefs of Woolworths and Lowe's.

5.2 Review

Bidco has reviewed information that has been made publicly available about Danks, its current activities and its plans for the future. Bidco has also undertaken limited due diligence in relation to Danks' businesses in connection with the Offer, however it does not currently have knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

Bidco will, at the end of the Offer Period, to the extent that information is available to it, undertake a detailed review of the operations, assets, capital structure, employees and strategy of Danks' business in light of that information.

Any decisions by Bidco in relation to any changes (if any) to the Danks' operations, assets, capital structure and strategy will only be reached after that review and in light of all material facts, information and circumstances at that time. As such, and as noted more generally in section 5.1 above, statements set out in this section 5 are statements of current intentions only which may change as new information becomes available or circumstances change.

5.3 Intentions upon becoming able to compulsorily acquire Danks Shares

This section sets out Bidco's current intentions if it and its Associates have a Relevant Interest in 90% or more of all Danks Shares and is entitled to proceed to compulsory acquisition of the outstanding Danks Shares.

(a) Compulsory Acquisition

If it becomes entitled to do so under the Corporations Act, Bidco will proceed with compulsory acquisition of any outstanding Danks Shares in accordance with the provisions of the Corporations Act.

(b) **Delisting**

Bidco's current intention upon acquiring ownership of 100% of Danks is to have Danks Shares removed from the official list of the ASX.

(c) **Directors**

Bidco will replace all members of the board of Danks, its Subsidiaries and of any company in respect of which Danks has nominee directors with its own nominees.

(d) **Head office**

Bidco intends that Danks' head office will become a management and support office and will remain in Melbourne.

(e) **Operations and assets**

Bidco plans to undertake a thorough review of Danks' operations after the end of the Offer Period. At the present time, without the benefit of detailed analysis, Bidco anticipates that the Danks business will be operated and grown in accordance with its intentions described in the following paragraphs.

Subject to the outcome of the review referred to above, Bidco intends that the Danks business and the Hardware Joint Venture will be conducted on a co-ordinated basis and that at some point the Danks business will be integrated into the Hardware Joint Venture. The Hardware Joint Venture will utilise Danks' local product sourcing arrangements, industry expertise and, initially, supply chain capacity and infrastructure. Danks will utilise the Hardware Joint Venture's access to capital, superior supply chain systems, shared services infrastructure and combined buying volume. A new and enhanced supply chain capability and capacity will be developed and be available to service Danks' customers. New warehouse facilities and systems will be developed, and existing facilities and systems will be enhanced. Logistics practices will be reviewed to yield more efficient service to Danks' customers.

Bidco will seek to expand the business of Danks by adding new customers, increasing share from current customers and, if the opportunity arises, acquiring other hardware chains to be run either as company-owned or licensed stores. This is a continuation of Danks' strategy, as outlined in its 2007/2008 Annual Report, of moving into direct ownership of large retail hardware operations. The first acquisition of this sort by Danks was Blue Mountains Hardware, a "Home Timber & Hardware" branded store, located in Katoomba, New South Wales.

Bidco intends to support the Danks name and its retail brands "Home Timber & Hardware", "Thrifty-Link Hardware" and "Plants Plus Garden Centres", and to continue to support the independent retailers who are customers of Danks, and to assist them to grow their business and improve their competitiveness through access to the benefits listed below, which will be available by virtue of Danks being integrated into the Hardware Joint Venture:

- (i) access to capital;
- (ii) industry expertise regarding retail insights and strategies;
- (iii) buying efficiencies available through increased volume;

- (iv) expanded product range;
- (v) opportunities for global sourcing which will have potential supply and cost advantages; and
- (vi) supply chain expertise to drive efficiency and quality improvements, and to ensure service and supply is leading edge.

Bidco intends that the Danks business will benefit from sharing best practice facilities and resources with the Hardware Joint Venture. The Hardware Joint Venture will establish a network of destination home improvement stores that will enhance the efficiency of the integrated supply chain network and increase the buying volume, and hence the buying efficiencies, available to Danks and to the Hardware Joint Venture.

Any existing systems or processes of Danks that may be beneficial to Woolworths or Lowe's in their own businesses may also be licensed to either or both of them on terms to be agreed.

(f) **Employees**

Bidco intends:

- (i) that the Danks organisation structure will remain the same and Graeme Danks will have day-to-day responsibility for managing the Danks business;
- (ii) to retain Danks employees and management and to continue to use their expertise to grow and develop the business of Danks;
- (iii) that Danks employees will have access to the enhanced employee benefits and improved training and career development opportunities available through being a part of the broader Woolworths Group.

5.4 **Intentions upon ownership of less than 90% of Danks but gaining effective control of Danks**

The Offer is subject to a number of Conditions, including a Condition that Bidco and its Associates acquire a Relevant Interest in at least 90% of the Danks Shares on issue. Bidco does not currently intend to waive that Condition but it reserves the right to do so in any circumstances.

This section sets out Bidco's current intentions if Bidco acquires effective control of Danks but Bidco is not entitled to compulsorily acquire the outstanding Danks Shares.

In that circumstance, Bidco's intentions are as follows:

(a) **ASX Listing**

Bidco will review whether an ongoing listing of Danks on the ASX is appropriate, having regard to the level of acceptances under the Offer and the remaining spread of shareholdings after the Offer closes, and as a result of that review may seek to de-list Danks. It is possible that, depending upon the level of acceptances under the Offer, the ASX may seek to de-list Danks.

(b) **Directors**

Subject to the Corporations Act and Danks' constitution, Bidco intends to replace the members of the board of Danks with nominees of Bidco (yet to be determined) and an appropriate number of independent directors to represent minority shareholders, which may include some members of the existing Danks' Board. Bidco intends that Graeme Danks will continue as Managing Director of Danks.

(c) **Operations, assets and employees**

Bidco will seek to procure that Danks' new board of directors implement the strategies and goals outlined in section 5.3 to the extent possible and appropriate in the circumstances.

(d) **Dividend policy**

Bidco, through its nominees on the Danks Board, is likely to propose that Danks review its dividend policy to ensure that adequate capital is maintained in the business to facilitate its ongoing activities, particularly to enable it to develop an enhanced supply chain capability and capacity as referred to in section 5.3(e). This may mean that Danks will not pay a dividend in the short to medium term. However, Danks Shareholders on the Dividend Record Date will be entitled to receive the Final Dividend.

(e) **Limitations on intentions**

Bidco intends that the directors of Danks appointed by it will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority Danks Shareholder approval may prevent a particular objective being achieved.

5.5 Intentions generally

Other than as set out in this section 5, Bidco intends, based on the information presently known to it:

- (a) to continue the business of Danks;
- (b) not to make any major changes to the business of Danks nor to redeploy any of the fixed assets of Danks; and
- (c) to continue the employment of Danks' present employees.

6. Provision of cash consideration

6.1 Maximum cash consideration

The consideration for the acquisition of the Danks Shares to which the Offer relates will be satisfied wholly in cash and will be approximately \$87,617,000.

6.2 Woolworths funding arrangements

Woolworths has agreed to provide Bidco with two-thirds of all amounts Bidco is required to pay in consideration for the acquisition of Danks Shares pursuant to the Offer (as and when those payments are to be made). Woolworths will make such amounts available to Bidco through a subscription for equity.

These funds will be available to Bidco at any time during the period in which Bidco is required to make payments under the Offer and Woolworths may not require return of any amount provided to Bidco prior to the time at which the consideration is required to be paid to holders of Danks Shares who accept the Offer, and such funding is not subject to any conditions precedent.

The necessary funds to pay two-thirds of the consideration for the acquisition of Danks Shares pursuant to the Offer will be met through Woolworths' unutilised committed bank debt facilities (**Facilities**). As at the date of this Bidder's Statement, the available unutilised amount under the Facilities exceeds \$1 billion. The Facilities are available for the general corporate purposes of Woolworths and mature in between 1 to 3 years. The Facilities are made available by a number of domestic and foreign banks. These funds are not required for other operations or commitments of Woolworths and are available to Bidco under the arrangement set out above.

Drawdown under the Facilities is subject to a utilisation request with drawdown available within the same day or up to 2 Business Days, depending on the specific Facility. Woolworths complies with all terms and conditions of the Facilities and Woolworths is not aware of any reasons why the Facilities would not be able to be utilised at any time at which drawdown of the Facilities will be required for the purposes of the Offer.

The Facilities contain customary events of default, undertakings, representations and warranties and other provisions usual for facilities of this nature. Woolworths has no reason to believe that any of the events of default will occur, such that a drawdown will not be able to be made when required for the purposes of the Offer.

6.3 WDR funding arrangements

WDR has agreed to provide Bidco with one-third of all amounts Bidco is required to pay in consideration for the acquisition of Danks Shares pursuant to the Offer (as and when those payments are to be made). WDR will make such amounts available to Bidco through a subscription for equity.

These funds will be available to Bidco at any time during the period in which Bidco is required to make payments under the Offer and WDR may not require return of any amount provided to Bidco prior to the time at which the consideration is required to be paid to holders of Danks Shares who accept the Offer, and such funding is not subject to any conditions precedent.

The necessary funds to pay one-third of the consideration for the acquisition of Danks Shares pursuant to the Offer will be met through Lowe's cash reserves. Lowe's will make such amounts available to WDR through a subscription for equity in WDR immediately before WDR is required to make funds available to Bidco. In aggregate the funds available in Lowe's existing cash reserves are in excess of US\$100 million and

are sufficient to fund one-third of the maximum consideration payable pursuant to the Offer (calculated on the basis of section 6.1 above) and of all associated transaction costs including advisor's fees.

As at the date of this Bidder's Statement, Lowe's has in excess of \$US100 million invested with Wachovia Mutual Fund Number 4. This investment may be redeemed at any time by Lowe's without pre-condition. These funds are not required for other operations or commitments of Lowe's and are available to Bidco (via an equity subscription in WDR) under the arrangement set out above.

6.4 Payment of consideration

Having regard to the matters set out above in this section 6, Bidco is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of the Danks Shares pursuant to the Offer to satisfy its obligations under the Offer.

The Offer is not subject to any financing conditions.

7. Taxation Information

7.1 Tax

The following is a general description of Australian taxation consequences for Danks Shareholders of the acceptance of the Offer and does not take into account the specific circumstances of any particular Danks Shareholder. This summary does not, and is not intended to, constitute tax advice and should not be relied upon as such.

The comments below only apply to Danks Shareholders who are Australian residents for tax purposes and are individuals, complying superannuation entities or companies that hold their Danks Shares on capital account. The tax treatment for Danks Shareholders who hold their Danks Shares on revenue account, such as banks and other trading entities has not been addressed. In addition, these comments do not take into account the circumstances of Danks Shareholders who acquired their Danks Shares in respect of their, or an associate's, employment with Danks or an associated company of Danks.

All Danks Shareholders should seek independent professional advice on the taxation consequences of the disposal of Danks Shares, based on their particular circumstances. This information is not intended to be taxation advice to any particular Danks Shareholder.

The following description is based upon the law in effect at the date of this Bidder's Statement, but it is not intended to be an authoritative or complete statement of the applicable law.

Capital Gains Tax

The sale of Danks Shares pursuant to the Offer will constitute a disposal of the Danks Shares and a "CGT event" for Australian capital gains tax purposes. The date of disposal for capital gains tax purposes will generally be the date that you accept the Offer. If, for any reason the Offer does not proceed, no disposal will occur.

A Danks Shareholder who is an Australian resident may make a capital gain or a capital loss from the disposal of Danks Shares pursuant to the Offer. These amounts will be relevant in determining whether the Danks Shareholder is required to include a net capital gain in their assessable income for the year in which the Offer is accepted.

In general, capital gains and capital losses are firstly aggregated to determine whether there is a net capital gain, which is calculated after taking into account any discount capital gains or other concessions in respect of the capital gains. The remaining net capital gain is included in assessable income. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset future capital gains.

