

WOOLWORTHS LIMITED

A.B.N 88 000 014 675

25 January 2006

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

Dear Sir,

RE: WOOLWORTHS LIMITED - Listing Rule 3.1

Please find following the Second Quarter Sales Results for the 13 week period ending 1 January 2006.

For and on behalf of
WOOLWORTHS LIMITED

A handwritten signature in black ink, appearing to read 'P. Horton', is written over the typed name of the company secretary.

PETER J. HORTON
COMPANY SECRETARY

WOOLWORTHS LIMITED

A.C.N. 000 014 675

NEWS RELEASE NEWS RELEASE

25 January 2006

FIRST HALF YEAR SALES RESULTS FOR THE 27 WEEKS TO 1 JANUARY 2006

SALES OF \$19.0 BILLION, UP 18.4% OR \$2.9 BILLION

*“Sales strengthened in all divisions in the second quarter.” ... Roger Corbett,
Group Managing Director/CEO*

	2005 27 weeks	2006 27 weeks	Increase (%)
Half Year by Division (\$millions)			
Food and Liquor	12,090 ⁽¹⁾	13,939 ⁽²⁾	15.3
Petrol	1,627	2,206	35.6
Supermarket Division	13,717	16,145	17.7
BIG W General Merchandise	1,670	1,796	7.5
Consumer Electronics	546	641	17.4
General Merchandise Division	2,216	2,437	10.0
Hotels	98 ⁽³⁾	406 ⁽⁴⁾	314.3
Continuing Operations	16,031	18,988	18.4
Wholesale Division	74	75	1.4
Total First Half Year Sales	16,105	19,063	18.4

Woolworths Chief Executive Officer, Roger Corbett, today announced half year sales growth of 18.4% from continuing operations.

“Sales in all our divisions have continued to strengthen in the second quarter reflecting a solid December trading period.” Roger Corbett, Group Managing Director/CEO.

⁽¹⁾ Includes ALH retail liquor sales for the 2 months to 2 January 2005

⁽²⁾ Includes Foodland (NZ) operations and 20 Australian ex-FAL store sales from 2 November 2005, and ALH retail, MGW retail and BMG retail sales for the 27 weeks

⁽³⁾ Represents ALH Hotel sales for the 2 months to 2 January 2005

⁽⁴⁾ Includes ALH, MGW and BMG Hotel sales for 27 weeks

SUPERMARKET DIVISION

Sales for the half year (including New Zealand and the 20 Australian ex-FAL stores) were \$16.1 billion, an increase of 17.7%. Sales for the second quarter were \$8.5 billion, an increase of 23.0%.

The half year Australian Supermarket Division total sales increased by 12.0% (including sales from 20 ex-FAL stores from 2 November 2005). New Zealand total sales for the half year increased by 4.3% over the equivalent period last year. New Zealand total sales increased by 5.7% in the second quarter reflecting buoyant consumer spending.

Comparable Australian store sales for Food and Liquor for the second quarter, increased by 4.2% compared with 3.2% in the first quarter (half year comparable sales 3.7%). Comparable store sales in the second quarter for New Zealand increased by 5.8% (half year 4.3%).

“This quarter’s sales for Australia represent a strengthened result in a continuing competitive market. The December trading period was particularly strong. Our focus on freshness, range, convenience, service and lower prices in our stores continues to have strong customer acceptance,” Michael Luscombe, Director of Supermarkets.

Inflation in Australia in the quarter has remained relatively unchanged at under 2%. In New Zealand overall food inflation was 1.5% – 2.0% in the half (under CPI of around 3.0%).

During the half year nine new Supermarkets, 20 ex-FAL Stores, 15 (net) BWS liquor outlets and eight Dan Murphy outlets, were opened in Australia. The ex-FAL Stores commenced trading under the Woolworths banner from 24 November 2005, albeit we have consolidated their sales from 2 November 2005, being the date we obtained effective control of the business. No new stores were opened in New Zealand during the half.

PETROL

Petrol sales for the half, including Woolworths/Caltex Alliance sites, increased by 35.6% reflecting higher petrol prices in this half compared to last year. Litres sold increased 15.4% in the half year. As of today we have 472 sites, including 125 Alliance sites. We have achieved our target of 470 canopies and will roll out petrol canopies as required by the growth of the Supermarket and BIG W store networks.

BIG W

BIG W sales grew 7.5% in the half with second quarter sales increasing by 8.4% on the previous corresponding quarter. Comparable sales for the quarter were 2.9% (1st quarter 1.2%, half year 2.2%).

“Comparable sales in the second quarter reflected a strong December trading period with comparable sales in December exceeding 3%. The market however remains slightly tighter than previous years,” Greg Foran, General Manager BIG W.

Three BIG W stores were opened in the half taking the total number of stores in the division to 123.

CONSUMER ELECTRONICS

Consumer Electronics has continued to enjoy strong growth with sales for the half increasing by 17.4% and for the second quarter increasing by 18.6%. Comparable sales growth for the second quarter was 12.3% (1st quarter 11.2%, half year 11.8%). “In particular strong sales growth was achieved across innovative technology categories, home entertainment and computers” Alvin Ng, General Manager, Dick Smith Electronics.

