

WOOLWORTHS LIMITED

A.B.N 88 000 014 675

30 January 2008

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 attached the First Half Year Sales Results for the 27 weeks to 30 December 2007.

**For and on behalf of
WOOLWORTHS LIMITED**

A handwritten signature in black ink, appearing to read 'P. Horton', is positioned above the typed name of the signatory.

**PETER J HORTON
COMPANY SECRETARY**

WOOLWORTHS LIMITED

A.C.N. 000 014 675

NEWS RELEASE NEWS RELEASE

30 January 2008

FIRST HALF YEAR SALES RESULTS FOR THE 27 WEEKS TO 30 DECEMBER 2007

**SALES OF \$24.0 BILLION
UP 8.6% OR \$1.9 BILLION**

“Our second quarter sales results reflect the continuation of the strong sales growth being experienced in all our divisions.”

- Michael Luscombe, CEO and Managing Director

	2007 27 weeks	2008 27 weeks	Increase (%)
<u>Half Year by Division</u> (\$millions)			
Australian Food and Liquor	14,340	15,495	8.1
New Zealand Supermarkets	1,989	2,158	8.5
Petrol	2,510	2,671	6.4
Supermarket Division	18,839	20,324	7.9
BIG W	1,934	2,187	13.1
Consumer Electronics – Aust / NZ	698	769	10.2
Consumer Electronics – India	5	46	820.0
Consumer Electronics - Total	703	815	15.9
General Merchandise Division	2,637	3,002	13.8
Hotels	540	586	8.5
Continuing Operations	22,016	23,912	8.6
Wholesale Division	76	80	5.3
Total First Half Year Sales	22,092	23,992	8.6

Woolworths Chief Executive Officer and Managing Director, Michael Luscombe, today announced half year sales growth of 8.6% from continuing operations. “The second quarter saw a continuation of the strong sales growth in all our businesses. December trading was solid with the bulk of the Christmas trading occurring later than last year reflecting changing customer purchasing trends and the timing of Christmas Day.” he said.

AUSTRALIAN FOOD AND LIQUOR

Australian Food and Liquor sales for the half year were \$15.5 billion, an increase of 8.1%. Sales for the second quarter were \$7.8 billion, an increase of 7.4% over last year.

Comparable store sales in Food and Liquor for the second quarter increased 6.0% (1st quarter 7.6%, half year 6.8%) on last year as we cycle a similarly strong quarter in the prior year of 6.4%. Inflation in the second quarter was approximately 2.4%, slightly higher than last quarter, reflecting price pressures flowing through from drought affected products, offset by deflation in produce. Inflation for the half was 2.0%. (last half year 4.0%)

“The continuation of the growth evident in our comparable sales reflects the acceptance from our customers of our comprehensive offer, improved store execution and our on-going investment in lower prices. We were pleased with the Christmas trading period and the high standard of service delivered to our customers. Our focus on improving our offer continues with excellent progress being made in delivering our new store format throughout our network.” said Naum Onikul, Director of Food Liquor & Petrol.

There were 19 new supermarkets opened during the half year taking the total to 774. We also opened 13 new Dan Murphy stores taking the total to 80.

NEW ZEALAND SUPERMARKETS

New Zealand Supermarkets achieved a sales result of \$2.16 billion for the half year, with second quarter sales of \$1.09 billion.

New Zealand comparable sales for the second quarter were 5.7% (1st quarter 9.9%, half year 7.7%). This result is particularly pleasing and demonstrates the continued progress being made in improving our offer to the New Zealand customer.

In New Zealand, overall food inflation was approximately 3.0% in the quarter. (1st quarter 2.4%, half year 2.7%, prior half year 1.1%)

Note: Comparable sales % quoted are based on NZD sales. First quarter comparable sales reflect the cycling of the prior year industrial action.

PETROL

Petrol sales for the half, including Woolworths/Caltex Alliance sites, increased by 6.4% to \$2.7 billion. Petrol sales in the quarter increased 14.5%, reflecting higher petrol prices.

Petrol comparable sales increased 3.7% during the half, (2nd quarter 11.6%). Comparable volumes increased 0.8% in the half. Volumes in the second quarter were impacted by lower demand due to higher petrol prices resulting in comparable volumes in the second quarter declining 1.3%.

During the half year 12 petrol canopies were opened taking total sites to 516, including 135 alliance sites.

BIG W

BIG W sales grew by 13.1% during the half and 10.6% for the second quarter. Comparable store sales in the second quarter were 3.6% (1st quarter 9.6%, half year 5.9%).

“The repositioning of our BIG W business has continued and is progressing well. These results reflect the continued endorsement by our customers of the progress we have made to date.” said Greg Foran, General Manager BIG W.

Six BIG W stores were opened during the half year taking total stores in the division to 148.

CONSUMER ELECTRONICS

Total Consumer Electronics sales grew by 15.9% during the half and 15.7% for the second quarter.

Consumer Electronics (Aust / NZ) had reasonable growth with sales for the half year increasing 10.2% and increasing 9.9% in the second quarter.

Comparable store sales (Aust / NZ) for the half were 4.5%⁽¹⁾ (2nd quarter 5.3%, 1st quarter (adjusted)⁽²⁾ 3.7%).

Nineteen Dick Smith Electronics stores and three Powerhouse stores were opened during the half taking total stores to 416.

Our business venture with TATA in India now services 13 retail stores operating under the Croma brand and has produced sales of \$46 million for the half year. As part of this venture Woolworths Limited provides buying, wholesale, supply chain and general consulting services to TATA.

