

WOOLWORTHS LIMITED

A.B.N. 88 000 014 675

NEWS RELEASE NEWS RELEASE

10 July 2007

FULL YEAR SALES RESULTS 52 WEEKS TO 24th JUNE 2007

SALES OF \$42.3 BILLION FOR THE YEAR UP 12.6% FROM CONTINUING OPERATIONS

“A successful year with strengthening results in all divisions delivering continued growth reflecting continuing successful execution of our strategy by the entire Woolworths team.”

Michael Luscombe, *Managing Director/CEO*

Sales highlights (Detail shown in Appendix 1)	2006 Statutory	2007 Statutory	Increase
Fourth Quarter (\$millions)			
Supermarket Division	7,798 ⁽¹⁾	8,505 ⁽⁵⁾	9.1%
General Merchandise Division	913 ⁽²⁾	1,048 ⁽⁵⁾	14.8%
Hotels	221 ⁽²⁾	240	8.6%
Continuing Operations	8,932	9,793	9.6%
Total Fourth Quarter Sales	8,964	9,826	9.6%
Full Year (\$millions)			
Supermarket Division	32,453 ⁽³⁾	36,522	12.5%
General Merchandise Division	4,286 ⁽⁴⁾	4,775 ⁽⁵⁾	11.4%
Hotels	850 ⁽⁴⁾	1,032	21.4%
Continuing Operations	37,589	42,329	12.6%
Total Year to Date Sales	37,734	42,477	12.6%

⁽¹⁾ Includes Foodland (NZ) operations and 20 Australian Ex-FAL store and Taverner and BMG retail liquor sales for 12 weeks to 25 June 2006.

⁽²⁾ Includes BMG and Taverner Hotel sales for the 12 weeks to 25 June 2006.

⁽³⁾ 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.

⁽⁴⁾ Includes BMG Hotel sales from 1 July 2005 and Taverner Hotel sales from 6 February 2006.

⁽⁵⁾ Includes wholesale sales from Woolworths India (Q4: \$12m; Full year: \$25m)

Woolworths Chief Executive Officer, Michael Luscombe, today announced full year sales from continuing operations of \$42.3 billion. This represents an increase of \$4.7 billion (12.6%) on the previous year.

“Overall this has been a very successful year, with strong results in all divisions. The positive momentum has strengthened in the fourth quarter. Particularly pleasing are the strong results in Supermarkets (in both Australia and New Zealand) and our BIG W businesses. The Woolworths management team can be proud that the consistent delivery of our strategy continues to attract increased customer acceptance. Woolworths has an excellent platform to continue to grow and remains focused on our customers, with a combination of greater convenience, freshness, quality, appropriate ranges and consistently low prices across all divisions, underpinned by low costs. We are continually looking to maintain and improve our competitive position by enhancing the experience for our customers and supporting the training and development of our people.” said Michael Luscombe, Managing Director/CEO.

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 \$27.7 billion, an increase of 9.0% over last year, with comparable sales for the year increasing by 6.6%.

During the fourth quarter, sales from the Australian Food and Liquor division increased by 9.7%. Comparable sales for food and liquor for the fourth quarter were 8.2%, further strengthening on the third quarter. Inflation levels have continued to decline as we cycle the “banana effect” with our inflation at 2.2% for the quarter. (Q3: 3.0%).

“The further improvement in comparable sales in the fourth quarter is very pleasing and reflects the real acceptance from our customers of our comprehensive offer. On going investment in our price rollback campaign is delivering value to our customers and assisting our growth. In other initiatives to meet our customers needs, we continue to focus on improvements to the quality of our fresh food offer, our store environments and our role in the communities we serve” said Naum Onikul, Director of Supermarkets.

Australian Food and Liquor sales growth summary:

	Total	Comparable
Q1	9.0%	4.9%
Q2	8.9%	6.4%
Q3	8.3%	6.6%
Q4	9.7%	8.2%
Year	9.0%	6.6%

We opened 22 new Australian supermarkets during the year, with 10 opening in the fourth quarter of 2007, bringing total Australian supermarkets to 766 stores. We also opened 16 new Dan Murphy’s stores and a further 24 new freestanding liquor stores during the year.

