

18 October 2012

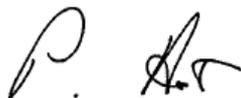
The Manager Companies
Australian Securities Exchange Limited
Company Announcements Office
Level 4 20 Bridge Street
SYDNEY NSW 2000

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 2012.

**For and on behalf of
WOOLWORTHS LIMITED**



PETER J HORTON
Group General Counsel and Company Secretary

WOOLWORTHS LIMITED

18.10.12

PRESS RELEASE

First Quarter Sales Results – Financial Year 2013 14 weeks to 30 September 2012

- Sales from continuing operations up 4.7%
- Australian Food and Liquor increased sales 4.6% and grew market share, items sold and customer numbers
- BIG W had a strong result with sales up 6.2%
- Continued progress against strategic priorities but more to do

	2012 Statutory (14 weeks)	2013 Statutory (14 weeks)	Increase (%)
First Quarter Sales (\$ million)			
Continuing Operations			
Supermarket Division	12,564	12,993	3.4%
Australian Food and Liquor	9,700	10,142	4.6%
New Zealand Supermarkets (NZD)	1,420	1,458	2.7%
New Zealand Supermarkets (AUD)	1,123	1,136	1.2%
Petrol (dollars)	1,741	1,715	(1.5%)
Petrol (litres)	1,333	1,301	(2.4%)
BIG W	1,037	1,101	6.2%
Hotels	323	379	17.3%
Home Improvement	188	305	62.2%
First Quarter Sales – Continuing Operations	14,112	14,778	4.7%
<i>First Quarter Sales – Continuing Operations (excl Petrol)</i>	<i>12,371</i>	<i>13,063</i>	<i>5.6%</i>
Discontinued Operations			
Consumer Electronics – Australia	326	285	(12.6%)
Consumer Electronics – New Zealand (NZD)	80	73	(8.8%)
Consumer Electronics – New Zealand (AUD)	63	57	(9.5%)
Consumer Electronics – India	96	102	6.3%
First Quarter Sales – Discontinued Operations	485	444	(8.5%)
Total Group First Quarter Sales	14,597	15,222	4.3%
<i>Total Group First Quarter Sales (excl Petrol)</i>	<i>12,856</i>	<i>13,507</i>	<i>5.1%</i>

WOOLWORTHS LIMITED

Woolworths Limited today announced first quarter sales from continuing operations of \$14.8 billion, an increase of 4.7% on the previous year. Total Group sales amounted to \$15.2 billion, an increase of 4.3% on the previous year.

CEO Grant O'Brien said: "This was a pleasing start to the year with momentum created towards the end of the last financial year continuing through the first quarter. While we have made progress against our strategic priorities, there is still a great deal to do in our business transformation programs.

"The Australian Food and Liquor business increased market share, customer numbers and items sold compared to the same period in the prior year. Effective promotional activities and the return to inflation in produce have assisted this result.

"BIG W reported a solid result, demonstrated by increased customer numbers and items sold during a quarter that experienced continuing deflation. This improving trend reflects work undertaken to improve marketing, range and price perception.

"An increase of 17.3% on the previous year was reported for Hotels. Growth was driven by the addition of new hotels since the prior year with food and bar sales continuing to perform well. The Victorian gaming regulatory changes that came into effect on 16 August 2012 were the main contributor to the growth in gaming sales. This gaming growth was in line with expectations.

"The results of our investment in Masters can be seen in the significant sales growth achieved in Home Improvement. We continue to be pleased by the performance of this business as it continues to meet its targets.

"Online sales increased by 30% for the quarter.

"We are now focused on the second quarter, being the all important Christmas trading period."

SUPERMARKET DIVISION

Australian Food and Liquor

Australian Food and Liquor sales for the quarter were \$10.1 billion, an increase of \$0.4 billion or 4.6% over last year. Comparable store sales for the quarter increased 2.3%.

