

**WOOLWORTHS LIMITED**

A.B.N 88 000 014 675

23 October 2007


The Manager Companies  
Australian Stock Exchange Limited  
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 First Quarter Sales Results for the fourteen week period ending 30 September, 2007

**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**

23 October 2007

## FIRST QUARTER SALES RESULTS 14 WEEKS TO 30th SEPTEMBER 2007

**SALES OF \$11.7 BILLION IN FIRST QUARTER UP 8.9%  
FROM CONTINUING OPERATIONS.**

**“The strong momentum continues in all our businesses.”**

*Michael Luscombe, CEO*

<b>First Quarter by Division</b>	<b>FY2007</b>	<b>FY2008</b>	<b>Increase</b>
	<b>\$m</b>	<b>\$m</b>	
Australian Food and Liquor	7,052	7,667	8.7%
New Zealand Supermarkets	933	1,070	14.7%
Petrol	1,331	1,321	(0.8)%
<b>Supermarket Division</b>	<b>9,316</b>	<b>10,058</b>	<b>8.0%</b>
BIG W	803	936	16.6%
Consumer Electronics – Aust / NZ	314	347	10.5%
Consumer Electronics – India	-	18	-
<b>General Merchandise Division</b>	<b>1,117</b>	<b>1,301</b>	<b>16.5%</b>
<b>Hotels</b>	<b>272</b>	<b>297</b>	<b>9.2%</b>
<b>Continuing Operations</b>	<b>10,705</b>	<b>11,656</b>	<b>8.9%</b>
Wholesale Division	38	40	5.3%
<b>Total First Quarter Sales</b>	<b>10,743</b>	<b>11,696</b>	<b>8.9%</b>

Woolworths' Chief Executive Officer, Michael Luscombe, today announced sales growth of 8.9% from continuing operations for the first quarter of the 2007/2008 financial year. “We have maintained the strong momentum in all our businesses. Particularly pleasing are the excellent results from BIG W and New Zealand Supermarkets.” said Michael Luscombe, Managing Director and CEO.

## **AUSTRALIAN FOOD AND LIQUOR**

Australian Food and Liquor sales for the quarter increased 8.7%. Comparable store sales in Australian Food and Liquor division for the quarter increased 7.6% (Q1 2007: 4.9%).

Inflation in the first quarter was less than 2%. The number of customers shopping with us has continued to increase reflecting their acceptance of ongoing improvements in our offer and recognition of its value.

## **NEW ZEALAND SUPERMARKETS**

New Zealand Supermarkets achieved sales of \$1.07 billion for the quarter, an increase of 14.7%. Comparable sales for the first quarter were 9.9%<sup>(1)</sup>. This result reflects the continued improvement in our supermarket offer through lower prices, improved value and range and the cycling of last year's industrial action.

In New Zealand, our overall food inflation was approximately 2.4% which continues to remain below the general food CPI and reflects the continued investment in lower prices.

*<sup>(1)</sup> Note: comparable sales % quoted based on NZD sales.*

## **PETROL**

Petrol dollar sales for the quarter, including Woolworths/Caltex Alliance sites, declined 0.8%, with average fuel sell prices well below the prior year. However, comparable volumes had a very credible increase of 3.0% for the quarter. (Q1 2007: flat). Petrol margins in the quarter have been tighter reflecting an increased level of competitive activity in the market.

## **BIG W**

BIG W sales grew by 16.6% during the quarter which is a very pleasing start to the year. Comparable store sales for the quarter increased 9.6% (Q1 2007: flat). The strong result was driven by the customer endorsement of the repositioning of BIG W undertaken to date. We will accelerate this repositioning over the 2008 year, which will include a relaunch of the BIG W brand beginning in late October 2007.

## **CONSUMER ELECTRONICS (Australia and New Zealand)**

Consumer Electronics has continued to enjoy solid growth with sales for the quarter increasing 10.5%. Comparable store sales increased by 6.1 % (normalised for exchange movements) during the quarter (Q1 2007: 6.8%), which was slightly softer than expected due to the timing of the launch of the new iPod range.

## **HOTELS**

Hotel sales in the quarter increased by 9.2% to \$297 million. Hotel comparable sales increased by 3.5% in the quarter. Gaming comparable sales were strong at 4.3% which is an excellent outcome given the expected impact of smoking bans. Food comparable sales have remained strong.

Despite a good first quarter we remain cautious on the impact of smoking bans over the year.

*Note: Full smoking bans were previously in force in Queensland, Western Australia and Tasmania. Full smoking bans were applied in NSW and Victoria from 1 July 2007, and will be introduced into South Australia from 31 October 2007.*

## **SALES OUTLOOK FOR THE FULL YEAR**

“Whilst we are pleased with the momentum in the business, we are mindful that discretionary spending continues to be influenced by macro-economic factors such as fluctuating petrol prices and interest rate rises. We maintain our sales outlook for the full year where we expect sales from continuing operations to grow in the range of 7% to 10%.” said Mr. Luscombe.

For further information contact:

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