

WOOLWORTHS LIMITED

20 October 2009

PRESS RELEASE

FIRST QUARTER SALES RESULTS 14 WEEKS TO 4th OCTOBER 2009

**SALES OF \$13.4 BILLION IN FIRST QUARTER
UP 7.4% EXCLUDING PETROL SALES
UP 4.2% INCLUDING PETROL SALES**

	2009 Statutory (14 weeks)	2010 Statutory (14 weeks)	Increase
First Quarter by Division (\$ millions)			
Australian Food and Liquor	8,347 ⁽¹⁾	9,001	7.8%
New Zealand Supermarkets (NZD)	1,256	1,316	4.8%
New Zealand Supermarkets (AUD)	1,010	1,065	5.4%
Petrol (dollars)	1,723	1,440	(16.4)%
Petrol (litres)	1,235	1,279	3.6%
Supermarket Division	11,080	11,506	3.8%
BIG W	1,036	1,096	5.8%
Consumer Electronics – Aust/NZ	368	399	8.4%
Consumer Electronics – India	40	63	57.5%
Consumer Electronics – Total	408	462	13.2%
General Merchandise Division	1,444	1,558	7.9%
Hotels	300	303	1.0%
Total First Quarter Sales	12,824	13,367	4.2%
<i>Total First Quarter Sales (excluding Petrol)</i>	<i>11,101</i>	<i>11,927</i>	<i>7.4%</i>

Woolworths' Chief Executive Officer, Michael Luscombe, today announced first quarter sales of \$13.4 billion. Sales increased 7.4% excluding the impact of Petrol sales and 4.2% including Petrol sales.

“This sales result is a solid start to the financial year reflecting our continued focus and investment to deliver value and enhance the customer experience” said Mr Luscombe said.

⁽¹⁾ Includes Wholesale Division previously reported separately

Australian Food and Liquor

Australian Food and Liquor sales for the quarter increased 7.8%. Comparable store sales in Australian Food and Liquor division for the quarter increased 5.8% (Q1 2009: 6.0%). Our continued focus on customers through investment in price, range, merchandise and quality as well as our 2010 store format and the commencement of our alliance with the Qantas Frequent Flyer program have all contributed to this sales result.

Inflation in the first quarter was 2.1% (Q1 2009: 3.2%), significantly down on the 4.0% reported at Q4 2009.

New Zealand Supermarkets

New Zealand Supermarkets achieved sales of NZ\$1.3 billion for the quarter, an increase of 4.8% in NZD terms (5.4% increase in AUD). Comparable sales for the first quarter were 4.5%⁽¹⁾ (Q1 2009: 3.0%) reflecting the continued improvement in our customer offer through new formats, improved ranging, private label and improved in stock position.

In New Zealand, our overall food inflation was approximately 4.3% (Q1 2009: 5.7%, Q4 2009: 5.6%) reflecting easing cost price pressure on produce, perishable and bakery items.

⁽¹⁾ Note: comparable sales % quoted based on NZD sales.

Petrol

Petrol dollar sales for the quarter, including Woolworths/Caltex Alliance sites, decreased 16.4%, with average fuel sell prices well below the prior year (Q1 2010: 123.3cpl, Q1 2009 152.7cpl). Petrol comparable sales decreased by 18.1% (Q1 2009: 26.5% increase). Petrol litres sold increased 3.6%, with comparable litres having increased 1.6% (Q1 2009: 1.7%) for the quarter. The solid volume growth represents our strong competitive price position in the marketplace.

BIG W

BIG W sales for the quarter were \$1,096 million representing an increase of 5.8%. Comparable store sales for the quarter increased 3.9% (Q1 2009: 4.4%). This is another solid result and a clear endorsement of the success of the BIG W value proposition. Particularly pleasing is the continued strong performance of the home and family categories, with new season apparel performing well.

Consumer Electronics

Total Consumer Electronics grew by 13.2% during the first quarter.

Consumer Electronics (in Australia and New Zealand) has continued to enjoy solid growth with sales for the quarter increasing 8.4%, comparable store sales increased by 4.1 % (normalised for exchange movements) during the quarter. Australian comparable sales increased 6.5% (Q1 2009: 6.6%), including 15.1% comparable growth for the medium Dick Smith stores (excluding Tandy and the large former Powerhouse stores). This shows ongoing acceptance of the refreshed Dick Smith offer. Comparable sales in New Zealand declined 7.0% (Q1 2009: 2.2% decline) and reflects the macro economic environment in New Zealand.

Our business venture with TATA in India now services 34 retail stores operating under the Cromia brand and has produced sales of \$63 million for the first quarter.

Hotels

Hotel sales in the quarter increased by 1.0% to \$303 million. Hotel comparable sales declined by 1.2% in the quarter (Q1 2009: 0.8% decrease). Gaming comparable sales declined 1.4% (Q1 2009: flat). Excluding Queensland, which was impacted by a reduction in legislated trading hours, gaming comp sales were positive.

SALES OUTLOOK FOR THE FULL YEAR

“These solid results demonstrate the sustainable business model that the Woolworths Limited group represents as we cycle over the anniversary of a particularly turbulent period. Australia has fared well to date in the global financial crisis, assisted by significant government spending in the prior year. As the economy stabilises, this spending will not be replicated to the same degree in FY10. Discretionary spending will continue to be influenced by macro-economic factors, such as interest rates, petrol prices and confidence around employment. As a result, consumer confidence levels and therefore spending are very difficult to predict for the FY10 year. Subject to the uncertainty these factors create, we maintain our sales outlook for the full year where we expect group sales to grow in the upper single digits (excluding Petrol sales).” said Mr. Luscombe.

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Appendix 1: First quarter new stores and refurbishments

	New Stores*	Refurbishments
Australian Supermarkets	5	17
Thomas Dux	5	-
Liquor	19	17
New Zealand Supermarkets	2	6
Petrol	5	-
BIG W	1	4
Consumer Electronics – Aust / NZ	5	9
Hotels	4	25
Total first quarter	46	78

* Reflects Gross store openings