During the quarter, we increased market share, customer numbers and items sold. We served on average, 19.6 million customers per week, an increase of 4.6% when compared to the same period in the prior year.

Tjeerd Jegen, Managing Director Australian Supermarkets and Petrol said: “We have seen an increase in comparable sales, particularly during the latter half of the quarter. This has been driven by our recent promotional initiatives including ‘Extra Specials’, ‘Sticky Specials’ and ‘Lamb Cuts for Less’ promotions. Sales growth was also assisted by the return of produce to inflation and the commencement of Sunday trade in Western Australia at the end of August. We achieved good growth in Fresh sales and market share in line with our strategic objectives. Further opportunity in Long Life is still to be realised.”

The standard shelf price movement index for the quarter¹ was inflation of 0.8% (Q4’12: deflation of 0.7%), representing a return to inflation after three consecutive quarters of deflation. This was driven by produce returning to inflation during the second half of the quarter. Excluding produce, the shelf price index was 0.5%.

Average prices were in deflation for the quarter of 2.8% (Q4’12: deflation of 4.3%) when the effects of promotions and volumes are included. Part of the deflation resulted from customers taking advantage of the fact that Woolworths continues to lower its prices for their benefit.

Brad Banducci, Director of Liquor said: “Our liquor business experienced another quarter of solid growth which was underpinned by good performances in Dan Murphy’s, BWS and online.”

We opened eight Australian Supermarkets during the quarter bringing the total to 879 and six Dan Murphy’s taking the total to 165.

New Zealand Supermarkets

New Zealand Supermarkets sales for the quarter were NZ\$1.5 billion, an increase of 2.7%² on the previous year (1.2% increase in AUD). Comparable sales for the quarter were 0.8%².

Dave Chambers, Managing Director PEL Supermarkets said: “Despite the ongoing challenging economic conditions and the impact of competitor new store activity, during the quarter, we continued to grow market share, customer numbers, basket size and items sold. Particularly strong results have been seen in Seafood and Grocery driven by increased promotional effectiveness.”

The Countdown Supermarkets food price index showed deflation for the quarter of 0.2% (Q1'12: inflation of 1.9%; Q4'12: inflation of 0.3%). This was driven by deflation in dairy and dry grocery in particular, although most categories experienced deflation during the quarter.

Two additional franchise stores were opened, bringing the total to 56 at the end of the quarter. Total Countdown Supermarkets remain at 161. One Countdown store remains closed as a result of the February 2011 Christchurch Earthquake.

Petrol

Petrol sales for the quarter, including Woolworths/Caltex alliance sites were \$1.7 billion, a decrease of 1.5%. Average fuel sell prices were 139.6 cpl (Q1'12: 140.0 cpl). Comparable sales (dollars) decreased by 3.7%. Petrol volumes decreased 2.4% for the quarter and comparable volumes decreased 4.4%. Volumes were impacted by a flat fuel market and the move towards more fuel efficient vehicles, including the shift towards diesel, as well as increased competitor activity.

Total merchandise (non-fuel) sales increased 5.4% for the quarter and comparable merchandise (non-fuel) sales increased 0.6% for the quarter.

We opened six petrol canopies during the quarter bringing the total to 604, including 131 Woolworths/Caltex alliance sites.

BIG W

BIG W sales for the quarter were \$1.1 billion, an increase of 6.2% on the previous year. Comparable store sales for the quarter increased 3.4% driven by a continued improvement in customer numbers and items sold. Selling more units to more customers has offset the continued impact of deflation resulting in the average basket size being flat relative to the prior year. Deflation for the quarter was approximately 6%.

Julie Coates, Director of BIG W said: "We are pleased with the improving trends in our business following improved marketing and new range offerings. Marketing has been refocused with the new brand campaign 'Everyone's a Winner with Australia's Lowest Prices' and 'Cha-Ching' which was launched in July 2012. Customers have responded well to new and innovative products and brands, including the launch of Michelle Bridges and Guy Leech active wear and we have strengthened our high volume value program across apparel. The impact of the Government assistance programs were temporary and only appeared to have an impact in the first few weeks of July."