If the Danks Shares were acquired before 20 September 1985 and continuously held by the same Danks Shareholder, any capital gain or loss realised by that Danks Shareholder on the disposal of the Danks Shares may be disregarded.

Capital Gain

If the capital proceeds received by a Danks Shareholder from the disposal of Danks Shares exceeds the cost base (or in some cases, the indexed cost base) of those Danks Shares a capital gain will arise.

The capital proceeds of the CGT event will be the cash paid by Bidco under the Offer.

Danks Shareholders' cost bases in their Danks Shares will generally be the cost of acquisition plus any incidental costs of acquisition (such as brokerage and stamp duty).

If the Danks Shares were acquired at or after 20 September 1985 but at or before 11:45 am on 21 September 1999, Danks Shareholders who are individuals, complying superannuation entities or trustees of a trust may elect to adjust the cost base of the Danks Shares to include indexation by reference to changes in the Consumer Price Index from the calendar quarter in which the Danks Shares were acquired until the quarter ended 30 September 1999. Danks Shareholders which are companies will be entitled to include that indexation adjustment without making an election if their Danks Shares were acquired at or before 11:45 am on 21 September 1999.

Indexation adjustments are taken into account only for the purposes of calculating a capital gain.

Danks Shareholders who are individuals, complying superannuation entities or certain trustees and who do not or cannot elect to adjust their cost base for indexation (as outlined above) can discount the amount of the capital gain in respect of the disposal of the Danks Shares if they acquired their Danks Shares at least 12 months before the date of disposal (referred to as the "CGT Discount"). The CGT Discount is applied only after any available capital losses have been applied to the capital gain. For individuals and trustees the discount rate is 50% and for complying superannuation entities the discount rate is 33 $\frac{1}{3}$ %.

Danks Shareholders which are companies do not qualify for the CGT Discount.

Capital Loss

If the capital proceeds received by a Danks Shareholder are less than the reduced cost base of the Danks Shares, a capital loss will arise. Generally, the reduced cost base of Danks Shares is the cost base of the Danks Shares (discussed above) without any adjustment or indexation. The CGT Discount does not apply to capital losses.

As noted above, net capital losses cannot be used to reduce the other assessable income of a Danks Shareholder in the year the loss is realised but may be carried forward to offset future capital gains. Specific rules apply to Danks Shareholders who are companies and trusts which may limit their ability to offset capital losses in a current or later income year.

7.2 Stamp Duty and GST

Bidco will pay the stamp duty (if any) payable in Australia on the transfers of Danks Shares under the Offer. No GST will be payable in Australia on such transfers, except that GST will be payable on any fees or charges that a broker, bank, custodian or other nominee (in respect of Danks Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

8. Terms of the Offer

8.1 Identity of Bidco

Bidco is owned two-thirds by Woolworths and one-third by WDR, which is a wholly owned Subsidiary of Lowe's. Bidco is incorporated in Australia under Australian Company Number 138 990 584.

The names of the directors of Bidco are set out in section 3 of this Bidder's Statement.

8.2 Date of the Offer

The Offer is dated [] 2009.

8.3 Offer

- (a) Bidco offers to acquire from you on the terms of the Offer all of your Danks Shares.
- (b) You may accept the Offer only in respect of all of your Danks Shares.
- (c) It is a term of the Offer that Bidco will be entitled to all Rights attaching to or arising from Danks Shares acquired by Bidco pursuant to the Offer.
- (d) An Offer in this form is being made to each Danks Shareholder registered in the Danks Share Register as at the Register Date.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Danks Shares to which the Offer relates:
 - (i) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Danks Shares;
 - (ii) a corresponding offer on the same terms and conditions of the Offer will be deemed to have been made to you in respect of any other Danks Shares you hold to which the Offer relates; and
 - (iii) the Offer will be deemed to have been withdrawn immediately at that time in relation to the Danks Shares you have ceased to hold.

8.4 Consideration

The consideration Bidco offers you is a cash payment of \$13.50 for each of your Danks Shares. However, in accordance with sections 8.13(g) and (h), the amount of consideration you are paid directly by Bidco may be reduced by the amount or value of any Rights attaching to Danks Shares, which you (or any previous holder of your Danks Shares) receive. Those Rights do not include the Final Dividend, which you will be entitled to receive if you are registered as a Danks Shareholder at 7.00 pm (Melbourne time) on 4 September 2009.

8.5 Offer Period

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer being [] 2009, and ending at 7.00 pm (Sydney time) on:

- (a) [] 2009; or

- (b) any date to which the period of the Offer is extended in accordance with the Corporations Act,

whichever is the later.

8.6 Conditions of the Offer

Subject to section 8.9, the Offer and any contract arising from acceptances of the Offer is subject to fulfilment of the following Conditions:

- (a) **90% minimum acceptance**

At the end of the Offer Period, Bidco and its Associates together have a Relevant Interest in at least 90% of the Danks Shares on issue.

- (b) **No action by a Public Authority adversely affecting the Offer**

Between the Announcement Date and the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (ii) no application is made to any Public Authority (other than by a member of the Woolworths Group), and no action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- (iii) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Bidco in respect of Danks and the Danks Shares to be acquired under the Offer; or
- (iv) requires divestiture by Bidco of any Danks Shares, or the divestiture of any assets of the Danks Group, the Woolworths Group or otherwise.

- (c) **Prescribed Occurrences**

Before the end of the Offer Period, no Prescribed Occurrence occurs.

- (d) **No material transactions or changes**

Except as disclosed in any public announcement by Danks delivered to ASX prior to the Announcement Date, no member of the Danks Group has between the Announcement Date and the end of the Offer Period:

- (i) issued or agreed to issue, or authorised or proposed the issue of, any equity, debt or hybrid security (including any security convertible into shares of any class) or rights, warrants, performance rights or options to subscribe for or acquire any such securities;
- (ii) recommended, declared, paid or made, or resolved to recommend, declare, pay or make any bonus, dividend or other

distribution whether payable in cash, in specie or otherwise, other than the Final Dividend;

- (iii) issued or agreed to issue any debentures, or except in the ordinary course of business incurred or increased any indebtedness for a material amount in aggregate;
- (iv) implemented or entered into any scheme or arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Danks Group), or a deed of company arrangement, or any analogous procedure, scheme or arrangement in any jurisdiction other than in the context of a Superior Proposal;
- (v) entered into or renewed (in either case, other than in the ordinary course of business) or materially changed the terms of any Membership Agreement or made any representations inconsistent with, or not provided for by, the terms as at the Announcement Date of any Membership Agreement;
- (vi) publicly disclosed the existence of any matter described in paragraphs (i) to (v) above; or
- (vii) entered into any contract, commitment, arrangement or agreement, passed any resolution or made any offer (which remains open for acceptance) with respect to, or publicly announced an intention to, or proposal to, do anything described in paragraphs (i) to (v) above.

(e) **Third party consents**

If any member of the Danks Group is a party to, is bound by, or is subject to, a material agreement, arrangement or understanding (other than any agreement, arrangement or understanding disclosed or referred to in the Due Diligence Material including but not limited to leases of real property, information technology contracts and Membership Agreements) that the Danks Board is aware of, or should have been aware of, which as a result of the acquisition of Danks Shares by Bidco under the Offer or a change in control of Danks as a result of the Offer entitles a Third Party to exercise any rights (including termination rights or pre-emptive rights), and the exercise of those rights would have a material adverse impact on the business, assets, liabilities, financial or trading position, profitability or prospects of the Danks Group (taken as a whole), then before the end of the Offer Period the Third Party:

- (i) does not exercise, purport to exercise, or state an intention or claim a right to exercise, those rights; and
- (ii) gives its unconditional and irrevocable consent to the acquisition of Danks Shares by Bidco or otherwise waives unconditionally and irrevocably its entitlement to exercise rights as referred to above.

(f) **Foreign Investment Review Board**

Before the end of the Offer Period:

- (i) the Treasurer of the Commonwealth of Australia or a delegate of the Treasurer of the Commonwealth of Australia issues a notice stating that the Commonwealth Government does not object to

the potential acquisition by Bidco of up to 100% of the shares in Danks and such notice is not subject to any conditions;

- (ii) the period provided under the FATA during which the Treasurer of the Commonwealth of Australia may make an order under section 18(2) of the FATA or an interim order under section 22 of the FATA in relation to the acquisition by Bidco of the shares in Danks expires without such an order being made; or
- (iii) if an interim order under section 22 of the FATA is made, the subsequent period for making a final order prohibiting the acquisition by Bidco of the shares in Danks lapses without a final order being made.

8.7 Nature of the Conditions

Each of the Conditions set out in each paragraph of section 8.6 constitutes and will be construed as a separate, several and distinct condition. Each of the Conditions set out in section 8.6 (other than the FIRB Condition) is a condition subsequent. The FIRB Condition is a condition precedent and accordingly no contract to sell Danks Shares arises from any acceptance of the Offer until the FIRB Condition has been satisfied or the Offer has been declared free from the FIRB Condition.

8.8 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Conditions set out in section 8.6 (other than the FIRB Condition) does not prevent a contract arising to acquire your Danks Shares resulting from your acceptance of this Offer but if:

- (a) Bidco has not declared the Offer to be free from the Conditions set out in section 8.6 before the date applicable under subsection 650F(1) of the Corporations Act; and
- (b) the Conditions in section 8.6 have not been fulfilled at the end of the Offer Period,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, Bidco will return the Acceptance Form, together with all documents, to the address shown in the Acceptance Form and notify ASTC of the lapse of the Offer in accordance with Rule 14.19 of the ASTC Settlement Rules.

8.9 Freeing the Offer from the Conditions

Subject to section 650F of the Corporations Act, Bidco may, at any time and at its sole discretion, declare the Offer free from all Conditions in section 8.6 generally and in relation to any specific occurrence or any specific entity by giving notice in writing to Danks.

8.10 Notice on the status of the Conditions

The date for giving the notice on the status of the Conditions required by section 630(3) of the Corporations Act is [] 2009, subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

8.11 Withdrawal of the Offer

To the extent not accepted at the relevant time, Bidco may withdraw the Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

If, at the time the Offer is withdrawn, all the Conditions in section 8.6 have been satisfied or waived, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

If, at the time the Offer is withdrawn, the Offer remains subject to one or more of the Conditions in section 8.6, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).

8.12 Variation of the Offer

Bidco may vary the Offer in accordance with the Corporations Act.

8.13 Provision of Consideration

(a) How consideration is paid

Bidco will pay to you the consideration for your Danks Shares by cheque (or otherwise as agreed by Bidco) in Australian currency. The cheque will be sent at your risk to you at your address shown on the Acceptance Form (or such other address as you notify to Bidco) by prepaid ordinary mail or, in the case of addresses outside Australia, by prepaid airmail.

(b) When consideration is paid

Subject to this section 8.13 and the Corporations Act, if you accept the Offer, and the Conditions of the Offer and of the contract resulting from acceptance of the Offer are satisfied or waived, then Bidco will provide the consideration for your Danks Shares to which you are entitled on acceptance of the Offer on or before the earlier of:

- (i) the day one month after you accept the Offer or, if the Offer is subject to a Condition when accepted, the day one month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

(c) No interest

Under no circumstances will interest be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

(d) Where additional documents are required

Where the Acceptance Form requires additional documents to be given to Bidco with your acceptance of the Offer to enable Bidco to become the holder of your Danks Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Bidco will provide the consideration in accordance with section 8.13(b) above;
- (ii) if the documents are given after acceptance and before the end of the Offer Period and the Offer is subject to a Condition at the time that Bidco is given the documents, Bidco will provide the consideration to you by the end of whichever of the following periods ends first:

- A. one month after the contract resulting from your acceptance becomes unconditional; and
 - B. 21 days after the end of the Offer Period;
- (iii) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Bidco is given the documents, Bidco will provide the consideration to you by the end of whichever of the following periods ends first:
- A. one month after Bidder is given the documents; and
 - B. 21 days after the end of the Offer Period; and
- (iv) if the documents are given after the end of the Offer Period, and the Offer is unconditional at that time, Bidco will provide the consideration to you within 21 days after the documents are given; but if at the time Bidco is given the documents, the Offer is still subject to one or more of the Conditions referred to in section 8.6(d), Bidco will provide the consideration to you within 21 days after the contract which arises upon your acceptance of the Offer becomes unconditional.