Total Liquor sales for the year were \$4.1 billion ⁽¹⁾ (FY06: \$3.5 billion).

The total trading area for the Australian Supermarket Division increased by 3.6% for the year.

⁽¹⁾ Liquor sales include sales from Supermarkets attached liquor, BWS, Dan Murphy’s and ALH bar sales.

New Zealand Supermarkets

New Zealand Supermarket sales of \$3.9 billion for the year represented an increase of 51.2% over the previous year, reflecting the inclusion of this business in the overall group results from 2 November 2005.

Comparable sales for the fourth quarter were 4.7%, consistent with the third quarter.

In New Zealand our overall food inflation for the quarter was approximately 2.1% (Q3: 1.7%) which is still below the general food CPI and reflects the continued investment in lower prices.

New Zealand Supermarkets sales growth summary:

	Total⁽²⁾	Comparable⁽²⁾
Q1	n/a ⁽¹⁾	Flat ⁽³⁾
Q2	n/a ⁽¹⁾	3.8% ⁽³⁾
Q3	4.9%	4.9%
Q4	4.7%	4.7%

(1) Q1 & Q2 total sales growth has not been reported as New Zealand supermarket results were only included in overall group results from 2 November 2005.

(2) Total and comparable sales % quoted based on NZD sales.

(3) Comparable sales in Q1 & Q2 ignore the change in ownership.

Petrol

For the full year, petrol sales were \$4.8 billion, an increase of 10.2%, which was driven by solid increases in comparable volumes and continued rollout of new canopies. Average sell prices were lower than the previous year in the last three quarters of the year. Petrol comparable sales increased by 5.0% during the year (0.6% in the fourth quarter), with comparable volumes having increased 4.8% over the year.

As at the end of the financial year, we had 505 petrol stations including 134 Woolworths/Caltex alliance sites. Excluding the alliance sites, we opened an additional 11 petrol canopies during the year.

Petrol Sales Growth Summary:

	Total	Comparable Dollars	Comparable Volumes
Q1	17.9%	10.7%	Flat
Q2	9.4%	4.5%	6.8%
Q3	9.2%	4.2%	7.1%
Q4	3.9%	0.6%	5.0%
Year	10.2%	5.0%	4.8%

BIG W

Sales for the full year were \$3.5 billion, an increase of 11.1% over the previous year. The result reflects a continuation of the positive momentum in this business. Comparable sales for the full year were a pleasing 3.4%, reflecting a strong second half sales result.

BIG W sales grew by 13.7% in the fourth quarter. The effect of Easter falling one week earlier in April this year is most pronounced in BIG W, which shifted some Easter sales into the third quarter. Comparable sales in the fourth quarter were 8.7% (Easter adjusted). Unadjusted for Easter, fourth quarter comparable sales were 5.8%.

“We are really pleased with this year’s results. The BIG W team has been focused on repositioning and improving our offer to our customers over the last 18 months and the sales results reflect growing customer acceptance of our initiatives. We continue to remain focused on providing customers excellent value for money through great ranges and a consistent application of our Everyday Low Pricing strategy” said Greg Foran, General Manager BIG W.

BIG W sales growth summary:

	Total	Comparable
Q1	6.2%	Flat
Q2	8.8%	1.1%
Q3	17.7%	6.0% ⁽¹⁾
Q4	13.7%	8.7% ⁽¹⁾
Year	11.1%	3.4%

(1) After adjusting for Easter which fell one week earlier in April this year.

There were 13 new BIG W stores opened during the year, with 2 of these being opened in the fourth quarter, taking total stores to 142.

CONSUMER ELECTRONICS (Australia and New Zealand)

Sales for the full year reached \$1.3 billion, a 10.1% increase on previous year, with comparable store sales increasing by 6.4%. After normalising for the effect of exchange rate movements in the New Zealand dollar, sales would have increased 11.0% with comparable sales being 7.2%.

