

WOOLWORTHS LIMITED

A.B.N 88 000 014 675

23 October 2006

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 1 October, 2006.

**For and on behalf of
WOOLWORTHS LIMITED**



**PETER J HORTON
COMPANY SECRETARY**

WOOLWORTHS LIMITED

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NEWS RELEASE NEWS RELEASE

23 October 2006

FIRST QUARTER SALES RESULTS 14 WEEKS TO 1st OCTOBER 2006

**SALES OF \$10.7 BILLION IN FIRST QUARTER UP 21.0%
FROM CONTINUING OPERATIONS**

“I am pleased to report a good start to the year with solid sales growth across all divisions.”

Michael Luscombe, CEO and Managing Director

First Quarter by Division	FY2006	FY2007	Increase
	\$m	\$m	
Australian Food and Liquor	6,468	⁽¹⁾ 7,052	9.0%
New Zealand Supermarkets	-	933	-
Petrol	1,128	1,331	17.9%
Supermarket Division	7,596	9,316	22.6%
BIG W	756	803	6.2%
Consumer Electronics	290	314	8.3%
General Merchandise Division	1,046	1,117	6.8%
Hotels	205	⁽²⁾ 272	32.7%
Continuing Operations	8,847	10,705	21.0%
Wholesale Division	37	38	2.7%
Total First Quarter Sales	8,884	10,743	20.9%

(1) Includes the 20 Australian Ex-FAL stores and Taverner retail liquor sales for the full 14 weeks.

(2) Includes Taverner Hotel sales for the full 14 weeks.

Woolworths Chief Executive Officer and Managing Director, Michael Luscombe, today announced sales growth of 21.0% from continuing operations for the first quarter of the 2006/2007 financial year. “First quarter sales growth reflects a continuation of the strong 2006 performance and the continued impact of recent acquisitions. Particularly pleasing is the continued strength in our comparable sales in our Australian Food and Liquor business,” Mr Luscombe noted.

AUSTRALIAN FOOD AND LIQUOR

Australian Food and Liquor sales for the quarter increased 9.0% reflecting in part the contribution from recent acquisitions and strong underlying comparable sales.

Comparable store sales in Food and Liquor for the quarter increased 4.9% on last year, which represents an improvement on the 3.6% increase reported for the fourth quarter of 2006. Our investment in lowering prices by passing on savings to the customer continued with strong acceptance from our customers.

Inflation in the first quarter was approximately 4.0%, reflecting continuing short term pressure on produce prices.

NEW ZEALAND SUPERMARKETS

New Zealand comparable sales for the quarter were flat mainly reflecting the industrial action in September. This industrial action is now resolved and all Distribution Centres are back to normal operating levels.

In New Zealand, overall food inflation in the quarter was approximately 3.0%.

PETROL

Petrol sales for the quarter, including Woolworths/Caltex Alliance sites, increased by 17.9%, with comparable sales growing at 10.7% mainly reflecting higher petrol prices relative to the first quarter last year. Comparable volumes remained flat in the quarter with petrol prices declining towards the end of the quarter.

BIG W

BIG W sales grew by 6.2% during the quarter which is a solid start to the year. The tightness in discretionary spending has continued as previously stated and as expected. Comparable store sales were flat in the quarter. The June comparable sales trend continued into July trading however comparable sales growth has since returned to positive in August and September. Re-ranging continues in some key areas of the business, with good results being experienced.

CONSUMER ELECTRONICS

Consumer Electronics has continued to enjoy solid growth with sales for the quarter increasing 8.3%. Comparable store sales increased by 6.8 % (normalised for movements in exchange rates). Categories at the higher end of the discretionary market were slightly weaker although this was offset somewhat by continued strong sales in in-car navigation devices and MP3/iPod categories.

HOTELS

Hotel sales in the quarter increased by 32.7% to \$272 million. This is another solid result from the Hotel division and reflects good growth in the business and the inclusion of the Taverner group from 6 February 2006. Overall comparable sales increased by 3.0% in the quarter, with flat gaming comparable sales.

Smoking bans in Queensland have had a lower than expected effect to date. Whilst this is a very good start to the year we remain cautious on the extent of the impact of smoking bans in Queensland over the remainder of the financial year.

SALES OUTLOOK AND EARNINGS GUIDANCE FOR THE FULL YEAR

“Given the continuance of current retail trading patterns and the present business, competitive and economic climate continuing, Woolworths expects sales from continuing operations for the full year to grow in the region of 8% to 12%, EBIT to grow faster than sales and net profit after tax growing in the range of 16% to 21%. We therefore maintain our earnings guidance for the Full Year 2006/7 as previously reported,” said Mr Luscombe.

For further information contact:

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