

# WOOLWORTHS LIMITED

A.B.N 88 000 014 675

18 July, 2006

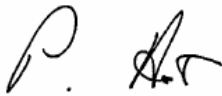
The Manager Companies  
Australian Stock Exchange  
Company Announcements Office  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

RE: WOOLWORTHS LIMITED - Listing Rule 3.1

Please find following the Fourth Quarter Sales Results for the 52 week period to 25 June 2006.

For and on behalf of  
WOOLWORTHS LIMITED



PETER J. HORTON  
COMPANY SECRETARY

# WOOLWORTHS LIMITED

A.B.N. 88 000 014 675

## NEWS RELEASE NEWS RELEASE

18 July 2006

### FULL YEAR SALES RESULTS 52 WEEKS TO 25<sup>th</sup> JUNE 2006

### SALES OF \$37.6 BILLION FOR THE YEAR UP 20.4% FROM CONTINUING OPERATIONS

“Overall a pleasing result reflecting consistent growth against a background of a tightening in discretionary spend, particularly in NSW and Victoria...”

*Roger Corbett, Group Managing Director/CEO*

Sales highlights (Detail shown in Appendix 1)	2005 Statutory	2006 Statutory	Increase
<b>Fourth Quarter (\$millions)</b>			
Supermarket Division	6,267	7,798 <sup>(3)</sup>	24.4%
General Merchandise Division	821	913	11.2%
Hotels	159	221 <sup>(4)</sup>	39.0%
<b>Continuing Operations</b>	<b>7,247</b>	<b>8,932</b>	<b>23.3%</b>
<b>Total Fourth Quarter Sales</b>	<b>7,279</b>	<b>8,964</b>	<b>23.1%</b>
<b>Full Year (\$millions)</b>			
Supermarket Division	26,878 <sup>(1)</sup>	32,453 <sup>(5)</sup>	20.7%
General Merchandise Division	3,916	4,286	9.4%
Hotels	416 <sup>(2)</sup>	850 <sup>(6)</sup>	104.3%
<b>Continuing Operations</b>	<b>31,210</b>	<b>37,589</b>	<b>20.4%</b>
<b>Total Year to Date Sales</b>	<b>31,352</b>	<b>37,734</b>	<b>20.4%</b>

<sup>(1)</sup> Includes ALH retail liquor sales from 1 November 2004 and MGW retail liquor sales from 3 January 2005.

<sup>(2)</sup> Represents ALH Hotel sales from 1 November 2004 and MGW Hotel sales from 3 January 2005.

<sup>(3)</sup> Includes Foodland (NZ) operations and 20 Australian Ex-FAL store and Taverner and BMG retail liquor sales for 12 weeks to 25 June 2006.

<sup>(4)</sup> Includes BMG and Taverner Hotel sales for the 12 weeks to 25 June 2006.

<sup>(5)</sup> Includes Foodland (NZ) operations and 20 Australian Ex-FAL store sales from 2 November 2005, BMG retail liquor sales from 1 July 2005 and Taverner retail liquor sales from 6 February 2006.

<sup>(6)</sup> Includes BMG Hotel sales from 1 July 2005 and Taverner Hotel sales from 6 February 2006.

Woolworths Chief Executive Officer, Roger Corbett, today announced full year sales from continuing operations of \$37.6 billion. This represents an increase of \$6.4 billion (20.4%) on the previous year.

“Overall a pleasing result with consistent growth against a background of a tightening in discretionary spend, particularly in NSW and Victoria. The impact of recent significant bolt-on acquisitions are reflected in these results, all of which are performing strongly” said Roger Corbett, Group Managing Director/CEO.

“Woolworths has an excellent platform to continue to grow not only its existing business but also through reaping the synergies from our recent acquisitions whilst continuing to remain focused on our customers with a combination of greater convenience, freshness, quality, best ranges and consistently low prices across all divisions underpinned by low costs” said Michael Luscombe, Chief Operating Officer.

## **SUPERMARKET DIVISION**

### *Australian Food and Liquor (excluding petrol and including the 20 Australian ex-FAL stores)*

Australian Food and Liquor sales for the year were \$25.5 billion, an increase of 8.0% over last year, with comparable sales for the year increasing by 3.7%.