If you do not provide Bidco with the required additional documents within one month after the end of the Offer Period, Bidco may, in its sole discretion, rescind any contract resulting from your acceptance of the Offer.

(e) **Return of documents**

If the Offer does not become unconditional or any contract arising from the Offer is rescinded by Bidco on the grounds of non-fulfilment or non-satisfaction of a condition of that contract, Bidco will, at its election, return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent by you, or destroy those documents, and notify the ASX of this.

(f) **Clearances for offshore residents**

If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise), or of the Australian Taxation Office, have been obtained.

(g) **Where Bidco is entitled to any Rights**

If Bidco becomes entitled to any Rights on acceptance of the Offer, you must give Bidco all documents that Bidco needs to give Bidco title to those Rights. If you do not give those documents to Bidco, or if you have received the benefit of those Rights before Bidco provides the consideration to you, Bidco will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Bidco) of those Rights in accordance with section 8.13(h).

(h) **Rights generally**

If:

- (i) you have (or any previous holder of your Danks Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (ii) you are (or any previous holder of your Danks Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your Danks Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or
- (iii) your Danks Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to Danks Shareholders,

then:

- (iv) in the case of Rights to non-cash benefits, Bidco may deduct the value (as reasonably assessed by Bidco) of such Rights from any consideration otherwise payable to you; or
- (v) in the case of Rights to cash benefits, Bidco may deduct the amount of such Rights from any consideration otherwise payable to you.

If Bidco does not, or cannot, make such a deduction, you must pay such value or amount to Bidco.

8.14 Who may accept

(a) **Who may accept**

During the Offer Period:

- (i) any person who is able to give good title to a parcel of your Danks Shares may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them; and
- (ii) any person who holds one or more parcels of Danks Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - A. each of those parcels; and
 - B. any parcel they hold in their own right.

(b) **Registered holders**

A person is taken to hold Danks Shares if the person is registered as the holder of those Danks Shares.

(c) **Trustees and nominees**

A person is taken to hold Danks Shares on trust for, as nominee for, or on account of, another person if they:

- (i) are, or are entitled to be, registered as the holder of particular Danks Shares; and
- (ii) hold their interest in the Danks Shares on trust for, as nominee for, or on account of, that other person.

(d) **Required notice**

In the case of a person who may accept under section 8.14(a)(ii) as if a separate and distinct offer, on the same terms and conditions as the Offer, has been made to that person for a parcel of Danks Shares within a holding, an acceptance of that offer is ineffective unless:

- (i) the person gives the holder a notice stating that the Danks Shares consist of a separate parcel; and
- (ii) the acceptance specifies the number of Danks Shares in the parcel.

(e) **How to provide notice**

A notice under section 8.14(d) must be made:

- (i) if it relates to Danks Shares in a CHES Holding, in an electronic form approved under the ASTC Settlement Rules for the purposes of Part 6.8 of the Corporations Act; or
- (ii) otherwise, in writing.

(f) **Two or more parcels**

A person may, at the one time, accept for two or more parcels under this section 8.14 as if there had been a single offer for a separate parcel consisting of those parcels.

8.15 How to accept

(a) **All of your Danks Shares**

The Offer is for all of your Danks Shares. You may accept the Offer at any time during the Offer Period.

(b) **Acceptance procedure for Danks Shareholders**

To validly accept the Offer:

- (i) for Danks Shares held in your name on Danks' **issuer sponsored subregister** (as indicated on the Acceptance Form), you must:
 - A. complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
 - B. ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is

received before the end of the Offer Period, to the address shown on the Acceptance Form; or

- (ii) for Danks Shares held in your name in a **CHES Holding** (as indicated on the Acceptance Form):
 - A. if you are not a Participant, you should instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
 - B. if you are a Participant, you should initiate acceptance of the Offer in accordance with rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period.

Alternatively, you may sign and complete the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received in sufficient time for it to be dispatched to your Controlling Participant before the end of the Offer Period, to the address shown on the Acceptance Form.

If your Danks Shares are held in your name in a CHES Holding (as indicated on the Acceptance Form), you must comply with any other applicable ASTC Settlement Rules.

(c) **Mailing details**

A reply paid envelope has been enclosed with this Bidder's Statement to enable Danks Shareholders with Australian addresses to return their completed Acceptance Form. Overseas Danks Shareholders should return their Acceptance Form by airmail.

Danks Shareholders should mail their completed Acceptance Form, whether in the reply paid envelope or by airmail, to the following address:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 8060 Australia

The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting Danks Shareholder.

(d) **Acceptance Form and instructions on it**

The Acceptance Form which accompanies the Offer forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer in respect of your Danks Shares.

(e) **Power of attorney, deceased estate**

When accepting the Offer you must also forward for inspection:

- (i) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (ii) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Danks Shareholder, the

relevant grant of probate, letters of administration or certificates of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

(f) When acceptance is complete

Acceptance of the Offer is complete once either:

- (i) the completed Acceptance Form (together with all other documents required by the instructions on it) has been received at the address referred to in section 8.15(c) and the requirements of this section 8.15 have been met, provided that:
 - A. Bidco may in its sole discretion waive any or all of those requirements at any time; and
 - B. where such requirements have been complied with in respect of some but not all of your Danks Shares, Bidco may, in its sole discretion, deem your acceptance of the Offer complete in respect of all or none of your Danks Shares, and Bidco is not required to communicate with you prior to making its determination as to the above matters and the determination of Bidco will be final and binding on all of the parties; or
- (ii) in relation to a CHESS Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASTC Settlement Rules.

8.16 The effect of acceptance

(a) Effect of Acceptance Form

By signing and returning the Acceptance Form in accordance with section 8.15:

- (i) you authorise Bidco and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - A. make it an effective acceptance of the Offer in relation to your Danks Shares which are not in a CHESS Holding; and
 - B. enable the transfer of your Danks Shares to Bidco; and
- (ii) if any of your Danks Shares are in a CHESS Holding, you authorise Bidco and each of its officers and agents to:
 - A. instruct your Controlling Participant to give effect to your acceptance of the Offer for those Danks Shares under Rule 14.14 of the ASTC Settlement Rules; and
 - B. give to your Controlling Participant on your behalf any other instructions in relation to those Danks Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer.

(b) **Your agreement**

By signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with section 8.15:

- (i) you irrevocably accept the Offer (and any variation of it) in respect of, and subject to all of the Conditions being fulfilled or waived, and agree to transfer to Bidco, all of your Danks Shares;
- (ii) you represent and warrant to Bidco as a fundamental condition going to the root of the contract resulting from your acceptance that all of your Danks Shares will, at the time of your acceptance of the Offer and of transfer to Bidco, be fully paid up and that Bidco will acquire good title to and beneficial ownership of them free from Encumbrances and that you have paid to Danks all amounts which are due for payment in respect of your Danks Shares;
- (iii) you represent and warrant to Bidco that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your Danks Shares to Bidco;
- (iv) you irrevocably authorise Bidco to notify Danks on your behalf that your address for the purpose of serving notices upon you in respect of your Danks Shares is the address specified by Bidco in the notification;
- (v) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Bidco has not yet provided the consideration due to you) you irrevocably appoint Bidco and each director of, and any nominee of, Bidco severally as your agent and attorney on your behalf to:
 - A. exercise all your powers and rights in relation to your Danks Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in respect of your Danks Shares at all general and class meetings of Danks or appoint a proxy or proxies to attend and vote in the manner directed by Bidco on your behalf in respect of your Danks Shares at any such meeting and to request Danks to register, in the name of Bidco or its nominee, your Danks Shares, as appropriate, with full power of substitution;
 - B. at Bidco's discretion, pay Danks, or any other party, all or part of any amount contemplated by section 8.13 above;
 - C. execute all forms, notices, documents (including a document appointing a director of Bidco as a proxy for any of your Danks Shares) and resolutions relating to your Danks Shares and generally to exercise all powers and rights which you have as the registered holder of your Danks Shares; and
 - D. direct Danks to pay to Bidco or to account to Bidco for all Rights attaching to your Danks Shares, subject however to any such Rights received by Bidco being

accounted for by Bidco to you, in the event that the Offer is withdrawn or avoided;

- (vi) you agree that in exercising the powers conferred by the power of attorney set out in paragraph (v) above, Bidco and each of its directors and its nominees is entitled to act in the interests of Bidco;
- (vii) you agree to do all such acts, matters and things that Bidco may require to give effect to the matters the subject of this section 8.16 (including the execution of a written form of proxy to the same effect as section 8.16 which complies in all respects with the requirements of the constitution of Danks) if requested by Bidco;
- (viii) you represent and warrant to Bidco that unless you have notified it in accordance with section 8.14(d) your Danks Shares do not consist of separate parcels of securities;
- (ix) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Bidco has not yet provided the consideration due to you), you agree not to attend or vote in person at any general or class meeting of Danks or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on the directors of Bidco by paragraph (vi) above;
- (x) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Bidco has not yet provided the consideration due to you), you authorise Bidco to transmit a message to ASX Settlement and Transfer Corporation Pty Limited in accordance with Rule 14.17.1 of the ASTC Settlement Rules so as to enter those of your Danks Shares which are in CHESS Holding into Bidco's Takeover Transferee Holding; and
- (xi) you agree to indemnify Bidco and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Danks Shares being registered by Danks without production of your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Danks Shares being registered by Danks without production of your Holder Identification Number or your Securityholder Reference Number.

The undertakings and authorities referred to in this section 8.16 will remain in force after you receive the consideration for your Danks Shares and after Bidco becomes registered as the holder of your Danks Shares.

(c) **Powers of attorney**

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power.

(d) **Validation of otherwise ineffective acceptances**

Except in relation to Danks Shares in a CHESS Holding, Bidco may treat the receipt by it of a signed Acceptance Form as a valid acceptance of the

Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Bidco does treat such an Acceptance Form as valid, subject to section 8.13, Bidco will not be obliged to give the consideration to you until Bidco receives all those documents and all of the requirements for acceptance referred to in section 8.15 and in the Acceptance Form have been met.

8.17 Notices

(a) Any notice, nomination, or other communication to be given by Bidco to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of Bidco by any of its directors or managers and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the register of Danks Shareholders or the address shown on the Acceptance Form.

(b) Any notice or other communication given by you to Bidco in connection with the Offer will be deemed to be duly given if it is in writing and is sent by mail to the following address:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 8060 Australia

(c) If:

- (i) the Offer is withdrawn after your Acceptance Form has been sent to Bidco, but before it has been received; or
- (ii) for any other reason Bidco does not acquire the Danks Shares to which your Acceptance Form relates,

Bidco will, at its election, either dispatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or such other address as you may notify in writing to Bidco by, where such address is inside Australia, pre-paid ordinary post, or where such address is outside Australia, pre-paid airmail, or destroy those documents and notify the ASX of this.

(d) All costs and expenses of the preparation, dispatch and circulation of the Offer and all stamp duty payable in respect of a transfer of your Danks Shares in respect of which the Offer is accepted, will be paid by Bidco.

8.18 Brokerage

No brokerage is payable by you as a consequence of accepting the Offer.

If your Danks Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Bidco, you will not incur any brokerage in connection with your acceptance of the Offer.

If your Danks Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Danks Shares are registered in the name of a broker, bank, custodian or other nominee, no brokerage is payable by you but you should ask your Controlling Participant or that nominee whether it will charge any transaction fees

8.19 Governing law

The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales.