We opened one new store during the quarter, bringing the total to 173 with plans to open a further three stores before Christmas this year.

HOTELS

Hotel sales for the quarter were \$379 million, an increase of 17.3% on the previous year.

Comparable sales increased 7.3% for the quarter, reflecting continuing growth in food and bar sales as well as an increase in gaming comparable sales in line with expectations mainly as a result of the Victorian gaming regulatory changes which came into effect on 16 August 2012.

Bruce Mathieson Jnr, Chief Executive Officer ALH Group said: "We have had a good start to FY13 which included an impact on sales from the changes to the Victorian gaming legislation. In addition, we acquired 32 new sites and our management team have been busy integrating these into our business. We are pleased with the performance of our new hotels and the integration to date."

We opened 32 hotels during the quarter. We also closed one hotel, with a total of 325 venues at the end of the quarter.

HOME IMPROVEMENT

Home Improvement sales increased 62.2% to \$305 million for the quarter. This result includes sales from the first 22 Masters stores, seven of which opened during the quarter.

Don Stallings, Chief Executive Officer Home Improvement said: "The result for Q1 is pleasing with a particularly strong response to our new 'I made it with Masters' brand campaign which was launched in September and our 'Ultimate Dad Shed' catalogue. We have also continued to see an increase in online sales with a greater product range as well as growing brand awareness."

DISCONTINUED OPERATIONS

Consumer Electronics – Australia

Consumer Electronics Australia sales decreased 12.6% to \$285 million for the quarter. This was driven by the store closures which took place during the second half of FY12 as a result of the restructure and process to divest the Dick Smith business.

Comparable sales increased 0.4%.

Consumer Electronics – New Zealand

Consumer Electronics New Zealand sales decreased 8.8%² to NZ\$73 million for the quarter. Comparable sales decreased 5.3%².

Overall, across Australia and New Zealand, a further 24 stores were closed during the quarter as part of the strategy to divest the Dick Smith business. Total stores at the end of the quarter were 325 including 264 in Australia and 61 in New Zealand.

As announced on 27 September 2012, Woolworths has signed a share sale agreement with Australian private equity firm Anchorage Capital Partners for the divestment of the Dick Smith business. This transaction is anticipated to complete in late 2012 following satisfaction of customary conditions.

Consumer Electronics – India

Sales for the quarter were \$102 million, an increase of 6.3% on the previous year. At the end of the quarter, this business venture with TATA in India serviced 84 stores operating under the Croma brand.

This business has been sold to Infiniti Retail Limited (owned by Tata Sons) as part of Woolworths' broader strategy to exit the Consumer Electronics market segment.

– Ends –

For further information contact:

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Investors and Analysts

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Appendix One: New stores and refurbishments

<u>First Quarter</u>	Gross New Stores	Net New Stores	Refurbishments
Continuing Operations			
Australian Supermarkets	8	7	35
Thomas Dux	-	-	-
Liquor	26	17	11
New Zealand Supermarkets	-	-	-
Petrol	6	5	5
BIG W	1	1	-
Hotels	32	31	1
Masters	7	7	-
Danks Retail	-	(1)	-
Total Continuing Operations	80	67	52
Discontinued Operations			
Consumer Electronics – Aus/ NZ	1	(23)	-
Total Discontinued Operations	1	(23)	-
Total Group First Quarter	81	44	52

Appendix Two: Notes

¹ The standard shelf price movement index is calculated by comparing the number of products sold in the current year using the current year prices to the number of products sold in the current year using the prior year prices. The price used for this comparison is the standard shelf price. Products on promotion are excluded from the calculation (i.e. the volume of these items sold is removed from both years' sales). The calculation removes the impact of any changes in volumes and the distortion of promotional activity.

² Sales growth for New Zealand Supermarkets and Consumer Electronics New Zealand are quoted in New Zealand Dollars.