(1) Comparable sales quoted above are normalised for movements in exchange rates. Unadjusted for exchange rate movements comparable store sales for the half year were 5.0% (1st quarter 4.9%, 2nd quarter 5.1%)

(2) First quarter comparable sales have been recalculated. The restatement results from a calculation error which resulted in the classification of some new stores as comparable.

HOTELS

Our Hotels business enjoyed solid growth in a challenging market with sales in the first half increasing by 8.5% to \$586 million. Second quarter sales increased by 7.8% to \$289 million.

Overall comparable sales increased by 2.3% in the second quarter, slightly lower than the first quarter of 3.5% (1st half 2.9%), reflecting the impact of smoking bans. Gaming comparable sales for the second quarter were solid at 3.1 % (1st quarter 4.3%, half 3.7%). Bar sales have been impacted by smoking bans.

This is a pleasing result, which shows the strength of our hotel portfolio. These results continue to exceed those experienced by the broader market. Although the business has performed well in the first half, we remain cautious on the extent of the impact of smoking bans over the remainder of the financial year.

A further 9 properties were added to the portfolio in the half taking total hotels to 271.

Note: Full smoking bans were introduced into South Australia during this quarter (from 31 October 2007). Full smoking bans were applied in NSW and Victoria from 1 July 2007. Full smoking bans were previously in force in Queensland, Western Australia and Tasmania.

SALES OUTLOOK FOR THE FULL YEAR

“Woolworths remains focused on providing customers with a combination of greater convenience, freshness, quality, best range and consistently lower prices across all divisions. With these principles in mind we have significant scope to reinvest in our business to drive future growth. Provided current retail trading patterns and the present business, competitive and economic climate continue, we expect sales from continuing operations for the full year to grow in the range of 8% to 10%.” said Mr Luscombe.

Earnings guidance for the full year will be provided in conjunction with the half year profit announcement on 26 February 2008.

For further information contact:

Clare Buchanan
Tom Pockett (Finance Director)

(02) 8885 1032 – Media
(02) 8885 1105 – Investors/Analysts

Appendix 1

	2007 13 weeks	2008 13 weeks	Increase (%)
<u>Second Quarter by Division (\$million)</u>			
Australian Food and Liquor	7,288	7,828	7.4
New Zealand Supermarkets	1,056	1,088	3.0
Petrol	1,179	1,350	14.5
Supermarket Division	9,523	10,266	7.8
BIG W	1,131	1,251	10.6
Consumer Electronics – Aust / NZ	384	422	9.9
Consumer Electronics – India	5	28	460.0
Consumer Electronics – Total	389	450	15.7
General Merchandise Division	1,520	1,701	11.9
Hotels	268	289	7.8
Continuing Operations	11,311	12,256	8.4
Wholesale Division	38	40	5.3
Total Second Quarter Sales	11,349	12,296	8.3

	2007 27 weeks	2008 27 weeks	Increase (%)
<u>Periods (\$million)</u>			
14 Weeks Ended 30 September, 2007	10,743	11,696	8.9
13 Weeks Ended 30 December, 2007	11,349	12,296	8.3
Total Half Year Sales	22,092	23,992	8.6

Appendix 2

Woolworths Limited	2008 HALF YEAR	2007 FULL YEAR	2006 FULL YEAR	2005 FULL YEAR	2004 FULL YEAR
STORES (number)					
NSW & ACT	237	237	238	233	234
QLD	174	168	161	147	143
VIC	184	183	182	183	179
SA & NT	72	72	69	69	63
WA	79	79	79	64	60
TAS	28	27	27	27	29
Supermarkets in Australia	774	766	756	723	708
Supermarkets in New Zealand (incl. franchise)	197	199	198	-	-
Total Supermarkets	971	965	954	723	708
Freestanding Liquor (incl. Dan Murphy)	223	212	204	192	192
ALH Retail Liquor Outlets	436	424	432	382	-
Caltex/Woolworths Petrol	135	134	131	117	44
Woolworths Petrol – Australia	381	371	360	339	315
Woolworths Petrol/Convenience – New Zealand	22	22	22	-	-
Total Supermarket Division	2,168	2,128	2,103	1,753	1,259
BIG W	148	142	129	120	111
Dick Smith Electronics	273	254	223	202	164
Dick Smith Powerhouse	26	23	20	18	18
Tandy	117	123	123	122	148
Total General Merchandise Division	564	542	495	462	441
Hotels (incl. 8 clubs)	271	263	250	169	-
Total Group	3,003	2,933	2,848	2,384	1,700
TRADING AREA (sq metres)					
	(2)	(2)	(2) (4)	(2) (4)	
Supermarket Division – Australia ⁽¹⁾	1,898,274	1,848,792	1,784,279	1,682,536	1,623,530
Supermarket Division – New Zealand ⁽³⁾	289,920	291,092	291,792	-	-
General Merchandise Division	972,615	930,288	843,316	783,685	731,788
Supermarkets in Australia Store Movements					
Jul 07 - Dec 07					
New Stores – incremental	19				
Closures – permanent	(7)				
Closures – for redevelopment	(4)				
Net New Stores	8				

(1) Australian Supermarkets Division trading area (excluding Petrol and ALH retail outlets and including Australian Ex-FAL stores) has increased by **2.68%** (prior half year 1.14% ⁽⁴⁾)

(2) Includes Australian ex-FAL stores

(3) Excludes Gull and franchise stores

(4) Comparative trading area adjusted to include ALH Dan Murphy's sites