8.20 Foreign laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

9. Additional Information

9.1 Due Diligence

Prior to the Announcement Date, Woolworths approached Danks on a confidential basis to discuss its interest in a potential acquisition of Danks. Danks agreed to Woolworths' request to carry out a limited due diligence review of the business and affairs of Danks and its Subsidiaries in connection with the making of the Offer. During the course of the due diligence, representatives of Woolworths inspected records and management accounts of Danks, conducted site visits and spoke with senior management personnel. Much of the due diligence was conducted over a short timeframe and the due diligence was limited by confidentiality constraints.

The information obtained by Woolworths during this due diligence review was made available to Bidco and Lowe's. That information is either in the public domain, is disclosed in this Bidder's Statement, or is not material to the making of a decision by a Danks Shareholder whether or not to accept the Offer.

9.2 Exclusivity and break fee

Woolworths, Bidco and Danks have entered into an implementation deed under which Danks has agreed to pay a break fee to Woolworths of \$870,000 in certain circumstances. Woolworths and Danks have also entered into an exclusivity deed, under which Danks has committed not to solicit alternative transactions to the Offer. Further details in respect of these matters are contained in Attachment B to the Danks Announcement.

9.3 Joint bidding deed

Woolworths, Lowe's, Bidco and WDR have entered into a joint bidding deed to provide for their proportionate shareholdings in Bidco (being two-thirds held by Woolworths and one-third held by WDR) and to otherwise govern their respective responsibilities in relation to the conduct of the Offer. Under the Joint Bidding Deed, Woolworths is generally entitled to conduct all aspects related to the implementation of the Offer, provided it discusses and consults with Lowe's, and obtains consent from Lowe's in relation to certain matters. In particular:

- (a) Bidco may not waive the Minimum Acceptance Condition, FIRB Condition or Regulatory Condition without first obtaining Lowe's written consent; and
- (b) Bidco may not increase the Offer Price without first obtaining Lowe's written consent.

Also under the Joint Bidding Deed, until Bidco owns 100% of Danks or in the event the Offer closes and Bidco is not entitled to proceed to compulsory acquisition of outstanding Danks Shares, Bidco must not vote any Danks Shares which it owns unless Lowe's and Woolworths agree how those shares are to be voted. In addition, Bidco may have up to 3 directors, with Woolworths having a right to appoint up to 2 of those directors and Lowe's having a right to appoint 1 director.

9.4 Hardware Joint Venture

Woolworths and Lowe's have entered into a joint venture agreement relating to a proposed incorporated joint venture in the home improvement and hardware products sector. Pursuant to that joint venture agreement, Woolworths and Lowe's intend to develop and operate a hardware and home improvement business in Australia.

Establishment of the Hardware Joint Venture is subject only to Lowe's obtaining Australian foreign investment approval under the FATA.

Woolworths will own a two-thirds interest in the Hardware Joint Venture, with Lowe's owning the remaining one-third. Woolworths will control a majority of the board of the joint venture company, and will appoint the chairman. Woolworths will manage the day-to-day affairs of the Hardware Joint Venture (but with significant management input from Lowe's, as outlined below).

The joint venture agreement operates together with a number of ancillary agreements relating to licensing of intellectual property, provision of commercial services and supply of products and equipment to the Hardware Joint Venture. Together, those agreements provide for the following key matters:

(a) **Governance**

The board of the joint venture company will have primary responsibility for the Hardware Joint Venture. However, certain key decisions, such as the expansion of the scope of the Hardware Joint Venture, the appointment of the chief executive officer, or the adoption of a new business plan to replace the initial business plan, will require unanimous support from both Woolworths and Lowe's, subject to a deadlock procedure.

(b) **Funding**

Woolworths and Lowe's have committed to provide an agreed level of funding so as to develop and establish the Hardware Joint Venture.

(c) **Licensing of intellectual property**

Each of Woolworths and Lowe's has committed to provide the Hardware Joint Venture with access to various know-how and other intellectual property that may be required for the business' success.

(d) **Supply of services**

Woolworths and Lowe's will also provide various commercial services to the Hardware Joint Venture (such as in relation to merchandising, store operations and planning, consumer research, supply chain operations, finance, marketing, construction, human resources and various corporate functions). Secondment of Woolworths and Lowe's personnel to the Hardware Joint Venture is likely to be involved in the provision of such services.

(e) **Supply of products**

The Hardware Joint Venture will obtain access to Lowe's global product sourcing arrangements.

(f) **Non-competition**

Woolworths and Lowe's have agreed not to carry on in Australia the business of a home improvement retailer except through the Hardware Joint Venture.

(g) **Term**

The joint venture agreement will continue indefinitely, subject to termination in specified circumstances relating to the status of the parties, the performance of the Hardware Joint Venture and the resolution of deadlocks or force majeure events. Lowe's will also have the unilateral right to sell its interest to Woolworths after an initial period.

9.5 Miscellaneous matters

(a) ASIC modifications

ASIC has published various instruments providing modifications and exemptions in relation to the operation of Chapter 6 of the Corporations Act that apply generally to all persons, including Woolworths, Bidco and Lowe's, and on which Woolworths, Bidco and Lowe's may rely.

(b) Consents

(i) Woolworths, Lowe's and WDR consents

This Bidder's Statement contains statements by, or statements based on statements by, Woolworths, Lowe's and WDR. Each of Woolworths, Lowe's and WDR has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of:

- A. references to its name;
- B. each statement by it; and
- C. each statement said in this Bidder's Statement to be based on a statement by it,

in this Bidder's Statement in the form and context in which those statements are included. Neither WDR, Lowe's nor any of their respective Related Bodies Corporate will be responsible for this Bidder's Statement, other than for any statement or information which has been included in this Bidder's Statement with the consent of that party. Neither Woolworths nor any of its Related Bodies Corporate will be responsible for this Bidder's Statement, other than for any statement or information which has been included in this Bidder's Statement with the consent of that party.

(ii) Other consents

This Bidder's Statement contains a statement in section 5.3(e) (being the reference to Danks' strategy of moving into direct ownership of large retail hardware operations) which is by a person, or based on a statement by a person, made in a document lodged with ASIC or given to the ASX (being the Danks' 2007/2008 Annual Report). Under the terms of ASIC Class Order 01/1543, the party making this statement is not required to consent to, and has not consented to, the inclusion of this statement in this Bidder's Statement. Danks Shareholders are entitled to obtain a copy of the Danks' 2007/2008 Annual Report free of charge from Bidco. If you would like to receive a copy of the Danks' 2007/2008 Annual Report please contact the Offer Information Line on 1800 243 528 (toll free) (within Australia) or +61 3 9415 4663 (normal charges apply) (outside Australia) and you will be sent a copy free of charge. This Bidder's Statement contains other statements by a person, or based on a statement by a person, made in documents lodged with ASIC or given to the ASX, and a correct and fair copy of each of these documents is included in this Bidder's Statement. Accordingly, under the terms of ASIC Class Order 01/1543 the parties making those statements

are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

This Bidder's Statement may include a trading data reference without the consent of the person who prepared the trading data if it complies with the terms of ASIC Class Order 07/429. Bidco has relied on ASIC Class Order 07/429 to include the trading data referred to as being prepared by IRESS Market Technology Ltd in the covering letter and in section 1 of this Bidder's Statement.

(c) **Woolworths Announcement**

The text of the release made by Woolworths to ASX in relation to the Offer on the Announcement Date is set out in Annexure A.

(d) **Danks Announcement**

The text of the release made by Danks to ASX in relation to the Offer on the Announcement Date is set out in Annexure B.

(e) **Danks results announcement**

The text of the release made by Danks to ASX entitled "Danks Celebrates 150th Year With Record Profit" dated 25 August 2009 is contained in Annexure C.

(f) **Australian Competition and Consumer Commission**

The ACCC has announced that it proposes to conduct an informal review of the proposed acquisition of Danks. Woolworths will provide to the ACCC information to assist the ACCC to undertake that review.

(g) **Foreign Investment Review Board**

Bidco has filed an application with the Foreign Investment Review Board for a notice from the Treasurer or his delegate stating that the Commonwealth Government does not object to the acquisition of Danks under the Offer.

(h) **Approvals for Payment of Consideration**

Bidco is not aware of any Danks Shareholder who requires any approval or clearance, in accordance with the statutory requirements below, in order to be entitled to receive any consideration under the Offer:

(i) **Banking (Foreign Exchange) Regulations 1959 (Cth)**

The Banking (Foreign Exchange) Regulations 1959 (Cth) may impose restrictions on certain financial transactions and require the consent of the Reserve Bank of Australia for the movement of funds into and out of Australia. Based on Bidco's searches, restrictions currently apply if funds are to be paid to, or received from:

- A. specified supporters of the former government of the Federal Republic of Yugoslavia;
- B. specified ministers and senior officials of the Government of Zimbabwe;

- C. specified entities associated with the Democratic People's Republic of Korea (North Korea);
- D. specified ministers and entities associated with Iran; and
- E. specified individuals associated with the Burmese regime.

(ii) Other Commonwealth legislation

The Charter of the United Nations Act 2002 (Cth) prohibits:

- A. assets from being provided to proscribed persons or entities; and
- B. the use or dealing, and facilitation of such use or dealing, of certain assets owned or controlled by proscribed persons or entities, in each case without the written consent of the Minister for Foreign Affairs.

Persons and entities from various countries have been proscribed under various Regulations made pursuant to the Charter of the United Nations Act 2002 (Cth) including in relation to Al-Qaida, the Taliban, Usama bin Laden, Democratic People's Republic of Korea, Somalia, Iran and Iraq.

(i) No other material information

Except as set out in this Bidder's Statement, there is no other information that:

- (i) is material to the making of a decision by a Danks Shareholder whether or not to accept the Offer;
- (ii) is known to Bidco; and
- (iii) has not previously been disclosed to Danks Shareholders.

(j) Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of Bidco on 1 September 2009.

10. Glossary

Term	Meaning
\$	The lawful currency of Australia, unless otherwise indicated.
ABN	Australian Business Number.
ACCC	Australian Competition and Consumer Commission
Acceptance Form	The form of acceptance enclosed with this Bidder's Statement.
ACN	Australian Company Number.
Announcement Date	25 August 2009
ASIC	Australian Securities and Investments Commission.
Associate	Has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time)
ASTC Settlement Rules	The operating rules of the settlement facility provided by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.
ASX	ASX Limited ABN 98 008 624 691 or the securities market operated by ASX Limited ABN 98 008 624 691, as the context requires.
Bidco	Carboxy Pty Limited ACN 138 990 584.
Bidder's Statement	This Bidder's Statement in respect of the Offer given by Bidco pursuant to Part 6.5 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act.
Broker	A member organisation admitted to participate in CHESSE under the ASTC Settlement Rules.
Business Day	A day which is a business day under the Listing Rules.

Term	Meaning
CGT	Capital gains tax under the Income Tax Assessment Act 1936 (Cth).
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.
CHESS Holding	Has the meaning set out in the ASTC Settlement Rules.
Conditions	The conditions of the Offer as set out in section 8.6 of this Bidder's Statement.
Controlling Participant	In relation to your Danks Shares, means the Participant that has the capacity in CHESS to transfer your Danks Shares (usually your Broker).
Corporations Act	Corporations Act 2001 (Cth).
Danks	Danks Holdings Limited ABN 81 004 295 532.
Danks Announcement	The announcement set out in Annexure B.
Danks Board	The board of directors of Danks.
Danks Group	Danks and its Subsidiaries.
Danks Share	A fully paid ordinary share in Danks.
Danks Shareholder	A person who is registered in the Danks Share Register as a holder of Danks Shares.
Danks Share Register	The register of members of Danks maintained by or on behalf of Danks in accordance with the Corporations Act.
Dividend Record Date	7.00 pm (Melbourne time) on 4 September 2009.
Due Diligence Materials	The information disclosed by or on behalf of Danks and its Subsidiaries, including in written responses to requests for information, to Woolworths (or any of its representatives) prior to the date of this document.

