

WOOLWORTHS LIMITED

21 October 2008

PRESS RELEASE

FIRST QUARTER SALES RESULTS 14 WEEKS TO 5th OCTOBER 2008

**SALES OF \$12.8 BILLION IN FIRST QUARTER UP 9.7%
FROM CONTINUING OPERATIONS.**

	2008 Statutory (14 weeks)	2009 Statutory (14 weeks)	Increase
<u>First Quarter by Division</u> (AUD millions)			
Australian Food and Liquor	7,667	8,304	8.3%
New Zealand Supermarkets ⁽¹⁾	1,070	1,010	(5.6)% ⁽¹⁾
Petrol	1,321	1,723	30.4%
Supermarket Division	10,058	11,037	9.7%
BIG W	936	1,036	10.7%
Consumer Electronics – Aust/NZ	347	368	6.1%
Consumer Electronics – India	18	40	122.2%
Consumer Electronics – Total	365	408	11.8%
General Merchandise Division	1,301	1,444	11.0%
Hotels	297	300	1.0%
Continuing Operations	11,656	12,781	9.7%
Wholesale Division	40	43	7.5%
Total First Quarter Sales	11,696	12,824	9.6%

⁽¹⁾ 3.1% increase in NZD terms

Woolworths' Chief Executive Officer, Michael Luscombe, today announced first quarter sales of \$12.8 billion, which represents growth of 9.6% on the previous year.

Mr Luscombe said: "This is a good start to the financial year. Particularly pleasing is the continued momentum in our Australian operations, with an overall improvement in comparable sales growth. The significant re-investment in each of our businesses has continued to deliver positive results." said Michael Luscombe, Managing Director and CEO.

Australian Food and Liquor

Australian Food and Liquor sales for the quarter increased 8.3%. Comparable store sales in Australian Food and Liquor division for the quarter increased 6.0%. (Q4 2008: 4.9%)

Inflation in the first quarter was 3.2%. (Q4 2008: 2.9%) Key strategic initiatives focussed on our customers, including the accelerated rollout of our 2010c store format, our Everyday Rewards Program and continued price re-investment have all contributed to this sales result. These initiatives continue to be well received by our customers.

New Zealand Supermarkets

New Zealand Supermarkets achieved sales of \$1.0 billion for the quarter, an increase of 3.1% in NZD terms. (5.6% decline in AUD) Comparable sales for the first quarter were 3.0%⁽¹⁾ (Q4 2008: 3.5%) reflecting the tighter macroeconomic environment and a higher level of refurbishment activity.

In New Zealand, our overall food inflation was approximately 5.7% (Q4 2008: 4.6%) reflecting continued 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, increased 30.4%, with average fuel sell prices well above the prior year. Petrol comparable sales increased by 26.5% (Q4 2008: 20.4%), with comparable volumes having increased 1.7% (Q4 2008: 1.8%) for the quarter. The solid growth reflects the strength of our offer and the continued acceptance of the Everyday Rewards program, which has 2.6 million registered cards.

BIG W

BIG W sales grew by 10.7% during the quarter which is a solid start to the year. Comparable store sales for the quarter increased 4.4%, an improvement on the 2.6% comparable growth recorded in the fourth quarter of 2008. This result represents the eighth consecutive quarter of positive comparable sales and reflects the continued customer acceptance of BIG W's everyday low price position.

Consumer Electronics

Consumer Electronics grew by 11.8% during the first quarter.

Consumer Electronics (in Australia and New Zealand) has continued to enjoy solid growth with sales for the quarter increasing 6.1%. Comparable store sales increased by 4.9 % (normalised for exchange movements) during the quarter, an improvement on the 3.8% recorded in the fourth quarter of 2008, reflecting an improved result from our Australian operations.

Our business venture with TATA in India now services 22 retail stores operating under the Cromia brand and has produced sales of \$40 million for the first quarter.

Hotels

Hotel sales in the quarter increased by 1.0% to \$300 million. Hotel comparable sales declined by 0.8% in the quarter (Q4 2008: 3.5%) as we continue to see the impacts of tighter discretionary spending and smoking bans. Gaming comparable sales were flat. (Q4 2008: 4.3%).

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 were introduced into South Australia from 31 October 2007.

SALES OUTLOOK FOR THE FULL YEAR

“We are mindful that discretionary spending continues to be influenced by macroeconomic factors and will be influenced by the recent events in global financial markets. Subject to the uncertainty these factors create, we maintain our sales outlook for the full year where we expect sales from continuing operations to grow in the upper single digits.” said Mr. Luscombe.

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