

# Woolworths' nightmare after Christmas

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*Retailer says exclusion of Boxing Day from first-half figures is partly to blame for lacklustre sales growth.*



Picture: [BDive](#)

Woolworths suffered a sharp slowdown in Christmas sales growth. Excluding a R3.8bn windfall from the sale of David Jones's Sydney head office, the retail chain expects to report a decline in interim earnings.

Basic earnings for the 26 weeks to December 25 are expected to be boosted by between 30% and 40% from the matching period's 253.7c by the A\$360m sale of David Jones's head office in August.

But headline earnings, which exclude the property sale, were expected to decline by up to 7.5%, Woolworths said in a trading update on Thursday morning.

Woolworths is scheduled to release its interim results on about February 16.

Overall group sales growth for the 26 weeks to Christmas Day was 6.7% — less than half the matching period's 17.1%. The previous year's interim sales figures were boosted by the inclusion of Australian acquisition David Jones. Excluding David Jones, group sales grew 12.3% for the 26 weeks to December 27 2015.

Woolworths blamed the exclusion of Boxing Day from the first-half figures for its 2017 financial year for part of its lacklustre sales growth figures.

The group's clothing and general merchandise sales growth slowed to 3.5% from the matching period's 11.7%. Excluding new stores, sales grew 1.2%. Net retail space allocated to clothing and general merchandise expanded by 2.9%.

Food sales were up 9.5%, down from the matching period's 12.1%. Excluding new stores, food sales grew 5.6% and retail space grew by a net 7.9%.

**Source:** BDpro

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