Term	Meaning
Encumbrance	Any of a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered.
FATA	Foreign Acquisitions and Takeovers Act 1975 (Cth).
Final Dividend	A dividend in respect of Danks Shares of 53.0 cents per Danks Share announced by Danks on 25 August 2009.
FIRB Condition	The defeating condition to the Offer entitled "Foreign Investment Review Board" set out in section 8.6(f).
GST	Goods and services tax imposed under the A New Tax system (Goods and Services Tax) Act 1999 (Cth) and the related imposition acts of the Commonwealth of Australia.
Hardware Joint Venture	The joint venture between Woolworths and Lowe's in relation to the home improvement and hardware products sector, as described in section 9.4.
Holder Identification Number	Has the meaning given to "HIN" as set out in the ASTC Settlement Rules.
Joint Bidding Deed	The joint bidding deed between Woolworths, Lowe's, Bidco and WDR referred to in section 9.3.
Lowe's	Lowe's Companies, Inc.
Membership Agreement	An agreement between any member of the Danks Group and a Third Party pursuant to which a member of the Danks Group licences or otherwise provides to that Third Party the right to use any brand of the Danks Group including "Home Timber & Hardware", "Thrifty-Link Hardware" and "Plants Plus Garden Centres".
Minimum Acceptance Condition	The defeating condition to the Offer entitled "90% minimum acceptance" set out in section 8.6(a).

Term	Meaning
NYSE	New York Stock Exchange
Offer	The offer by Bidco to acquire all of the Danks Shares on the terms set out in section 8 of this Bidder's Statement.
Offer Date	[] 2009.
Offer Period	<p>The period the Offer is open for acceptance being the period from the Offer Date and ending at 7.00 pm (Sydney time) on:</p> <p>(a) [] 2009; or</p> <p>(b) any date to which the period of the Offer is extended in accordance with the Corporations Act,</p> <p>whichever is later.</p>
Offer Price	\$13.50 in cash for each Danks Share.
Participant	An entity admitted to participate in CHESS under the ASTC Settlement Rules.
Prescribed Occurrence	<p>Any of the following events:</p> <p>(a) Danks converts all or any of its shares into a larger or smaller number of shares;</p> <p>(b) Danks or a Subsidiary of Danks resolves to reduce its capital in any way;</p> <p>(c) Danks or a Subsidiary of Danks:</p> <p>(i) enters into a buy-back agreement; or</p> <p>(ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;</p> <p>(d) Danks or a Subsidiary of Danks issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;</p> <p>(e) Danks or a Subsidiary of Danks issues, or agrees to</p>

Term	Meaning
	<p>issue, convertible notes;</p> <p>(f) Danks or a Subsidiary of Danks disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(g) Danks or a Subsidiary of Danks charges, or agrees to charge the whole, or a substantial part, of its business or property;</p> <p>(h) Danks or a Subsidiary of Danks resolves to be wound up;</p> <p>(i) a liquidator or provisional liquidator of Danks or of a Subsidiary of Danks is appointed;</p> <p>(j) a court makes an order for the winding up of Danks or of a Subsidiary of Danks;</p> <p>(k) an administrator of Danks or of a Subsidiary of Danks is appointed under section 436A, 436B or 436C of the Corporations Act;</p> <p>(l) Danks or a Subsidiary of Danks executes a deed of company arrangement; or</p> <p>(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Danks or of a Subsidiary of Danks.</p>
Public Authority	Any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity and includes ASIC and ASX.
Register Date	The date set by Bidco under section 633(2) of the Corporations Act, being 2 September 2009.
Regulatory Condition	The defeating condition to the Offer entitled "No action by a Public Authority adversely affecting the Offer" set out in section 8.6(b).

Term	Meaning
Related Bodies Corporate	Has the meaning set out in section 50 of the Corporations Act.
Relevant Interest	Has the meaning given in sections 608 and 609 of the Corporations Act.
Rights	All accretions, rights or benefits of whatever kind attaching to or arising from Danks Shares directly or indirectly on or after the Announcement Date (including, without limitation, all rights to receive dividends, bonuses or other share of Danks' profits or capital as well as all rights to receive or subscribe for shares, stock units, note, bonds, options or other securities and all other distributions or entitlements declared, paid, issued or made by Danks or any of its Subsidiaries), other than the Final Dividend.
SEC	Securities and Exchange Commission
Securityholder Reference Number	Has the meaning given to "SRN" as set out in the ASTC Settlement Rules.
Subsidiary	Has the meaning given to that term in section 9 of the Corporations Act
Takeover Transferee Holding	The CHESS Holding to which Danks Shares are to be transferred after acceptance of the Offer.
Takeovers Panel	The panel established by Part 10 of the Australian Securities and Investment Commission Act 2001 (Cth) and having functions specified in Part 6.10, Division 2 of the Corporations Act.
Target's Statement	The target's statement to be issued by Danks under section 638 of the Corporations Act in response to the Bidder's Statement.
Third Party	A person other than a member of the Woolworths Group
VWAP	Volume weighted average price.
WDR	WDR Delaware II Corporation, a wholly owned Subsidiary of Lowe's.

Term	Meaning
Woolworths	Woolworths Limited ABN 88 000 014 675.
Woolworths Announcement	The announcement set out in Annexure A.
Woolworths Group	Woolworths and its Subsidiaries.
your Danks Shares	<p>Subject to section 8.3(e), the Danks Shares:</p> <p>(a) in respect of which you are registered, or entitled to be registered, a holder in the register of members of Danks as at the Register Date; or</p> <p>(b) to which you are able to give good title at the time you accept this Offer during the Offer Period.</p>

11. Interpretation

Terms used in this Bidder's Statement have the meaning (if any) given to them in Chapter 6 of the Corporations Act, the Listing Rules or the ASTC Settlement Rules unless that meaning is inconsistent with the context in which the term is used.

In this Bidder's Statement (including the Offer) and the Acceptance Form, the following principles of interpretation apply unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the meaning of the paragraphs they introduce;
- (b) the singular includes the plural and vice versa;
- (c) words importing any gender include any other genders;
- (d) references to persons includes any corporation, partnership, joint venture, association or other bodies corporate and vice versa;
- (e) appendices and annexures to this Bidder's Statement form part of this Bidder's Statement;
- (f) a reference to a section is to a section of this Bidder's Statement;
- (g) references to paragraphs are to paragraphs in the Bidder's Statement;
- (h) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (m) a reference to time is a reference to Sydney time; and
- (n) references to "dollar" or "cents" or "\$" are references to Australian currency.

To the extent permissible under applicable law, this Bidder's Statement (including the Offer) and the Acceptance Form are governed by New South Wales law.

Annexure A — Woolworths Announcement

WOOLWORTHS LIMITED

25 August 2009

PRESS RELEASE

Woolworths to enter \$24 billion hardware sector

- Grows local independent retail hardware sector via acquisition of Danks
- Launches destination home improvement store network
- Announces JV with leading US home improvement retailer Lowe's

The Board of Woolworths Limited (Woolworths) has approved plans for the company to enter the \$24 billion plus hardware sector with a multi format strategy designed to meet the everyday home improvement needs of Australian consumers.

This fresh new home improvement offer will be based on a combination of significant local and international industry expertise; the right range representing value and choice; and a mix of convenient traditional hardware store formats and large destination home improvement stores to broaden consumer choice.

Woolworths today announces:

- A recommended takeover offer for Danks Holdings Limited (Danks), Australia's second largest hardware distributor supplying 583 Home Timber & Hardware, Thrifty-Link Hardware, and Plants Plus Garden Centre stores plus 939 independent hardware stores
- The development of a network of destination home improvement stores with a target to secure more than 150 store sites within the next five years.
- A joint venture equity agreement with leading US Home Improvement retailer Lowe's Companies Inc (Lowe's)

- More Over -

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Strategic rationale

Woolworths' decision to enter the hardware and home improvement sector fits with the company's overall offering which is focused on delivering value in customers' everyday needs. The existing category for home improvement in Australia is under-served and Woolworths believes there is a genuine opportunity to bring competition and grow the sector with an enhanced offer.

Woolworths Chief Executive Michael Luscombe said: "The Australian love of property and high levels of home ownership mean that maintaining and improving homes is an important part of everyday life. There is a real opportunity to increase the overall size of the sector and this significant new distribution and retail investment should be positive for both customers and the industry alike."

Category expansion is one of Woolworths' stated platforms for future growth. Expansion into the hardware and home improvement sector is a logical extension of Woolworths' existing retail capabilities, technology and skills. Woolworths has studied the category for a considerable period of time and believes its best-in-class supply platforms along with its global sourcing and distribution capabilities will ensure it is well placed, together with Danks and Lowe's, to grow Australia's hardware sectors.

"We're interested in adding choice to the industry and we believe we can improve the pricing, product range and experience for customers," said Mr Luscombe. "At the moment, the sector is dominated by one major big box player, so there is a real opportunity for increased competition in that part of the sector."

"Woolworths is keen to grow the overall home improvement category in Australia and this means significant innovation, investment and opportunity in both distribution and retail. We want to create a fresh new offer in destination home improvement and also give customers a better deal in their local hardware store by working with Danks to grow and improve hardware distribution to the independent retailers. Our entry into these two points in the value chain will be supported by our joint venture with Lowe's."

Through successful category expansion in the past, Woolworths is now proudly represented in consumer electronics, liquor, and hotels and has also entered financial services with the Woolworths Everyday Money credit card. The opportunity to grow the business by entering new categories benefits Woolworths shareholders by diversifying revenue streams and providing access to a new demographic of customers through which to grow the business and enhance shareholder value.

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Takeover offer for Danks

Woolworths/Lowe's have offered \$13.50 per share (representing total equity consideration of \$87.6 million), plus approved final Danks declared dividend of \$0.53 per share to acquire all the ordinary shares of Danks, Australia's second largest hardware distributor.

The Danks Board has unanimously recommended that its shareholders accept the offer. "The acquisition of Danks gives us immediate capacity and capability and fits with our overall aim of serving our customers' everyday needs," Mr Luscombe said.

"Danks is a profitable, well run business that provides competition and choice in the independent hardware sector at both a retail and trade level. Danks is the ideal partner for Woolworths and we believe the combination of industry expertise on the Danks side, with Woolworths' access to capital and supply chain systems, will significantly benefit the independent retailers and their offer.

"The Danks management team, lead by Graeme Danks, has a wealth of knowledge and experience that is unparalleled in the industry," said Mr Luscombe. "Retaining Graeme and the skills and expertise of his team is very important to us. The vision that Woolworths and Danks have for hardware retailing and distribution is very much aligned."

"The continued growth and success of the independent retailers will be fundamental to Woolworths' success and we have strong plans to improve the competitiveness of the local hardware stores."

Danks is a successful distributor to more than 1500 independent retailers, of whom 583 are branded either Home Timber & Hardware (205), Thrifty Link (312) or Plants Plus Garden Centres (66). Woolworths believes there is a clear opportunity to grow the distribution business and deliver greater efficiencies to independent retailers. Supporting independent retailers will continue to be a key priority for Danks.

The acquisition of Danks will have a positive EBIT and EPS contribution from day one and gives Woolworths immediate capacity and capability to operate and grow its hardware business at a distributor and retail level. Woolworths believes there will be significant synergies between the businesses.

The Offer is subject to a number of conditions. Details of the Conditions and the Exclusivity arrangements are covered in the Annexure to this Announcement.

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Acquisition of greenfield sites

Woolworths has a target to secure in excess of 150 store sites within the next five years. The company has secured entitlement to 12 sites and is currently in final negotiations to secure a further 15 sites for greenfield development nationally for potential destination home improvement stores of more than 10,000sqm.

The construction, roll-out and staffing of a significant new store network will ultimately involve extensive investment in local Australian communities and thousands of new jobs created across the country. Woolworths expects to open its first destination home improvement store in late 2011.

“Woolworths is investing in this growth opportunity despite the current economic climate because we feel confident about the future of the Australian economy. As consumer confidence returns, we look forward to playing an important role in the hardware industry to benefit customers with increased choice.”