In the fourth quarter solid sales growth of 12.7% was achieved. Comparable sales continued to strengthen to 7.7% (normalised for movement in exchange rates). Unadjusted comparable sales for the quarter were 8.7%.

“The Consumer Electronics group continues to achieve solid sales growth within a highly competitive market. Sales of computer and related peripherals, flat panel televisions, in-car navigation devices and gaming categories have remained strong”, said Alvin Ng, General Manager Dick Smith Electronics.

Consumer Electronics sales growth summary:

	Total	Comparable⁽¹⁾
Q1	8.3%	6.8%
Q2	10.8%	7.3%
Q3	10.5%	7.5%
Q4	12.7%	7.7%
Year	10.1%	7.2%

⁽¹⁾ After adjusting for effect of exchange rate movements in the New Zealand dollar.

There were 40 Electronics stores opened during the year including 3 PowerHouses, with 13 of these being opened in the fourth quarter, taking total stores to 400.

HOTELS

Hotel sales of \$1.0 billion represents an increase of 21.4% and reflects good growth in the existing business and the inclusion of Taverner hotel sales from 6 February 2006.

Hotel sales in the fourth quarter increased by 8.6% to \$240m. Overall comparable sales increased by 3.3% which is an improvement on the third quarter of 1.5%.

This was a pleasing result given the continued influence of smoking bans in Queensland and New South Wales, with overall gaming comparable sales of 1.9% recorded for the quarter (full year - flat). Food comparable sales continue to remain strong.

Our building program incorporating smoking solutions are nearing completion and place us in a good position to manage the move to smoke free hotels. We remain cautious on growth during the introduction of further bans in New South Wales and Victoria in the July period.

Note: Full smoking bans already apply in Queensland, Western Australia and Tasmania. Smoking bans are being phased into other states with full bans applying in NSW and Victoria from 1 July 2007 and in South Australia from 31st October 2007.

Hotels sales growth summary:

	Total ⁽¹⁾	Comparable
Q1	32.7%	3.0%
Q2	32.7%	4.4%
Q3	14.0%	1.5%
Q4	8.6%	3.3%
Year	21.4%	3.2%

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

A further 3 properties were added to the portfolio in the fourth quarter taking total venues to 263.

EARNINGS GUIDANCE

Mr Luscombe said “As a result of the continued strong performance of the business our earnings guidance has been increased with Net profit after tax for FY07 now expected to grow in the range of 25% to 27% (previous guidance of 20% to 24%). The result is based on consistent and successful delivery of our strategy by the Woolworths team. The result reflects excellent sales, underpinned by an improved customer offer including significant reinvestment into price and as previously advised costs relating to our supply chain transition and impact of full smoking bans.”

Further detail will be provided in the full year profit result on 27 August 2007.

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Appendix 1

	2006	2007	Increase
	Statutory	Statutory	(12 weeks)
	(12 weeks)	(12 weeks)	
<u>Fourth Quarter by Division (\$millions)</u>			
Australian Food and Liquor	5,855 ⁽¹⁾⁽²⁾	6,424	9.7%
New Zealand Supermarkets	834 ⁽³⁾	929	11.4%
Petrol	1,109	1,152	3.9%
Supermarket Division	7,798	8,505	9.1%
BIG W	663	754	13.7%
Consumer Electronics	250	294 ⁽⁸⁾	17.6%
General Merchandise Division	913	1,048	14.8%
Hotels	221	240	8.6%
Continuing Operations	8,932	9,793	9.6%
Wholesale Division	32	33	-
Total Fourth Quarter Sales	8,964	9,826	9.6%