During the fourth quarter, sales from the Australian Food and Liquor increased by 8.1% (Easter adjusted: 7.3%). Comparable Australian store sales for food and liquor for the fourth quarter increased by 4.3% (Easter adjusted: 3.6%).

“The Australian Supermarket Division produced another solid result in a competitive market. Our team has continued to focus on consistently delivering value to our customers” said Naum Onikul, Director of Supermarkets.

The level of inflation in Australia has remained relatively consistent throughout the year at just over 2%. Inflation in the fourth quarter was approximately 3.0%, primarily driven by short term price movements in produce.

### *Australian Food and Liquor sales growth summary:*

	<b>Total<sup>(1)</sup></b>	<b>Comparable</b>
<b>Q1</b>	8.3%	3.2%
<b>Q2</b>	9.0%	4.2%
<b>Q3</b>	6.9% <sup>(2) (1)</sup>	3.7% <sup>(2)</sup>
<b>Q4</b>	7.3% <sup>(2) (1)</sup>	3.6% <sup>(2)</sup>
<b>Year</b>	8.0%	3.7%

<sup>(1)</sup> Includes sales from the 20 ex-FAL stores from 2 November 2005 and excludes New Zealand supermarkets.

<sup>(2)</sup> After adjusting for Easter which fell in the fourth quarter this year, compared to the third quarter last year.

There were 46 new Australian supermarkets opened during the year (including 20 ex-FAL stores), with 10 opening in the fourth quarter of 2006, bring total Australian supermarkets to 756 stores. We also opened 15 new Dan Murphy’s stores, 3 of which were in Queensland, and a further 51 new freestanding liquor stores, including 31 new stores acquired by way of the Taverner acquisition.

Total Liquor sales for the year were \$3.5 billion (FY05: \$2.6 billion) which represents the achievement of our medium term target of \$3.5 billion in annual liquor sales earlier than expected.

The total trading area for the Australian Supermarket Division increased by 6.1% for the year.

## *New Zealand Supermarkets*

New Zealand supermarket sales in the fourth quarter increased by 4.2% (Easter adjusted: 4.0%) over the equivalent period last year. Comparable sales increased 4.2% in the quarter (Easter adjusted: 3.8%).

In New Zealand overall food inflation was approximately between 1.5% and 2%, consistent with prior periods.

### *New Zealand Supermarkets sales growth summary:*

	<b>Total<sup>(1)</sup></b>	<b>Comparable</b>
<b>Q3</b>	3.2% <sup>(2)</sup>	3.5% <sup>(2)</sup>
<b>Q4</b>	4.0% <sup>(2)</sup>	3.8% <sup>(2)</sup>

<sup>(1)</sup> New Zealand supermarket results have been included in overall group results from 2 November 2005.

<sup>(2)</sup> After adjusting for Easter, which fell in the fourth quarter this year compared to the third quarter last year.

In New Zealand 2 new supermarkets have been opened since 2 November 2005.

## *Petrol*

For the full year, petrol sales were \$4.4 billion, an increase of 32.7% (FY05: 50.7%) which was driven by a combination of higher petrol prices and growth in the number of canopies. Petrol comparable sales increased by 21.6% during the year (22.9% in the fourth quarter), with comparable volumes having increased 1.3% over the year. In the closing week of the quarter sales volume reached approximately 76 million litres. As at the end of the financial year, we had 491 petrol stations including 131 Woolworths/Caltex alliance sites. Excluding the alliance sites, we opened an additional 21 petrol canopies during the year.

## **BIG W**

BIG W had a solid sales result for the year in a difficult market. Sales for the full year were \$3.1 billion, which represents the first time that BIG W sales have exceeded \$3 billion, an increase of 7.2% over the previous year. Comparable sales for the year were 1.4%.

During the fourth quarter sales increased by 11.2% (Easter adjusted: 7.1%). Comparable sales in the fourth quarter grew by 3.4%, with Easter adjusted comparable sales slightly down on last year by (0.6%). The fourth quarter saw tighter retail spending reflecting the impact of both an increase in interest rates and sustained higher petrol prices. Petrol prices in May and June were the highest on average compared to the rest of the financial year.