Joint venture agreement with Lowe’s

Woolworths has today entered into a joint venture agreement with one of the world’s leading home improvement retailers, Lowe’s. Under the terms of this agreement, Woolworths and Lowe’s will work together to share best practice and create a leading home improvement business in Australia. As part of this arrangement, Lowe’s will own a one-third share of the new home improvement business and will contribute capital accordingly.

“This is yet another example of Woolworths’ partnership approach,” said Mr Luscombe. “We have a track record of working with others, particularly as we have moved into new categories.

“We’re very pleased to be working with Lowe’s, a leading global retailer in home improvement, and very proud of the unique and collaborative agreement we have put in place.”

The Woolworths Board and Management Team have allocated significant funding and resources to develop the opportunities in the destination home improvement sector in the context of Woolworths’ overall growth strategy.

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For further information on the recommended takeover offer for Danks, please refer to the Danks ASX release lodged this morning.

<http://www.asx.com.au/asx/research/companyInfo.do?by=asxCode&asxCode=DKS>

For further information on the consulting and joint venture agreement with Lowe's, please refer to the Lowe's NYSE release.

<http://www.nyse.com/about/listed/low.html>

Ends

For more information please contact:

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Annexure 1 – Conditions and Exclusivity

Woolworths and Danks have entered into an Implementation Deed under which Danks has agreed to pay a break fee to the joint venture bid vehicle, Carboxy Pty Ltd (Carboxy), of \$870,000 in certain circumstances. Woolworths and Danks have also signed an Exclusivity Deed, under which Danks has committed not to solicit alternative transactions to the Offer.

Under the Implementation Deed, Woolworths has undertaken to use its best endeavours to prepare and provide to the ACCC by 1 September 2009 information to assist the ACCC to undertake a review of the proposed acquisition of Danks and thereafter to take necessary and appropriate steps to assist the ACCC to undertake its review. Woolworths has also undertaken to use its best endeavours to prepare and file an application with the Foreign Investment Review Board by 1 September 2009 for a notice from the Treasurer or his delegate stating that the Commonwealth Government does not object to the acquisition of Danks and thereafter to take all necessary and appropriate steps to obtain that notice.

Carboxy has agreed with Danks to send the Bidder's Statement and Offer (with a 6 week offer period, subject to extension in accordance with the Corporations Act) to Danks' shareholders in accordance with the Corporations Act and to use its best endeavours to do so as soon as reasonably practicable after the Bidder's Statement is lodged with ASIC. Carboxy has agreed to use its best endeavours to lodge the Bidder's Statement with ASIC by 1 September 2009.

Conditions

The Offer will be subject to conditions substantially as set out below.

1. **90% minimum acceptance**

At the end of the Offer Period, Bidder and its Associates together have a Relevant Interest in at least 90% of the Danks shares on issue.

2. **No action by a Public Authority adversely affecting the Offer**

Between the Announcement Date and the end of the Offer Period:

- a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- b) no application is made to any Public Authority (other than by a member of the Woolworths Group), and no action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- c) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Bidder in respect of Danks and the Danks shares to be acquired under the Offer; or
- d) requires divestiture by Bidder of any Danks shares, or the divestiture of any assets of the Danks Group, the Woolworths Group or otherwise.

3. **Prescribed Occurrences**

Before the end of the Offer Period, no Prescribed Occurrence occurs.

4. **No material transactions or changes**

Except as disclosed in any public announcement by Danks delivered to ASX prior to the Announcement Date, no member of the Danks Group has between the Announcement Date and the end of the Offer Period:

- a) issued or agreed to issue, or authorised or proposed the issue of, any equity, debt or hybrid security (including any security convertible into shares of any class) or rights, warrants, performance rights or options to subscribe for or acquire any such securities;
- b) recommended, declared, paid or made, or resolved to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash, in specie or otherwise, other than the Final Dividend;
- c) issued or agreed to issue any debentures, or except in the ordinary course of business incurred or increased any indebtedness for a material amount in aggregate;
- d) implemented or entered into any scheme or arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Danks Group), or a deed of company arrangement, or any analogous procedure, scheme or arrangement in any jurisdiction other than in the context of a Superior Proposal;
- e) entered into or renewed (in either case, other than in the ordinary course of business) or materially changed the terms of any Membership Agreement or made any representations inconsistent with, or not provided for by, the terms as at the Announcement Date of any Membership Agreement;
- f) publicly disclosed the existence of any matter described in paragraphs (a) to (e) above; or
- g) entered into any contract, commitment, arrangement or agreement, passed any resolution or made any offer (which remains open for acceptance) with respect to, or publicly announced an intention to, or proposal to, do anything described in paragraphs (a) to (e) above.

5. **Third party consents**

If any member of the Danks Group is a party to, is bound by, or is subject to, a material agreement, arrangement or understanding (other than any agreement, arrangement or understanding disclosed, or referred to, in the Due Diligence Material including but not limited to leases of real property, information technology contracts and Membership Agreements) that the Danks Board is aware of, or should have been aware of, which as a result of the acquisition of Danks shares by Bidder under the Offer or a change in control of Danks as a result of the Offer entitles a Third Party to exercise any rights (including termination rights or pre-emptive rights), and the exercise of those rights would have a material adverse impact on the business, assets, liabilities, financial or trading position, profitability or prospects of the Danks Group (taken as a whole), then before the end of the Offer Period the Third Party:

- a) does not exercise, purport to exercise, or state an intention or claim a right to exercise, those rights; and
- b) gives its unconditional and irrevocable consent to the acquisition of Danks shares by Bidder or otherwise waives unconditionally and irrevocably its entitlement to exercise rights as referred to above.

6. **Foreign Investment Review Board**

Before the end of the Offer Period:

- a) the Treasurer of the Commonwealth of Australia or a delegate of the Treasurer of the Commonwealth of Australia issues a notice stating that the Commonwealth Government does not object to the potential acquisition by Bidder of up to 100% of the shares in Danks and such notice is not subject to any conditions;
- b) the period provided under the FATA during which the Treasurer of the Commonwealth of Australia may make an order under section 18(2) of the FATA or an interim order under section 22 of the FATA in relation to the acquisition by Bidder of the shares in Danks expires without such an order being made; or
- c) if an interim order under section 22 of the FATA is made, the subsequent period for making a final order prohibiting the acquisition by Bidder of the shares in Danks lapses without a final order being made.

Dictionary

Announcement Date means 25 August 2009.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time).

ASX means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited ABN 98 008 624 691, as the context requires.

Bidder means Carboxy Pty Limited ACN 138 990 584.

Corporations Act means the Corporations Act 2001 (Cth).

Danks means Danks Holdings Limited ABN 81 004 295 532.

Danks Group means Danks and its Subsidiaries.

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Final Dividend means a dividend in respect of Danks shares of no more than 53 cents per Danks share.

Membership Agreement means an agreement between any member of the Danks Group and a Third Party pursuant to which a member of the Danks Group licences or otherwise provides to that Third Party the right to use any brand of the Danks Group including "Home Timber & Hardware", "Thrifty-Link Hardware" and "Plants Plus Garden Centres".

Offer means the offer to be made by Bidder to acquire all the ordinary shares in Danks.

Offer Period means the period during which the Offer will remain open for acceptance.

Prescribed Occurrence means any of the following events:

- a) Danks converts all or any of its shares into a larger or smaller number of shares;
- b) Danks or a Subsidiary of Danks resolves to reduce its capital in any way;
- c) Danks or a Subsidiary of Danks:

- I. enters into a buy-back agreement; or
 - II. resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- d) Danks or a Subsidiary of Danks issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - e) Danks or a Subsidiary of Danks issues, or agrees to issue, convertible notes;
 - f) Danks or a Subsidiary of Danks disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - g) Danks or a Subsidiary of Danks charges, or agrees to charge the whole, or a substantial part, of its business or property;
 - h) Danks or a Subsidiary of Danks resolves to be wound up;
 - i) a liquidator or provisional liquidator of Danks or of a Subsidiary of Danks is appointed;
 - j) a court makes an order for the winding up of Danks or of a Subsidiary of Danks;
 - k) an administrator of Danks or of a Subsidiary of Danks is appointed under section 436A, 436B or 436C of the Corporations Act;
 - l) Danks or a Subsidiary of Danks executes a deed of company arrangement; or
 - m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Danks or of a Subsidiary of Danks.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity and includes ASIC and ASX.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Subsidiary has the meaning given to that term in section 9 of the Corporations Act.

Third Party means a person other than a member of the Woolworths Group.

Woolworths means Woolworths Limited ABN 88 000 014 675.

Woolworths Group means Woolworths and its Subsidiaries.

Annexure B — Danks Announcement

ASX RELEASE only



DANKS HOLDINGS LIMITED
ABN 81 004 295 532

25 August 2009

DANKS RECOMMENDS TAKEOVER OFFER FROM WOOLWORTHS-LOWE'S JOINT VENTURE

Danks Holdings Limited (Danks) today announced that it had signed an implementation deed with Woolworths Limited (Woolworths) under which an off-market takeover offer will be made to acquire all of the issued shares in Danks at a price of \$13.50 cash per ordinary share.

The offer will be made by a joint venture entity owned 2/3 by Woolworths and 1/3 by leading US home improvement retailer Lowe's Companies Inc (Lowe's).

Danks shareholders on the share register at 7.00pm (Melbourne time) on 4 September 2009 will also be entitled to the final dividend of 53.0 cents per share announced today for the year ending 30 June 2009.

The offer will be subject to various conditions, including a minimum acceptance condition of 90%. These conditions are set out in full in Attachment A. Attachment B sets out a summary of the exclusivity and break fee arrangements contained in the Implementation Deed.

The Board of Danks unanimously recommends that Danks shareholders accept the offer in the absence of a superior proposal. Each of the directors of Danks intends to accept the offer in respect of the Danks shares held by them or in which they otherwise have a relevant interest, in the absence of a superior proposal.

Investments Pty Limited, the Danks family investment company, representing 48.89% of the issued capital of Danks, has stated that it intends to accept the offer in the absence of a superior proposal.

Danks Managing Director, Graeme Danks, said this was a great opportunity for both Danks shareholders and the Danks business.

Significant premium for shareholders

"The offer enables shareholders to realise their investment for cash at a significant premium to the current market price," he said.

The offer represents a 65% premium to Danks' closing share price of \$8.20 on 24 August 2009, being the last trading day prior to this announcement and an 89% premium to the volume weighted average price of Danks shares for the 6 months to close of trade on 24 August 2009.

If the off-market offer is successful, it will bring a new era of growth for customers and employees

"For our retail customers and employees, this marks the start of an exciting new era for Danks, building on 150 years of history and providing a strong platform for the next phase of growth," Mr Danks said.

"We believe Danks will become a leading hardware distributor in Australia, with enhanced capability to support and grow independent retailers who will continue to be the lifeblood of our business.

"Woolworths-Lowe's intends to support the Danks name and the retail brands Home Timber & Hardware, Thrifty Link Hardware and Plants Plus Garden Centres.

"We believe that partnering with Woolworths and Lowe's will provide Danks customers with the benefit of added resources, industry expertise, buying efficiencies, global sourcing and supply chain benefits.

"Woolworths has indicated that:

- it will retain Danks staff and management and continue to use their expertise to further grow and develop the business;
- Danks employees will have access to additional employee benefits and improved training and career development opportunities; and
- Danks' head office will remain in Melbourne, the organisation structure will remain the same and Graeme Danks will continue as Managing Director."

Next steps

Danks understands that the Bidder's Statement will be lodged with ASIC on or around Tuesday, 1 September 2009 and despatched to Danks shareholders as soon as reasonably practicable after this date. The Offer is expected to open for six weeks subject to the right of the Bidder to extend the offer period in accordance with the Corporations Act.

Shareholders seeking further information should contact the Link Shareholder Enquiry Centre on 1300 851 395.

Media contacts:

Graeme Danks
Managing Director
Danks Holdings Limited
03 9264 5007

Suzie Batten
Suzie Batten Corporate Communications
0419 546 104

Attachment A – Bid Conditions

The Offer will be subject to conditions substantially as set out below.