	2006	2007	Increase
	Statutory	Statutory	(52 weeks)
	(52 weeks)	(52 weeks)	
<u>Full Year by Division (\$millions)</u>			
Australian Food and Liquor	25,458 ^{(4) (5)}	27,745	9.0%
New Zealand Supermarkets	2,605 ⁽⁶⁾	3,940	51.2%
Petrol	4,390	4,837	10.2%
Supermarket Division	32,453	36,522	12.5%
BIG W	3,119	3,465 ⁽⁸⁾	11.1%
Consumer Electronics	1,167	1,310	12.3%
General Merchandise Division	4,286	4,775	11.4%
Hotels	850 ⁽⁷⁾	1,032	21.4%
Continuing Operations	37,589	42,329	12.6%
Wholesale Division	145	148	2.1%
Total Year to Date Sales	37,734	42,477	12.6%
<u>Periods (\$millions)</u>			
14 Weeks Ended 1 October 2006	8,884	10,743	20.9%
13 Weeks Ended 31 December 2006	10,179	11,349	11.5%
First Half	19,063	22,092	15.9%
13 Weeks Ended 1 April 2007	9,707	10,559	8.8%
12 Weeks Ended 24 June 2007	8,964	9,826	9.6%
Second Half	18,671	20,385	9.2%
Total Full Year Sales	37,734	42,477	12.6%

(1) Includes 20 Australian Ex-FAL stores for the 12 weeks to 25 June 2006.

(2) Includes BMG and Taverner Retail Liquor sales for the full 12 weeks to 25 June 2006.

(3) Represents Supermarkets (NZ) operations for the 12 weeks to 25 June 2006

(4) Includes sales from the 20 Australian Ex-FAL Stores from 2 November 2005

(5) Includes BMG Retail Liquor sales from 1 July 2005 and Taverner Retail Liquor sales from 6 February 2006.

(6) Represents Supermarkets (NZ) operations from 2 November 2005.

(7) Includes BMG Hotel sales from 1 July 2005 and Taverner Hotel sales from 6 February 2006.

(8) Includes wholesale sales relating to Woolworths India (Q4: \$12m; Full year: \$25m)

Appendix 2

Five Year Store and Trading Area Analysis					
Year Ended 24 June 2007	2007	2006	2005	2004	2003
	FULL	FULL	FULL	FULL	FULL
	YEAR	YEAR	YEAR	YEAR	YEAR
STORES (number)					
NSW & ACT	237	238	233	234	228
QLD	168	161	147	143	141
VIC	183	182	183	179	175
SA & NT	72	69	69	63	63
WA	79	79	64	60	58
TAS	27	27	27	29	29
Supermarkets in Australia ⁽¹⁾	766	756	723	708	694
New Zealand Supermarkets (includes franchise)	199	198	-	-	-
Total Supermarkets	965	954	723	708	694
Freestanding Liquor (incl. Dan Murphy)	212	204	192	192	164
ALH Retail Liquor Outlets	424	432	382	-	-
Caltex/WOW Petrol	134	131	117	44	0
Woolworths Petrol – Australia	371	360	339	315	287
Woolworths Petrol/Convenience – New Zealand	22	22	-	-	-
Total Supermarket Division	2,128	2,103	1,753	1,259	1,145
BIG W	142	129	120	111	104
Dick Smith Electronics	254	223	202	164	153
Dick Smith Powerhouse	23	20	18	18	16
Tandy	123	123	122	148	179
Total General Merchandise Division	542	495	462	441	452
Hotels (includes 8 clubs)	263	250	169	-	-
Total Group	2,933	2,848	2,384	1,700	1,597
Trading Area (sqm)					
Supermarkets Division – Australia	1,801,570 ⁽²⁾	1,738,377 ⁽⁴⁾	1,682,536 ⁽⁴⁾	1,623,530	1,574,640
Ex-FAL Stores – Australia	47,222	45,902	-	-	-
Supermarkets Division – New Zealand	291,092	291,792	-	-	-
General Merchandise Division ⁽³⁾	930,288	843,316	783,685	731,788	695,338
Total Group	3,070,172	2,919,387	2,466,221	2,355,318	2,269,978
(1) Supermarket Store Movements July 06 - June 07					
New Stores – incremental	22				
Closures - permanent	(9)				
Closures – for re-development	(3)				
Net New Stores	10				
⁽²⁾ Australian Supermarkets Division trading area (excluding Petrol and ALH BWS outlets and including the Australian Ex-FAL stores) has increased by:				3.6%	
⁽³⁾ Excludes Woolworths India					
⁽⁴⁾ Comparative trading area adjusted to include ALH Dan Murphy's sites					