“We continue to remain focused on providing customers excellent value for money through consistent application of our Everyday Low Pricing strategy” said Greg Foran, General Manager BIG W.

*BIG W sales growth summary:*

	<b>Total</b>	<b>Comparable</b>
<b>Q1</b>	6.3%	1.2%
<b>Q2</b>	8.4%	2.9%
<b>Q3</b>	6.5% <sup>(1)</sup>	1.1% <sup>(1)</sup>
<b>Q4</b>	7.1% <sup>(1)</sup>	(0.6%) <sup>(1)</sup>
<b>Year</b>	7.2%	1.4%

(1) After adjusting for Easter which fell in the fourth quarter this year, compared to the third quarter last year.

There were 9 new BIG W stores opened during the year, with 3 of these being opened in the fourth quarter, taking total stores to 129.

## **CONSUMER ELECTRONICS**

Sales for the full year reached \$1.2 billion (15.9% increase on last year) with comparable store sales increasing by 10.1%. After normalising for the negative effect of exchange rate movements in New Zealand dollars (in the last quarter) sales would have increased 16.4% with comparable sales being 10.6%.

Solid sales growth of 11.1% was achieved in the fourth quarter. After adjusting for Easter and normalised for the negative effect of exchange rate movements in the New Zealand dollar, sales increased on a like for like basis by 14.7%.

Comparable store sales increased by 8.0% in the quarter after adjusting for Easter and exchange rate. Unadjusted comparable sales for the quarter were 4.6%.

“The Consumer Electronics group continues to achieve solid sales growth within a highly competitive market and a noticeable tightening in discretionary spend in the fourth quarter. In particular sales of plasma and LCD televisions, in-car navigation devices and the MP3/iPod categories have enjoyed healthy growth”, said Alvin Ng, General Manager Dick Smith Electronics.

*Consumer Electronics sales growth summary:*

	<b>Total</b>	<b>Comparable</b>
<b>Q1</b>	16.5%	11.2%
<b>Q2</b>	18.6%	12.3%
<b>Q3</b>	15.5% <sup>(1)</sup>	10.2% <sup>(1)</sup>
<b>Q4</b>	14.7% <sup>(1) (2)</sup>	8.0% <sup>(1) (2)</sup>
<b>Year</b>	16.4% <sup>(2)</sup>	10.6% <sup>(2)</sup>

(1) After adjusting for Easter which fell in the fourth quarter this year, compared to the third quarter last year.

(2) After adjusting for negative effect of exchange rate movements in the New Zealand dollar.

There were 27 Electronics stores opened during the year, with 3 of these being opened in the fourth quarter, taking total stores to 366.

## HOTELS

Hotel sales of \$850 million represent an increase of 104.3% and reflects good growth in the existing business and the inclusion of ALH/MGW/BMG for the full 52 weeks and Taverner from 6 February 2006. Comparable sales increased by 3.9% during the fourth quarter which is a good result considering the initial impact of the phased implementation of smoking bans in Queensland on on-premise and gaming revenue, with the requirement that 2/3rds of all venues be smoke free. In July 2006, the final phase of smoking bans will take effect in Queensland with all venues being 100% smoke free.

*Hotels sales growth summary:*

	<b>Total</b>	<b>Comparable</b>
<b>Q3</b>	38.1% <sup>(1)</sup>	4.7%
<b>Q4</b>	39.0% <sup>(1)</sup>	3.9%

<sup>(1)</sup> Includes Taverner Hotel sales from 6 February 2006 and BMG Hotels from 1 July 2005.

During the year Hotel numbers increased through the inclusion of Taverner (33 Hotels), BMG (26 Hotels and 7 Clubs) and acquisitions of 16 new Hotels and 1 disposal.

## EARNINGS GUIDANCE

Mr Corbett said “we maintain our earnings guidance for the full year 2005/6 as previously reported being an increase in NPAT (excluding Foodland and Taverner) in the lower double digits (10% to 15%) with the expectation that Foodland and Taverner will add between 5% and 8% to the result.”