1. **90% minimum acceptance**

At the end of the Offer Period, Bidder and its Associates together have a Relevant Interest in at least 90% of the Danks shares on issue.

2. **No action by a Public Authority adversely affecting the Offer**

Between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (b) no application is made to any Public Authority (other than by a member of the Woolworths Group), and no action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- (c) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Bidder in respect of Danks and the Danks shares to be acquired under the Offer; or
- (d) requires divestiture by Bidder of any Danks shares, or the divestiture of any assets of the Danks Group, the Woolworths Group or otherwise.

3. **Prescribed Occurrences**

Before the end of the Offer Period, no Prescribed Occurrence occurs.

4. **No material transactions or changes**

Except as disclosed in any public announcement by Danks delivered to ASX prior to the Announcement Date, no member of the Danks Group has between the Announcement Date and the end of the Offer Period:

- (a) issued or agreed to issue, or authorised or proposed the issue of, any equity, debt or hybrid security (including any security convertible into shares of any class) or rights, warrants, performance rights or options to subscribe for or acquire any such securities;
- (b) recommended, declared, paid or made, or resolved to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash, in specie or otherwise, other than the Final Dividend;
- (c) issued or agreed to issue any debentures, or except in the ordinary course of business incurred or increased any indebtedness for a material amount in aggregate;

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- (d) implemented or entered into any scheme or arrangement or compromise (including one for a reconstruction or amalgamation of any members of the Danks Group), or a deed of company arrangement, or any analogous procedure, scheme or arrangement in any jurisdiction other than in the context of a Superior Proposal;
- (e) entered into or renewed (in either case, other than in the ordinary course of business) or materially changed the terms of any Membership Agreement or made any representations inconsistent with, or not provided for by, the terms as at the Announcement Date of any Membership Agreement;
- (f) publicly disclosed the existence of any matter described in paragraphs (a) to (e) above; or
- (g) entered into any contract, commitment, arrangement or agreement, passed any resolution or made any offer (which remains open for acceptance) with respect to, or publicly announced an intention to, or proposal to, do anything described in paragraphs (a) to (e) above.

5. **Third party consents**

If any member of the Danks Group is a party to, is bound by, or is subject to, a material agreement, arrangement or understanding (other than any agreement, arrangement or understanding disclosed, or referred to, in the Due Diligence Material including but not limited to leases of real property, information technology contracts and Membership Agreements) that the Danks Board is aware of, or should have been aware of, which as a result of the acquisition of Danks shares by Bidder under the Offer or a change in control of Danks as a result of the Offer entitles a Third Party to exercise any rights (including termination rights or pre-emptive rights), and the exercise of those rights would have a material adverse impact on the business, assets, liabilities, financial or trading position, profitability or prospects of the Danks Group (taken as a whole), then before the end of the Offer Period the Third Party:

- (a) does not exercise, purport to exercise, or state an intention or claim a right to exercise, those rights; and
- (b) gives its unconditional and irrevocable consent to the acquisition of Danks shares by Bidder or otherwise waives unconditionally and irrevocably its entitlement to exercise rights as referred to above.

6. **Foreign Investment Review Board**

Before the end of the Offer Period:

- (a) the Treasurer of the Commonwealth of Australia or a delegate of the Treasurer of the Commonwealth of Australia issues a notice stating that the Commonwealth Government does not object to the potential acquisition by Bidder of up to 100% of the shares in Danks and such notice is not subject to any conditions;
- (b) the period provided under the FATA during which the Treasurer of the Commonwealth of Australia may make an order under section 18(2) of the FATA or an interim order under section 22 of the FATA in relation to the acquisition by Bidder of the shares in Danks expires without such an order being made; or
- (c) if an interim order under section 22 of the FATA is made, the subsequent period for making a final order prohibiting the acquisition by Bidder of the shares in Danks lapses without a final order being made.

Definitions

Announcement Date means 25 August 2009.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time).

ASX means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited ABN 98 008 624 691, as the context requires.

Bidder means Carboxy Pty Limited ACN 138 990 584.

Corporations Act means the Corporations Act 2001 (Cth).

Danks means Danks Holdings Limited ABN 81 004 295 532.

Danks Group means Danks and its Subsidiaries.

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Final Dividend means a dividend in respect of Danks shares of no more than 53 cents per Danks share.

Membership Agreement means an agreement between any member of the Danks Group and a Third Party pursuant to which a member of the Danks Group licences or otherwise provides to that Third Party the right to use any brand of the Danks Group including "Home Timber & Hardware", "Thrifty-Link Hardware" and "Plants Plus Garden Centres".

Offer means the offer to be made by Bidder to acquire all the ordinary shares in Danks.

Offer Period means the period during which the Offer will remain open for acceptance.

Prescribed Occurrence means any of the following events:

- (a) Danks converts all or any of its shares into a larger or smaller number of shares;
- (b) Danks or a Subsidiary of Danks resolves to reduce its capital in any way;
- (c) Danks or a Subsidiary of Danks:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (d) Danks or a Subsidiary of Danks issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Danks or a Subsidiary of Danks issues, or agrees to issue, convertible notes;
- (f) Danks or a Subsidiary of Danks disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Danks or a Subsidiary of Danks charges, or agrees to charge the whole, or a substantial part, of its business or property;
- (h) Danks or a Subsidiary of Danks resolves to be wound up;
- (i) a liquidator or provisional liquidator of Danks or of a Subsidiary of Danks is appointed;
- (j) a court makes an order for the winding up of Danks or of a Subsidiary of Danks;
- (k) an administrator of Danks or of a Subsidiary of Danks is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Danks or a Subsidiary of Danks executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Danks or of a Subsidiary of Danks.

Public Authority means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity and includes ASIC and ASX.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Subsidiary has the meaning given to that term in section 9 of the Corporations Act.

Third Party means a person other than a member of the Woolworths Group.

Woolworths means Woolworths Limited ABN 88 000 014 675.

Woolworths Group means Woolworths and its Subsidiaries.

Attachment B – Exclusivity and Break Fee

For personal use only

Exclusivity	<p>No shop</p> <p>During the Exclusivity Period, Danks must not, and must ensure that its authorised persons and related persons do not, except with the prior written consent of Woolworths, solicit or invite any Alternative Proposal or initiate discussions with any third party with a view to obtaining any expressions of interest, offer or proposal from any person in relation to an Alternative Proposal.</p> <p>No Talk</p> <p>Subject to the Fiduciary Exception (noted below), during the Exclusivity Period, Danks must not and must ensure that its authorised persons and related persons do not, except with the prior written consent of Woolworths:</p> <ul style="list-style-type: none"> • participate in any negotiations in relation to an Alternative Proposal or which may reasonably be expected to lead to an Alternative Proposal; or • provide any information to a third party for the purposes of enabling that party to make an Alternative Proposal. <p>Fiduciary Exception</p> <p>The No Talk restriction does not apply if the board of Danks, acting in good faith, after having obtained written advice from its legal and, if appropriate, its financial advisers, determines that:</p> <ul style="list-style-type: none"> • where there is an Alternative Proposal, the Alternative Proposal is a Superior Proposal or, where there is not yet an Alternative Proposal, the steps which the board proposes to take may reasonably be expected to lead to an Alternative Proposal which is a Superior Proposal; and • failing to respond to the Alternative Proposal would be likely to constitute a breach of its fiduciary or statutory duties. <p>No commitments</p> <p>During the Exclusivity Period, Danks must not, and must ensure that its authorised persons and related persons do not, except with the prior written consent of Woolworths, enter into any deed, arrangement or understanding in relation to an Alternative Proposal which would have the effect of requiring Danks to abandon, or otherwise fail to proceed with the Bid unless the board of Danks determines that the Alternative Proposal is a Superior Proposal.</p> <p>Notice of Alternative Proposal</p> <p>Subject to the Notification Exception (referred to below), during the Exclusivity Period, Danks must:</p> <ul style="list-style-type: none"> • promptly notify Woolworths if it or any of its authorised persons or related persons receive any inquiry or proposal which may reasonably be expected to lead to an Alternative Proposal; • as soon as reasonably practicable provide written notice of the identity of the party or parties involved in the inquiry or proposal; and • provide Woolworths with regular updates on the status of any such inquiry or proposal. <p>Notification Exception</p> <p>Danks is not required to provide Woolworths Notice of Alternative Proposal if:</p> <ul style="list-style-type: none"> • Danks has determined the Fiduciary Exception applies; and • determined in good faith, after having obtained written advice from its legal advisers, that the consequences of providing the Notice of Alternative Proposal would be likely to constitute a breach of the board of Danks' fiduciary or statutory duties.
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Break Fee	<p>Danks must pay Woolworths \$870,000 (plus any GST and without set-off or withholding) if:</p> <ul style="list-style-type: none"> • the Danks Board does not in the Target's Statement unanimously recommend that Danks shareholders accept the Offers made under the Bid in the absence of a Superior Proposal; or • any Danks Director withdraws or changes his recommendation to Danks Shareholders to accept the Offers made under the Bid in the absence of a Superior Proposal, except in circumstances where the recommendation is withdrawn or changed because the Danks Director publicly recommends a Superior Proposal; or • if after 25 August 2009 a Superior Proposal is announced or open for acceptance and within 9 months of 25 August 2009 that Superior Proposal or a transaction substantially similar to that Superior Proposal: <ul style="list-style-type: none"> ○ is completed; or ○ in the case of such a Superior Proposal that involves a takeover bid made under Chapter 6 of the Corporations Act, the proponent of the Superior Proposal acquires a relevant interest in at least 50% of Danks shares and the bid becomes free from any defeating conditions as that term is defined in the Corporations Act.
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Definitions

Alternative Proposal	<ul style="list-style-type: none"> • a public announcement or commencement of a takeover bid for Danks by any entity which is not Woolworths or a related body corporate of it; • a public proposal for a change of control of Danks not involving Woolworths or a related body corporate of it, including by: <ul style="list-style-type: none"> ○ a scheme of arrangement, merger, amalgamation, capital reconstruction, shareholder approved acquisition, capital reduction, share buy back, reverse takeover, consolidation, purchase of main undertaking or other business combination involving Danks and/or its subsidiaries which has the support of the board of directors of Danks; ○ dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of Danks; ○ the issue by Danks to a third party of a material number of its shares or other securities as consideration for the assets or securities of another person; or ○ the acquisition of all or a substantial part of the assets or business of Danks and/or its subsidiaries, or • any other proposed transaction or arrangement to which an entity which is not Woolworths or a related body corporate of it would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms: <ul style="list-style-type: none"> ○ directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a substantial part of the business of Danks; or ○ acquire a relevant interest in 50% or more of the ordinary shares in Danks or otherwise acquire control of Danks within the meaning of section 50AA of the Corporations Act.
Bidder	Carboxy Pty Limited ACN 138 990 584
Contemplated Transaction	a takeover bid for Danks by Woolworths or a related body corporate of Woolworths under Chapter 6 of the Corporations Act or a scheme of arrangement or another transaction under which Woolworths or a related body corporate of Woolworths (including the bid vehicle) would acquire Danks.

Exclusivity Period	the period commencing on 24 August 2009 and ending on the earlier of: <ul style="list-style-type: none">• the date the Implementation Deed is terminated in accordance with its terms;• the date on which the Offer Period in respect of the Bid ends; and• 24 November 2009.
Offer	each offer by Bidder to acquire Danks Securities under the Bid.
Offer Period	the period the Offer is open for acceptance.
Superior Proposal	an Alternative Proposal which: <ul style="list-style-type: none">• in the determination of the board of Danks acting in good faith is reasonably capable of being completed, taking into account both the nature of the Alternative Proposal and the person or persons making it; and• in the determination of the board of Danks acting in good faith and in order to satisfy what the board considers to be its fiduciary or statutory duties would, if completed substantially in accordance with its terms, result in a transaction more favourable to the shareholders of Danks than a Contemplated Transaction.