During the half year 15 new Dick Smith Electronics, Powerhouse and Tandy stores were opened.

HOTELS

Hotel sales of \$406 million have been achieved in the half year. This represents a combination of 'on premises' sales revenue from the businesses of Australian Leisure & Hospitality, MGW Hotels and the hotel assets of the Bruce Mathieson Group, which are all now combined as the ALH Group (previously called Bruandwo).

Sales growth was in line with expectations with sales increasing by 4.2% over the half year and gaming revenue growing at 4.7% year on year across the group. The period witnessed the successful completion of the integration of operations of the ALH Group, as well as the introduction of partial smoking restrictions in New South Wales, Queensland and South Australia, together with legislated gaming machine reductions in South Australia.

SALES OUTLOOK AND EARNINGS GUIDANCE FOR THE FULL YEAR

"Given the continuance of the trading patterns of the first half, and the maintenance of the present business and economic climate, Woolworths expects sales from continuing operations for the full year to grow in the upper single digits, with net profit after tax increasing in the range of 10% to 15% (excluding Foodland/Taverner). We therefore maintain our earnings guidance for the Full Year 2005/6 as previously reported," said Mr. Corbett.

For further information contact:

Roger Corbett (02) 8885 1026

Tom Pockett (02) 8885 1028

Investors/Analysts

Appendix 1

<u>Second Quarter by Division</u> (\$million)	2005 13 weeks	2006 13 weeks	Increase (%)
Food and Liquor	6,116 ⁽¹⁾	7,470 ⁽²⁾	22.1
Petrol	833	1,078	29.4
Supermarket Division	6,949	8,548	23.0
BIG W General Merchandise	959	1,040	8.4
Consumer Electronics	296	351	18.6
General Merchandise Division	1,255	1,391	10.8
Hotels	98 ⁽³⁾	202 ⁽⁴⁾	106.1
Continuing Operations	8,302	10,141	22.1
Wholesale Division	37	38	2.7
Total Second Quarter Sales	8,339	10,179	22.1

<u>Periods</u> (\$million)	2005 27 weeks	2006 27 weeks	Increase (%)
14 Weeks Ended 2 October, 2005	7,766	8,884	14.4
13 Weeks Ended 1 January, 2006	8,339	10,179	22.1
Total Half Year Sales	16,105	19,063	18.4

⁽¹⁾ Includes ALH retail sales for the 2 months to 2 January 2005

⁽²⁾ Includes Foodland (NZ) operations and 20 Australian ex-FAL stores from 2 November 2005, and ALH retail, MGW retail and BMG retail sales for the 13 weeks

⁽³⁾ Represents ALH Hotel sales for the 2 months to 2 January 2005

⁽⁴⁾ Includes ALH, MGW and BMG Hotel sales for 13 weeks

Appendix 2

Woolworths Limited	2006 HALF YEAR	2005 FULL YEAR	2004 FULL YEAR	2003 FULL YEAR	2002 FULL YEAR
STORES (number)					
NSW & ACT	235	233	234	228	227
QLD	155	147	143	141	130
VIC	182	183	179	175	171
SA & NT	69	69	63	63	60
WA	80	64	60	58	59
TAS	27	27	29	29	29
Supermarkets in Australia	748	723	708	694	676
Supermarkets in New Zealand ⁽¹⁾	195	-	-	-	-
Total Supermarkets	943	723	708	694	676
Freestanding Liquor (including Dan Murphy)	200	192	192	164	139
ALH/MGW/BMG Retail Liquor Outlets	397	382	-	-	-
Caltex/Woolworths Petrol	125	117	44	-	-
Woolworths Petrol - Australia	347	339	315	287	256
Woolworths Petrol – New Zealand	22	-	-	-	-
Total Supermarket Division	2,034	1,753	1,259	1,145	1,071
BIG W	123	120	111	104	96
Dick Smith Electronics	215	202	164	153	147
Dick Smith Powerhouse	19	18	18	16	15
Tandy	123	122	148	179	204
Total General Merchandise Division	480	462	441	452	462
Hotels (ALH/MGW/BMG)	176	169	-	-	-
Total Group	2,690	2,384	1,700	1,597	1,533
TRADING AREA (sq metres)					
Supermarket Division – Australia ⁽²⁾	1,702,612	1,678,343	1,623,530	1,574,640	1,499,696
Ex-FAL Stores – Australia	44,776	-	-	-	-
Supermarket Division – New Zealand ⁽³⁾	285,585	-	-	-	-
General Merchandise Division	807,916	783,685	731,788	695,338	640,832
Total Group	2,840,889	2,462,028	2,355,318	2,269,978	2,140,528
Supermarkets in Australia Store Movements					
Jul 05 - Dec 05					
New Stores – Incremental	9				
New Stores – ex-FAL	20				
Closures – Permanent	4				
Net New Stores	25				
Supermarkets trading area excluding ALH/MGW/BMG retail outlets and including the Australian ex-FAL acquired stores has increased by:					
	4.11%				

(1) Supermarkets in New Zealand includes franchise stores

(2) Supermarkets trading area (excludes ALH/MGW/BMG retail outlets)

(3) Excluding franchise stores and petrol sites