The full year profit result will be announced on 21 August 2006.

For further information contact:

Roger Corbett (02) 8885 1032  
Tom Pockett (02) 8885 1028 Investors / Analysts

## Appendix 1

	2005 Pro-forma (1) (12 weeks)	2005 Statutory (12 weeks)	2006 Statutory (12 weeks)	Increase (12 weeks) Statutory to Statutory	Increase (12 weeks) Statutory to Pro-forma
<b><u>Fourth Quarter by Division</u></b>					
Australian Food and Liquor	5,456	5,418 <sup>(2)</sup>	5,855 <sup>(6)(9)</sup>	8.1%	7.3%
New Zealand Supermarkets	-	-	834 <sup>(7)</sup>		
Petrol	843	849	1,109	30.6%	31.6%
<b>Supermarket Division</b>	<b>6,299</b>	<b>6,267</b>	<b>7,798</b>	<b>24.4%</b>	<b>23.8%</b>
BIG W	619	596	663	11.2%	7.1%
Consumer Electronics	222	225	250	11.1%	12.6%
<b>General Merchandise Division</b>	<b>841</b>	<b>821</b>	<b>913</b>	<b>11.2%</b>	<b>8.6%</b>
<b>Hotels</b>	<b>159</b>	<b>159</b> <sup>(3)</sup>	<b>221</b>	<b>39.0%</b>	<b>39.0%</b>
<b>Continuing Operations</b>	<b>7,299</b>	<b>7,247</b>	<b>8,932</b>	<b>23.3%</b>	<b>22.4%</b>
Wholesale Division	32	32	32	-	-
<b>Total Fourth Quarter Sales</b>	<b>7,331</b>	<b>7,279</b>	<b>8,964</b>	<b>23.1%</b>	<b>22.3%</b>

	2005 Statutory (52 weeks)	2006 Statutory (52 weeks)	Increase (52 weeks)
<b><u>Full Year by Division</u> (\$millions)</b>			
Australian Food and Liquor	23,570 <sup>(4)</sup>	25,458 <sup>(12) (10)</sup>	8.0%
New Zealand Supermarkets	-	2,605 <sup>(11)</sup>	
Petrol	3,308	4,390	32.7%
<b>Supermarket Division</b>	<b>26,878</b>	<b>32,453</b>	<b>20.7%</b>
BIG W	2,909	3,119	7.2%
Consumer Electronics	1,007	1,167	15.9%
<b>General Merchandise Division</b>	<b>3,916</b>	<b>4,286</b>	<b>9.4%</b>
<b>Hotels</b>	<b>416</b> <sup>(5)</sup>	<b>850</b> <sup>(8)</sup>	<b>104.3%</b>
<b>Continuing Operations</b>	<b>31,210</b>	<b>37,589</b>	<b>20.4%</b>
Wholesale Division	142	145	2.1%
<b>Total Year to Date Sales</b>	<b>31,352</b>	<b>37,734</b>	<b>20.4%</b>
<b><u>Periods</u> (\$millions)</b>			
14 Weeks Ended 2 October, 2005	7,766	8,884	14.4%
13 Weeks Ended 1 January, 2006	8,339	10,179	22.1%
<b>First Half</b>	<b>16,105</b>	<b>19,063</b>	<b>18.4%</b>
13 Weeks Ended 2 April, 2006	7,968	9,707	21.8%
12 Weeks Ended 25 June 2006	7,279	8,964	23.1%
<b>Second Half</b>	<b>15,247</b>	<b>18,671</b>	<b>22.5%</b>
<b>Total Full Year Sales</b>	<b>31,352</b>	<b>37,734</b>	<b>20.4%</b>

<sup>(1)</sup> Represents 2005 sales with Easter sales included as this fell in the 3<sup>rd</sup> quarter of 2005 and 4<sup>th</sup> quarter of 2006.

<sup>(2)</sup> Includes ALH and MGW Retail Liquor sales for the 12 weeks to 26 June 2005.

<sup>(3)</sup> Represents ALH and MGW Hotel sales for the 12 weeks to 26 June 2005.