Annexure C — "Danks Celebrates 150th Year With Record Profit"



DANKS HOLDINGS LIMITED
ABN 81 004 295 532

25 August 2009

DANKS CELEBRATES 150th YEAR WITH RECORD PROFIT

Danks Holdings Limited (Danks) (ASX: DKS) today announced a net profit after tax of \$7.02 million for the year ending 30 June 2009, up 75% on the previous year and a record result in the company's 150th year of trading.

The Danks Board declared a fully franked final dividend of 53 cents per share, payable on 21 September 2009, taking the total dividend for the year to 75 cents per share. The record date for determining entitlements to the final dividend will be 7.00pm (Melbourne time) on 4 September 2009.

Danks Managing Director Graeme Danks said it was very rewarding to deliver such a strong result for shareholders on the company's 150th anniversary.

"In a year of extraordinary economic conditions our conservative operating model, with low debt levels and a broad customer base, has helped us to prosper," he said.

The result was achieved on revenue of \$569.4 million, up from the previous year, and reflects a number of cost saving initiatives implemented during the past two years. These included the consolidation of a number of distribution centres, a restructure of the retail operations business unit and improved cost control throughout the company including refined customer trading terms.

The company signed a number of new independent hardware stores from other brands into its retail groups Home Timber and Hardware & Thrifty-Link Hardware, while the nursery group of Plant Plus Garden Centres also experienced growth during the year.

In its first full trading period (51 weeks) under Danks ownership, the Home Timber & Hardware retail store in the Blue Mountains NSW enjoyed solid sales growth and improved margins following a store relay and the installation of Danks DART point of sale computer system.

The working capital position of the group improved during the year with a further reduction in debtor days outstanding, improved stock turnover and improved supplier trading terms.

The company continues to experience strong trading conditions in the new financial year.

Results summary

Year ending 30 June	2009	2008	Increase/ (decrease)
Total revenue \$m	569.4	560.6	1.6%
Sales revenue \$m	521.9	515.2	1.3%
Pre-tax profit \$m	10.3	6.0	71.7%
Net profit \$m	7.02	4.02	74.6%
EPS cents	108.2	61.8	75.1%
Interim dividend cents per share	22.0	22.0	0.0%
Final dividend cents per share	53.0	22.0	140.9%

In a separate announcement Danks also disclosed that it had signed an implementation deed with Woolworths Limited (Woolworths) under which an off-market takeover offer will be made to acquire all of the issued shares in Danks at a price of \$13.50 cash per ordinary share. Danks shareholders on the record date will be entitled to receive the final dividend. Further details on the takeover offer from Woolworths-Lowe's are contained in a separate announcement released by Danks today.

"Today marks a turning point in Danks history as we deliver this exceptional result and another positive outcome for shareholders through the agreement with Woolworths-Lowe's," said Mr Danks.

"If the off-market takeover is successful, combining with Woolworths-Lowe's, Danks will evolve into a new phase of growth, which is exciting for our staff, customers and suppliers," he said.

"I would like to take this opportunity to recognise the efforts of our Board of Directors, who have provided valuable guidance over the years, and to thank our staff and management team for their outstanding contributions. I look forward to continuing on the Danks journey with them."

Further information:

www.danks.com.au

Graeme Danks
Managing Director
Telephone: 61 3 9264 5007

Suzie Batten
Suzie Batten Corporate Communications
Mobile: 0419 546 104

About Danks:

Danks commenced trading as John Danks & Son Pty Ltd in 1859 and celebrates its 150th year in 2009. Danks is one of Australia's largest, most innovative distributors of hardware and garden products, servicing over 580 independently owned and operated retail businesses through the Home Timber and Hardware, Thrifty-Link Hardware and Plants Plus Garden Centre brands and a further 900 independent retailers. Danks operates distribution centres in Melbourne, Sydney and Perth servicing all states in Australia.

Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 8060 Australia
Enquiries (within Australia) 1800 243 528 (toll free)
(outside Australia) +61 3 9415 4663 (normal charges apply)

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000001 1301011221012102012221332120133322113
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Holder Identification Number (HIN)

I1234567890

X 1234567890 I N D

Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A	B	C	1	2	3
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For your security keep your HIN confidential.

Acceptance Form - CHESS Holding

This is a personalised form for the sole use of the holder and securityholding recorded below. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

This form relates to an offer ("Carboxy's Offer") by Carboxy Pty Ltd ("Carboxy") to acquire all of your shares ("Danks Shares") in Danks Holdings Limited ("Danks") pursuant to a Bidder's Statement dated 1 September 2009 (the "Bidder's Statement"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

Use this form to accept Carboxy's Offer for your Danks Shares

B Consideration

The consideration applicable is that set out in the terms of Carboxy's Offer.

Securityholder details

Subregister

CHESS

Your holding in Danks

123456789012

C To be completed by Securityholder

You will be deemed to have accepted Carboxy's Offer in respect of all your Danks Shares if you sign and return this form.

As you hold your Danks Shares in a CHESS holding (see "subregister" above), to accept Carboxy's Offer you can either:

- Instruct your Controlling Participant directly - normally your stockbroker
or
- Authorise Carboxy to contact your Controlling Participant on your behalf, which you can do by signing and returning this form. By signing and returning this form you will be deemed to have authorised Carboxy to contact your Controlling Participant directly via the CHESS system.

D Contact details

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

Contact person's daytime telephone number

E Sign here - this section must be signed before we can process this form.

We accept Carboxy's Offer in respect of all of the Danks Shares I/we hold and I/we agree to be bound by the terms and conditions of Carboxy's Offer (including the instructions as to acceptance of Carboxy's Offer on the back of this form) and transfer all of my/our Danks Shares to Carboxy for the consideration applicable to Carboxy's Offer.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Please refer to the lodgement instructions overleaf.

Individual or Securityholder 2

Director

Individual or Securityholder 3

Director/Company Secretary

See back of form for completion guidelines

DKS_TKO

1 T C O

<Broker PID>



How to complete this form

Acceptance of Carboxy's Offer

A**Registration Details**

The Danks Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Carboxy's copy of the Danks Share Register.

If you have already sold all your Danks Shares shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.

B**Consideration**

The cash consideration payable is that set out in the terms of Carboxy's Offer.

C**How to accept Carboxy's Offer**

As your Danks Shares are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept Carboxy's Offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant. If you want Carboxy to contact your Controlling Participant on your behalf (via the CHESS system), sign and return this form to the address below so that it is received by 7.00pm (Melbourne time) on the second last day of the Offer Period (which will authorise Carboxy and Computershare Investor Services Pty Limited ("CIS") to instruct your Controlling Participant to initiate acceptance of Carboxy's Offer on your behalf).

If you sign and return this Acceptance Form, you warrant to Carboxy that all of your Danks Shares are fully paid up and that Carboxy will acquire good title to and beneficial ownership of the Danks Shares to which this Acceptance Form relates and that Carboxy will acquire them free from Encumbrances. You will also be deemed to have given to Carboxy the other representations and warranties referred to in section 8 of the Bidder's Statement.

Neither Carboxy nor CIS will be responsible for any delays incurred by this process. You should allow sufficient time for your Controlling Participant or Carboxy to initiate the acceptance of Carboxy's Offer on your behalf.

D**Contact details**

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E**Signature(s)**

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign, and a certified copy of the grant of Probate or Letters of Administration must accompany this form, as well as (where required by law for the purpose of transfer) a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

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) 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.

Lodgement of Acceptance Form

This Acceptance Form must be received by CIS Melbourne in sufficient time to allow your instruction to be acted upon by the close of the Offer Period.

You should allow sufficient time for this occur. Return this Acceptance Form to:

Computershare Investor Services Pty Limited
GPO Box 2115
MELBOURNE VIC 8060

Neither CIS nor Carboxy accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for Carboxy, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Carboxy in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail ptvacy@computershare.com.au

If you have any enquiries concerning Carboxy's Offer please contact the Carboxy Offer Information Line on 1800 243 528 (for callers within Australia) (toll free) or +61 3 9415 4663 (for callers outside Australia) (normal charges apply).

Please note this form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 8060
Australia



A

000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

1301011221012102012221332120133322113

Securityholder Reference Number (SRN)

I1234567890

I 1234567890 IND

Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A	B	C	1	2	3
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For your security keep your SRN confidential.

Acceptance Form - Issuer Sponsored Holding

This is a personalised form for the sole use of the holder and securityholding recorded below. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.
This form relates to an offer ("Carboxy's Offer") by Carboxy Pty Ltd ("Carboxy") to acquire all of your shares ("Danks Shares") in Danks Holdings Limited ("Danks") pursuant to a Bidder's Statement dated 1 September 2009 (the "Bidder's Statement"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

Use this form to accept Carboxy's Offer for your Danks Shares

B

Consideration

The consideration applicable is that set out in the terms of Carboxy's Offer.

Securityholder details

Subregister	Issuer
Your holding in Danks	123456789012

C

To be completed by Securityholder

You will be deemed to have accepted Carboxy's Offer in respect of all your Danks Shares if you sign and return this form.

D

Contact details

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

Contact person's daytime telephone number

 ()

E

Sign here - this section must be signed before we can process this form.

I/we accept Carboxy's Offer in respect of all of the Danks Shares I/we hold and I/we agree to be bound by the terms and conditions of Carboxy's Offer (including the instructions as to acceptance of Carboxy's Offer on the back of this form) and transfer all of my/our Danks Shares to Carboxy for the consideration applicable to Carboxy's Offer.

Individual or Securityholder 1

Sole Director and Sole Company Secretary
Please refer to the lodgement instructions overleaf.

Individual or Securityholder 2

Director

Individual or Securityholder 3

Director/Company Secretary

See back of form for completion guidelines

DKS_TKO

1 T I O

<Securityholder Reference Number>



How to complete this form

Acceptance of Carboxy's Offer

<p>A Registration Details</p> <p>The Danks Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Carboxy's copy of the Danks Share Register.</p> <p>If you have already sold all your Danks Shares shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.</p>	<p>D Contact details</p> <p>Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.</p>
<p>B Consideration</p> <p>The cash consideration payable is that set out in the terms of Carboxy's Offer.</p>	<p>E Signature(s)</p> <p>You must sign the form as follows in the space provided:</p> <p>Joint holding: where the holding is in more than one name all of the securityholders must sign.</p> <p>Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.</p> <p>Deceased Estate: all executors must sign, and a certified copy of the grant of Probate or Letters of Administration must accompany this form, as well as (where required by law for the purpose of transfer) a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.</p> <p>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) 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.</p>
<p>C How to accept Carboxy's Offer</p> <p>As your Danks Shares are held in an Issuer Sponsored Holding, simply complete and return this form to the address below so that it is received by no later than 7.00pm (Melbourne time) on the last day of the Offer Period.</p> <p>If you sign and return this Acceptance Form, you warrant to Carboxy that all of your Danks Shares are fully paid up and that Carboxy will acquire good title to and beneficial ownership of the Danks Shares to which this Acceptance Form relates and that Carboxy will acquire them free from Encumbrances. You will also be deemed to have given to Carboxy the other representations and warranties referred to in section 8 of the Bidder's Statement.</p> <p>Neither Carboxy nor Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for Carboxy to initiate the acceptance of Carboxy's Offer on your behalf.</p>	

Lodgement of Acceptance Form

This Acceptance Form must be received by CIS Melbourne by no later than 7.00pm (Melbourne time) on the last day of the Offer Period.

You should allow sufficient time for this occur. Return this Acceptance Form to:

Computershare Investor Services Pty Limited
GPO Box 2115
MELBOURNE VIC 8060

Neither CIS nor Carboxy accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for Carboxy, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Carboxy in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of the form or e-mail privacy@computershare.com.au

If you have any enquiries concerning Carboxy's Offer please contact the Carboxy Offer Information Line on 1800 243 528 (for callers within Australia) (toll free) or +61 3 9415 4663 (for callers outside Australia) (normal charges apply).

Please note this form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 8060
Australia