<sup>(4)</sup> Includes ALH Retail Liquor sales from 1 November 2004 and MGW retail liquor sales from 3 January 2005.

<sup>(5)</sup> Represents ALH Hotel sales from 1 November 2004 and MGW Hotel sales from 3 January 2005.

<sup>(6)</sup> Includes 20 Australian Ex-FAL stores for the 12 weeks to 25 June 2006.

<sup>(7)</sup> Represents Supermarkets (NZ) operations for the 12 weeks to 25 June 2006.

<sup>(8)</sup> Includes BMG Hotel sales from 1 July 2005 and Taverner Hotel sales from 6 February 2006.

<sup>(9)</sup> Includes BMG and Taverner Retail Liquor sales for the full 12 weeks to 25 June 2006.

<sup>(10)</sup> Includes sales from the 20 Australian Ex-FAL stores from 2 November 2005.

<sup>(11)</sup> Represents Supermarkets (NZ) operations from 2 November 2005.

<sup>(12)</sup> Includes BMG Retail Liquor sales from 1 July 2005 and Taverner Retail Liquor sales from 6 February 2006.

## Appendix 2

<b>Five Year Store and Trading Area Analysis</b>					
<b>Year Ended 25 June 2006</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
	<b>FULL</b>	<b>FULL</b>	<b>FULL</b>	<b>FULL</b>	<b>FULL</b>
	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>
<b>STORES (number)</b>					
NSW & ACT	238	233	234	228	227
QLD	161	147	143	141	130
VIC	182	183	179	175	171
SA & NT	69	69	63	63	60
WA	79	64	60	58	59
TAS	27	27	29	29	29
<b>Total Supermarkets (1)</b>	<b>756</b>	<b>723</b>	<b>708</b>	<b>694</b>	<b>676</b>
New Zealand Supermarkets (includes franchise)	198	-	-	-	-
Freestanding Liquor (incl. Dan Murphy)	204	192	192	164	139
ALH Retail Liquor Outlets	432	382	-	-	-
Caltex/WOW Petrol	131	117	44	0	0
Woolworths Petrol – Australia	360	339	315	287	256
Woolworths Petrol/Convenience – New Zealand	22	-	-	-	-
<b>Total Supermarket Division</b>	<b>2,103</b>	<b>1,753</b>	<b>1,259</b>	<b>1,145</b>	<b>1,071</b>
<b>BIG W</b>	<b>129</b>	<b>120</b>	<b>111</b>	<b>104</b>	<b>96</b>
Dick Smith Electronics	223	202	164	153	147
Dick Smith Powerhouse	20	18	18	16	15
Tandy	123	122	148	179	204
<b>Total General Merchandise Division</b>	<b>495</b>	<b>462</b>	<b>441</b>	<b>452</b>	<b>462</b>
Hotels (includes 7 clubs)	250	169	-	-	-
<b>Total Group</b>	<b>2,848</b>	<b>2,384</b>	<b>1,700</b>	<b>1,597</b>	<b>1,533</b>
Supermarkets Division – Australia	1,734,184	1,678,343 <sup>(2)</sup>	1,623,530	1,574,640	1,499,696
Ex-FAL Stores – Australia	45,902	-	-	-	-
Supermarkets Division – New Zealand	291,792	-	-	-	-
General Merchandise Division	843,316	783,685	731,788	695,338	640,832
<b>Total Group</b>	<b>2,915,194</b>	<b>2,462,028</b>	<b>2,355,318</b>	<b>2,269,978</b>	<b>2,140,528</b>
<sup>(1)</sup> Supermarket Store Movements July 05 -June 06					
New Stores – Incremental	26				
New Stores – Ex-FAL	20				
Closures – Permanent	8				
Closures – For re-development	5				
<b>Net New Stores</b>	<b>33</b>				
<sup>(2)</sup> Australian Supermarkets Division trading area (excluding Petrol and ALH retail outlets and including the Australian Ex-FAL stores) has increased by:				6.1%	
<sup>(3)</sup> New Zealand Supermarkets Division trading area (excluding Franchise Stores and Petrol Sites) has increased by:				2.2%	